



**Committee:** CABINET

**Date:** TUESDAY, 11 FEBRUARY 2020

**Venue:** LANCASTER TOWN HALL

**Time:** 6.00 P.M.

## A G E N D A

1. **Apologies**

2. **Minutes**

To receive as a correct record the minutes of Cabinet held on Tuesday, 14 January 2020 (previously circulated).

3. **Items of Urgent Business Authorised by the Leader**

To consider any such items authorised by the Leader and to consider where in the agenda the item(s) are to be considered.

4. **Declarations of Interest**

To receive declarations by Councillors of interests in respect of items on this Agenda.

Councillors are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Whilst not a legal requirement, in accordance with Council Procedure Rule 9 and in the interests of clarity and transparency, Councillors should declare any disclosable pecuniary interests which they have already declared in the Register, at this point in the meeting.

In accordance with Part B Section 2 of the Code Of Conduct, Councillors are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

5. **Public Speaking**

To consider any such requests received in accordance with the approved procedure.

### **Reports from Overview and Scrutiny**

None

## Reports

6. **Budget & Policy Framework Update 2020/21 to 2024 (including Treasury Management and Capital Strategy)** (Page 4)

**(Cabinet Member with Special Responsibility Councillor Whitehead)**

Report of Director of Corporate Services (report to follow)

7. **Corporate Fees and Charges Review Policy 2020-21** (Pages 5 - 22)

**(Cabinet Member with Special Responsibility Councillor Whitehead)**

Report of Director of Corporate Services

8. **Housing Revenue Account and Capital Programme** (Pages 23 - 80)

**(Cabinet Member with Special Responsibility Councillor Caroline Jackson)**

Report of Director of Communities and the Environment

9. **Direction under Article 4 of the Town and Country Planning (General Permitted Development) Order 2015 and a Regulation 7 Direction under the Town and Country Planning (Control of Advertisements) (England) Regulations 2007** (Pages 81 - 129)

**(Cabinet Member with Special Responsibility Councillor Reynolds)**

Report of Director for Economic Growth and Regeneration

10. **Exclusion of the Press and Public**

This is to give further notice in accordance with Part 2, paragraph 5 (4) and 5 (5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of the intention to take the following items in private.

Cabinet is recommended to pass the following recommendation in relation to the following item(s):-

“That, in accordance with Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following items of business, on the grounds that they could involve the possible disclosure of exempt information as defined in paragraphs 1,2 or 3 of Schedule 12A of that Act.”

Members are reminded that, whilst the following items have been marked as exempt, it is for Cabinet itself to decide whether or not to consider each of them in private or in public. In making the decision, Members should consider the relevant paragraph of Schedule 12A of the Local Government Act 1972, and also whether the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In considering their discretion Members should also be mindful of the advice of Council Officers.

11. **Eden Project North** (Page 130)  
**(Cabinet Members with Special Responsibility Councillors Lewis and Hamilton-Cox)**  
Report of Chief Executive (report to follow)
12. **Job Evaluation Project - Briefing & implementation of Outcome** (Page 131)  
**(Cabinet Member with Special Responsibility Councillor Hanson)**  
Report of Director of Corporate Services (report to follow)
13. **Future High Streets** (Page 132)  
**(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)**  
Report of Director for Economic Growth and Regeneration (report to follow)

## **ADMINISTRATIVE ARRANGEMENTS**

### **(i) Membership**

Councillors Erica Lewis (Chair), Kevin Frea (Vice-Chair), Dave Brookes, Tim Hamilton-Cox, Janice Hanson, Caroline Jackson, Jean Parr, John Reynolds, Alistair Sinclair and Anne Whitehead

### **(ii) Queries regarding this Agenda**

Please contact Liz Bateson, Democratic Services - telephone (01524) 582047 or email [ebateson@lancaster.gov.uk](mailto:ebateson@lancaster.gov.uk).

### **(iii) Apologies**

Please contact Democratic Support, telephone 582170, or alternatively email [democraticsupport@lancaster.gov.uk](mailto:democraticsupport@lancaster.gov.uk).

KIERAN KEANE,  
CHIEF EXECUTIVE,  
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Published on Thursday 11 February 2020.

**AGENDA ITEM 6**

**BUDGET & POLICY FRAMEWORK UPDATE**

REPORT TO FOLLOW

**Lancaster City Council | Report Cover Sheet**

<b>Meeting</b>	Cabinet	<b>Date</b>	11/2/2020
<b>Title</b>	Corporate Fees and Charges Policy Review		
<b>Report of</b>	Head of Financial Services and Director for Communities and the Environment		
<b>Purpose of Report</b>			
To consider the annual review of fees and charges for 2020/21			
<b>Key Decision (Y/N)</b>	<b>Y</b>	<b>Date of Notice</b>	<b>13/1/2020</b>
		<b>Exempt (Y/N)</b>	<b>N</b>

**Report Summary**

The report asks Members to endorse the Fees and Charges Policy for 2020/21 and also to consider the freezing of charges in the areas of Car Parking and Garden Waste Collection.

