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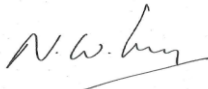
Please ask for:  
Graham Seal

30 September 2019

Dear Councillor

You are requested to attend a meeting of the WELWYN HATFIELD BOROUGH COUNCIL CABINET to be held on Tuesday 8 October 2019 at 7.30pm in the Council Chamber, Council Offices, The Campus, Welwyn Garden City, Herts, AL8 6AE.

Yours faithfully



Corporate Director  
Public Protection, Planning and Governance

**AGENDA**  
**PART 1**

1. **MINUTES**

To confirm as a correct record the Minutes of the meeting held on 17 September 2019 (previously circulated).

2. **APOLOGIES**

3. **PUBLIC QUESTION TIME AND PETITIONS**

Up to fifteen minutes will be made available for questions from members of the public on issues relating to the work of the Cabinet and to receive any petitions.

4. **ACTIONS STATUS REPORT (Pages 5 - 6)**

Report of the Corporate Director (Public Protection, Planning and Governance) on the status of actions agreed at the last Cabinet meeting.

5. NOTIFICATION OF URGENT BUSINESS TO BE CONSIDERED UNDER ITEM 12

6. DECLARATIONS OF INTERESTS BY MEMBERS

To note declarations of Members' disclosable pecuniary interests, non-disclosable pecuniary interests and non-pecuniary interests in respect of items on the Agenda.

7. ITEMS REQUIRING KEY DECISION

To consider the following items for decision in the current Forward Plan:-

- (a) Now Housing Limited Business Plan 2019 - 2025 (Forward Plan Reference FP930) (Pages 7 - 42)

Joint report of the Corporate Directors (Housing and Communities) and (Resources, Environment and Cultural Services) submitting the Plan for approval.

- (b) Draft Housing Delivery Strategy (Forward Plan Reference FP932) (Pages 43 - 58)

Report of the Corporate Director (Housing and Communities) introducing the draft Strategy for approval.

- (c) Domestic Abuse Policy (Forward Plan Reference FP938) (Pages 59 - 64)

Recommendation from the meeting of the Social Overview and Scrutiny Committee on 4 September 2019 on the adoption of an updated Domestic Abuse Policy.

**Note:** Report attached. Click link below item 10 for the Appendixes:-

Social Overview and Scrutiny Committee Agenda Pack – 4 September 2019

<https://democracy.welhat.gov.uk/ieListDocuments.aspx?CId=155&MId=1006>

8. ITEM REQUIRING KEY DECISION NOT IN THE FORWARD PLAN

To consider the following item for decision not in the current Forward Plan:-

- (a) Business Rates Pooling (Pages 65 - 68)

Report of the Corporate Director (Resources, Environment and Cultural Services) seeking delegated authority to enter into a business rates pooling arrangement with other authorities in Hertfordshire, if there is a financial case for doing so.

**(Note:** The Chairman of the Resources Overview and Scrutiny Committee has been given notice that it was impracticable to comply with the requirement that at least twenty eight days notice must be given of the intention to make a key decision on the Forward Plan in accordance with Regulation 10 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 because it was urgent and could not reasonably be deferred for the reason specified).

- (1) The reason for this item is to enable a business rates pooling arrangement to be entered into if there was a financial case for doing so.

9. VULNERABLE REFUGEE RESETTLEMENT SCHEME (Pages 69 - 74)

Report of the Corporate Director (Housing and Communities) giving an update and seeking endorsement of the Council's continued involvement and assistance in the current and future schemes.

10. REVIEW OF THE HATFIELD COMMUNITY SPORT FUND (Pages 75 - 82)

Report of the Corporate Director (Housing and Communities) on a review of the purpose of the fund and the split of that funding.

11. HERTFORDSHIRE LOCAL ENTERPRISE PARTNERSHIP (HERTS LEP) LOCAL INDUSTRIAL STRATEGY DRAFT FOR CONSULTATION (Pages 83 - 88)

Report of the Corporate Director (Public Protection, Planning and Governance) on consultation on the draft Strategy.

12. SUCH OTHER BUSINESS AS, IN THE OPINION OF THE CHAIRMAN, IS OF SUFFICIENT URGENCY TO WARRANT IMMEDIATE CONSIDERATION

13. EXCLUSION OF PRESS AND PUBLIC

The Cabinet is asked to resolve:

That under Section 100(A)(2) and (4) of the Local Government Act 1972, the press and public be now excluded from the meeting for Item 14 (if any) on the grounds that it involves the likely disclosure of confidential or exempt information as defined in Section 100(A)(3) and Paragraph 3 (private financial or business information) of Part 1 of Schedule 12A of the said Act (as amended).

In resolving to exclude the public in respect of the exempt information, it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

## PART II

14. ANY OTHER BUSINESS OF A CONFIDENTIAL OR EXEMPT NATURE AT THE DISCRETION OF THE CHAIRMAN

<u>Circulation:</u>	Councillors	T.Kingsbury (Chairman)	N.Pace
		D.Bell (Vice-Chairman)	B.Sarson
		S.Boulton	F.Thomson
		T.Mitchinson	

Corporate Management Team  
Press and Public (except Part II Items)

**If you require any further information about this Agenda please contact Graham Seal, Governance Services on 01707 357444 or email – [democracy@welhat.gov.uk](mailto:democracy@welhat.gov.uk)**

# Agenda Item 4

Part I

Main author: Graham Seal

Executive Member: Cllr Fiona Thomson

Not Ward Specific

WELWYN HATFIELD BOROUGH COUNCIL

CABINET – 8 OCTOBER 2019

REPORT OF THE CORPORATE DIRECTOR (PUBLIC PROTECTION, PLANNING AND GOVERNANCE)

## ACTIONS STATUS REPORT

### **1 Executive Summary**

1.1 In order to ensure that actions identified at meetings are completed, this report lists the actions from the last Cabinet meeting, those responsible for completing each action and its current status.

### **2 Recommendation(s)**

2.1 That Members note the status of the following actions which were identified at the last Cabinet meeting on 17 September 2019:-

<b>Minute</b>	<b>Action</b>	<b>Responsible</b>	<b>Status/ Date Completed</b>
40.1	Housing, Homelessness and Rough Sleeping Strategy 2019-2024 Adoption	Rachel Sesstein	Reported to the Council meeting on 26 September 2019 for adoption.
42	Government Consultation on the Mandatory Fortification of Flour with Folic Acid	Paul Underwood	Representations have been submitted.

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Part I

Main author: Simone Russell

Executive Member: Cllr Nick Pace/Duncan Bell

All Wards

WELWYN HATFIELD BOROUGH COUNCIL

CABINET – 8 OCTOBER 2019

REPORT OF THE CORPORATE DIRECTOR (HOUSING AND COMMUNITIES) AND  
CORPORATE DIRECTOR (RESOURCES, ENVIRONMENT AND CULTURAL  
SERVICES)

NOW HOUSING LIMITED BUSINESS PLAN 2019-2025

## **1 Executive Summary**

- 1.1 This report recommends that Cabinet approves the business plan for Now Housing Limited, to cover the period 2019-2025. Now Housing Limited is the council-owned housing company set up following Cabinet approval in January 2019 with the aim of helping to meet local housing need. The draft business plan is appended to this report (Appendix A).
- 1.2 The business plan has been developed following legal advice from Trowers and Hamlin, and financial advice from Savills. The plan sets out how Now Housing Ltd will help the council achieve its targets for delivering affordable housing for local people. The council's objectives are contained within its Housing, Homelessness and Rough Sleeping Strategy 2019-2024 and Housing Delivery Strategy 2019-2025.
- 1.3 The overall business plan target for additional homes is 372 over the life of the plan. To achieve this £77m of finance will be required from the council, based on the current assumptions as set out in the business plan.
- 1.4 In accordance with the objectives of Now Housing Ltd this business plan provides for a financial return to the council's General Fund. The business plan provides for an annual return which will increase each year over the life of the business plan. Based upon the current plan, a £377k return may be generated by the end of year five, although this is likely to fluctuate as the plan is refined, service level agreements are defined and interest rates are confirmed.
- 1.5 Considerable work has been carried out to assess the risks associated with the operation of Now Housing Ltd and again this has involved input from both our legal and financial advisers. The risk map is attached at Appendix B.
- 1.6 Reports on Now Housing's progress against the business plan will be shared with Cabinet through Cabinet Housing Panel and the business plan itself will be subject to annual review and fresh action planning, with a full re-write every five years.

## **2 Recommendation(s)**

- 2.1 That Cabinet Members approve the Now Housing Limited Business Plan 2019-25.

### **3 Explanation**

3.1 Demand for affordable housing in Welwyn Hatfield is far outstripping supply. There are currently more than 2500 households on the housing register who are waiting for social/affordable housing and more than 120 households currently living in temporary accommodation.

The council's current business plan 2018-21 identifies housing as one of its five priorities and this includes providing more affordable homes.

3.1 During 2018 the council commissioned a housing demand and affordability study so that it could understand more about what additional provision was required to meet local housing need, over and above the council's Housing Revenue Account (HRA) funded affordable housing programme.

3.2 In January 2019 the council's Cabinet approved the creation of a wholly council-owned local housing company (Now Housing Ltd), with the agreement that trading could commence after its business plan had been approved by Cabinet.

3.3 The objectives of Now Housing Ltd were agreed by Cabinet at this time. They are:

- Provide good quality, well managed homes for residents in the borough of Welwyn Hatfield which people can afford to live in and which complement the council's existing and planned housing provision.
- Support the growing local demand for a mix of housing tenures by providing intermediate, low cost home ownership or open market homes and letting sub-market and market rented homes;
- Be a financially robust company, generating a profit to be used for the purpose of providing more affordable housing and delivering financial returns to the shareholder;
- Stimulate local housing regeneration and partnership working

3.4 The targets within the business plan are in line with these objectives and also reflect the targets set out within the council's new Housing Delivery Strategy.

3.5 Importantly the business plan sets out financial provisions which are not only viable for the company but will generate additional income for the council. More information on these provisions are included in the 'Financial Implications' section of this report.

3.6 The business plan finances have initially been set based upon the provision of affordable housing only. This demonstrates the company would be viable without the need to charge market rents, and on this basis, as these activities are not market activities, the financing and loan activities are outside of the scope of state aid. Market activities would not be able to be undertaken by the company without further legal and financial advice, which may be required in future schemes to cross-subsidise the affordable units.

### **Business plan timescale and arrangements for monitoring and review**



- 3.7 Once approved the business plan will cover the period from October 2019 until March 2025. Subsequent business plans will run for five years, commencing April 2025.
- 3.8 Progress against the business plan targets will be reported on a quarterly basis to the Shareholder Representative Group and Cabinet through Cabinet Housing Panel. It will be subject to review every year, at which time an updated 12 month action plan will be published. The action plan may also be updated within the year as and when required. The revised action plans will be agreed with the Shareholder Representative Group and reported to the Cabinet through the Cabinet Housing Panel.

### **Implications**

#### **4 Legal Implication(s)**

- 4.1 A suitably qualified and experienced firm of external legal advisors have advised and supported officers through the process of establishing Now Housing Limited and in drafting legal agreements arising, to ensure that the council's legal position is protected at all times.
- 4.2 The Company was set up in reliance on the Council's general power of competence (Localism Act 2011) and was incorporated and registered at Companies House on 12<sup>th</sup> September 2019 under company number 12204450. The Company's current Articles are the 'Model Articles for Private Companies Limited by Shares' but work is presently being undertaken to produce a bespoke set of Articles to replace the current Articles. Work is, also, ongoing with respect to the Shareholder Agreement. Cabinet have previously delegated authority to the Corporate Director (Housing and Community) and the Corporate Director (Resources, Policy and Culture) in consultation with the Monitoring Officer, the Executive Member, Housing and Communities and the Executive Member for Resources, to finalise these legal documents.
- 4.3 Now Housing Limited is a 'Teckal company' which allows the Council to deal with the Company without having to carry out procurement processes in accordance with The Public Contracts Regulations 2015. To retain its 'Teckal' status the Company must perform more than 80% of its activities for the Council and there must be no direct private capital participation in the Company.
- 4.4 Whilst the UK remains a member of the European Union, the Company's Procurement Policy must comply with The Public Contracts Regulations 2015 and with the provisions of The Treaty on the Functioning of the European Union, including, transparency, non-discrimination and proportionality.
- 4.5 As agreed by Cabinet in January 2019 the council's Shareholder representative group will approve the documentation prior to the transfer of any monies between the council and Now Housing Limited.

#### **5 Financial Implication(s)**

- 5.1 The initial financial plan for the company demonstrates that the company is viable, will generate a return for the council, and will be able to repay debt within a 50 year period.

- 5.2 It is important to note that the business plan is based on a number of assumptions including, but not limited to:
- The number, size and type of housing provided by Now Housing Limited
  - Development costs
  - Assumed rent levels, based on the local housing allowance but with the opportunity to enhance the business plan where the Flexrent product enables increased rent levels for some households, based on their personal circumstances
  - Set up costs
  - Management and maintenance costs
  - Service Level Agreement costs, for services provided by the council to Now Housing Limited
  - The rate of interest at which the loans will be paid back to the council.
  - The estimated financing requirement of the business over the first five years is £77M.
- 5.3 These assumptions will be refined in the coming months, as service level agreements are drafted, loan agreements created, rent products agreed and schemes/sites are identified.
- 5.4 The business plan makes no assumptions on grant income. The Company may be able to apply for grant funding towards specific schemes, which would have a favourable impact on the business plan.
- 5.5 Treasury management arrangements for the company will be set out in the Shareholder Agreement and Loan Agreements. Financing of the company will require the receipt and agreement of specific scheme details, and will be drawn down as expenditure is incurred on these agreed schemes, using a flexible loan agreement. A future report will be presented at a later date setting out the processes and requesting approval for financing of the Company.
- 5.6 Now Housing Limited will be 100% loan financed through on-lending by the council and lending will be based on rates that reflect the non-commercial nature of the business which is letting homes at affordable levels. Should the company need to undertake market activities to cross-subsidise affordable units, further legal advice will need to be sought as funding and financing rates will need to be different to those assumed in the business plan, in order for it to remain state aid compliant. The current business plan assumes no market activities.
- 5.7 The Shareholder Agreement between the council and Now Housing will include the requirement for Now Housing Ltd to inform the council where any activity in which it plans to engage in will result in deviation from the current provisions set out in the business plan.

5.8 As with any private company, the business plan could be affected by unforeseen changes in the market, which may affect the longer term viability of schemes. The finances of the company and market conditions will be regularly and closely monitored. The risk is slightly reduced through the council's ability to borrow at preferential rates.

5.9 Additional taxation advice is being sought on specific areas, such as group reliefs on Stamp Duty Land Tax, VAT and Corporation Tax.

## **6 Security and Terrorism Implication(s)**

6.1 There are no implications arising from this report.

## **7 Procurement Implication(s)**

7.1 There are no procurement implications for the council arising directly from this report. The company will have a Procurement Policy in place, which governs how goods and services are procured.

## **8 Risk management**

8.1 A risk map has been produced for Now Housing Limited. This is appended to this report.

8.2 The creation of Now Housing and new loan arrangements have been incorporated into the council's risk framework.

## **9 Climate Change Implication(s)**

10 There are no direct implications arising from this report. However the objective of Now Housing are to provide good quality, affordable homes, which will include consideration of any energy efficiency measures that may be possible and consideration of appropriate methods of construction.

## **11 Human Resources Implication(s)**

9.1 The provision of services to Now Housing Ltd by council teams will be dependent upon appropriate resources being in place to deliver these services.

9.2 The Now Housing Ltd business plan includes the cost of resources to deliver its objectives. This includes the cost of funding service level agreements with the council for managing the development and delivery of homes, management of homes, and associated back office functions.

## **12 Health and Wellbeing Implication(s)**

12.1 There is a clear link between health and housing. The provision of quality, secure housing will have a positive impact on peoples' health.

## **13 Communication and Engagement Implication(s)**

13.1 A communications plan will be developed to publicise the establishment of the company and the benefits it will bring to households in the borough.

**14 Link to Corporate Priorities**

14.1 The subject of this report is linked to the council's Corporate Priority 'Our Housing' and relates to all the objectives within this, including, being a quality landlord, meeting housing need, providing affordable homes and driving up housing quality in the borough

**15 Equality and Diversity**

13.1 Where new policies are developed for the local housing company, EqlAs will be completed in accordance with its Equality Policy. Now Housing's Equality Policy will reflect that of the council.

Name of author	Simone Chinman Russell
Title	Corporate Director, Housing and Communities
Date	4 September 2019

Appendices: A: Draft Now Housing Limited Business Plan

B: Now Housing Limited Risk Map

# NOW HOUSING LIMITED BUSINESS PLAN

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## 1. INTRODUCTION

Welcome to the first Business Plan for Now Housing Limited.

### 1.1 About this Business Plan

This Business Plan sets out our vision, objectives and the activities we intend to engage in to implement the objectives, along with funding arrangements, forecast budgets and the relationship between Now Housing and its shareholder, Welwyn Hatfield Borough Council.

The Business Plan covers the operating period to 2019 to 2025 in detail, and provides an insight to objectives, priorities and financial projections beyond that date.

This Business Plan identifies a financially viable position based on the assumptions used to deliver homes in the borough of Welwyn and Hatfield which are truly affordable to local people.

### 1.2 Our Vision

Now Housing aspires to be an entrepreneurial housing provider, developing and delivering exemplary housing. Our vision is to play a dynamic role in increasing the provision of genuinely affordable housing in Welwyn Hatfield.

Our overarching objective is to contribute to Welwyn Hatfield Borough Council's aspirations to meet local housing demand by providing the right type of genuinely affordable housing to local residents who have lower priority on the Housing Needs Register or who are not currently eligible for social rented housing, but who are not able to afford to buy or rent in the private market. In this way Now Housing will complement the council's provision of social rented homes which it delivers through its Housing Revenue Account.

Now Housing will work with developers, registered providers, architects and other housing specialists to develop homes and help create communities that will thrive for many years to come.

### 1.3 Strategic Objectives and Aims

The aims of Now Housing Limited, as set out in the Articles of Association are to:

- Provide good quality, well managed, mixed tenure homes which local people can afford to live in and which complement the council's existing and planned housing provision including specialist housing where required;
- Support the growing demand for a mix of housing tenures for residents in the borough of Welwyn Hatfield by providing intermediate, low cost home

ownership or open market homes and letting sub-market and market rented homes;

- Be a financially robust company, generating a profit to be used for the purpose of providing more affordable housing and delivering financial returns to the shareholder;
- Stimulate local housing regeneration and partnership working

Our target is to provide 372 homes over the next 5 years and seek to continue beyond the life of this business plan, providing innovative solutions to support the council's housing objectives. This could include acquisitions from local developments, forward transactions of housing from other developers, purchases from existing homeowners and for the future joint venture partnerships.

The company will be financially robust, aiming to generate a small profit to be used for the purpose of providing more affordable housing and where possible deliver financial returns to the shareholder.

#### 1.4 Housing need in Welwyn Hatfield

The council has completed a Strategic Housing Market Assessment (SHMA) and the objectively assessed need (OAN) for housing across all tenures has been updated over time to reflect the changing context for assessing housing needs. Analysis has indicated a need for 16,000 new homes over the local plan period (up to 2032). The local plan is currently in the examination phase and as the final delivery targets are not known.