**Recommendations of Councillors**

- (1) That Cabinet endorses the Fees and Charges Policy as set out at Appendix A, and during 2020/21 as part of the mid-year budget strategy review determines whether any other areas of income generation be explored further for 2021/22 onwards.
- (2) That Cabinet endorses the freezing of car parking charges, as reported as part of the current 2020/21 budget setting process.
- (3) That Cabinet endorses the freezing of garden waste collection charges, as reported as part of the current 2020/21 budget setting process.

**Relationship to Policy Framework**

Fees and charges form an integral part of the budget setting process, which in turn relates to the Council's priorities. Under the Medium Term Financial Strategy (MTFS), income generation is a specific initiative for helping to balance the budget.

**Conclusion of Impact Assessment(s) where applicable**

<b>Climate</b>	<b>Wellbeing &amp; Social Value</b>
<b>Digital</b>	<b>Health &amp; Safety</b>
<b>Equality</b>	<b>Community Safety</b>

The proposed increases are considered to be fair and reasonable; generally, equality considerations are provided for within the attached policy.

**Details of Consultation**

Lancaster BID, Morecambe BID, Chamber of Commerce. A summary of the proposals shall be sent to each of the above but given the positive nature of the proposals, no return comments are expected.

**Legal Implications**

Local authorities have a variety of powers to charge for specific statutory services.

The Local Government Act 2003 also provides a power to charge for discretionary services. Authorities are under a duty to secure that, taking one year with another the income from charges for these services do not exceed the cost of provision.

The power to charge for discretionary services is therefore on a cost recovery basis only and is not available if there is a statutory duty to provide the service or if there is a specific power to charge for it or if there is a prohibition on charging.

Additionally, the Localism Act 2011 provides local authorities with the general power of competence that confers on them the power to charge for services but again subject to conditions/limitations similar to those noted above.

Where authorities have a duty to provide a statutory service free of charge to a certain standard, no charge can be made for delivery to that standard, however delivery beyond that point may constitute a discretionary service for which a charge could be made.

**Financial Implications**

As set out in the report and further detailed financial implications are included in the relevant appendices. With regard to car parking and garden waste proposals, Cabinet have proposed the freezing of inflationary increases, which is still subject to agreement by Council. Any proposals to increase fees would require further consideration and would need to be fed into the budget process as appropriate.

**Other Resource or Risk Implications**

None specifically arising from this report.

**Section 151 Officer's Comments**

The s151 Officer has been consulted and has no further comments.

**Monitoring Officer's Comments**

The Monitoring Officer has been consulted and has no further comments.

<b>Contact Officer</b>	Andrew Kipling
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**Links to Background Papers**

None

**1.0 GENERAL POLICY**

- 1.1 This report sets out the proposed fees and charges framework for 2020/21. The current policy was last considered by Cabinet at its meeting on 12 February 2019 and

a copy is attached at **Appendix A**. No substantive updates of the policy are being proposed at this stage, although it is re-iterated that linked to Cabinet's corporate planning and budget proposals, a more focused approach on commercialisation is being adopted. As the emerging strategy develops, then it is expected that there will be a need to update the policy in due course to inform future income generation and charging.

- 1.2 In support, **Appendix B** provides a listing of the General Fund fees and charges for 2018/19 actuals, the 2019/20 original budget and the 2020/21 latest draft budget. This shows that the total estimated base income to be generated from fees and charges (including rents) is now projected to be £15.2M next year. Of this total, around £5.6M is generally inflation-linked. The majority of the remaining income relates to statutory fees, commercial charges, general cost recovery and fixed contracts, e.g. trade refuse. As such these income areas allow for little or no discretion in setting fee increases (aside from any consideration of market share etc). Furthermore, certain fees such as various licensing fees cannot by law be set by Cabinet.
- 1.3 From Appendix B, it can be seen that between 2019/20 and 2020/21 gross income from comparative fees and charges is expected to increase from £14.850M to £15.245M, representing an increase of £0.395M or 2.6%. Whilst this does not take account of any associated expenditure linked to service provision, it does highlight that income generation is a significant contributor to the Council's net position, thereby helping to reduce service subsidisation and protect other service provision.
- 1.4 In terms of fee increases, generally as part of the budget process all relevant fees and charges will increase by 2.1% for next year, in line with the annual inflationary review.
- 1.5 Where fees and charges are to change in line with policy and/or the budget, these will be amended through existing Officer delegations and therefore no Cabinet decision is required – and so no detail is provided within this report. It should be noted that in exercising their delegated authority, Officers may well consider groupings of charges for similar or related activities and within those groupings, they may vary individual fees (or concessions) above or below inflation, for example – but as long as in totality, it is reasonable to assume that the relevant income budget will be met and the variances do not go against any other aspect of policy, then no Cabinet decision is required.
- 1.6 Cabinet is requested to indicate whether there are any other specific areas for income generation that it wishes to consider as part of its budget development, primarily for 2020/21 onwards, on top of those already included.
- 1.7 From an Officer perspective, there are two charging matters (Car Parking and Garden Waste) that require Cabinet's consideration ahead of Budget Council, and these are set out below, together with other key points for information.

## 2 OTHER SPECIFIC CHARGING CONSIDERATIONS

### 2.1 Environmental Services: Car Parking

As reported elsewhere on this agenda, Members have proposed to freeze inflation for a second consecutive year. The base budget for 2020/21 has been increased by £160K which is largely due to the continuation of regular increases in usage levels over

the previous four year period. The decision to freeze represents a reduction of £64K in assumed inflation.

## 2.2 **Environmental Services: Garden Waste**

As reported elsewhere on this agenda, Members have proposed to freeze inflation for a second consecutive year. Following last year's decision to offer the same price for a subscription in order to retain client base levels in 2019/20, retention levels for subscriptions were 99%, which is viewed as successful given the previous decline in levels. Given the price being £40, it is suggested that future price increases are stepped using a higher inflation percentage but made at larger intervals than annually. This area will be reviewed in 2020/21 alongside the exploration of introducing automatic renewal for future years. The decision to freeze represents a reduction of £19K in assumed inflation, however with subscription levels falling, it is seen as an opportunity to retain and possibly increase the client base.

## 2.3 **Health and Housing: Taxi and other miscellaneous Licensing Fees**

The outcome of the latest review of taxi and other miscellaneous licensing fees is scheduled for consideration by the Licensing Committee on 19 March 2020. These fees are, as a matter of law, not to be determined by Cabinet, although the budgeting implications of the Committee's decision, subject to how material they are, would need to be further appraised and fed into future financial monitoring reports to Cabinet as part of the Council's usual monitoring arrangements and if appropriate budgets be updated as part of the mid-year budget strategy review. Fees for licences within the remit of the Licensing Act Committee are set by central government.

## 3 **OPTIONS AND OPTIONS ANALYSIS**

- 3.1 The attached policy remains substantively unchanged and it is considered that it remains fit for purpose (at least in the short term) and it adequately covers Cabinet's budget proposals. As such, no options are presented and Cabinet is simply requested to endorse the policy, with a review being undertaken next year.
- 3.2 With regard to car parking charges and garden waste charges, Members have proposed to freeze charges for the forthcoming financial year. Should inflation be applied, further work to determine charging levels would need to take place and be fed into the budget setting process as appropriate.





**LANCASTER CITY COUNCIL**  
*Promoting City, Coast & Countryside*

# **FEES AND CHARGES POLICY**

**February 2019**

## 1 INTRODUCTION

- 1.1 The decisions made by councils about charging for local public services affect everyone. Where councils charge for services, users pay directly for some or all of the costs of the services they use. Where no charges are made, or where charges do not recover the full cost of providing a service, council taxpayers subsidise users.
- 1.2 Fees and charges represent an important source of income, providing finance to help achieve the corporate objectives of the City Council. The purpose of this policy is to set out a clear framework within which fees and charges levied by the Council are agreed and regularly reviewed.
- 1.3 The decisions on whether to make a charge (and the amount to charge) are not always within the control of the Council. Where they are controlled locally, however, it is important that the implications of the charging decisions being taken are fully understood and that the appropriate information is available to make informed decisions.
- 1.4 This policy therefore provides clear guidance to service managers on:
- the setting of new fees and the policy context within which existing charges should be reviewed;
  - how fees and charges can assist in the achievement of corporate priorities;
  - the Council's approach to cost recovery and income generation from fees and charges; and
  - eligibility for concessions.
- 1.5 The policy supports the Council in having a properly considered, consistent and informed approach to all charges it makes for its services. This will, in turn, support the delivery of corporate objectives.

## 2 GENERAL POLICY

- 2.1 This policy relates to fees and charges currently being levied by the Council and those which are permissible under relevant legislation, including the wider general powers to provide and charge for discretionary services included within the Local Government Act 2003.
- 2.2 Statutory charges also fall within the scope of the policy, even though their level may not be determined by the Council. This ensures clarity and consistency and allows subsequent reviews of the policy to be comprehensive. It also enables changes to the national legislative charging framework, and any other situations that may arise in the future, to be addressed.

### Council policies, strategies and priorities

- 2.3 Specific decisions and charging policies should support delivery of the council's Corporate Plan and other local strategies and service objectives. Charging decisions will take account of the council's corporate priorities and have regard for the potential impact on other service areas.

Basis of Charging Decisions

- 2.4 The council will charge for all services where it is appropriate and cost-effective to do so, unless there are contrary policies, legal or contractual reasons that state otherwise.
- 2.5 When discretionary charges are set, the general aim will be to cover the cost of the service or, where legally possible, the council may charge on a commercial basis. Charges will reflect the full cost of provision, unless covered by subsidies/concessions designed to meet corporate priorities or there are contrary policies or legal reasons.