A significant level in housing growth is required within the borough for older people, to respond to an ongoing increase in the ageing population as well as accommodating a predicted increase in younger new household formation.

The council recently commissioned a report by Savills to identify affordability and demand issues in Welwyn Hatfield. The report focused on household income and housing costs within the different towns and villages across the borough. The report identified that:

- Data from the borough's housing needs register shows that 82% of total housing need is 1 or 2 beds (including studios for single people). This is also in line with the English House Survey which shows that 77% of private renters, spending >30% of their monthly income on rent, need a 1 or 2 bed home.
- The research showed that there is demand for affordable housing across the borough. However in Welwyn Garden City and Hatfield there are large affordability gaps affecting households in a narrow range of income bands. In Welwyn Garden City, the affordability gap affects approximately 2,000 households earning between £25,000 and £55,000. In Hatfield, around 2,100 households earning between £20,000 and £35,000 are constrained because they are unable to access either social rented or market priced homes.

- The report has recommended that in order to maximise the potential demand pool for an intermediate product, Now Housing should service the needs of the greatest number of households over the smallest number of income bands.

Therefore, to complement the work that the council is doing to increase the supply of social rented and family sized homes, Now Housing Limited will seek to address the need for sub market housing in around Hatfield and Welwyn Garden City, mainly focusing on one and two bedroom properties.

To help reduce the need for households to move home where there is a change in their income or life choice, Now Housing will work to develop a new Flex product which will be bespoke to Welwyn Hatfield and could have the potential to change the tenure of the home to meet the residents' needs, whilst they continue living there. **Flexrent** will be based on different price points for rental, starting at local housing allowance rates and progressing up towards market rent and **Flexbuy** will focus on a rent-to-buy product. Both of these products are in development.

For the purpose of this Business Plan, rental income is assumed at local housing allowance rates. However once the Flex product has been finalised there will be the opportunity to charge higher rents between local housing allowance and market rates for households who have a higher level of income (yet to be determined). In this event the financial forecasts as set out in the business plan will be enhanced.

## 1.5 Key Activities

Now Housing undertakes the following activities:

- Progressing schemes on which it has taken an interest in the land, from planning consent through detailed and technical design to construction, occupation and into management;
- Actively exploring the market for acquisition opportunities from both the open sales market but also new housing developments within the area;
- Acquiring homes and land through purchase from the council, including General Fund and Housing Revenue Account assets
- Exploring and securing grants, resources and wider opportunities to increase the quantum of homes that are delivered, thereby enabling it to make a positive impact upon Welwyn Hatfield's housing supply.
- Engaging with partners and acting as a member of Joint Ventures or Limited Liability Partnerships, as required.
- Effectively managing its housing asset, ensuring a comprehensive schedule of planned maintenance



- Delivering management and repairs services to its tenants, to the highest possible standards and acting as an exemplar to other landlords in Welwyn Hatfield, inspiring improved standards across rented homes of all types within the borough
- Promoting and raising the brand profile of Now Housing to promote the benefits of quality, affordability and innovation in the delivery of homes to meet current and future housing need, with the aim of stimulating provision by private and registered landlords alike
- Representing the council in forums with other providers.

## 2. THE COMPANY STRUCTURE

Now Housing will be operated through a Board of Directors. The Board will be responsible for ensuring effective delivery of the company Objectives in accordance with this Business Plan. Day to day operations will be contracted to the council's service teams through a service level agreement. A Chair will be selected for the Board and the Chair will be the principal point of contact for the Board.

The council will have interests in the company through two roles:

- As sole shareholder
- As secured lender

The Company's board of Directors will be responsible for the delivery of the Company's business plan; the Council as shareholder will require performance and financial reporting in line with the usual expectations of a shareholder.

### 2.1 Governance arrangements

Our board will be made up of council officers and at least one independent member who will bring relevant knowledge and experience in housing and other related disciplines.

Now Housing will ensure that it has access to the appropriate advice and expertise, in particular in financial management, contract management and housing development.

A range of supporting strategies and policies will be developed, so that the Company can comply with all of its legal obligations and to ensure clear frameworks for service delivery in line with its business plan, and its aims and objectives. The board will maintain and review all policies to ensure they remain up to date, legally compliant and relevant.

In terms of corporate infrastructure, the board will ensure that:

- Suitable office premises are made available for business activities
- ICT systems for data management and email (which will be fully compliant with all prevailing data protection legislation and statutory guidance).
- Appropriate insurance provision is made for:
  - Day to day operations of Now Housing, including indemnity cover for staff and Directors

- The protection of company assets, including its properties
- Appropriate financial management systems are in place
- Appropriate development management tools are available.
- There is a functioning website and supporting e-communications

In terms of professional registrations, the board will be responsible for ensuring Now Housing is registered appropriately with all statutory and trade bodies required to support the effective functioning of the company.

Now Housing will seek to become accredited through the council's Landlord Accreditation Scheme (PAL), the borough's private landlord accreditation scheme.

## 2.2 Decision Making

The Company's decision making will be overseen by the Board of Directors with day to day operations being delegated to council officers. The board will establish systems of control (including functions that are reserved to the board) alongside performance and financial reporting arrangements which will operate on a regular basis, and in conjunction with advisers and officers, devise a comprehensive system of internal reporting at scheme, programme and company level.

The council's interests will be operated through two principal routes.

1. As **shareholder**, through a Shareholder Agreement, which sets out the basis for the investment into the company and the mechanism by which Now Housing will report back to the council's appointed representative. The council will approve Now Housing's Business Plan and changes to funding arrangements on an annual basis, as part of its own budget setting processes. Performance against the business plan will be reported to the council on a quarterly basis.
2. As **lender**, the council will agree the basis for loans to be made to the company, and the terms upon which those loans are made. A drawdown trajectory will be established and agreed annually in advance via the business plan and budget setting process. A mechanism to ensure flexibility in drawing funds whilst protecting the interests of the council will be established.

## 2.3 Auditing

The Board of Now Housing will appoint an external auditor for the sign-off of annual accounts and to provide ad-hoc advice. The auditors will be agreed in consultation with the council, which will provide continuity.

As part of its due diligence the council and Board of Now Housing will commission internal audits from time to time.

## 2.4 Risk Management and Mitigation

The Board will maintain a risk register, in order to support it in monitoring and managing the risks associated with all business activities proposed within this Business Plan.

Now Housing has a risk management approach that aims to promote a 'risk aware' culture which encourages the identification and assessment of risks on a programme level, and then assigning ownership for mitigation. Regular risk reporting will operate, to include operational and strategic risk review meetings, aimed at setting out and monitoring the level of exposure on a programme level.

The risk register reflects the main risks that have been identified by the Board; these are risks which could hinder delivery of the proposed development programme or represent future financial or reputational risks to the council as funder and guarantor of any funding of the development programme (and thereafter the new housing stock under management). The risk register forms part of this Business Plan and as such will be approved by the shareholder and its representatives as part of the approval process for this Business Plan. As such, monitoring and progress reports to the shareholder will include an update on the risk register as part of its monitoring and review process.

### **3. DELIVERY AND MANAGEMENT**

This Business Plan is based on a delivery target of over 370 homes in its first five years. There will be various routes to achieving this target, including developing and acquiring homes. This plan complements the Housing Delivery Strategy in delivering the number of affordable homes within the Borough. All potential acquisitions and developments will have gone through the council's Housing Delivery Group where all options would have been considered for the sites suitability for discounted market rent to complement HRA affordable housing or instead of.

State Aid is an important factor to consider when setting up such a company. It must be demonstrated that the company is on an 'even keel' with other operators. For example, loan terms have to be comparable to the market, but also the ration of funding and equity input. Given that the company's main aim would be owning and operating sub-market rented accommodation the levels of loan financing could be at 100% given its nature and interest rates lower than market levels. Hence, the plan assumes a cost of borrowing to the company above the cost of borrowing to the council but below market rates.

Should the company need to also operate in the open market, such as charging market rents, to subsidise its affordable housing units, separate agreements would need to be made with the council for the financing of these activities.

The financial modelling will be launched in 2019/20 and will focus on the initial set up and operational costs for Now Housing.

Acquisitions of properties are planned to commence in 2020/21 and developments in 2021/22.

This section details the level of purchases that are in the pipeline, acquisitions assumed and potential developments.

### 3.1 Proposed Projects

The following form the confirmed pipeline for Now Housing Limited.

	<b>Studio</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>Total</b>
Inspira House	36	18	-	<b>54</b>
Chequersfield	-	2	18	<b>20</b>
<b>Total</b>	<b>36</b>	<b>20</b>	<b>18</b>	<b>74</b>

Having initially been identified as ideal for an intermediate rental solution, Inspira House in Welwyn Garden City is currently in the ownership of the council’s Housing Revenue Account (HRA) and is being used as temporary accommodation (TA) whilst regeneration works are completed on the council’s other TA sites. The plan will be to transfer the properties to Now Housing at an appropriate value once they become void so that they can become a **Flex** product. No Stamp Duty Land Tax has been modelled on the assumption that group relief will be achieved and an allowance for conveyancing costs has been allowed.

Chequersfield are properties in a residential development that are being purchased by the council. The development comprises a mix of social rented homes to be owned and managed by the HRA and **Flexrent** homes which will be purchased by Now Housing. Now Housing will purchase these units at an appropriate value, assuming no SDLT obligations, through group relief, and a provision for conveyancing costs.

### 3.2 Potential Projects

Now Housing will seek to add to the 74 properties in its pipeline by seeking homes through both acquisition and development. These are detailed below:

#### 3.2.1 Open Market Purchases

<b>Year</b>	<b>Area</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>Total</b>
2020/21	Hatfield	10	2	<b>12</b>
	Welwyn Garden City	6	6	<b>12</b>
2021/22	Hatfield	10	2	<b>12</b>
	Welwyn Garden City	6	6	<b>12</b>
2022/23	Hatfield	10	2	<b>12</b>
	Welwyn Garden City	6	6	<b>12</b>
2023/24	Hatfield	10	2	<b>12</b>
	Welwyn Garden City	6	6	<b>12</b>
2024/25	Hatfield	10	2	<b>12</b>
	Welwyn Garden City	6	6	<b>12</b>
<b>Total</b>		<b>80</b>	<b>40</b>	<b>120</b>

To achieve a high level of growth in property ownership the plan has assumed that Now Housing Limited will purchase from the open market. Primarily the target properties will be homes formerly owned by the council. This is because the price will be generally at the lower end of the market, the council is likely to own the freehold, if the property is leasehold, and the design and future investment needs are likely to fit within the council’s existing maintenance programmes. A clear set of criteria will be agreed, to ensure that purchases are suitable.

However, to ensure that the level of acquisitions assumed in the first five years of operation is achieved, the price-points assumed within the business plan are that properties acquired will not necessarily be ex-HRA properties, but other properties at the lower price-end of the market. When Now Housing seeks to purchase these properties, particularly ex-HRA ones, they will be subject to meeting our financial appraisal targets detailed later in this plan.

Now Housing will also be mindful of any possible negative impact that the acquisition activity has on the wider market and take any remedial action necessary to mitigate this.

The modelling assumes a maximum of mid-price purchase point for each property type within the assumptions for the financial plan which will allow for some initial improvements to the properties but also allowances for SDLT and conveyancing costs.

### 3.2.2 Purchases from Identified Developments

	<b>Year</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>Total</b>
Site 1	2020/21	3	3	<b>6</b>
Site 2	2021/22	5	5	<b>10</b>
Site 3	2021/22	3	3	<b>6</b>
Site 4	2021/22	5	5	<b>10</b>
Site 5	2022/23	3	3	<b>6</b>
Site 6	2022/23	3	3	<b>6</b>
Site 7	2022/23	5	5	<b>10</b>
Site 8	2023/24	10	10	<b>20</b>
Site 9	2023/24	15	15	<b>30</b>
<b>Total</b>		<b>51</b>	<b>51</b>	<b>104</b>

As with Chequersfield, Now Housing could seek to purchase properties that will be marketed for sale from developers as early as planning approvals are gained.

The above table is from a range of sites that will be coming to market with an assumed number of purchases on each, dependant on the overall size of the development.

Assumptions have been made for market values within the plan and additional provision for SDLT and conveyancing.

### 3.2.3 Discounted Market Purchases

Year	Area	2 Bed	3 Bed	4 Bed	Total
2020/21	Hatfield	2	3	1	6
	Welwyn Garden City	2	3	1	6
2021/22	Hatfield	2	3	1	6
	Welwyn Garden City	2	3	1	6
2022/23	Hatfield	2	3	1	6
	Welwyn Garden City	2	3	1	6
2023/24	Hatfield	2	3	1	6
	Welwyn Garden City	2	3	1	6
2024/25	Hatfield	-	-	-	-
	Welwyn Garden City	-	-	-	-
<b>Total</b>		<b>16</b>	<b>24</b>	<b>8</b>	<b>48</b>

In line with the aspirations within the council’s Older Person’s Housing Strategy, Now Housing will roll out a Discount Open Market Purchase scheme. The aim of the scheme is to identify older owner occupiers who are under occupying family sized accommodation and have expressed a wish to sell their home at an appropriate discount in exchange for an allocation of a sheltered housing flat. This approach fits with the council’s strategic aims for reducing under occupation in the borough, thereby making the best use of housing stock.

The discount will be determined by scheme viability and each purchase will be negotiated; for the purposes of the model set out in this Business Plan, it has been assumed that a discount of 25% on market value will be achieved.

The acquired property will then be let at a sub market rent to a household in housing need.

Allowances have been made within the modelling for Stamp Duty and Land Tax (SDLT) and conveyancing costs.

### 3.2.4 Development

The council will continue to actively pursue new development opportunities as part of its Affordable Housing Programme and this will be done in partnership with Now Housing, so that tenure options for the new homes can be widened. The mainstay of the council’s housing programme will continue to be social rented housing; however **Flex** products will be introduced into the range of homes delivered to meet unmet need within the borough. In this way Now Housing will complement the council’s HRA delivery programme.

Currently there are three development opportunities specifically for Now Housing, as set out in the following table:

	Year	1 Bed	2 Bed	3 Bed	Total
Inspira House – Void Land	2021/22	4	-	-	4
Scheme in Welwyn Garden City	2022/23	6	6	-	12

Inspira House – Floor Extension	2023/24	-	5	5	<b>10</b>
<b>Total</b>		<b>10</b>	<b>11</b>	<b>5</b>	<b>26</b>

An appropriate range of development cost assumptions have been made and no land cost implications.

### 3.3 Growth beyond the Plan (5 Years)

Whilst this plan identifies the assumed acquisition and development of 372 units, the intention is that Now Housing Limited will continue to grow its portfolio in careful consideration to the council’s Housing, Homelessness and Rough Sleeping Strategy, and Housing Delivery Strategy.

The options available will continue to be open market purchases, the potential for a greater number of acquisitions from development sites as a result of land release following the Local Plan adoption, but also an extension to the discounted market purchase scheme.

Furthermore, Now Housing Limited will seek to work with the council on sites that will become available for development in order to provide the **Flex** product where this is needed.

### 3.4 Funding and Viability

The affordable housing activities of Now Housing Limited will be 100% loan financed through on-lending by the council. Lending will be based on rates that reflect the non-commercial nature of the business of letting properties at affordable levels. However, Now Housing is a company limited by shares and will not be a registered provider. The financing rates will ensure that both the council and Now Housing remain state aid compliant, which is explained in more detail in the risks section of this plan.

The funding facility for Now Housing Limited will be agreed on an annual basis through the business planning process after both Board and Council approval as part of the budget setting process. This will provide certainty in terms of the total amount that can be drawn down within a year in order to acquire and develop properties. Towards the beginning of the year the actual drawdown mechanism will be agreed as to how the loan facility is drawn over the year.

Now Housing will assess individual and site based appraisals for all acquisitions and developments before entering any agreements to move forward. This will be undertaken using proprietary appraisal software along using a pre-set of assumptions including:

- Assumed rent level for the property/area
- Management costs as per the latest contract
- Maintenance Costs based on the latest contract and repairs activity for similar properties
- A profile of expected life-cycle costs over a period of 50 years based on existing condition

- Ensuring that the appropriate initial net yield rate is achieved and that the finance attributable to the property/development is repaid within a pre-set period.

Development scheme cost assumptions will be benchmarked and informed by professional cost consultants, where required, scheme valuation assumptions will be externally sourced and supported by an independent RICS accredited valuation report when the scheme is ready for approval.

Now Housing will develop a set of financial regulations and procedures that will define these and ensure that proper process is followed before final recommendations seeking approval to develop or purchase goes to the Board or delegated officers.

### 3.5 Management of Properties

Now Housing Limited will enter into a management agreement with the council's landlord services to provide the following services:

#### Management Service

- Single contact Property and Lettings Manager (PLM) for tenants
- Rent collection and arrears management
- Transfer of rental monies to Now Housing Limited
- Monthly reporting on rental and works statements
- Tenancy and Repairs Management

#### Re-let Service

- Advertising re-lets or allocations through the borough's housing needs register and more widely where an allocation is unable to be made through the housing needs register.
- Accompanying potential tenants to viewings.
- Cleaning of void properties and bringing to the appropriate lettable standard.
- Organising any necessary minor or major works.
- Ensure all necessary administration and eligibility checks for entering into tenancy agreement and are carried out as per contractual agreement.

#### Maintenance Service

- Through the repairs contractor to the council, take repair calls and arrange appointments.
- Recharge the costs of the repairs to Now Housing Limited.
- Management of the life-cycle programme, recording and forecasting works that need to be undertaken through an asset register.

The annual fee payable to the council will be based on a net percentage of rent collected, deducted from monthly payments along with the cost of works, reconciled to landlord statement.

The assumed percentage of management fee, maintenance costs and life-cycle costs have been factored into the financial modelling for the Business Plan.



### 3.6 Operational Support

In addition to the landlord services the council will also provide additional support services to the company. These will include:

- Financial Services – for the production of annual accounts, up keep of the financial systems, management accounts and liaison with the external auditors.
- Legal Services – for any tenancy issues, conveyancing, acquisition transactions.
- Communications and Marketing
- Development Management Services
- Company Secretary – to provide the company secretary duties and board meeting facilitation.
- Directorate Support – to provide specialist support to Now Housing.
- Grounds Maintenance – to wholly owned blocks of flats

In addition to these services Now Housing will an independent valuer for the purposes of the annual accounts.

An appropriate level of costs of these services have been included within the financial modelling for the business plan. These costs have been identified through benchmarking across the sector.

## 4. OPERATIONS

### 4.1 Achieving the Business Plan targets through acquisition activity

The council currently has a development team which as part of their responsibilities is identifying the opportunities for both development and acquisition for the council's HRA. This will extend to Now Housing through a service level agreement.

The team currently networks with a range of organisations such as registered providers, developers that are active in the area, but also direct approaches with alternative propositions. Through the council's acquisitions programme it already has strong links to local estate agents.

Any acquisitions programme delivered though the company will need to complement the council's own programme.

With regards to developments that are not Now Housing's own, i.e. those that are progressing in the Borough and potentially within the Local Plan, the council's development team will open discussions with the developers for these sites to identify the potential for purchasing properties off-plan. It is likely that number of properties Now Housing would seek to purchase would be low in the overall proportion for each development. In all cases Now Housing would seek to achieve lower than market values.