Subsidies and/or Concessions

- 2.6 Subsidies and concessions may be used to help achieve specific targets or objectives. Concessions should be awarded and reviewed in relation to each service. Where subsidies and concessions are applied, there should be a proportionate evaluation process in place to measure levels of success in meeting these objectives. Definitions and qualifying criteria for concessionary target groups should be consistent across the Council.
- 2.7 Any reference to the setting or review of fees and charges within this policy should be taken to include/cover any relevant subsidies or concessions also.

Surplus Income

- 2.8 Income derived from charging will be used to offset the costs of providing the service being charged for, including support service costs. Where a surplus, over budget, is generated in-year, its use shall be determined in accordance with the Council's Financial Regulations (in particular, the virement scheme as set out in the Medium Term Financial Strategy (MTFS)). This is on the provision that this is not prohibited by other statutory requirements or government guidance.
- 2.9 It is acknowledged that the ability to use charges to deliver the corporate priorities of the Council requires a degree of freedom; corporate controls should avoid imposing unnecessary restrictions, but also the Council's future budgetary challenges need to be addressed.
- 2.10 Any proposals for generating any additional income (over and above normal budgetary provisions) to be raised from charging in the expansion and development of a particular service will be considered as part of the budget and planning process, and in line with the approved Medium Term Financial Strategy. Each proposal will therefore be considered on its own merits and in light of financial planning processes and other pressures.

Efficient Administration

- 2.11 Arrangements for charging and collecting fees should be efficient, practical and simple to understand by users, and meet any other requirements of the Council's Financial Regulations and supporting processes. The reasons behind any significant changes to charges should be communicated to residents and service users. The impact of charging decisions on service users and local residents will need to be taken into account.

Regular Review

- 2.12 Charges, and decisions not to charge, will be reviewed annually in sufficient time for the impact of any revisions to be included in the budget setting process. This ensures that they fit within the approved budget framework, as determined by full Council.

Policy Implementation

- 2.13 This policy encompasses decisions made as part of the annual fees and charges review process, where new charges are introduced or where existing charges are removed or amended.
- 2.14 It supports the Council’s Financial Regulations, which are part of the Constitution. Under the Regulations, Directors, Chief Officers and others designated by them are responsible for collecting budgeted income, and maximising such income in accordance with this policy and any other relevant supporting policies.
- 2.15 Furthermore, under the Scheme of Delegation to Officers, which is also included in the Constitution, such Officers have authority to set fees and charges in accordance with relevant legislation and any charging policy set by Cabinet (as long as they fit with the approved budget framework).

**3 DETERMINING SPECIFIC CHARGING POLICY (CASE BY CASE)**

- 3.1 Each fee or charge (or group of similar charges) should be linked to one of the categories in the following table and the appropriate charging policy adopted in establishing and reviewing charging rates for that particular service or activity. Where new charges are being introduced or changes in charging policy are proposed, the charging policy should be made clear as part of the decision-making process.
- 3.2 In all cases, in determining an appropriate charging policy proper consideration should be given to the wider equality implications that could affect accessibility of council services to any groups.

CHARGING POLICY	POLICY OBJECTIVE
Full commercial	The council seeks to maximise revenue within an overall objective of generating as large a surplus (or a minimum loss) from this service.
Full commercial with discounts	As above, but with discounted concessions being given to enable disadvantaged groups to access the service.
Fair charging	The council seeks to maximise income but subject to a defined policy constraint. This could include a commitment made to potential customers on an appropriate fee structure. Alternatively, a full commercial rate may not be determinable or the council may be a monopoly supplier of services.

Cost recovery	The council wishes to make the service generally available, but does not wish to allocate its own resources to the service.
Cost recovery with discounts	As above, but the council is prepared to subsidise the service to ensure disadvantaged groups have access to the service.
Subsidised	Council policy is to make the service widely accessible, but believe users of the service should make some contribution from their own resources. Could also be due to the adverse impact a cost recovery or commercial charging policy would have on other council services.
Nominal	The council wishes the service to be fully available, but sets a charge to discourage frivolous usage.
Free	Council policy is to make the service fully available.
Statutory	Charges are set in line with legal obligations.

3.3 In applying the appropriate charging policy, as well as equality considerations typically the issues that may need to be considered in setting the level of fee and charge for any particular service include those set out below:

CHARGING POLICY	POLICY OBJECTIVE
Full commercial	<ul style="list-style-type: none"> <li>• Are the charges high enough for the service to be profitable? If not, consider whether the service should be provided.</li> <li>• Are competitors charging similar prices?</li> <li>• Does the council offer any premium in terms of service levels that customers would be prepared to pay more for?</li> <li>• How would changes in pricing structures affect demand for the service and potentially its profitability?</li> <li>• How does the proposed fee structure fit in with the long-term business plan for the service?</li> </ul>
Fair charging	<ul style="list-style-type: none"> <li>• How do the charges compare to other providers of similar services?</li> <li>• Has the loss of income from not charging on a commercial basis been evaluated?</li> <li>• Is the policy constraint justifying this charging policy still valid?</li> </ul>
Cost recovery	<ul style="list-style-type: none"> <li>• Do charges recover the full costs, including overheads, capital charges and recharges?</li> <li>• Is it possible to charge on a full commercial basis and if so has the loss of income from not charging on a full commercial basis been evaluated?</li> <li>• Are Members aware of the effect on demand for this service from this charging policy?</li> <li>• What would be the effect of changing the policy to a different one e.g. subsidised?</li> </ul>
Subsidised	<ul style="list-style-type: none"> <li>• Has the cost of the subsidy been evaluated?</li> <li>• What has been the impact on demand and on service levels from adopting this approach?</li> <li>• Does this approach fit in with the requirements of other funding streams i.e. grants?</li> <li>• Is this approach legally required?</li> <li>• Is there a potential problem from frivolous use of the service?</li> </ul>
Nominal	
Free	
Statutory	<ul style="list-style-type: none"> <li>• Are charges in line with statutory requirements?</li> <li>• Are they set at the maximum permitted levels?</li> </ul>

## 4 **SUBSIDIES AND CONCESSIONS**

4.1 It may be appropriate to consider subsidising some services, particularly if this helps to achieve corporate priorities and supports local strategies and policies. The main reasons for charging less than full cost are set out below:

- There is a sound financial and policy justification for the council tax payers subsidising this service.
- The desire to encourage particular sections of the community to use specific services and they could not afford, or might otherwise be deterred by, full cost charges.
- Charging full cost discourages or prevents uptake, which may have a detrimental impact on the council's finances in the long run.
- Use of the service is sensitive to a change in price – an increase in charges reduces demand and income.
- The council incurs higher costs than other providers because the service is provided in a way that is appropriate and accessible for all sectors of the community.

4.2 When considering using a subsidy, the following points should be taken into account:

- It must clearly and directly support a corporate priority, objective, or policy.
- There is evidence to suggest that the impact of the policy can be measured.
- The cost of the subsidy can be estimated and can be accommodated within the council's budget, making it affordable.
- The proposal is the most effective approach available to deliver the policy objective, and so can be judged to give value for money.

4.3 It is recognised that in some circumstances discounts may not be appropriate and that, in all cases, it will be necessary to carefully consider the impact on income before introducing discounts or concessions to service areas which do not currently offer them.

## 5 **NEW FEES AND CHARGES**

5.1 Proposals for new discretionary fees and charges must be considered within the annual budget process or alternatively, if appropriate, submitted to Cabinet initially for approval as an in-year change. Should any proposed change fall outside of the budget and policy framework, it would also require referral to Council.

5.2 Proposals for new fees and charges should be analysed using the guidance in the appendix to this policy. This effectively provides a brief rationale and business case for the proposed charge.

5.3 The effects of any new charge on service usage and income generated will be monitored regularly over the first 12 months and formally reviewed as part of the following budget process.

- 5.4 Where new statutory fees and charges are to be introduced, or when changes have been notified, ideally Cabinet and/or Council should be advised of any significant budgetary or policy implications prior to their implementation by Officers, should timescales allow; this may be done through the budget process. Alternatively, any implications should be reported retrospectively through usual quarterly monitoring arrangements.

## **6 REVIEWING FEES AND CHARGES**

- 6.1 Directors, Chief Officers and designated staff must consider charging policies and current levels of charge each year as part of the budget and service planning process.
- 6.2 The general assumption (where the Council has control) is that the value of fees and charges will be maintained in real terms over time and increased annually in line with estimated inflation, as determined through the budget. Clearly this assumption changes, if the adopted charging policy for a particular activity determines otherwise.
- 6.3 Additionally, Cabinet may decide to set income targets for specific service areas as part of an effort to identify efficiencies and/or generate additional income.
- 6.4 Separate to the annual budgeting exercise, if there are any significant matters arising during the course of a year, such as in cost, market forces or service levels, which materially affect current service costs and revenues, then relevant fees and charges should be reviewed. If it is reasonable for them to be adjusted in year, to keep within the budget framework, then the Director or Chief Officer has delegated authority to do so, as long as any fee or charge under question was not explicitly approved by Members during the last budget process. Any such changes must be reported to Cabinet retrospectively as part of usual quarterly monitoring arrangements.
- 6.5 In all other cases (except for statutory fee change notifications covered in 5.4), any proposals to change fees, and/or any expected income budget shortfalls, must be reported initially for Cabinet's consideration. Referral to Council may also follow, depending on circumstances. Any proposal to amend significantly an existing fee or charge will require a full explanation and justification to be provided.

## **7 COLLECTION OF FEES AND CHARGES**

- 7.1 Fees and charges income should be collected and accounted for in accordance with the Council's Financial Regulations and any supporting instructions, procedures and guidance. Wherever it is reasonable to do so, charges should be collected either in advance or at the point of service delivery. Where charges are to be collected after service delivery has commenced, invoices will be issued promptly, and appropriate collection and recovery procedures followed.