For discounted market purchases, the council already holds a list of homeowners in ex-HRA properties who are interested in this scheme. Therefore, there is potentially a pipeline already in place. The development team will work with the council's neighbourhood housing team to re-establish a marketing programme to extend this list.

Any potential acquisitions will be subject to stringent tests to ensure that they are financially viable and meet housing need.

In order for Now Housing to be agile and responsive to new opportunities which arise, many of which may have a short window, Now Housing will have an agreed annual loan facility based on the annual business plan. The agreement will allow for such opportunities and will effectively replace the provisions for acquisitions for open market purchases, for example. Defined procedures and processes will be agreed with the council to enable this to transpire, within the parameters of the councils' treasury management strategy and taking into account the approved risk register. Updates on activity will be reported back to the shareholder as part of the quarterly reporting

#### 4.2 Development

The councils' development team will co-ordinate and manage the development schemes included within this plan as per the service level agreement between the council and Now Housing, and as part of the Housing Delivery Strategy for delivering more affordable homes, will continue to identify and work up sites that are both suitable and viable. The Housing Delivery Group will have considered the suitability of the site for discounted market rent before more detailed appraisal work is undertaken.

#### 4.3 Position within the Market

Now Housing will develop its corporate identity during 2019/20 and into 2020/21. The purpose of this will be to ensure that the supply chain and all stakeholders understand the purpose and vision of Now Housing and its relationship to the council.

#### 4.4 Understanding Demand

Now Housing will always aim to be responsive to any changes in the market. We will work with and be informed by the council to ensure that we are kept fully appraised of current and future housing demand and supply within the local housing market. In this way Now Housing will continue to meet fulfil its' aims and objectives and those of the council.

In addition, Now Housing Limited, in conjunction with its lender, could decide that if certain properties are not viable as a **Flex** product, they will be offered to the HRA for letting at social rents and in the event that they are not required by the HRA, these can be sold on the open market - with receipts being recycled to replacement properties that meet the revised demand.

#### 4.5 Rent Policy (**Flexrent**)

Now Housing will provide flexible tenure and rent levels to allow it to meet local housing need and to help promote sustainable communities and successful, thriving families. This will include ensuring that the lowest rent level reflects the Local Housing Allowance (LHA), so that households in receipt of Universal Credit/Housing Benefit top-up can afford their rent. Now Housing will have a rent policy which reflects this.

For the purposes of this initial business plan the basis for rental assumptions and table below depicts the level of monthly rents assumed for different property sizes:

	LHA	LHA	LHA	LHA
	1 Bed	2 Bed	3 Bed	4 Bed
Market Purchase	£675	£860	-	
On-Line Developments	£675	£860		
Pipeline	£675	£860		
Own Developments	£675	£860	£1,062	
Discounted Purchase	-	£860	£1,062	£1,277

*The LHA is based on the 2019.20 South East Herts Broad Rental Market Analysis (BRMA) published on the Direct Gov website – provided by the Valuation Office Agency.*

The LHA levels have been frozen at these allowances for the past five years and are due for review by April 2020. Therefore, it is anticipated that these will increase. The assumptions used in this plan are cautious, with CPI increases of 2% per annum, which is less than the Government’s current social rent policy.

The LHA levels are inclusive of service charges, wherever they may apply and the business plan has provision for costs related to these services. Assuming the type of properties purchased we anticipate that the LHA levels charges will be between 75% and 80% of market rent levels.

The actual application of the *flexrent* product will vary where potentially some rents might be set lower than those modelled, but this will be offset against those that will be higher when the affordability tests are applied.

Now Housing will adhere to procedures to ensure that the net rental income forecast does not fall below the agreed annual budget, as per the annual business planning process. This will ensure a balanced position when considering rent lent levels for each re-let.

## 5. FINANCIAL STRATEGY

### 5.1 Financial Controls

The Board will approve a newly formed set of financial regulations devised specifically for Now Housing but in-line where possible with the council's. These establish financial controls, authorities and delegations commensurate with the objectives of Now Housing 'and the regulatory context' within it operates.

### 5.2 Budgets

We recognise that sound financial management will be critical to the success of the start-up of Now Housing.

Outline budgets will be developed based upon this Business Plan for the development, acquisition and overheads each year. This will identify the financing required as part of the annual loan facility agreement.

In cash terms these will be neutral in that sufficient financing will meet the expenditure requirements.

The forecast accounting statements will include some non-cash entries such as revaluation and the corporation tax due on this. These are presented in Appendix 2.

It is anticipated that early development schemes will require direct and indirect financial support from the council to facilitate the developments and to contain risks within acceptable parameters. In determining the type of support to be provided legal and contractual requirements will be given full consideration.

The basis of financial viability for each site and acquisition will be agreed by the Board and delivery group prior to drawdown of funds, as part of the annual facility, and will be regularly monitored throughout the delivery period.

### 5.3 Funding and Investment Need

This section lays out the cash flows for Now Housing Limited and demonstrates the funding required:

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000
Net Rents		(£786)	(£1,577)	(£2,351)	(£3,245)	(£3,689)
Less:						
Management		£85	£164	£233	£322	£366
Maintenance		£56	£108	£153	£211	£240
Overheads (Incl Set Up)	£89	£86	£88	£89	£91	£93
<b>Net Operating (Income) / Expenditure</b>	<b>£89</b>	<b>(£555)</b>	<b>(£1,209)</b>	<b>(£1,864)</b>	<b>(£2,604)</b>	<b>(£2,972)</b>
Less:						
Acquisition/Development		£25,225	£17,013	£12,811	£18,711	£3,774
Interest Charges	£1	£659	£1,269	£1,768	£2,389	£2,641
Corporation Tax						£10
Funded by:						
<b>Net Loan Finance Requirement</b>	<b>£89</b>	<b>£25,328</b>	<b>£17,072</b>	<b>£12,715</b>	<b>£18,496</b>	<b>£3,454</b>

*Note: Rounding of Values will cause minor balancing issues in this table*

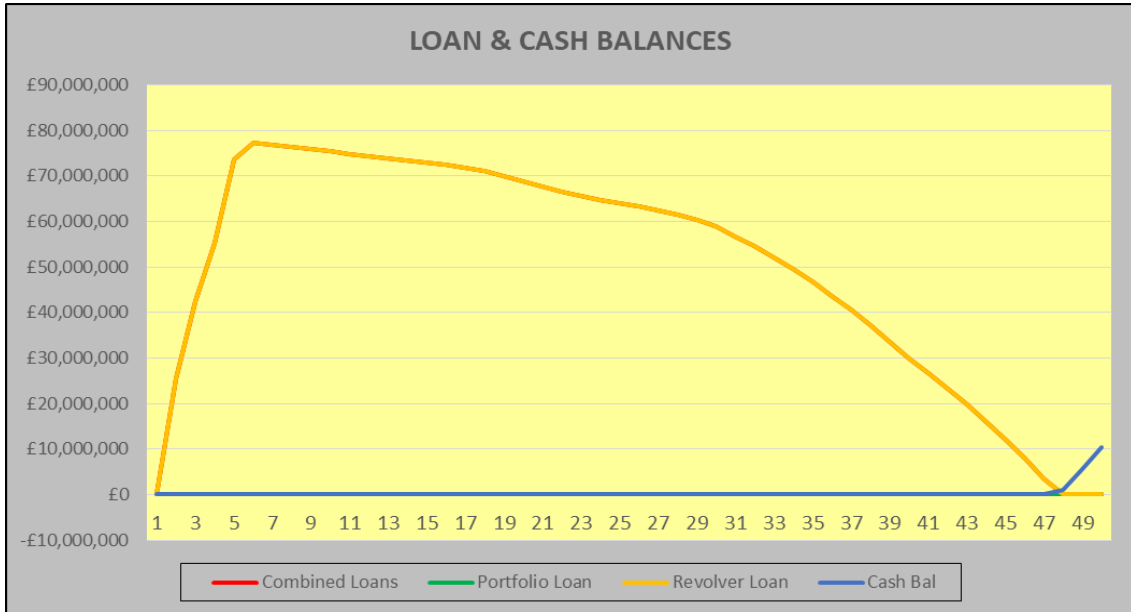
Over this period Now Housing will require **£77.154million** in net borrowing in order to acquire and develop 372 homes.

Whilst the cash balances will be neutral, Now Housing will not show an operating profit (excluding gains on revaluations) until 2023/24, at which point Corporation Tax will be due (and payable in the following year).

The accounting financial statements are presented in Appendix B.

### 5.4 50 Year Projections

In order to demonstrate financial viability for Now Housing Limited, the graph below projects the loan profile over a 50-year period.

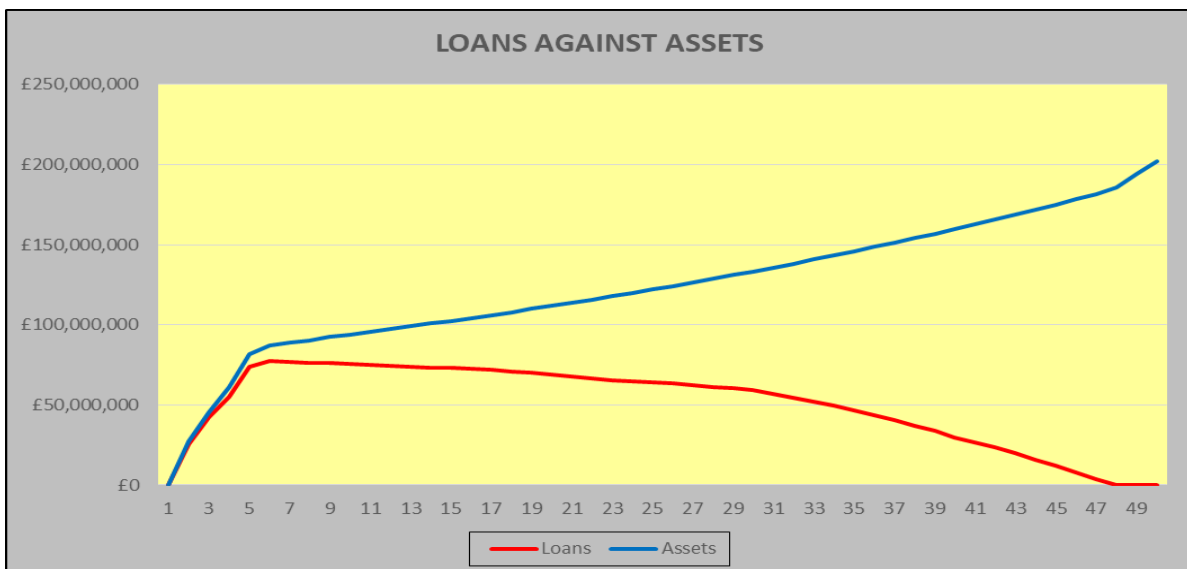


The above graph is based on the amount of surplus cash generated within Now Housing being utilised on loan repayments, effectively presenting the loan in a revolving position.

According to the assumptions within the model, loan balances are forecast to be repaid within a 48-year period. Actual loan arrangements with varying repayment schedules will impact upon the profile above though it would be expected that these would be repaid within a 50-year timeframe from being drawdown.

No dividends are forecast to be paid to the shareholder during this period as surplus cash is utilised for debt repayment. Therefore, if dividend payments were to be made, this would impact upon the duration of the loan period. However, beyond year 48 dividends could clearly be made.

A further viability test for Now Housing will be to compare its net asset value against the loan profile. This is demonstrated in the graph below:



Using house price inflation of CPI (2%) the net asset values quickly increase whilst the debt balances gradually increase. The net asset values shown allow for Corporation Tax due on the increase of asset value and is held as a liability on the balance sheet until the asset is sold or disposed of. The net asset values also reflects cash balances held by Now Housing.

The above two graphs present a viable position for Now Housing, based upon the assumptions within this business plan and those that sit behind it.

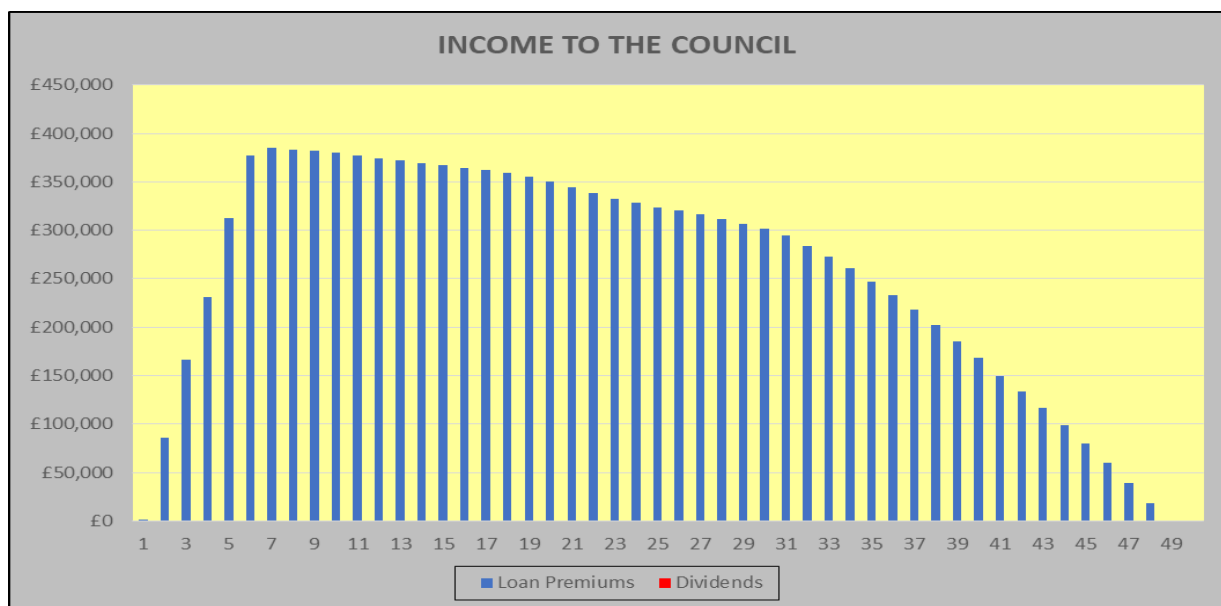
### 5.5 Financial returns to the council

Now Housing will work with the council to deliver on its objectives to meet housing need across the borough, whilst recognising that a financial return to the council is possible in the longer term. A financial return is not the main driver for the council, especially in the early years of Now Housing.

The council has a dual interest in terms of Now Housing in that it will increase the level of affordable housing within the Borough, without any form of subsidy, whilst potentially delivering a financial return.

The key source of financial return will be from the premiums that the council will charge to Now Housing over its cost of borrowing. This will provide a long-term source of income to the council whilst ensuring that Now Housing Limited is charged an appropriate rate of interest, commensurate with the product which it is delivering and this Business Plan.

Assuming that the loan premium is set at 0.5% based on the projected cost of borrowing to the council of 3.0% (over a 50-year period) the financial benefit is shown in the graph below. Actual premiums and costs may vary, and will be determined in the Loan Agreement/s:



During the period of acquisition and development the loan premiums will increase reflected by the loan balances. Once debt has peaked and loan balances reduce the premium will respectively.

Further to the loan premiums the council will benefit from the following:

- Benefits from the service level charges to the company, depending on capacity within the associated departments
- The HRA will benefit in respect of the management fees that it will charge

Finally, as shareholder, it will benefit from the net asset value of the company. Through Now Housing it will own assets that will be appreciating in value against a reducing debt position.



**APPENDIX A – YEAR ONE TARGETS TO DELIVER THE OBJECTIVES**

Priorities	Action	By when	Who?
<b>1. Growth</b>			
Create Business Plan (BP), financial model; and resource plan to achieve target of over 370 affordable homes within 5 years.	<ul style="list-style-type: none"> <li>• Produce draft financial model for a viable business, and share with the council and board</li> <li>• Propose appraisal assumptions; viability rules and hurdles by tenure.</li> <li>• Produce narrative BP</li> </ul>	October 2019	Savills to lead, with input from nominated officers with support from Trowers and Hamlin
Revised financial processes, with agreed protocols with the council.	Mapping and creation of necessary processes and protocols.	January 2020	Board Council officers.
Staffing resource and Service Level Agreements with the council agreed.	<ul style="list-style-type: none"> <li>• Developing service level agreement and schedules, detailing the tasks which will be undertaken by the council on behalf of the housing company</li> <li>• Ensuring staffing within council teams to deliver on the targets set out in this business plan. The spending requirements set out in the business plan assume an element of staff resources for this purpose.</li> </ul>	January 2020	Board Council officers.