**8 PUBLICATION OF FEES AND CHARGES**

- 8.1 Each service should maintain a schedule of fees and charges levied. This schedule should include, but identify separately, those charges where there are national / external procedures or other specific procedures for determining and reviewing rates of charge.
- 8.2 Generally the Council's fees and charges should be set prior to the start of each financial year. They should be widely published, including through the council's website.
- 8.3 Reasonable notice should be given to service users before any decisions to amend or introduce new fees and charges are implemented, together with clear advice on VAT, and information on any discounts or concessions available. In the absence of any specific requirements, reasonable notice is defined broadly as one calendar month.



## GUIDANCE FOR NEW FEES AND CHARGES

### Charging Policy

The charging policy objectives must be stated here, together with why this policy (Full Commercial or Fair Charging etc.) has been adopted. The intended aims of the charges should also be clearly thought out and explained. Any legal issues should be identified.

### Comparative Information

Include here details of comparative information collected from other authorities or competitors etc.

### Financial

Information Required	Description
Level of charge	Recommended or proposed new level of charge.
Start date	Proposed implementation date for new level of charge, although it could be related to a future event.
Budgeted income	Level of income to be generated from the new charge.
Surplus / deficit as a percentage of cost	The total cost of supplying the service (including recharges and other overheads) should be calculated and deducted from the income generated. This surplus or deficit should then be compared to the total cost as a percentage. Calculating total cost may require the use of judgement and reasonable assumptions. This is acceptable, so long as a clear audit trail of those assumptions is maintained.
Surplus / deficit per usage	The difference between income generated and the total cost of providing that service, divided by the expected number of users of that service.

### Impact Assessment

Any proposals must identify likely impact on the service's users including; who currently benefits from the service, the effects on them of any changes and who will benefit from new exemptions and discounts together with how demand and usage is expected to change. Equality issues must specifically be considered and reported.

### Impact on Other Areas

The likely consequences in terms of reduced or increased demand for other council services must be identified here as well as any extra costs to other services. Equality issues must specifically be considered and reported.

**Method of Collection**

Proposals for new charges must identify what collection methods will be used. If this is a change in current arrangements it will need to identify the following:

- What the likely impact is on the rate and costs of collection;
- What account has been taken of how low income users can pay; and
- How cost effective will the new methods be?

**Alternatives**

Explain here the other measures that have been considered instead of, or as well as, the proposed charge (cost cutting, reducing charges, sponsorship etc.).

**Consultation**

Include here the extent of consultation conducted, which will be dependent upon the impact of fee and/or charge, and the results of that consultation.

**Summary of General Fund Fees and Charges (including rents)**  
**For Consideration by Cabinet 11 February 2020**

## APPENDIX B

Directorate	Service	Service Area	Cost Centre Area	Detail Code	2018/19 Actual £	2019/20 Original £	2020/21 Estimate £
Communities and Environment	Business Support	Vehicle Maintenance	General Fees & Charges	General Fees & Charges	-5,957	-5,500	-5,500
			MOT Income	MOT Income	-7,237	-7,000	-7,000
	White Lund Depot	Feed In Tariff Credits	Feed In Tariff Credits	-17,634	-17,000	-17,000	
		Rents - General	Rents - General	-13,835	-13,800	-13,800	
	Customer Involvement & Leisure	Customer Services Mgmt & Admin Salt Ayre	Sales - Goods Resold	Sales - Goods Resold	-765	-700	-700
			Feed In Tariff Credits	Feed In Tariff Credits	-14,027	-16,800	-16,800
	Housing Services	Home Improvement Team Home Improvements Mellishaw Park	Fees and Charges	Fees and Charges	-2,386,504	-2,501,300	-2,611,300
			General (CR) - Miscellaneous	General (CR) - Miscellaneous	-6,066	-10,000	-5,000
			Administration Charges	Administration Charges	-344,677	-255,300	-288,000
	Public Protection	Dog Warden Service	Rent - Houses	Rent - Houses	-63,814	-62,000	-62,000
			Service Charges Recovered	Service Charges Recovered	-6,724	-7,600	-7,800
	Environmental Protection	Environmental Protection	Collections and Kennelling	Collections and Kennelling	-7,234	-5,800	-5,900
			Fines	Fines	-150	-1,500	-1,500
	Food & Safety	Food & Safety	Sales - General	Sales - General	-261	-600	-600
			EPA Authorisation Fees	EPA Authorisation Fees	-16,648	-14,000	-14,000
	Gambling Act 2005	Gambling Act 2005	Fines	Fines	-1,887	-4,000	-4,000
			Income - Works In Default	Income - Works In Default	-3,823	-2,200	-2,200
	Hackney Carriage & Private Hire Licences	Hackney Carriage & Private Hire Licences	Water Sampling Fees	Water Sampling Fees	-1,819	-3,300	-3,400
			Fines	Fines	-170	-100	-100
	Lancaster Port Health Authority	Lancaster Port Health Authority	General Fees & Charges	General Fees & Charges	-4,417	-3,200	-10,200
			Training Course Fees	Training Course Fees	-1,790	-1,600	-2,000
	Miscellaneous Licences	Miscellaneous Licences	Amusement Machines	Amusement Machines	-3,300	-3,300	-3,400
			Licences - Betting Shops	Licences - Betting Shops	-7,300	-10,800	-11,000
	Pest Control	Pest Control	Licences - Bingo Establishments	Licences - Bingo Establishments	-4,575	-3,200	-3,300
			Licences - Lotteries	Licences - Lotteries	-3,150	-3,300	-3,400
	Private Rented Sector Activity	Private Rented Sector Activity	Licences-Gaming Machines	Licences-Gaming Machines	-4,570	-3,300	-3,400
			Dual Drivers Badge	Dual Drivers Badge	-24,689	-25,500	-48,600
	Public Health Services	Public Health Services	H.C. Driver Licence	H.C. Driver Licence	-3,767	-4,900	-8,900
			H.C. Inspection Fees	H.C. Inspection Fees	-12,603	-13,700	-14,000
	Public Realm	Public Realm	H.C. Taxi Plates	H.C. Taxi Plates	-2,293	-2,300	-2,300
			H.C. Vehicle Licence	H.C. Vehicle Licence	-27,445	-28,300	-28,900
	City Centre Markets & Traders	City Centre Markets & Traders	P.H. Drivers Licence	P.H. Drivers Licence	-5,470	-5,100	-6,200
			P.H. Inspection Fees	P.H. Inspection Fees	-25,069	-27,200	-27,800
	Garden Waste	Garden Waste	P.H. Operators Licence	P.H. Operators Licence	-6,845	-5,600	-5,700
			P.H. Taxi Plates	P.H. Taxi Plates	-1,805	-5,400	-5,500
	Grounds Maintenance	Grounds Maintenance	P.H. Vehicle Licence	P.H. Vehicle Licence	-44,111	-44,900	-45,800
			General Fees & Charges	General Fees & Charges	-14,586	-5,100	-5,200
	Happy Mount Park	Happy Mount Park	Licensing Act 2003 - Personal	Licensing Act 2003 - Personal	-5,941	-7,800	-7,100
			Licensing Act 2003 - Premises	Licensing Act 2003 - Premises	-108,677	-121,500	-117,400
	Household Waste	Household Waste	Temporary Event Notices	Temporary Event Notices	-5,789	-7,000	-6,100
			Licences - Motor Salvage Operators	Licences - Motor Salvage Operators	0	-4,600	-1,300
	Morecambe Market	Morecambe Market	Licences - Second Hand Dealers	Licences - Second Hand Dealers	-477	-300	-300
			Licences - Sex Shops	Licences - Sex Shops	-541	-500	-200
	Cemeteries - General	Cemeteries - General	Licences - Street Cafes	Licences - Street Cafes	-6,899	-5,500	-3,100
			Licences-Skin Piercing\Tattoos	Licences-Skin Piercing\Tattoos	-3,733	-3,100	-3,700
	Domestic Collections	Domestic Collections	Domestic Insects	Domestic Insects	-40,730	-31,700	-32,400
			Domestic Rodents	Domestic Rodents	-34,665	-45,900	-35,700
	Bulky Waste Collection	Bulky Waste Collection	Unbugged	Unbugged	-101,162	-102,100	-112,300
			Admin-Works In Default	Admin-Works In Default	-2,640	-1,000	-1,000
	Sales - Goods Resold	Sales - Goods Resold	APS Fees	APS Fees	0	-100	-100
			Fines	Fines	-2,800	-2,800	-2,800
	Sales - Scrap	Sales - Scrap	HMO License Fees	HMO License Fees	-96,780	-41,500	-36,600
			Immigration Inspection Fees	Immigration Inspection Fees	-336	-300	-300
	Hire Of Chapels	Hire Of Chapels	Burial Of The Dead	Burial Of The Dead	-11,613	-6,500	-6,600
			Licences - Dog Breeding	Licences - Dog Breeding	-1,543	-800	-2,000
	Interment Fees	Interment Fees	Licences - Pet Shops	Licences - Pet Shops	-957	-1,000	-500
			Licences-Animal Boarding	Licences-Animal Boarding	-3,826	-4,900	-7,100
	Memorial Fees	Memorial Fees	Licences-Riding Estabs	Licences-Riding Estabs	-613	-500	-500
			Vets Fees Recovered	Vets Fees Recovered	-1,055	-1,000	-1,000
	Rents - General	Rents - General	Domestic Collections	Domestic Collections	-84,772	-92,400	-94,300
			Sales - Goods Resold	Sales - Goods Resold	-6,998	-14,400	-14,700
	Rents - Grazing Rights	Rents - Grazing Rights	Sales - Scrap	Sales - Scrap	-2,271	-1,200	-1,200
			Hire Of Chapels	Hire Of Chapels	-4,803	-5,100	-5,200
	Rents - Market Stalls	Rents - Market Stalls	Interment Fees	Interment Fees	-149,011	-152,600	-155,800
			Memorial Fees	Memorial Fees	-22,225	-25,600	-26,100
	Service Charges Recovered	Service Charges Recovered	Rents - General	Rents - General	-513	-500	-500
			Rents - Grazing Rights	Rents - Grazing Rights	-330	-300	-300
	Market Tolls	Market Tolls	Sale Of Grave Spaces	Sale Of Grave Spaces	-88,434	-79,300	-81,000
			Sale Of Memorial Benches	Sale Of Memorial Benches	-220	-600	-600
	Administration Charges	Administration Charges	Sale Of Memorial Plaques	Sale Of Memorial Plaques	-23,660	-28,700	-29,300
			Administration Charges	Administration Charges	-617	-500	-500
	General Fees & Charges	General Fees & Charges	General Fees & Charges	General Fees & Charges	-14,178	-17,400	-9,600
			Market Tolls	Market Tolls	-71,627	-77,100	-67,000
	Fees - United Utilities	Fees - United Utilities	Rents - Market Stalls	Rents - Market Stalls	-15,047	-20,500	-19,700
			Service Charges Recovered	Service Charges Recovered	-4,294	-4,300	-4,300
	Garden Waste Collection	Garden Waste Collection	Fees - United Utilities	Fees - United Utilities	-1,075	-1,200	-1,200
			Garden Waste Collection	Garden Waste Collection	-905,010	-903,000	-895,000
	General Fees & Charges	General Fees & Charges	General Fees & Charges	General Fees & Charges	-3,915	-8,800	-9,000
			General Fees & Charges	General Fees & Charges	-169,501	-149,600	-152,500
	Bowling	Bowling	Bowling	Bowling	-449	-400	-400
			General Fees & Charges	General Fees & Charges	-44,692	-45,900	-30,600
	Rents - Concessions	Rents - Concessions	Rents - Concessions	Rents - Concessions	-3,500	-3,600	-3,700
			Rents - General	Rents - General	-31,225	-31,900	-32,600
	Service Charges Recovered	Service Charges Recovered	Service Charges Recovered	Service Charges Recovered	0	-500	-500
			Tennis	Tennis	-213	-400	-400
	Clinical Waste	Clinical Waste	Clinical Waste	Clinical Waste	-5,963	-5,000	-5,000
			Domestic Collections	Domestic Collections	-1,381	-1,500	-1,500
	Fees - United Utilities	Fees - United Utilities	Fees - United Utilities	Fees - United Utilities	-1,377	-1,600	-1,600
			General Fees & Charges	General Fees & Charges	-19,896	-26,500	-27,100
	Advertising - Hoardings Etc	Advertising - Hoardings Etc	Advertising - Hoardings Etc	Advertising - Hoardings Etc	-215	-300	-300
			Rents - Market Stalls	Rents - Market Stalls	-266,286	-277,300	-304,600