Priorities	Action	By when	Who?
<b>2. Provide innovative housing solutions to contribute towards increasing housing supply</b>			
Seek to acquire housing through agreements with developer, registered providers, estate agents and direct marketing	As set out in the council's Delivery Strategy	Life of Business Plan	Board Development Team
Consider business case for being a vehicle for joint ventures or other mechanisms for working with developers on council existing or new council major projects.	As set out in the council's Delivery Strategy	Life of Business Plan	Board Development Team

Priorities	Action	By when	Who?
<b>3. Build working relationships with council and others, build external reputation</b>			
Agree clear roles, responsibilities and reporting requirements set out between Now Housing and council officers, and communication protocols and processes in place.	Part of work to set up the company	End November 2019	Board Council officers
Internal communication plan delivered to brief council colleagues on Now Housing purpose, strategy and action plan.	Follows final version of BP. Needs a clear delivery plan.	End January 2020	Board Council officers

## APPENDIX B – FINANCIAL FORECASTS

## Income &amp; Expenditure Account

	2019.20	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
<b>Income:</b>															
Rent - Private Sector	£0	£802,442	£1,609,614	£2,397,411	£3,309,490	£3,763,451	£3,898,312	£3,976,278	£4,055,804	£4,136,920	£4,219,658	£4,304,051	£4,390,132	£4,477,935	£4,567,494
Void Loss	£0	-£16,049	-£32,192	-£46,600	-£64,815	-£73,866	-£76,536	-£78,066	-£79,628	-£81,220	-£82,845	-£84,501	-£86,191	-£87,915	-£89,674
<b>Total Income</b>	<b>£0</b>	<b>£786,393</b>	<b>£1,577,422</b>	<b>£2,350,811</b>	<b>£3,244,675</b>	<b>£3,689,584</b>	<b>£3,821,776</b>	<b>£3,898,212</b>	<b>£3,976,176</b>	<b>£4,055,700</b>	<b>£4,136,814</b>	<b>£4,219,550</b>	<b>£4,303,941</b>	<b>£4,390,020</b>	<b>£4,477,820</b>
<b>Expenditure:</b>															
Direct Management Costs	£0	-£62,460	-£125,686	-£180,834	-£247,579	-£280,597	-£289,160	-£293,143	-£297,205	-£301,348	-£305,574	-£309,885	-£314,282	-£318,766	-£323,341
Service Charge Costs	£0	-£22,600	-£38,624	-£52,466	-£74,141	-£85,610	-£89,124	-£90,907	-£92,725	-£94,580	-£96,471	-£98,401	-£100,369	-£102,376	-£104,424
Maintenance Costs	£0	-£56,048	-£107,631	-£152,968	-£210,746	-£240,469	-£249,332	-£254,319	-£259,405	-£264,593	-£269,885	-£275,283	-£280,789	-£286,405	-£292,133
Life Cycle Costs	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	-£165,866	-£277,111	-£392,739	-£531,090
Bad Debt Provision Write-Offs	£0	-£4,012	-£8,048	-£11,650	-£16,204	-£18,467	-£19,134	-£19,517	-£19,907	-£20,305	-£20,711	-£21,125	-£21,548	-£21,979	-£22,418
Operations, Administration and Admin Costs	-£88,960	-£85,843	-£87,560	-£89,311	-£91,097	-£92,919	-£94,778	-£96,673	-£98,607	-£100,579	-£102,591	-£104,642	-£106,735	-£108,870	-£111,047
Depreciation	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
<b>Total Expenditure</b>	<b>-£88,960</b>	<b>-£230,964</b>	<b>-£367,550</b>	<b>-£487,230</b>	<b>-£639,767</b>	<b>-£718,062</b>	<b>-£741,529</b>	<b>-£754,558</b>	<b>-£767,849</b>	<b>-£781,405</b>	<b>-£795,232</b>	<b>-£975,202</b>	<b>-£1,100,833</b>	<b>-£1,231,135</b>	<b>-£1,384,453</b>
<b>Operating Surplus</b>	<b>-£88,960</b>	<b>£555,429</b>	<b>£1,209,873</b>	<b>£1,863,581</b>	<b>£2,604,908</b>	<b>£2,971,522</b>	<b>£3,080,248</b>	<b>£3,143,653</b>	<b>£3,208,327</b>	<b>£3,274,295</b>	<b>£3,341,581</b>	<b>£3,244,348</b>	<b>£3,203,108</b>	<b>£3,158,885</b>	<b>£3,093,367</b>
Interest Receivable	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Interest Payable	-£1,421	-£658,735	-£1,268,640	-£1,767,786	-£2,389,382	-£2,641,380	-£2,695,944	-£2,683,549	-£2,675,163	-£2,659,240	-£2,640,885	-£2,620,021	-£2,602,338	-£2,585,026	-£2,568,516
<b>Net Surplus After Interest</b>	<b>-£90,381</b>	<b>-£103,306</b>	<b>-£58,767</b>	<b>£95,795</b>	<b>£215,526</b>	<b>£330,143</b>	<b>£384,304</b>	<b>£460,104</b>	<b>£533,164</b>	<b>£615,055</b>	<b>£700,696</b>	<b>£624,327</b>	<b>£600,770</b>	<b>£573,859</b>	<b>£524,851</b>
Increase in Fair Value of Investment Propertie	£0	£2,130,780	£1,956,982	£3,336,400	£2,075,633	£2,296,196	£1,786,624	£1,822,356	£2,632,098	£1,911,445	£1,949,674	£1,988,667	£2,028,441	£2,069,010	£2,110,390
Corporation Tax	£0	-£362,233	-£332,687	-£567,188	-£362,865	-£446,478	-£369,058	-£388,018	-£538,095	-£429,505	-£450,563	-£444,209	-£446,966	-£449,288	-£447,991
<b>Surplus (Deficit) for the Year</b>	<b>-£90,381</b>	<b>£1,665,242</b>	<b>£1,565,528</b>	<b>£2,865,007</b>	<b>£1,928,294</b>	<b>£2,179,861</b>	<b>£1,801,870</b>	<b>£1,894,442</b>	<b>£2,627,168</b>	<b>£2,096,995</b>	<b>£2,199,807</b>	<b>£2,168,785</b>	<b>£2,182,245</b>	<b>£2,193,581</b>	<b>£2,187,250</b>
Dividends Payable															
<b>Reserves Summary</b>	<b>2019.20</b>	<b>2020.21</b>	<b>2021.22</b>	<b>2022.23</b>	<b>2023.24</b>	<b>2024.25</b>	<b>2025.26</b>	<b>2026.27</b>	<b>2027.28</b>	<b>2028.29</b>	<b>2029.30</b>	<b>2030.31</b>	<b>2031.32</b>	<b>2032.33</b>	<b>2033.34</b>
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
Surpluses brought forward	£0	-£90,381	£1,574,861	£3,140,388	£6,005,395	£7,933,689	£10,113,550	£11,915,420	£13,809,862	£16,437,030	£18,534,024	£20,733,832	£22,902,617	£25,084,862	£27,278,443
Dividends Paid	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Surplus/(Deficit) for the Year	-£90,381	£1,665,242	£1,565,528	£2,865,007	£1,928,294	£2,179,861	£1,801,870	£1,894,442	£2,627,168	£2,096,995	£2,199,807	£2,168,785	£2,182,245	£2,193,581	£2,187,250
<b>Surplus (Deficit) carried forward</b>	<b>-£90,381</b>	<b>£1,574,861</b>	<b>£3,140,388</b>	<b>£6,005,395</b>	<b>£7,933,689</b>	<b>£10,113,550</b>	<b>£11,915,420</b>	<b>£13,809,862</b>	<b>£16,437,030</b>	<b>£18,534,024</b>	<b>£20,733,832</b>	<b>£22,902,617</b>	<b>£25,084,862</b>	<b>£27,278,443</b>	<b>£29,465,693</b>

## Balance Sheet

Balance Sheet	2019.20	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
<b>Fixed Assets</b>															
Properties	£0	£25,377,600	£43,291,044	£62,473,315	£83,260,682	£89,331,178	£91,117,801	£92,940,157	£95,572,256	£97,483,701	£99,433,375	£101,422,042	£103,450,483	£105,519,493	£107,629,883
	£0	£25,377,600	£43,291,044	£62,473,315	£83,260,682	£89,331,178	£91,117,801	£92,940,157	£95,572,256	£97,483,701	£99,433,375	£101,422,042	£103,450,483	£105,519,493	£107,629,883
<b>Current Assets</b>															
Properties Under Construction (Rented)	£0	£1,977,960	£3,034,756	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	£0	£1,977,960	£3,034,756	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
<b>Current Liabilities</b>															
Deffered Taxation for Revaluation	£0	-£362,233	-£694,919	-£1,262,108	-£1,614,965	-£2,005,318	-£2,309,044	-£2,618,845	-£3,066,302	-£3,391,247	-£3,722,692	-£4,060,765	-£4,405,600	-£4,757,332	-£5,116,098
Taxation for Trading Activities	£0	£0	£0	£0	-£10,007	-£56,124	-£65,332	-£78,218	-£90,638	-£104,559	-£119,118	-£106,136	-£102,131	-£97,556	-£89,225
	£0	-£362,233	-£694,919	-£1,262,108	-£1,624,972	-£2,061,443	-£2,374,376	-£2,697,063	-£3,156,940	-£3,495,807	-£3,841,810	-£4,166,901	-£4,507,731	-£4,854,888	-£5,205,323
<b>Total Assets less Current Liabilities</b>	£0	£26,993,327	£45,630,880	£61,211,207	£81,635,709	£87,269,735	£88,743,425	£90,243,095	£92,415,316	£93,987,894	£95,591,565	£97,255,141	£98,942,752	£100,664,605	£102,424,560
<b>Long-Term Liabilities</b>															
Amounts owed to Group Undertakings	-£90,381	-£25,418,467	-£42,490,492	-£55,205,812	-£73,702,020	-£77,156,185	-£76,828,005	-£76,433,233	-£75,978,287	-£75,453,870	-£74,857,733	-£74,352,524	-£73,857,890	-£73,386,162	-£72,958,867
Deferred Grant	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
<b>NET LIABILITIES</b>	-£90,381	£1,574,861	£3,140,388	£6,005,395	£7,933,689	£10,113,550	£11,915,420	£13,809,862	£16,437,030	£18,534,024	£20,733,832	£22,902,617	£25,084,862	£27,278,443	£29,465,693
<b>Capital and Reserves</b>															
Called up share capital (Land Inv)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Called up share capital (Cash Equity Inv)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Retained Earnings (Profit & Loss Acc)	-£90,381	£1,574,861	£3,140,388	£6,005,395	£7,933,689	£10,113,550	£11,915,420	£13,809,862	£16,437,030	£18,534,024	£20,733,832	£22,902,617	£25,084,862	£27,278,443	£29,465,693
<b>SHAREHOLDER FUNDS</b>	-£90,381	£1,574,861	£3,140,388	£6,005,395	£7,933,689	£10,113,550	£11,915,420	£13,809,862	£16,437,030	£18,534,024	£20,733,832	£22,902,617	£25,084,862	£27,278,443	£29,465,693

## Cashflow Statement

Cashflow Statement	2019.20	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
<b>Net Cash Inflow from Operating Activities</b>	<b>-£88,960</b>	<b>£555,429</b>	<b>£1,209,873</b>	<b>£1,863,581</b>	<b>£2,604,908</b>	<b>£2,971,522</b>	<b>£3,080,248</b>	<b>£3,143,653</b>	<b>£3,208,327</b>	<b>£3,274,295</b>	<b>£3,341,581</b>	<b>£3,244,348</b>	<b>£3,203,108</b>	<b>£3,158,885</b>	<b>£3,093,367</b>
Interest Received	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Interest Paid	-£1,421	-£658,735	-£1,268,640	-£1,767,786	-£2,389,382	-£2,641,380	-£2,695,944	-£2,683,549	-£2,675,163	-£2,659,240	-£2,640,885	-£2,620,021	-£2,602,338	-£2,585,026	-£2,568,516
<b>Net Cash inflow(outflow) from above activities</b>	<b>-£90,381</b>	<b>-£103,306</b>	<b>-£58,767</b>	<b>£95,795</b>	<b>£215,526</b>	<b>£320,135</b>	<b>£328,180</b>	<b>£394,772</b>	<b>£454,946</b>	<b>£524,417</b>	<b>£596,137</b>	<b>£505,209</b>	<b>£494,634</b>	<b>£471,728</b>	<b>£427,295</b>
Acquisition & Construction of Properties (PRS & MS)	£0	-£25,224,780	-£17,013,258	-£12,811,115	-£18,711,734	-£3,774,300	£0	£0	£0	£0	£0	£0	£0	£0	£0
Equity / Grants Received	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Equity Repaid	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
<b>Net Cash inflow(outflow) from investing activities</b>	<b>£0</b>	<b>-£25,224,780</b>	<b>-£17,013,258</b>	<b>-£12,811,115</b>	<b>-£18,711,734</b>	<b>-£3,774,300</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>
<b>Net Cash inflow(outflow) before financing</b>	<b>-£90,381</b>	<b>-£25,328,086</b>	<b>-£17,072,025</b>	<b>-£12,715,321</b>	<b>-£18,496,208</b>	<b>-£3,454,165</b>	<b>£328,180</b>	<b>£394,772</b>	<b>£454,946</b>	<b>£524,417</b>	<b>£596,137</b>	<b>£505,209</b>	<b>£494,634</b>	<b>£471,728</b>	<b>£427,295</b>
Loans Drawndown	£90,381	£25,328,086	£17,072,025	£12,769,524	£18,595,257	£3,603,471	£0	£0	£0	£0	£0	£0	£0	£0	£0
Loans Repaid	£0	£0	£0	-£54,203	-£99,049	-£149,306	-£328,180	-£394,772	-£454,946	-£524,417	-£596,137	-£505,209	-£494,634	-£471,728	-£427,295
<b>Net Cash inflow(outflow) from financing</b>	<b>£90,381</b>	<b>£25,328,086</b>	<b>£17,072,025</b>	<b>£12,715,321</b>	<b>£18,496,208</b>	<b>£3,454,165</b>	<b>-£328,180</b>	<b>-£394,772</b>	<b>-£454,946</b>	<b>-£524,417</b>	<b>-£596,137</b>	<b>-£505,209</b>	<b>-£494,634</b>	<b>-£471,728</b>	<b>-£427,295</b>
Dividends Paid	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
<b>Increase/(Decrease) in Cash</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>
Opening Cash Balance	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
In-Year Movement	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
<b>Closing Cash Balance</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>

RISK REGISTER - Now Housing

Risk reporting level	Risk title	Risk description	Probability score	Impact score	Current risk score	Control description	Residual probability score	Residual Impact	Residual risk score	Mitigating actions and notes	Risk lead
S (Strategic) O (Operational) and ref			1 = rare 2 =unlikely 3 = possible 4 = likely 5 = almost certain	1 = insignificant 2 = minor 3 = moderate 4 =major 5 = catastrophic		Describe the existing controls in place	1 = rare 2 =unlikely 3 = possible 4 = likely 5 = almost certain	1 = insignificant 2 =minor 3 = moderate 4 =major 5 = catastrophic	Level of risk after assessment of existing controls		
S1	Political and policy environment	a. Impact of national political uncertainty and/or changes in housing policy framework; the impact on local political decision-making b. Government intervention impacting on rental income availability c. Local political uncertainty	4	4	64	Regular meetings with WHBC Corporate Management Team (CMT) shareholders to manage uncertainty and impact; regular reporting to members on delivery of Now Housing Business Plan	3	3	27		
S2	Governance arrangements	a. Failure to maintain effective governance arrangements, standards and ethics, anti-fraud and corruption, whistle blowing and equalities and diversity. b. Inadequate mix of skills on the Board leads to poor governance	2	4	32	a. Now Housing Board members standards policy b. Provide training programme for Board c.Independent Board Member with appropriate skills d.Use of professional advice	1	3	9		
S3	Stakeholder management External	Failure to engage effectively with our communities and key stakeholders, communicate Now Housing Limited's objectives and priorities, impacting the company reputation.	2	4	32	a. Communication plan for Now Housing customers b. Communication plan for other external stakeholders c. Marketing strategy and branding d. Communication and social media policy e. Effective partnership with Developers f. Business Plan which is regularly updated	1	3	9		
S4	Stakeholder management Internal	a. Relationship between Now Housing Board and WHBC – The key relationship between Now Housing and the council changes over time. Relationships fail to be managed well, leading to tensions between the two partners.	2	4	32	a. Communication plan for WHBC staff and members. b. Regular meetings with WHBC CMT. c. Ensure WHBC and Now Housing Board are aligned on the strategy and objectives of Now Housing.	1	3	9		
S5	Failure to comply with regulation or legislation relating to a registered limited company	a. Failure to comply with Company House regulation and legislation including accurate data returns, Data Protection and Procurement. b. Failure to implement GDPR processes for managing and reporting breaches. c. Failure to implement Procurement processes for managing new and on-going contracts. d. Failure to comply with financial regulations	2	4	32	a. Implement processes for monitoring of changes in law. Procedure two stage sign-off for statutory returns. Follow guidance from WHBC. b. Implement Data Protection policy/ Implement ICT data encryption processes / Arrange periodic Internal auditing. / Ensure procurement policy/process to include data protection in contracts c. Implement Procurement Policy and processes d. Implement processes for audit programmes e. Arrange for suitably experienced / qualified Company Secretary.	1	4	16		
S6	Delivery of Now Housing objectives and reputation	a. Failure to provide good quality, well managed mixed tenure homes which local people can afford to live in and which complement the Council's existing and planned housing provision including specialist housing where required. b. Failure to support the growing demand for a mix of housing tenures for WHBC residents by providing intermediate, low cost home ownership or open market homes and letting sub-market and market rented homes. c. Failure to be a financially robust company, generating a profit to be used for the purpose of providing more affordable housing and delivering financial returns to the shareholder. d. Failure to stimulate local housing regeneration and partnership working	3	4	48	a Now Housing Business Plan b. Robust governance arrangements c. Clear Communication Strategy d. Ongoing stakeholder engagement strategy f. Regular liaison with Shareholder Group g. Clear policies setting out acquisition and development standards and processes h. Financial Management Framework and policies i. Regular reporting to WHBC Members j. Now Housing Letting Framework	2	4	32		

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S (Strategic) O (Operational) and ref			1 = rare 2 =unlikely 3 = possible 4 = likely 5 = almost certain	1 = insignificant 2 =minor 3 = moderate 4 =major 5 = catastrophic		Describe the existing controls in place	1 = rare 2 =unlikely 3 = possible 4 = likely 5 = almost certain	1 = insignificant 2 =minor 3 = moderate 4 =major 5 = catastrophic	Level of risk after assessment of existing controls		
S7	Identifying opportunities for new supply, acquisitions and disposals	a. Failure to identify properties or land to meet the objectives of the Business Plan b. Failure to balance strategic growth planning and being reactive to new development opportunities c. Lack of contractor skills/labour leading to delays in development completions d. Competing with RPs for S106 sites e. Negative impact on local housing market of acquisition activity	3	4	48	a. Ensure SLA with WHBC and the team deliver on programme b. Existing relationships with agents, including an understanding of the benefits of selling to the Company c. Regular communication with key stakeholders and RPs d. Ongoing engagement with market to ensure up to date knowledge of any market failings and opportunities. e. Ongoing monitoring of housing market to determine trends and impacts f. Flexibility in acquisition programme to include different property types and locations	2	3	18		
S8	Impact of new supply, acquisitions for asset management	a. New developments / acquisitions require disproportionate investment. b. Specifications for new developments / acquisitions create maintenance challenges (cost and availability of materials) c. New developments / acquisitions are a stock anomaly with resulting difficulty in amalgamating into asset management strategies	3	3	27	a. Ensure WHBC SLA Property Services Team to be involved in the procurement of any development / acquisitions. b. Decisions to acquire made by Now Housing Board, taking into account business plan. c. Ensure robust financial appraisal of new schemes work financially and operationally.	2	2	8		
S9	Health and Safety including compliance	Failure to ensure an adequate and effective safety management system	3	5	75	a. H&S policy statement b. H&S risk assessments and processes developed c. Governance arrangements to ensure compliance with H&S management framework and evolving statute law and legislation d. Training and development of staff e. Inspection and auditing	2	5	50		
S10	Management of Now Housing owned housing property assets, including regulation	a. Failure to comply with regulation and legislation in relation to the provision and maintenance of property assets and services. b. Poor management of stock impacting on performance c. Failure to provide critical services in the event of a crisis/disruption	2	4	32	a. LGSR compliance / Planned works / Asbestos managements if applicable / Electrical safety / Fire risk assessment / H&S b. Contract monitoring and service monitoring processes in place. c. Complete BCP and share actions with partners (contractors and SLAs) d. Ensure WHBC SLA for Property Services Team performs as agreed. e. Manage varying expectations between difference in service	1	4	16		
S11	Housing Management of Now Housing tenancies/leases, including regulation	a. Failure to communicate or engage effectively with tenants b. Welfare reform changes impacting on tenant/leaseholder rights c. Failure to provide critical services in the event of a crisis/disruption d. Failure to manage tenancy and tenant rights e. Failure to manage ASB f. Poor management impacting on performance g. Failure to meet regulation and legislation for Landlords and tenant/leaseholder rights. h. Insufficient resourcing and a lack of appropriate knowledge within staff.	3	3	27	a. Experienced and trained staff via SLA with WHBC. b. Complete Business Continuity Plan and share actions with partners (contractors and SLAs) c. Ongoing training of staff under SLA and monitoring of activity. d. Monitoring of ASB SLA for Now Housing customers. e. Performance reporting framework for Now Housing . f. Ensure tenancy agreements do not breach any legal requirements and are reviewed, kept up to date. Ensure any tenants or leaseholder rights are managed effectively if changed. g. Human Resources policies & procedures, managing workload, sickness & absence monitoring, 1to1's, pro-active resource management. h. Manage varying expectations between difference in service provision for WHBC tenants and Hous Housing tenants.	1	3	9		
S12	Failure to identify & report safeguarding issues.	Failure to meet legal obligations in respect of vulnerable adults and children.	3	4	48	a. Safeguarding policy and action plan b. Ensure all contracts and partnerships have reference to the safeguarding policy. c. WHBC SLA Staff training and Now Housing Board training. d. Now Housing Director to be present at WHBC Safeguarding group on behalf of Now Housing	2	4	32		



S (Strategic) O (Operational) and ref			1 = rare 2 =unlikely 3 = possible 4 = likely 5 = almost certain	1 = insignificant 2 =minor 3 = moderate 4 =major 5 = catastrophic		Describe the existing controls in place	1 = rare 2 =unlikely 3 = possible 4 = likely 5 = almost certain	1 = insignificant 2 =minor 3 = moderate 4 =major 5 = catastrophic	Level of risk after assessment of existing controls		
S13	Revenue Collection	Failure to effectively collect rental income leading to significant budget deficit.	3	3	27	a. Dedicated income team / resource. Local level weekly and monthly monitoring, trend analysis, reporting to Board through performance framework. b. Partnership arrangements with Citizens Advice to provide additional debt advice c. Affordability checks as part of assessment stage d. Ensure WHBC SLA for Housing Operation teams can deliver processes for managing Assured Shorthold tenancies. e. Ensure WHBC SLA for Housing Operation teams can deliver processes for meeting Now Housing debt recovery targets and expectations.	2	2	8		
S14	Accurate stock data and integrity	a. Failure to hold accurate stock data including asset and liability register b. Data integrity and quality of data leads to misreporting of information to regulators and funders	2	3	18	a. Apply procedure for clear recording and monitoring of asset and liability register. Internal auditing process. b. Implement KPI and OPI reporting. Data checking and improvement plans	1	3	9		
S15	Financial management	a. Repaying Debt b. Securing funding (support for further funding) c. Cost management control including SLA's d. Insurance cover sufficient e. Financial regulation and returns	3	4	48	a. Daily review of cash balances. Monthly update of cash flow forecasts. Monthly update of Development Programme cash flow. Monthly budget review. Annual stress testing of Business Plan to model plan for shock scenarios. b. The Equity Subscription Agreement is a funding agreement that sits alongside the loan agreement- because of State Aid, the Company can't be wholly funded by way of a loan (because no commercial lender would lend to a new company on that basis); what the equity subscription does is to commit the Council to "buying" shares in the Company on the Company acquiring land/property, so that the Company's board have the assurance that on the commitment to acquire land/property they will have the funding in place to do so. c. Regular monitoring of SLAs and annual review of SLA's and value for money d. Stress testing to include insurance cover, and annual review of insurance. Ongoing insurance claims reported to Board e. Manage expectations for financial returns, implementing actions plans to include accountabilities, deadlines for signing off and quality submission. f. Agreed Business Plan which is reviewed annually g. Agreed Loan Agreement with Shareholder h. Shareholder Agreement i. Clear and robust development appraisal process and development scheme management	2	4	32		
S16	Failings in commissioned and contract services delivery	a. WHBC SLAs failure to deliver as expected (SLAs and others) b. Skills insufficient (SLAs) c. Flexibility to meet increased demand d. Contracts fail to deliver	3	4	48	a. WHBC ICT database strategy, Disaster recovery plan, infrastructure support and malware detection b. Clearly set out SLA and regular review/monitoring of SLA service reports and implementation of rectification processes c. Effective relationships, monitoring and communications with SLA teams and contractors to ensure expectations are met, or alternative resources arranged in timely manner. d. Contracts monitored to ensure delivery as expected. e. Contract procurement via Financial Standing Orders f. Contractual documentation provides safeguards around failure to deliver on the contractual terms g. Insurance cover h. Business Continuity Plan	2	4	32		

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Part I

Main author: Sian Chambers

Executive Member: Cllr Nick Pace

All Wards

WELWYN HATFIELD BOROUGH COUNCIL  
CABINET 8 OCTOBER 2019  
REPORT OF THE CORPORATE DIRECTOR (CORPORATE TITLE)

DRAFT HOUSING DELIVERY STRATEGY

**1 Executive Summary**

- 1.1 This report introduces the proposed Housing Delivery Strategy 2019 – 2025
- 1.2 The Housing Delivery Strategy sets out the council's plans for contributing directly to increasing the supply of much-needed affordable housing in Welwyn Hatfield, helping to meet our strategic vision for housing.
- 1.3 The purpose of this strategy is to create a new framework for facilitating the direct provision of additional housing in the borough by the council, including a process for identifying how they will be delivered

**2 Recommendation(s)**

- 2.1 Members to approve the Housing Delivery Strategy 2019 – 2025
- 2.2 Delegated authority to be given to the Director (Housing and Communities) in consultation with the Executive Member for Housing and Communities to make any minor changes to the Strategy.
- 2.3 Members to note that housing development updates are provided to Cabinet Housing Panel on a six monthly basis.

**3 Explanation**

- 3.1 The council has already successfully facilitated the delivery of new homes through its Affordable Housing Programme (AHP) which has been in place since 2012.
- 3.2 The AHP was launched following the introduction of new government policy, whereby the council was permitted to use a proportion of receipts from the sale of council homes through Right to Buy to fund replacement of social rented/affordable rented housing. The programme provides affordable homes over and above those that are provided via the planning system.
- 3.3 All homes currently delivered directly by the council are delivered through its Housing Revenue Account and let on secure tenancies at social rent.
- 3.4 To complement the work that the council is doing to increase the supply of social rented and family sized homes, the council has created **Now Housing Limited**, a wholly council-owned company, which will seek to help address the need for sub market housing in and around Hatfield and Welwyn Garden City, mainly focusing on one and two bedroom properties

3.5 The aims of Now Housing Limited will include:

- To provide good quality, well managed homes for residents in the borough of Welwyn Hatfield which people can afford to live in and which complement the council's existing and planned housing provision
- To support the growing local demand for a mix of housing tenures by providing intermediate, low cost home ownership or open market homes and letting sub-market and market rented homes

3.6 Objectives of this Housing Delivery Strategy are set out in full on Page 4 of the Strategy document, which is attached. However the key objectives are to:

- Increase the number and mix of homes of all tenures to meet the assessed need of local people, and striving for policy compliant schemes which would mean 25-30% of all new homes developed will be affordable and for at least half of that figure to be at social rents
- Reduce the need for temporary accommodation and the associated risk of requiring unsuitable and expensive bed and breakfast accommodation
- Set out the mechanism for making recommendations as to the appropriate delivery vehicle for housing schemes, as opportunities arise.

3.7 As new opportunities are identified they will be presented to the Housing Delivery Group, which will consider the details and viability of the site (s) and respond to recommendations on the most suitable delivery options – usually either through the Affordable Housing Programme or Now Housing Limited.

3.8 Once a recommendation is agreed, the scheme will then be presented to the relevant decision making body for approval (Now Housing Limited Board of Directors or the council's Cabinet)

3.9 The council has a target to ensure that there is a rolling pipeline of at least five hundred affordable homes, which will be delivered either via the Affordable Housing Programme or through the Housing Company.

3.10 A briefing for all members will be organised once the Delivery Strategy and Local Housing Company Business Plan are agreed, updating members on the objectives and plans for delivery.

## **Implications**

### **4 Legal Implication(s)**

4.1 There are no direct legal implications arising from this report or proposed Strategy

## **5 Financial Implication(s)**

- 5.1 There are no direct financial implications arising from this report or the proposed Strategy. A separate report will be presented providing the financial implications of the Housing Company.

## **6 Risk Management Implications**

- 6.1 The risks related to this proposal are:

Reputational: the council has a target to have a pipeline of a minimum of 500 affordable homes in a rolling programme. The Delivery Strategy sets out this ambition and there is a risk that this could raise expectations and that a failure to deliver could mean adverse publicity. The controls are that the council has an established Affordable Housing Programme with a long term delivery pipeline and the council's wholly owned Housing Company has produced a draft Business Plan, setting out delivery plans. Likelihood Low Impact Medium.

## **7 Security and Terrorism Implication(s)**

- 7.1 There are no security and terrorism implications arising from this report

## **8 Procurement Implication(s)**

- 8.1 There are no procurement implications arising from this report

## **9 Climate Change Implication(s)**

- 9.1 There are no climate change implications arising from this report

## **10 Human Resources Implication(s)**

- 10.1 There are no human resource implications arising from this report.

## **11 Health and Wellbeing Implication(s)**

- 11.1 Good quality housing is linked to good health and wellbeing

## **12 Communication and Engagement Implication(s)**

- 12.1 The Delivery Strategy supports the council's aspiration to be clear on its ambition to deliver more affordable housing

## **13 Link to Corporate Priorities**

- 13.1 The subject of this report is linked to the Council's Corporate Priority Our Housing, and specifically to the objective to plan for current and future housing need and provide more affordable homes.

**14 Equality and Diversity**

14.1 An EqIA was not completed because this report does not propose changes to existing service-related policies or the development of new service-related policies.

Name of author	Sian Chambers
Title	<i>Head of Community and Housing Strategy</i>
Date	11 September 2019

Background papers to be listed (if applicable)

Appendices to be listed

## **Draft Housing Delivery Strategy 2019-2025**

### **Welcome to our new Housing Delivery Strategy 2019-25.**

Our Housing Delivery Strategy sets out the council's plans for contributing directly to increasing the supply of much-needed affordable housing in Welwyn Hatfield, helping to meet our strategic vision for housing. Our vision set out in our Housing Strategy is:

**“Providing local people with opportunities to access good quality homes which they can afford to live in and where they can enjoy settled, secure and healthy lives.”**

#### **1. BACKGROUND**

##### **Why do we need a Housing Delivery Strategy?**

The purpose of this strategy is to create a new framework for facilitating the direct provision of additional housing in the borough by the council, including a process for identifying how many homes the council needs to provide and how they will be delivered.

The council has already successfully facilitated the delivery of new homes through its Affordable Housing Programme (AHP) which has been in place since 2012. The AHP was launched following the introduction of new government policy, whereby the council was permitted to use a proportion of receipts from the sale of council homes through Right to Buy to fund replacement of social rented/affordable rented housing. The programme provides affordable homes over and above those that are provided via the planning system.

The council's Affordable Housing Programme has been delivered through a combination of grant funding to private registered providers and in recent years, through its own direct delivery programme. All homes currently delivered directly by the council are delivered through its Housing Revenue Account and let on secure tenancies at social rent.

Our Housing Delivery Strategy sets our wider vision for direct housing provision, including how we will diversify our activities to complement the existing Affordable Housing Programme to meet identified housing need in the borough.

##### **Housing need and demand in Welwyn Hatfield**

In Welwyn Hatfield the demand for new homes is significantly outstripping supply.

This has been evidenced through a range of studies and assessments, including the information obtained by the council through its management of the borough's Housing Needs Register.

Housing demand in the borough cuts across all tenures and property types, with the objectively assessed need (OAN) for housing currently standing at 16,000 new homes over the local plan period (up to 2032).

The Strategic Housing Market Assessment (SHMA) forms part of the evidence base for the Local Plan. It was last updated in May 2017 and identified that at least 793 homes are needed per annum over the plan period (2013-2032) and 818 affordable homes needed annually over the next five years to clear the backlog of under-supply and meeting the requirements of newly forming

households, with annual need falling to 602 affordable homes per annum once the backlog is cleared.

*Note: At time of writing the council's Local Plan is going through the inspection process and a final decision on the number of homes to be provided for has not been reached.*

In addition to supply, there is a clear need for housing which is affordable, based on local earnings, with the average house price in Welwyn Hatfield having reached more than £447,000, this representing an increase of 56% since 2012.

This upward trend is reflected in the earnings to house price ratio, currently 1:12 for lower value properties and rising year on year. Despite our currently uncertain economic environment this has increased from 1:11 last year.

Homelessness and living in unsuitable accommodation is:

- damaging for health, educational and social outcomes of individuals
- bad for the council's reputation and very costly

The introduction of the Homelessness Reduction Act in 2018 placed a greater duty on the council to take earlier interventions for residents who may be at risk of becoming homeless.

### **Current supply of social and affordable rented housing**

The borough council is landlord to 9,000 tenancies plus 1,000 leaseholders.

There is also a large number of private registered providers (housing associations) operating in the borough and together they manage approximately 4000 homes.

However, the demand for affordable housing is much higher than the 400 homes which become available for let each year by the council and the 170 homes owned by the other social landlords operating in our borough<sup>1</sup>.

### **Housing needs register**

As at May 2019 there were 2,539 households on the housing needs register, and there is a clear lack of new lettings to keep up with demand. However, there is evidence that there are some people on the register who can afford more than a social rent – but not full market rent levels.

### **Affordability and Demand Assessment**

The council recently commissioned a report by Savills to identify affordability as well as demand issues in Welwyn Hatfield.

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<sup>1</sup> Average annual figures for the past three years



The conclusion of the report was that there is a high demand in the borough for sub-market/intermediate homes particularly in and around Welwyn Garden City and Hatfield. If high quality intermediate homes can be provided this would reduce pressure on the housing needs register, giving a number of households a chance of finding a home more quickly through widening their options.

The Savills research looked at the levels of affordability for the intermediate housing at a borough wide level (this is also broken down to five sub-markets in main towns) and concluded that those on the lowest incomes are already accommodated in the council's own housing stock or have access to the housing needs register, however the gap in supply affects around 12,000 households whose income is in the £35,000 to £65,000 range. Of these households the majority are able to afford intermediate priced housing, especially in the smaller bedroom sizes.

Specifically the report identified that:

- There is demand for affordable housing across the whole of the borough. However in Welwyn Garden City and Hatfield there are large affordability gaps affecting households in a narrow range of income bands. In Welwyn Garden City, the affordability gap affects approximately 2,000 households earning between £25,000 and £55,000. In Hatfield, around 2,100 households earning between £20,000 and £35,000 are constrained.

#### **Direct provision of intermediate 'sub market' housing to meet local need**

Therefore, to complement the work that the council is doing to increase the supply of social rented and family sized homes, the council has created **Now Housing Limited**, a wholly council-owned company which will seek to help address the need for sub market housing in around Hatfield and Welwyn Garden City, mainly focusing on one and two bedroom properties.

This will provide an additional delivery vehicle to complement the existing Housing Revenue Account development programme. The objectives of the company will be to:

- Provide good quality, well managed homes for residents in the borough of Welwyn Hatfield which people can afford to live in and which complement the council's existing and planned housing provision
- Support the growing local demand for a mix of housing tenures by providing intermediate, low cost home ownership or open market homes and letting sub-market and market rented homes
- Be a financially robust company, generating a profit to be used for the purpose of providing more affordable housing and delivering financial returns to the shareholder
- Stimulate local housing regeneration and partnership working

#### **Achieving efficiencies through re-use of existing HRA land**

A recent assessment carried out on behalf of the council by Faithorn Farrell Timms (FFT) confirmed that there is potential to deliver more housing on the council's HRA land assets. A number of sites have been identified for further consideration and the council continues to review how existing land and assets can bring new opportunities to meet the identified additional housing need.

### **Welwyn Hatfield Housing, Homelessness and Rough Sleeping strategy**

Our Housing, Homelessness and Rough Sleeping Strategy 2019- 2024 has identified five key priorities, all of which form part of the drivers behind this Housing Delivery Strategy including:

- Deliver more housing to meet the needs of local people
- Make best use of housing in the borough
- Meet the housing needs of older and vulnerable people
- Improve access to and maintaining standards in the private sector
- To prevent and relieve homelessness

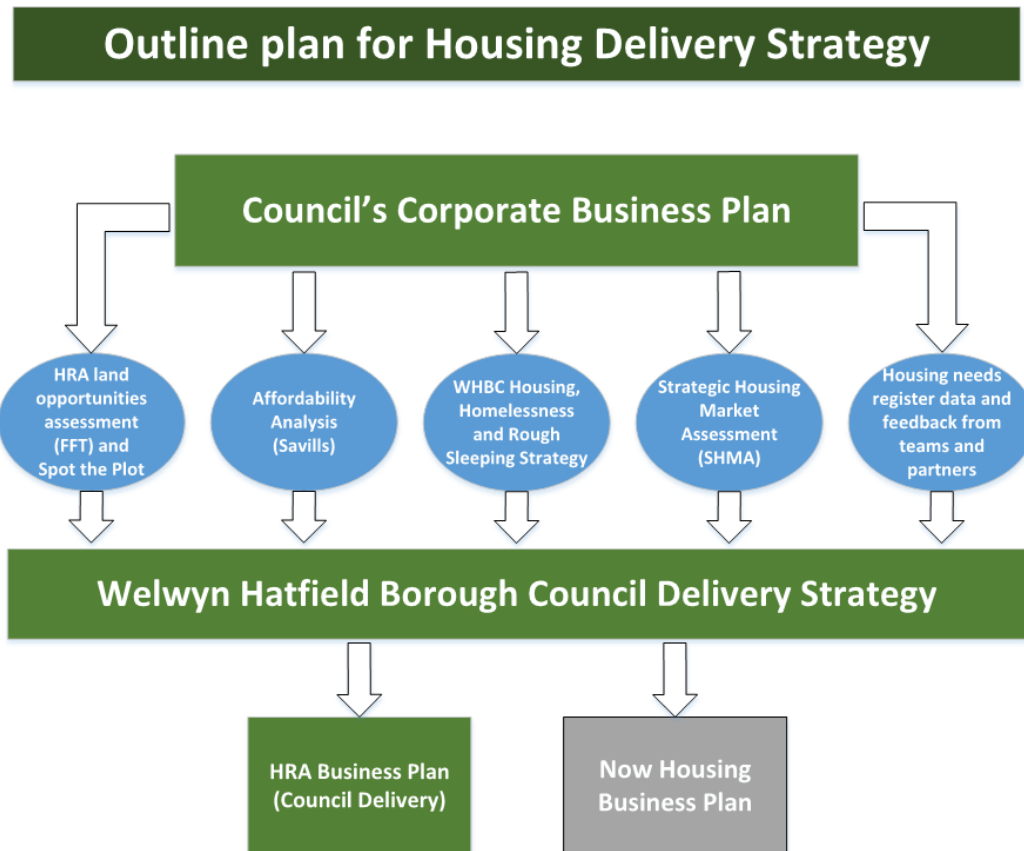
**This Housing Delivery Strategy aims to facilitate meeting these key priorities by delivering the following objectives:**

- Increasing the number and mix of homes of all tenures to meet the assessed need of local people, and striving for policy compliant schemes which would mean 25-30% of all new homes developed will be affordable and for at least half of that figure to be at social rents
- Reducing the need for temporary accommodation and the associated risk of requiring unsuitable and expensive bed and breakfast accommodation
- In partnership with Hertfordshire County Council, understanding the demand, planning for and delivering the right type of accessible and specialist housing for people with mobility and support needs.
- Delivering high quality, energy efficient homes which provide long term comfort and security for people.
- Building on our working relationships with developers and housing providers, to encourage investment in the borough, fostering successful partnerships and seeking out opportunities, sites and innovative house building methods to deliver new homes via the Housing Revenue Account (HRA), General Fund and the Local Housing Company or in partnerships or joint ventures.
- Running a successful housing company as an additional vehicle for the delivery of new homes across a range of tenures, to complement our Affordable Housing Programme, with the aim of meeting a wide range of housing need in the borough.
- Responding to the changing needs of our community, through change of use, planned programmes of renovation, redevelopment and regeneration of our existing housing stock.
- Continuing to implement the council's Older Persons Housing Strategy Action Plan, using new housing to facilitate a reduction in under-occupancy and releasing under-occupied family housing through an alternative, desirable, quality housing offer

## 2. The HOUSING DELIVERY STRATEGY AS PART OF THE COUNCIL'S WIDER PLANS

The council's wider corporate commitment to housing provision is reflected in its Business Plan 2018-21, which identifies housing as one of its five corporate priorities, and including the specific objectives of **planning for current and future housing need** and **providing more affordable homes**.

The borough council has used a number of strategic policies and research to inform this delivery strategy. They can broadly be split between analysis of the demand and proposals to satisfy that demand as set out in the diagram below:



### 3. HOW WILL THE AFFORDABLE HOUSING DELIVERY STRATEGY WORK?

Building on the success of the Affordable Homes Programme, our Housing Delivery Strategy provides our framework for our new ambitions and provide clear criteria for any new homes delivered.

Any new council homes will continue to be of the highest design and construction quality, setting a benchmark for other developers and demonstrating how local planning policies can be achieved to reflect the council’s business plan objectives as well as national policy.

By setting out the aspirations of new delivery we will be able to test new schemes against these parameters to create a robust framework for scheme assessment and review. Such assessment will take a holistic approach, taking into account the benefit of building our assets in the longer term. This approach will include collaboration between the Housing and Communities team and other council services, to ensure a wider corporate approach and the maximisation of opportunities to deliver positive outcomes for Welwyn Hatfield.

The strategy does not aim to reduce the council’s ambition to continue its role as enabler – we wish to continue working with private registered providers and developers to secure additional supply of both private and affordable homes, remaining flexible in responding to market conditions and taking advantage of any windfall opportunities which may arise.

#### Types of housing to be provided through the Housing Delivery Strategy

A key aim of this strategy is to broaden the range of housing products delivered directly by the council. This will include:

<i>Tenure type</i>	<i>Delivery vehicle</i>
Social rented homes	Council, Housing Revenue Account
Flex – a new product providing intermediate rent and rent to buy homes, based on a flexible living rent for the borough	Now Housing Limited May include joint venture partnerships on a scheme by scheme basis
Market price homes for rent and sale, as required for cross subsidy or to support tenure diversification and regeneration aims	Now Housing Limited May include joint venture partnerships on a scheme by scheme basis

Further modelling and analysis of these options are set out in the council’s draft Housing Revenue Accounts Business Plan and the Now Housing Limited Business Plan.

#### How the schemes may originate and be delivered

The following options have been considered. However, this is not an exhaustive list:

- Utilising council owned HRA land, including those being identified by FFT and through our internal ‘Spot the Plot’ initiative (an internal marketing campaign getting staff to identify potential development sites)
- Utilising General Fund land (such as garage sites) where deemed viable and appropriate by the council
- Design and Build (direct delivery)
- Land and Property acquisitions

- Regeneration opportunities, including sheltered housing and temporary accommodation
- 'Off The Shelf' deals and acquisition of completed homes
- Package Deals
- Joint Ventures
- Partnerships, including with Hertfordshire County Council, local developers, Private Registered Providers and land owners

### **Location of new homes**

The core geographical areas of operation for Now Housing are Welwyn Garden City and Hatfield as informed by the Savills research. However, we will remain proactive in seeking activities in all areas within the borough where there are suitable opportunities, identified need, demand and delivery potential. Delivery via the Affordable Housing Programme will continue to be throughout the borough, where opportunities to deliver suitable, affordable housing can be progressed.

### **Delivering this strategy and the role of the Housing Delivery Group**

The council's Housing Delivery Group is responsible for the implementation of this Housing Delivery Strategy.

The Housing Delivery Group, comprises key managers from the Housing and Communities Team, drawn from all areas of operation, including development, asset management and housing operations. This group's role is to ensure that different opportunities for increasing housing supply are considered and referred to the appropriate delivery vehicle for further consideration and decision.

The council's primary vehicle for delivering new affordable housing will continue to be through the council's Housing Revenue Account so that the focus can remain on providing social tenancies.

#### Housing Delivery Group – decision making process

A new process has been introduced in the following stages and will be the key principles by which agreement will be reached on the suitability of the development and to which delivery vehicle it should be referred.

Criteria for agreeing development and suitability for delivery via HRA or Now Housing are as follows:

1. All schemes must be planning policy compliant (affordable housing required on all schemes of 11 homes or more and sites of 0.5ha)
2. Any scheme up to 5 homes will be delivered at social rent
3. Schemes from 5 – 10 homes, options can be considered on the tenure
4. Schemes of 10 or more homes (in addition to being policy compliant as required) will be considered. As a starting point this will be based on a 50% - 50% split between Now Housing and Housing Revenue Account homes of any homes over and above policy requirement. However, a detailed appraisal will take place to confirm the final outcome.
5. Schemes delivered through either the HRA or by Now Housing must be considered viable in accordance with the respective Business Plans, following a robust appraisal process

Considerations when reaching decisions on the best delivery mechanism will be:

- Fit with other council strategies and activities. This includes the council's Business Plan, the Housing, Homelessness and Rough sleeper Strategy, the Older Person's Housing Strategy and other corporate programmes and regeneration plans
- Current housing need and demand
- Existing approved developments and other pipe line opportunities - looking at budget availability and balance of delivery
- Delivery on S106 sites - including numbers and tenure
- Existing council and housing association stock in the location (rented and intermediate)
- Overall balance between Social rent/ Affordable Rent/ FLEX product and sale
- Scheme appraisals and costs
- Available budget and profiling of budget, as set out in the Housing Revenue Account and Now Housing Limited business plans.
- Requirement to spend Right To Buy receipts and potential penalties
- Borrowing capacity
- Anticipated delivery timescales
- Anticipated rents
- Social value and benefits
- Opportunity to assist with regeneration and area improvements
- Location and specific demand within the location

This will allow officers to make a robust and justifiable rationale for the particular delivery vehicle (or joint vehicles) to be considered by the Group for further discussion and recommendation.

Housing Delivery Group – ensure good governance and accountability

- The Housing Delivery Group will ensure a clear audit trail for its recommendations.
- All recommendations will be noted, with the rationale for each decision recorded, based on the criteria set out above.
- All recommendations must link to either the Housing Revenue Account or Now Housing Limited Business plan objectives.
- The Housing Delivery Group will be responsible for ensuring consultation with other council teams and ensure there is a fit with council objectives, strategies and activities
- The Housing Delivery Group will take responsibility for identifying the most appropriate council governance route for any update reports and recommendations it makes and keep the Cabinet Housing Panel apprised of activity and progress. This will be in line with the council's Constitution and the Shareholder Agreement for Now Housing Limited.
- As part of all development activity, we will ensure effective resident engagement and stakeholder engagement, as per council strategies

## How will the delivery of new homes be managed within the council and Now Housing?

The new homes will be delivered within existing management structures.

We will review capacity/skills as we move into delivery and bring in expertise and resources as required, with any applicable costs capitalised through projects that are in delivery. More details are contained within the How Housing Limited Business Plan.

### 4. TARGETS FOR FUTURE HOUSING DELIVERY

The council's 2018-2021 Business Plan sets out the council's vision, priorities and objectives for the period, with an Action Plan of more detailed performance indicators that can be measured by Members to track progress.

The performance indicator for the delivery of new affordable housing is to achieve a rolling development pipeline of 500 new homes.

This Housing Delivery strategy sets out the how the affordable homes will be developed both within the HRA and via Now Housing. The respective business plans provide details of which schemes are being developed within the pipeline and the timescales for completion. The current Now Housing Business Plan has a pipeline of 74 homes (with a target to deliver a total of 372 homes during the first five years of operation) and the council's Affordable Housing Programme has current plans to deliver 437 homes, providing a combined total of 511 new affordable homes in the pipeline.

The Housing Delivery Group will be responsible for oversight and implementation of the delivery strategy and ensuring that the 500 home rolling pipeline is achieved. The group will provide a more corporate focus to ensure that the council is seeking out new opportunities to deliver more affordable housing.

Innovation is one of the council's core values:

*We will evaluate and implement new ways of providing our services when it leads to greater efficiency without compromising their quality*

We believe that working in collaboration, the different Council departments will find new and innovative ways to ensure we achieve a rolling pipeline of 500 affordable homes.

## Appendix A

### Scheme Summary Proforma for consideration by the Housing Delivery Group.

The Housing Delivery group will require officers to provide robust evidence and recommend a delivery route for each scheme. This may be the HRA, NOW or a joint scheme. The proforma below will enable a clear audit and justification to be presented to the group for consideration.

Please add comments to explain how the scheme achieves the criteria and tick either (or both) HRA & NOW boxes if compliant.

The next stage will be to add comments to explain what considerations have been taken into account in arriving at the recommended delivery route. The comments columns have some initial questions and challenges but officers are encouraged to make this as detailed as possible – provide additional appendices or links to other sources as necessary.

Finally, please add and date a recommendation for the group.

Scheme:

Criteria	HRA	NOW	Comments
Scheme must be planning policy compliant (affordable housing required on all schemes of 11 homes or more and sites of 0.5ha and mix to be in line with planning policy)			
Any scheme up to 5 homes will be delivered at social rent			
Schemes from 5 – 10 homes, options can be considered on the tenure			
Schemes of 10 or more homes In addition to being policy compliant, as a starting point schemes will be based on a 50% - 50% split of all homes above the policy compliant number between Now Housing and Housing Revenue Account. However, a detailed appraisal will take place to confirm the final outcome.			
Schemes delivered through the HRA or by Now Housing must be considered viable, following a robust appraisal process and in line with the respective Business Plans.			

Considerations	HRA	NOW	Comments
Fit with other council strategies and activities.			This includes the council's Business Plan, the Housing,



			Homelessness and Rough Sleeper Strategy, the Older Person's Housing Strategy and other corporate programmes and regeneration plans
Current housing need and demand			Provide evidence from SHMA and waiting list
How the opportunity fits/complements existing approved developments and other pipeline opportunities			Consider budget availability and balance of delivery between vehicles and explanation of delivery vehicle recommendation
Available budget and profiling of budget, as set out in the Housing Revenue Account and Now Housing Limited business plans.			Any schemes recommended must be within the respective business plan
Existing council and housing association stock in the location (rented and intermediate)			There may be a preference for delivery vehicle if land use or housing management benefits.
Overall balance between Social rent/ Affordable Rent/ FLEX product and sale			Consider demand and financial viability
Scheme appraisals and costs			Hurdle rates will need to be met that may impact on viability
Requirement to spend Right To Buy receipts and potential penalties			HRA may be preferred to avoid penalties
Borrowing capacity			Delivery vehicle may be preferred if there are borrowing constraints
Anticipated delivery timescales			Consideration of timescales may impact upon grant availability or changes in legislation
Anticipated rents			Tenure decisions will be heavily influenced by rental values
Social value and benefits			All schemes should be able to provide such benefits within the construction period and also preferably the long term
Opportunity to assist with regeneration and area improvements			Creating decant potential to assist with other wider regeneration activities should be considered

Location and specific demand within the location		This may be especially relevant to the NOW developments where financial viability required certain rent levels and turn over.
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**Recommendation**

Recommendation	Officer Name	Date
Set out your recommendations here		

**Decision**

Recommendation agreed or rejected	Officer Name	Date of meeting
Set out decision here with any conditions as necessary		

Part I  
For Decision

WELWYN HATFIELD BOROUGH COUNCIL  
CABINET – 8 OCTOBER 2019

Recommendation from the Social Overview and Scrutiny Committee on 4 September 2019:-

DOMESTIC ABUSE POLICY

Report of the Corporate Director (Housing and Communities) on the approval and adoption of the updated draft Domestic Abuse Policy as set out in Appendix A.

The current Domestic Abuse Policy was drafted in December 2015 and was a former Housing Trust policy which was not representative of current operational circumstances.

The updated draft policy reflected updated Council branding, revised partnership working arrangements, updated definition of domestic abuse in line with current guidelines and removal of procedural guidance from the policy document.

Members were informed that the Council had Domestic Abuse Champions under the Sunflower Network who had been trained and supported tenants and Council staff.

Members enquired about safe places for male victims of domestic abuse and Officers assured them that Safer Places had a male hostel where male victims could be housed with their children.

Members requested an amendment to point 5.5 of the Draft Domestic Abuse Policy and point 7.1 of the corporate report.

Members thanked Officers for a well written updated draft Domestic Abuse Policy.

RESOLVED:

That the draft Domestic Abuse Policy be agreed and recommended to the Cabinet for adoption subject to the following amendments:-

- (i) Corporate report – point 7.1 updated to state - there are no obvious implications arising from this policy.
- (ii) Draft Domestic Abuse Policy – point 5.5 – updated to state that consent will not be necessary if there are safeguarding concerns.

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WELWYN HATFIELD BOROUGH COUNCIL  
SOCIAL OVERVIEW SCRUTINY COMMITTEE – 4<sup>TH</sup> SEPTEMBER 2019  
REPORT OF THE CORPORATE DIRECTOR (HOUSING AND COMMUNITIES)

**DOMESTIC ABUSE POLICY**

**1 Executive Summary**

- 1.1 This report recommends the approval and adoption of the updated draft Domestic Abuse Policy set out in Appendix A.
- 1.2 The current Domestic Abuse Policy was adopted by Welwyn Hatfield Community Housing Trust in December 2015. The current policy is shown at Appendix B.
- 1.3 Following the re-integration of the former Trust in February 2017 and changes in legislation and practice since the previous policy was approved, a full review of the current policy has been carried out and updated as set out in this report.
- 1.4 The draft updated Domestic Abuse Policy provides guidance on how the council will deal with cases of domestic abuse to ensure we provide a consistent and empathetic service.
- 1.5 The updated draft Domestic Abuse Policy reflects changes to the previous policy in the following areas;
  - Updated council branding
  - Updated definition of domestic abuse and violence against women and girls in line with Government definitions and guidance
  - Revised partnership working arrangements to reflect current practice
  - Updated the support provided by the council and our partners.
  - Removal of procedural guidance from the policy document

**2 Recommendation(s)**

- 2.1 Members recommend to Cabinet the adoption of the Domestic Abuse Policy (as set out at Appendix A).

**3 Explanation**

- 3.1 The current Domestic Abuse Policy was drafted in December 2015 and rolled out in the former Community Housing Trust.
- 3.2 The current policy is a former Trust policy and therefore is not representative of current operational circumstances.
- 3.3 The council is a key partner in the Community Safety Partnership, which has five key priorities via a published annual action plan. One of these references specifically our approach to managing incidents of domestic abuse:

- 1) Support People Enduring or Escaping Domestic Abuse, Intimidation and Harassment.
- 3.4 The updated draft Domestic Abuse Policy defines our objective to provide a consistent and supportive response to all those who experience domestic abuse either directly or indirectly.
- 3.5 The policy is clear on the councils' commitment to delivering an easily accessible and victim centred approach to tackling domestic abuse.

## **Implications**

### **4 Legal Implication(s)**

- 4.1 Under the *Crime and Disorder Act 1998* (as amended), district councils have a duty to plan jointly with other named responsible authorities to prevent and tackle crime, anti-social behaviour and the misuse of drugs. The responsible authorities (including Police, Hertfordshire County Council, National Probation Service, Clinical Commissioning Groups and the Fire and Rescue Service) form the Community Safety Partnership.
- 4.2 The Governments' Homelessness code of guidance for local authorities recommends that Housing Authorities should have policies in place to identify and respond to domestic abuse. Section 177(1) of the Housing Act 1996, the Homelessness Act 2002 and the Homelessness Reduction Act 2017 places a duty upon the council to assist those who are homeless or threatened with homelessness due to domestic abuse or other violence.
- 4.3 Perpetrating domestic abuse is a crime as well as a breach of tenancy. The council has tools and powers to deal with perpetrators of domestic abuse under the ASB, Crime and Policing Act 2014 as well as the ability to commence civil proceedings against the tenancy.

### **5 Financial Implication(s)**

- 5.1 Failure to manage cases of domestic abuse effectively can lead to increased costs due to void loss, damage to property, compensation claims for redress via the Housing Ombudsman and court costs relating to compensation, enforcement and evictions.

### **6 Risk Management Implications**

- 6.1 The risks related to this proposal are:
- 6.2 Failure to support victims of domestic abuse safely and effectively can put victims at added risk and could ultimately lead to a Domestic Homicide.
- 6.3 Failure to support victims of domestic abuse within our communities presents a high reputational risk to the council.
- 6.4 Both of these risks are significantly mitigated by having a robust policy and clear procedure in place to ensure reports are managed quickly, sensitively and consistently.

### **7 Security and Terrorism Implication(s)**

7.1 There are no implications arising from this Policy.

## **8 Procurement Implication(s)**

8.1 There are no procurement implications arising from this policy.

## **9 Climate Change Implication(s)**

9.1 There are no climate change implications arising from this policy.

## **10 Human Resources Implication(s)**

10.1 There are no human resources implications arising from this policy.

## **11 Health and Wellbeing Implication(s)**

11.1 Domestic Abuse can have a significant impact on the health and wellbeing of victims, their families and the community. The Domestic Abuse Policy sets out a harm centred and victim first approach.

11.2 The policy is clear about safeguarding vulnerable groups as well as dealing robustly with cases of domestic abuse.

## **12 Communication and Engagement Implication(s)**

12.1 Once the policy is agreed, communication on what the public can expect from how we will deal with reports of domestic abuse, how services can be accessed, other support avenues available and how quickly we will respond will be designed and published.

## **13 Link to Corporate Priorities**

13.1 The subject of this report is linked to the Council's Corporate Priorities:

- a) **Our Community** and specifically to the achievement of 'promoting inclusive and safe communities'
- b) **Our Housing** and specifically to the achievement of 'being a high quality landlord'.

## **14 Equality and Diversity**

14.1 An EqIA was completed in July 2019 (Appendix C) and the EqIA found that there is the potential for negative impacts because we may have to take action against vulnerable perpetrators who may have complex needs themselves. However, it is considered these impacts are justified on the grounds that each case will be risk assessed and the proportionality of any action will be measured and recorded to identify any mitigating circumstances or support needs.

Name of author	Kerry Clifford (ext. 2659)
Title	<i>Neighbourhood and Enforcement Manager</i>
Date	26 <sup>th</sup> July 2019

**Appendices:**

Appendix A – Draft updated Domestic Abuse Policy

Appendix B – Current Domestic Abuse Policy 2015

Appendix C – EqlA Domestic Abuse Policy



## Part I

Main author: Ka Ng

Executive Member: Cllr Duncan Bell

All Wards

WELWYN HATFIELD BOROUGH COUNCIL

CABINET – 8 OCTOBER 2019

REPORT OF THE CORPORATE DIRECTOR (RESOURCES, ENVIRONMENT AND CULTURAL SERVICES)

### BUSINESS RATES POOLING

#### **1 Executive Summary**

- 1.1 Hertfordshire was chosen by the Government as a business rates pilot area for 2019/20, which allow authorities to retain 75% of the growth in business rates within the pilot area.
- 1.2 On 17 September 2019, the Government confirmed that all existing 19/20 pilot areas will end in March 2020 and that it will not invite applications for a further round of pilots in 2020-21. However, local authorities would be able to form business rates pool for 2020/21.
- 1.3 The business rates pooling application is currently being worked through the Hertfordshire Chief Finance Officer group and as the deadline for submission is due to close on 25 October, the purpose of this report is to seek delegated authority to enter into a business rates pooling arrangement with other authorities in Hertfordshire, if there is a financial case for doing so.

#### **2 Recommendation(s)**

- 2.1 That Cabinet agrees to give delegated authority to the Corporate Director (Resources, Environment and Cultural Services), in consultation with the Executive Member for Resources, to submit an application for the 2020/21 Business Rates Pooling arrangement for Hertfordshire, if after full consideration, there is a financial case for doing so.

#### **3 Explanation**

- 3.1 Under the current Business Rates Retention scheme, income is shared between:  
Central Government (50%),  
County Council (10%) and  
District Councils (40%).
- 3.2 All Shire District authorities such as Welwyn Hatfield are classified as “tariff”, where business rates income is higher than our assessed need, the difference being paid to Central Government.
- 3.3 Growth in business rates income above a baseline figure is shared in the same proportion as 3.1, but tariff authorities also pay a levy on their share of growth, currently 50%, to central government. Therefore under the current system, the council only retains 20% of growth above the business rates baseline.

- 3.4 The Business Rates pooling arrangement allows 50% of the growth being retained in the pooling area. It should be noted that Welwyn Hatfield, along with 5 other authorities in Hertfordshire were in a pooling arrangement in 2018/19. The principle that was previously agreed by all Hertfordshire authorities was that the Business Rates Pooling arrangement should be based on the combination of authorities that gives the greatest potential pooling gain. It is therefore no guarantee that the Borough Council would be selected in the pool.
- 3.5 Officers from all the Hertfordshire authorities are currently carrying out detailed analysis along with advice from LG Futures, which is a consultancy firm that successfully supported Hertfordshire's business rates pilot and pooling submissions in previous years. It is expected that the proposal will be developed into draft stage to be discussed by Hertfordshire Chief Finance Officers in the coming weeks.
- 3.6 If agreement is achieved from all Hertfordshire Authorities, an application for the Business Rates pool will need to be signed off and submitted by all S151 officers of the prospective pool authorities by 25 October 2019. Given the short timescale, it is therefore necessary to seek delegated authority and agreed for the Council to enter into a Business Rates pooling scheme for 2020/21, if there is a financial case for doing so.

## **Implications**

### **4 Legal Implication(s)**

- 4.1 Formal agreements for sharing of business rates income will need to be in place should Hertfordshire authorities agree to proceed with a pool scheme. These will need to be submitted to the Government as part of the application process.

### **5 Financial Implication(s)**

- 5.1 Application to enter into a business rates pool scheme for 2020/21 will only be made if the Council's S151 Officer, in consultation with the Executive Member for Resources is satisfied the Councils funding levels are protected under the pooling arrangements. Based on past experience, the council is likely to gain financially if selected in a business rates pool however it is difficult to quantify the amount at this stage until the detailed analysis is completed.
- 5.2 Should the pooling scheme be successful, any additional business rates income to be retained locally at Borough level will be fed into the budget setting process for 2020/21.

### **6 Risk Management Implications**

- 6.1 Risks around business rates volatility will be modelled through sensitivity analysis prior to the application stage. Should the application proceed, risk will be shared with the other Hertfordshire authorities.

### **7 Security & Terrorism Implication(s)**

- 7.1 There are no security or terrorism implications.

### **8 Procurement Implication(s)**

- 8.1 There are no procurement implications arising from this report.

## **9 Climate Change Implication(s)**

9.1 There are no direct climate change implications to consider.

## **10 Health and Wellbeing Implication(s)**

10.1 There are no direct health and wellbeing implications to consider.

## **11 Link to Corporate Priorities**

11.1 The subject of this report is linked to the following Council's Corporate Priorities:

- "Our Economy – Promoting Investment and Regeneration"
- "Our Economy – Supporting Sustainable Economic Growth"
- "Our Council – Achieving Value for Money"

## **12 Communications Plan**

12.1 Officers will be working with the Communications team if the business rates pooling application is successful.

## **13 Equality and Diversity**

13.1 An Equality Impact Assessment (EIA) has not been carried out in connection with the proposals as there are no equalities or diversities issues arising from the report.

Name of author                      Ka Ng  
Title                      Corporate Director (Resources, Environment and Cultural Services)  
Date                                      19 September 2019

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Part I

Main author: David Trewick/Kerry Clifford

Executive Member: Cllr Nick Pace

All Wards

WELWYN HATFIELD BOROUGH COUNCIL

CABINET - 8 OCTOBER 2019

REPORT OF THE CORPORATE DIRECTOR (HOUSING AND COMMUNITY)

VULNERABLE REFUGEE RESETTLEMENT SCHEME

**1 Executive Summary**

- 1.1 In September 2015 the Prime Minister announced that the government was increasing its commitment to the resettlement of Syrian refugees.
- 1.2 In April 2016 Cabinet agreed that the council should participate in the Syrian Vulnerable Person's Relocation Scheme, with an initial target to resettle up to 10 Syrian refugees in our borough.
- 1.3 A further report was brought to Cabinet in November 2018, providing an update and asking the members to endorse the council's continued assistance under this scheme, with a particular focus on helping families who have specific connections within the borough or neighbouring authorities.
- 1.4 Since 2016 the council has resettled three families (16 people in total).
- 1.5 In anticipation of the conclusion of three large resettlement schemes in 2020, involving 300 local authorities, the Home Office has recently published a statement in relation to its on-going commitment to resettle vulnerable refugees and its plans to consolidate its largest schemes into one Global resettlement scheme.
- 1.6 This report provides an update, as well asking Cabinet to endorse the council's continued involvement and assistance in the current and future schemes, with resettlement of further families after the conclusion of this scheme in March 2020 and the commencement of the global resettlement scheme.

**2 Recommendation(s)**

2.1 That Cabinet:

- 2.1.1 notes that the council has resettled three families (16 people) through the Syrian Vulnerable Person's Relocation Scheme;
- 2.1.2 commits to take part in the Global resettlement scheme and endorses the proposal to resettle a small number of further families via the scheme, in cases where there are established links with existing families.

### 3 Explanation

- 3.1 On the 7 September 2015, the, then, Prime Minister announced an expansion of the existing Syrian Vulnerable persons Relocation Scheme which was set up in 2014.
- 3.2 Its primary purpose was to resettle 20,000 vulnerable Syrian persons from the Middle East and North Africa (MENA) region in a way that:
- 3.2.1 Secures nationality, security and public protection, and
- 3.2.2 Has the wellbeing of the vulnerable persons and the welcoming communities at the centre of decision making, and
- 3.2.3 Delivers value for money for the UK tax payer.
- 3.3 The Programme is run in partnership with the United Nations High Commission for Refugees (the 'UNHCR'). It demonstrates the UK's support for the UNHCR's global effort to relieve the humanitarian crisis through the provision of resettlement opportunities for some of the most vulnerable Syrian people into communities within the UK, over the life of the Parliament, who:
- 3.3.1 have registered with the UNHCR in Turkey, Iraq, Lebanon, Jordan, Egypt and other countries across the MENA region as a result of the current crisis; and
- 3.3.2 the UNHCR consider meet one of their vulnerability criteria which are set out below
- Legal and/or Physical Protection Needs of the refugee in the country of refuge (this includes a threat of refoulement<sup>1</sup>);
  - Survivors of Torture and/or Violence, where repatriation or the conditions of asylum could result in further traumatization and/or heightened risk; or where appropriate treatment is not available;
  - Medical Needs, in particular life-saving treatment that is unavailable in the country of refuge;
  - Women and Girls at Risk, who have protection problems particular to their gender;
  - Family Reunification, when resettlement is the only means to reunite refugee family members who, owing to refugee flight or displacement, are separated by borders or entire continents;
  - Children and Adolescents at Risk, where a best interests determination supports resettlement;
  - Lack of Foreseeable Alternative Durable Solutions

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<sup>1</sup> the forcible return of refugees or asylum seekers to a country where they are liable to be subjected to persecution

- 3.4 A Hertfordshire wide coordinating group was established and via this group, recognising the specialist skills required to manage resettlement of refugees, the Refugee Council was commissioned to help.
- 3.5 Watford Council later led on a procurement exercise to establish a framework for providers who can deliver this specialist support, which all Herts councils can benefit from. The Refugee Council were successful in securing a place within the framework and therefore continue to be the commissioned service provider
- 3.6 The refugee council provides all the support including meeting and greeting the families at the airport, clothing, welcome pack of groceries, ongoing advice and assistance with orienteering and acclimatising.
- 3.7 The council arranges a suitably furnished property, which includes basic household goods - as specified by the Home Office - and provides an initial briefing on health and safety matters.
- 3.8 Via a statement that the, then, Home Secretary made to Parliament in June 2019, the government has set out its on-going commitment to resettlement and proposes a new global resettlement scheme with cases continuing to be identified and referred by the UNHCR.
- 3.9 The global resettlement scheme will broaden the geographical focus beyond the Middle East and North Africa to be better placed to respond to international crises in coordination with global partners.
- 3.10 In the first year the Government proposes to resettle 5000 of the most vulnerable refugees via this new programme. The funding available to help local authorities and the families remains the same as the current resettlement programme.
- 3.11 It is proposed that a new process for emergency resettlement will be developed in conjunction with local authorities and Strategic Migration Partnerships in the coming months.
- 3.12 The Government has acknowledged the important part that local authorities, including this council, has made in delivering current commitments and would welcome pledges of support from local authorities to engage in the global programme.
- 3.13 The resettlement programme will continue to be coordinated within Hertfordshire by the Strategic Migration Partnership (SMP), part of the Local Government Association.
- 3.14 All Hertfordshire authorities (with the exception of Broxbourne Borough Council) previously agreed to resettle families and consequently several families have now been resettled across the county.

## **Implications**

### **Legal Implication(s)**

- 3.15 The Vulnerable Person's Relocation Scheme is a national and voluntary scheme. The council should ensure that it has the infrastructure and support needed to ensure the appropriate care can be delivered under the scheme and must meet

the Statement of Requirements set out by government when it assists people under this scheme

- 3.16 Watford Borough Council led on the procurement of a framework agreement for the provision of support as required under the Statement of Requirements. This council is entitled to use the framework agreement.

#### **4 Financial Implication(s)**

- 4.1 The government has committed to continue to cover the costs of resettled refugees' first year in the UK from the International Aid budget at a rate of £8,520 per person. There is an additional sum available for each child of school age, which is paid to the relevant school/college by the council and claimed back from government. The funding covers the cost of the resettlement process.
- 4.2 The funding for years 2 to five are paid as un-ring-fenced grant of up to £12,000 per person as set out in the table below:

Year	Amount
Year Two	£5,000
Year Three	£3,700
Year Four	£2,300
Year Five	£1,000

#### **5 Risk Management Implications**

- 5.1 The risks related to this proposal are:
- 5.2 Reputational: the council is working in close collaboration with other Hertfordshire authorities to benefit from shared learning and the commissioning of the expert services of the Refugee Council has ensured that families being resettled are getting the right support. There is also the benefit of the potential to establish networks for families and to commission services, such as language classes, in a more cost effective way. The resettlement of the first three families was very successful. Likelihood Low; Impact Medium
- 5.3 Financial: the scheme is fully funded by government grant and this has been sufficient to meet all the costs of resettling the families. Likelihood Low: Impact Low
- 5.4 Resources: Whilst the scheme is fully funded, in terms of providing furnishing, and meeting the Statement of Requirements and support services, there is no funding to support the internal resource required to secure a suitable property and to prepare the property. In the first three resettlement cases, this was done by existing resources and there is therefore an associated pressure on other strands of work. A mitigation is to use the Watford Council framework agreement to furnish the dwelling, rather than use in-house resources for this task. Likelihood Medium; Impact Low.



**6 Security and Terrorism Implication(s)**

- 6.1 The Home Office and UNHCR conduct risk assessments prior to a person being accepted as eligible for assistance under this scheme.

**7 Procurement Implication(s)**

- 7.1 Watford Borough Council led on a procurement exercise to establish a provider for both the support and the furnishing of dwellings, which all Hertfordshire councils can use

**8 Climate Change Implication(s)**

- 8.1 There are no climate change implications arising from this report

**9 Human Resources Implication(s)**

- 9.1 Participating in the scheme requires a named lead officer within the council who is responsible for coordinating the support and property in advance of the arrival, as well as ensuring the relevant claims have been made for grant funding. This is being done by an existing member of staff whose current job role is compatible with the demands of this project.

**10 Health and Wellbeing Implication(s)**

- 10.1 Participating in this programme and approval to extend the help to more families will improve the health and wellbeing of the families concerned.

**11 Communication and Engagement Implication(s)**

- 11.1 The council has communicated proactively and positively about the help it has offered under the programme and will communicate in a proactive way in advance of the arrival of the next family and any future resettlements.

**12 Link to Corporate Priorities**

- 12.1 The subject of this report is linked to the Council's Corporate Priority promoting inclusive and safe communities

**13 Equality and Diversity**

- 14.1 The EqIA identified that there is the potential for positive impact, as this scheme specifically helps refugees who are in need of resettlement. The programme is designed to meet the needs of each family based on their race and any disability or support need.

Name of author Kerry Clifford/David Trewick  
Title Neighbourhood and Enforcement Manager/ Housing options Manager  
Date 9 September 2019

Background papers to be listed (if applicable)

Appendices to be listed

Appendix A – letter from Home Office

Part I

Main author: Sian Chambers

Executive Member: Cllr Terry Mitchinson

All Wards

WELWYN HATFIELD BOROUGH COUNCIL

CABINET – 8<sup>TH</sup> OCTOBER 2019

REPORT OF THE CORPORATE DIRECTOR (HOUSING AND COMMUNITIES)

REVIEW OF THE HATFIELD COMMUNITY SPORT FUND

**1 Executive Summary**

- 1.1 In February 2016 Development Management Committee agreed to a variation to the Section 106 agreement attached to planning permission S6/2003/0150/FP dated 13 January 2006.
- 1.2 The previous agreement was for the University of Hertfordshire to replace sports pitches and facilities at Angerland Common, on the exercise of the planning permission. After lengthy negotiations between all key stakeholders, this obligation was replaced with a new obligation requiring the University to contribute the sum of £1.4 million, on completion of the deed of variation, into a designated bank account administered by Welwyn Hatfield Borough Council on behalf of a Hatfield Community Sports Fund (the Fund).
- 1.3 On 5 April 2016 Cabinet agreed how the Fund should be overseen and administered - consequently the Hatfield Community Sports Fund Board (HCSFB) was established through the Local Strategic Partnership (Welwyn Hatfield Alliance).
- 1.4 Further to consultation with both statutory and non-statutory partners, it was agreed that a proportion of the Fund be ring-fenced specifically for football and for rugby, with the remaining funds being made available, via a grants system administered by the HCSFB, to the wider sporting community of Hatfield.
- 1.5 Since April 2016 there has not been any allocation from the Fund for rugby or football; a limited amount of funds has been allocated from the general pot to Hatfield bowls, Hatfield boxing, football, wheelchair rugby, disability sport and to Hatfield Town Council.
- 1.6 The Fund has now been operational for three years and to date only £116,487 has been spent from the £1.4million. All of the expenditure has been from the wider community sport pot, no expenditure has been made from the ring fenced football or rugby funds.
- 1.7 At the meeting of HCSFB on the 4 September, members of the Board requested that consideration is given by officers to how the fund can be focussed on projects which will deliver a legacy/long term structural benefit to the community in favour of short term projects, initiatives and events. Additionally the Board members wanted to agree on a way to improve the recording of the tangible outcomes of funded projects and how these are reported.

- 1.8 The borough council is currently in the process of completing a sports facilities strategy which could affect the direction of where funds could/should be allocated.
- 1.9 As such it now seems timely to review the purpose of the fund, how the funds are allocated and the split of that funding.

## **2 Recommendation(s)**

- 2.1 Cabinet recommends to the HCSFB that no further applications or allocation of the Fund are considered or made whilst a review of the Fund takes place, save that any current funding applications (up to the date of this meeting) that are in the process of being reviewed, be allocated as deemed appropriate by the Board.
- 2.2 Cabinet agrees that this review will include meeting with the current Board member organisations as well as associated partners, which includes University of Hertfordshire, Sport England, the Rugby Football Union and Football Association.
- 2.3 Cabinet agrees that the review will focus on the purpose of the fund, how the funds are allocated and the split between football, rugby and community sport.
- 2.4 Cabinet agrees that the review of the Fund will not include any changes to the geographical area of the Fund as set out in the report to Development Management Committee in February 2016 (Appendix One highlights the geographical area where the fund can be spent).
- 2.5 Cabinet agrees that upon conclusion of the review a further report will be brought to Cabinet to make recommendations on the future operation of the Fund.

## **3 Explanation**

- 3.1 Background information around the Angerland Common site and the original Section 106 agreement is set out in Appendix Two.
- 3.2 The current allocation of the funds is split £800,000 for football, £200,000 for rugby and £400,000 for community sport. Neither the football nor the rugby funds have had any applications for funds to date.
- 3.3 £116,487 has been spent to date from the Fund, which has been given to the following organisations:-

*Hatfield Bowls*, indoor facility improvements - £42,542

*Hatfield Boxing*, the BIG Hit project - £10,640

*Hatfield Comets Football*, purchase of a goal - £1,500

*Hatfield Town Council*, Hatfield Comet 70<sup>th</sup> Sports Week - £25,841

*Hatfield Wheelchair Rugby Club*, purchase of equipment and coaching - £22,000

*Hatfield SPACE for SPORT*, delivery of specialised disability sessions - £13,537

- 3.4 The council is currently working with consultants 4Global, to update the borough's Sports Facilities Strategy. It is hoped that this will be completed by

November 2019 and as such, the findings and recommendations should be taken into account when reviewing the Fund.

- 3.5 The current Hatfield Community Sport Fund Board is overseen by the Welwyn Hatfield Alliance Board and has six member organisations/groups; the organisations/groups represented on the Board are:

Herts Sports Partnership

Welwyn Hatfield Alliance

Hatfield Town Council (Member representative)

Herts County Council (Member representative)

Welwyn Hatfield Borough Council (Member representative)

WelHat Sports

- 3.6 All six of these organisations would be involved in the review process both individually and as a collective Board.
- 3.7 The University of Hertfordshire will be invited to be involved in the review process as the organisation with the original Section 106 obligation.
- 3.8 As the statutory consultee on all planning applications and the country's statutory sport's body Sport England should be involved in the review of the Fund. This is in addition to the two main National Governing Bodies of Sport, the Rugby Football Union and the Football Association who both should be providing representation as the two sports that the current Fund would benefit.

### **Implications**

#### **4 Legal Implication(s)**

- 4.1 The variation to the Section 106 agreement (attached to planning permission S6/2003/0150/FP dated 13 January 2006), was authorised by Development Management Committee and complied with the legal tests for planning obligations set out under Regulation 122 of the Community Infrastructure Regulations 2010.
- 4.2 Whilst there are no legal implications arising from this report, legal advice will be secured during the process of the review, as any proposed changes may require a change to the S106 Agreement and this would have to comply with the legal tests for planning obligations as above.

#### **5 Financial Implication(s)**

- 5.1 Use of this Section 106 money is expressly set out within the terms of the deed of variation agreed by the Development Management Committee on 4<sup>th</sup> February 2016 and it cannot be used for any other purpose.
- 5.2 The review will be carried out using internal resources and from existing budgets.

## **6 Risk Management Implications**

### 6.1 Reputational Risk

6.2 It is possible that suspending the Fund could cause a reputational risk to the council, as we could be deemed to be delaying the availability of funds for sports in this location. However this will be mitigated by a clear communication strategy, which will explain why we are reviewing this and the benefits of carrying out a review. Likelihood Medium Impact Low

## **7 Security and Terrorism Implication(s)**

7.1 There are no security and terrorism implications associated to this report.

## **8 Procurement Implication(s)**

8.1 There are no procurement implications associated to this report.

## **9 Climate Change Implication(s)**

9.1 There are no climate change implications associated to this report.

## **10 Human Resources Implication(s)**

10.1 There are no Human Resources implications arising from this report.

## **11 Health and Wellbeing Implication(s)**

11.1 There are no health and wellbeing implications associated to this report.

## **12 Communication and Engagement Implication(s)**

12.1 The nature of this review will require close engagement with partner organisations both individually and collectively in order to review the Fund. There will be a clear communication strategy, setting out both who we are consulting and also the purpose of the review.

## **13 Link to Corporate Priorities**

13.1 The subject of this report is linked to the council's Corporate Priority Our Community and specifically to the achievement of 'supporting local sport and leisure'

## **14 Equality and Diversity**

An Equality Impact Assessment has not been completed because this report does not propose changes to existing service-related policies or the development of new service-related policies.

Name of author	Sian Chambers
Title	Head of Community and Housing Strategy
Date	13 September 2019

Background papers to be listed (if applicable)

Appendices

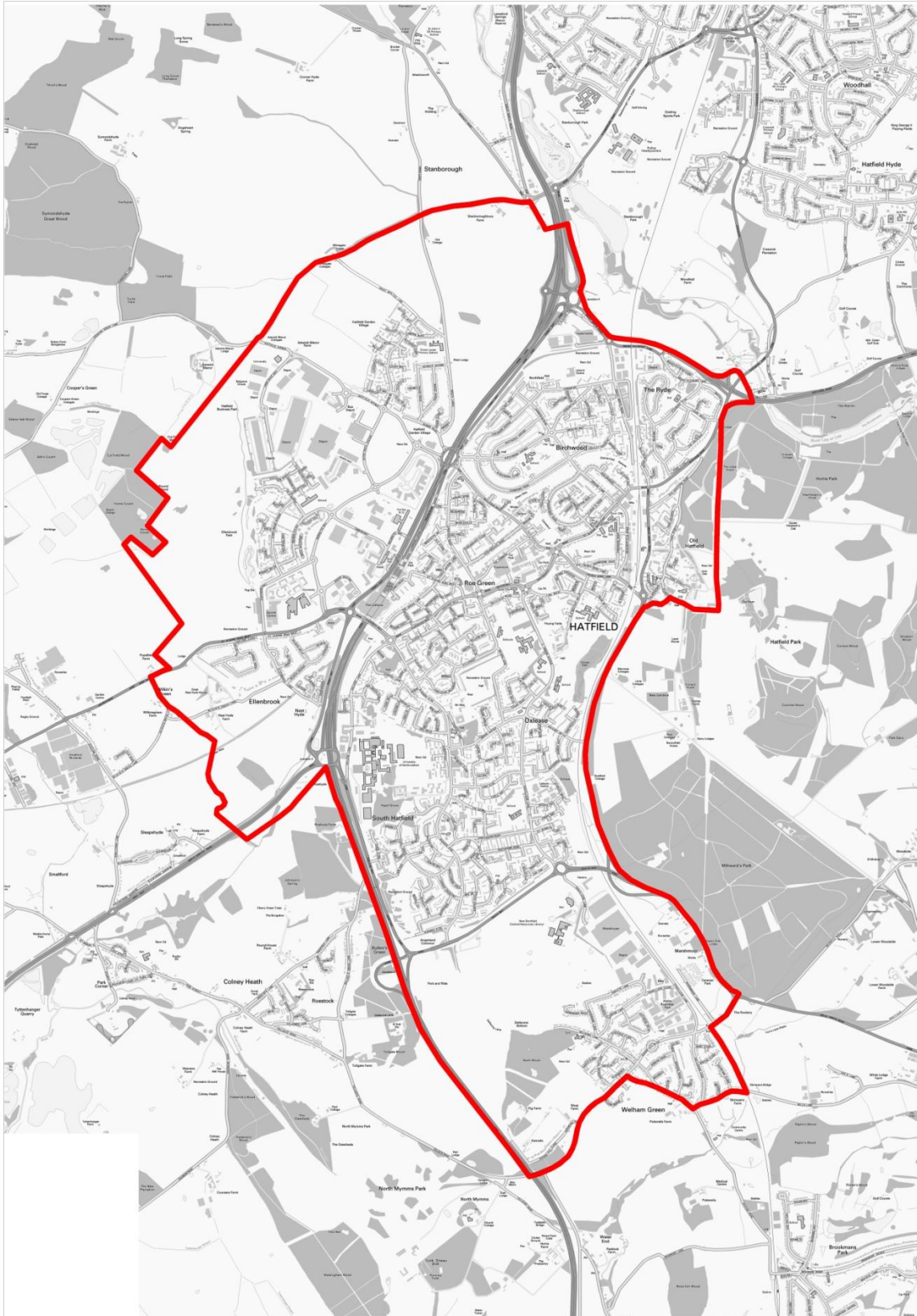
Appendix One – Geographical Map of where funding can be spent

Appendix Two – Background on Angerland Common

## Appendix One

### Area for Funding

*Applications will be accepted by those organisations within the red line.*





## **Appendix Two**

### Background

#### **Site Description**

Angerland Common is an area of land of approximately 14ha, located on the south side of the A1001 South Way. The Council's Lawn Cemetery lies to the east, while the site borders the A1 (M) to the west. The site is largely flat and bounded by trees and hedgerow, with vehicular access onto South Way. The northern part of the site is enclosed by fencing, is hard-surfaced, and is laid out as the 'park and ride' for the University of Hertfordshire, whilst the southern part of the site is open grassland.

#### **Background**

From the 1970s until 2003 the whole of the Angerland site was used for the provision of sports pitches, together with a small changing facility and car park. The facilities were used by Hatfield Polytechnic and subsequently the University as well as by local clubs booking through this Council.

In 2003 the University submitted a planning application (S6/2003/0150/FP) for the construction of a park and ride on the northern part of the site as part of plans to alleviate parking congestion on the University College Lane Campus and in surrounding residential areas of southern Hatfield. This was to be accompanied, subject to public consultation, by the introduction of controlled parking zones in southern Hatfield, the initial cost of which would be met by the University.

In preparation for the construction of the park and ride, the existing sports pitches at Angerland were closed in 2003. The University's sports users transferred largely to new facilities at the de Havilland Campus, which opened that same year, whilst local sports clubs had to find alternative arrangements elsewhere. The Angerland site remained vacant between 2003 and the grant of the park and ride planning permission in 2006.

The planning permission granted in January 2006 was subject to a Section 106 agreement requiring a) the construction and operation of the park and ride in accordance with agreed details, b) the payment of financial contributions towards the design, consultation and implementation stages of parking control schemes in southern Hatfield, and c) the replacement of the sports pitches and changing facilities lost due to the development, on the remaining southern part of the site.

During 2005 a planning application (S6/2005/1137/FP) had been submitted by Sport Hatfield to provide the replacement sports facilities and in addition, to provide an enhanced standard of playing pitch, floodlighting, grandstand and clubhouse facilities for the use of Hatfield Town Football Club. The submission of this application fulfilled the relevant requirement of the Section 106 Agreement but unfortunately, although permission was granted, the scheme was never implemented as the necessary funding could not be found. The permission subsequently lapsed.

Between the lapse of the above permission in 2011 and 2014, discussions took place between the Council, the University and local sports clubs (principally Hatfield Town FC and Hatfield QE II RFC, under the combined title of the Hatfield Sports Association) with a view to putting together a new set of proposals for the replacement facilities at

Angerland which would enable the University to fulfil its obligations under the Section 106 whilst providing sustainable sports facilities at that location.

Although these discussions culminated in a planning application (S6/2013/1261/MA) being submitted and approved, again it proved impossible to raise the necessary funding to top-up the University's financial contribution and complete the development to a standard which would make the facilities sustainable in the longer term. Concerns were also expressed by some of the potential funding bodies, that Angerland was not the most suitable location for sustainable sports facilities to serve the wider community of Hatfield.

In the light of the above, discussion between the parties turned to a possible alternative means of mitigating the effect which the construction of the park and ride has had on sports facilities serving Hatfield. This entails the University making an appropriate financial contribution towards the provision and enhancement of sports facilities in Hatfield, without this contribution being tied to provision at the Angerland site. The total contribution proposed by the University, and now agreed by the Council, is £1.4 million.

To adopt such an alternative solution in place of the reinstatement of pitches at Angerland requires a formal variation to the legally-binding Section 106 agreement from 2006. A report to Development Management Committee was written to seek the decision of the Council as local planning authority as to whether it supported the alternative solution. The Committee agreed this solution on 4th February 2016.

Part I

Main author: Colin Haigh

Executive Member: Cllr Stephen Boulton

All wards

WELWYN HATFIELD BOROUGH COUNCIL

CABINET– 8 OCTOBER 2019

REPORT OF THE CORPORATE DIRECTOR (PUBLIC PROTECTION, PLANNING AND GOVERNANCE)

HERTFORDSHIRE LOCAL ENTERPRISE PARTNERSHIP (HERTS LEP)  
LOCAL INDUSTRIAL STRATEGY DRAFT FOR CONSULTATION

## 1 Executive Summary

- 1.1 Hertfordshire LEP are tasked to drive growth and the creation of jobs, and have been asked by Government to prepare a Local Industrial Strategy to help deliver national ambitions to improve productivity and tackle future challenges. This report summarises the content of the draft strategy and sets out the Council's proposed response.

## 2 Recommendations

- 2.1 That members note the contents of the strategy and offer comments.
- 2.2 That members authorise the Head of Planning in consultation with the Corporate Director and Executive Member for Planning and Executive Member for Business to respond to the consultation.

## 3 Explanation

- 3.1 Hertfordshire LEP are a partnership between local authorities and businesses and are tasked with determining local economic priorities and activities to drive growth and the creation of local jobs.
- 3.2 The Government's Industrial Strategy White Paper was published in November 2017 and it tasks all LEPs in England to develop a Local Industrial Strategy. It asserts that the strategy should be structured around the five foundations of productivity (ideas, people, infrastructure, business environment and places) and four grand challenges (artificial intelligence and data economy, clean growth, future of mobility and ageing society).
- 3.3 Herts LEP have therefore engaged with local authorities, businesses and many other stakeholders to develop the draft strategy for consultation. A copy can be found at [www.hertfordshirelep.com/media/7569/hertfordshire-lis-consultation-draft-2019.pdf](http://www.hertfordshirelep.com/media/7569/hertfordshire-lis-consultation-draft-2019.pdf).
- 3.4 It starts by identifying Hertfordshire's key challenges: that productivity has grown more slowly and declined relative to the UK average; pockets of deprivation which they describe as 'poor in a rich place'; London has grown by adding to its workforce rather than producing things more efficiently; and that the county is a net exporter of higher-skilled workers and a net importer of lower-skilled workers.

- 3.5 It identifies that Hertfordshire's economy principally relies on: life sciences in and around Stevenage, Welwyn Garden City and Hatfield; advanced engineering and manufacturing, sustainable construction such as BRE in Watford, agri-tech such as Rothamsted Research in Harpenden and film and TV in Warner Bros Studios, Leavesden and Elstree studios.
- 3.6 It recognises that Letchworth Garden City, Welwyn Garden City and Stevenage, Hatfield and Hemel Hempstead New Towns are a key part of the Hertfordshire story, that face challenges such as infrastructure, inter-generational deprivation, the mismatch between local people and local jobs and limited cultural offer but have scope to be reinvigorated for the 21st century alongside entirely new garden communities and new towns.
- 3.7 It identifies major trends that are likely to be important in the near and longer-term future: Brexit; data and digitalisation; town centres will redefine themselves as cultural experiences; climate change; efficient resource use; ageing population; millennials value experiences over things; personalised medicine and social care; and transport as a service.
- 3.8 It proposes to improve productivity and ensure that growth is more inclusive across all communities, especially in New Towns and areas close to London.
- 3.9 It envisages two probable scenarios:
- 3.10 Scenario 1 is for Hertfordshire to fulfil its potential within the Golden Triangle (by which it means London, Oxford and Cambridge): with the A1(M) emerging as a science corridor to complement overheating London and Cambridge; wider cluster development elsewhere in the county; skills provision to equip local people to access these jobs; and scope for major corporate companies to be retained and to (re)invest in the area.
- 3.11 Scenario 2 is for Hertfordshire to facilitate London's growth: with the prediction that housing and population growth will fuel job growth, that employment land will continue to be lost, that commuting rates will continue and that traffic congestion will remain a challenge.
- 3.12 It ultimately identifies one overarching theme which it calls 'Digital Foundations, Frontiers and Futures: re-inventing connectivity, potential and prospects' and clarifies that the county should harness digital connectivity in order to reduce pressure on bricks-and-mortar infrastructure.
- 3.13 It also identifies six strategic themes:
- Old New Towns – new New Towns: Creative and aspirational communities for 21st Century – which means reinvigorating garden cities and new towns, something that is well underway in Hatfield and beginning in Welwyn Garden City with the creation of a partnership board.
  - Unlocking science-based cluster in golden triangle: life sciences, advanced engineering – which means expenditure on research and development and a science corridor along the A1(M) between Hatfield and Stevenage.

- East/West growth corridors: A414 Hemel-Hatfield-Harlow, A505 Luton towards Cambs – to offer an alternative to north-south corridors and connect strong economic locations such as Luton Airport, Stansted Airport, Hemel Hempstead Enterprise Zone, Harlow Enterprise Zone, etc.
- Space to grow: from enterprise to business in Hertfordshire – to help smaller businesses to scale-up by having grow-on land and premises available.
- “Beyond boundaries’: new relationship with London, with a focus on south-east Herts – as it is the most poorly performing part of the county.
- Creative sectors and creative people: from good to great in south-west Herts and elsewhere – which means cultural industries, film and TV activities.

## 4 Proposed Response

- 4.1 It is proposed that the Council responds in the following manner:
- 4.2 Thank you for allowing Welwyn Hatfield Borough Council the opportunity to comment on your draft Local Industrial Strategy for Hertfordshire.
- 4.3 Welwyn Hatfield is exceptionally well-placed in the centre of the county to contribute to its long-term growth and economic aspirations. Its towns and villages are served by the north-south A1(M) and East Coast mainline and the east-west A414 plus a number of M25 junctions. The borough contains two large employment areas in Welwyn Garden City and Hatfield which are respectively home to Tesco HQ and Ocado HQ and is also home to the University of Hertfordshire and Royal Veterinary College, all of whom are engaged in many of the sectors identified in the draft strategy. The Council is already working hard with its partners to regenerate its existing towns and town centres.
- 4.4 Overall we consider that the strategy is a strong attempt to describe and define the key economic and business characteristics of the county and to identify the themes that might guide a brighter future.
- 4.5 The strategy identifies that low productivity is a key challenge. It attempts to diagnose precisely why this is happening but is forced to conclude that it is for inter-related reasons. This means that it struggles slightly to explain exactly what can be done to reverse the trend.
- 4.6 The Council supports Scenario 1 to fulfil the county’s potential within the golden triangle (Oxford, Cambridge, London). This is far more aspirational and beneficial to businesses and residents than the second scenario, which assumes that Hertfordshire will remain subservient to whatever happens in London.
- 4.7 We agree that the county has the opportunity to take itself in an ambitious new direction, which embraces the potential of high value sectors and digital connectivity, so long as the benefits are experienced in all communities and by all residents. Significant efforts should be made to make sure that no-one is left behind. This means that the strategy must interact with bodies that deliver services such as health, education, academia, training, social care, etc.

- 4.8 We consider that the ambitions of the strategy fit very closely with the on-going work and discussions of Hertfordshire Growth Board, to guide long-term growth and infrastructure investment for the county.
- 4.9 The Council considers however that the strategy arguably contains too many visions and themes but not enough true explanation about what is going to be done, how decisions are going to be made, how businesses are going to be targeted, how skills are going to be improved, how funding is going to be invested, how Government is going to be lobbied, etc. We hope that this is a debate that will continue with councils, partners, stakeholders, businesses and others beyond the adoption of the strategy.
- 4.10 Herts LEP may wish to consider an executive summary, leaflet or publicity campaign which presents the strategy in a format that is easily digestible for the average person on the street. This is because many of the actions needed to deliver the strategy will eventually become planning applications or infrastructure projects that will be subject to public consultation, and these types of projects often generate opposition, unless people understand the reasons and the benefits of the change and disruption it will bring to their existing lives.
- 4.11 The Council would like to remain involved in the finalisation and delivery of the Local Industrial Strategy over the coming months and years and believes that it can play a key role in the overall prosperity of Hertfordshire as a place to live, work and invest.

## **5 Legal Implications**

- 5.1 There are no legal implications associated with responding to this strategy.

## **6 Financial Implications**

- 6.1 There are no financial implications associated with responding to this strategy. It should be noted that Hertfordshire LEP award funding and investment where it achieves their objectives. This Council has received funding for the regeneration of Hatfield town centre and the creation of HatTech business premises. The identification of Garden Cities and New Towns as important places for the future of Hertfordshire suggests that the Council could continue to be successful in securing funding and investment as it continues to re-invigorate Welwyn Garden City and Hatfield.

## **7 Risk Management Implications**

- 7.1 There are no risk management implications associated with responding to this strategy.

## **8 Security and Terrorism Implications**

- 8.1 There are no security or terrorism implications associated with responding to this strategy.

## **9 Procurement Implications**

9.1 There are no procurement implications associated with responding to this strategy.

## **10 Climate Change Implications**

10.1 There are no climate change implications associated with responding to this strategy. The strategy recognises that climate change and efficient use of resources are key challenges for the future.

## **11 Human Resources Implications**

11.1 There are no human resource implications associated with responding to this strategy.

## **12 Health and Wellbeing Implications**

12.1 There are no health or wellbeing implications associated with responding to this strategy.

## **13 Communications and Engagement Implications**

13.1 There are no communication or engagement implications associated with responding to this strategy.

## **14 Link to Corporate Priorities**

14.1 The subject of this report is linked to the Council's Business Plan 2018-2021 and particularly Priority 4 Our Economy to promote investment and regeneration, revitalise our neighbourhoods and town centres, support sustainable economic growth and be business friendly.

## **15 Equalities and Diversity**

15.1 An EqIA was not completed because this report does not propose changes to existing service-related policies or the development of new service-related policies.

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Appendix 1: Council's formal response to the consultation

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