Directorate	Service	Service Area	Cost Centre Area	Detail Code	2018/19 Actual £	2019/20 Original £	2020/21 Estimate £
			Service Charges Recovered	Service Charges Recovered	-13,356	-12,400	-12,400
		Non-Resort Parks	Storage	Storage	-6,728	-6,600	-6,600
			Administration Charges	Administration Charges	-2,182	-1,500	-1,500
			Bowling	Bowling	-1,072	-1,100	-1,100
			Receipts Non-Vatable	Receipts Non-Vatable	-8,485	-11,100	-11,300
			Rents - Concessions	Rents - Concessions	-9,571	-9,700	-9,900
			Rents - General	Rents - General	-4,186	-10,600	-10,800
			Service Charges Recovered	Service Charges Recovered	-2,406	-1,700	-1,700
		Nurseries	General Fees & Charges	General Fees & Charges	-55,889	-58,700	-59,900
		Off Street Car Parks	Car Parking Fees	Car Parking Fees	-2,292,485	-2,338,900	-2,439,100
			Car Parking Fees - RingGo	Car Parking Fees - RingGo	-402,257	-367,000	-436,000
			Car Parking Permits	Car Parking Permits	-185,798	-170,400	-183,800
			Fines	Fines	-158,952	-145,000	-159,000
			Rents - General	Rents - General	-73,144	-57,000	-55,000
		Promenade Management	Rents - Concessions	Rents - Concessions	-29,878	-30,700	-31,300
			Rents - General	Rents - General	-10,091	-16,200	-16,500
			Sales - Promenade Passes	Sales - Promenade Passes	-1,395	-1,200	-1,200
			Service Charges Recovered	Service Charges Recovered	-719	-1,500	-1,500
		Public Conveniences	General Fees & Charges	General Fees & Charges	-23,544	-23,100	-23,100
		Recycling	Fees - United Utilities	Fees - United Utilities	-1,271	-1,400	-1,400
			General Fees & Charges	General Fees & Charges	-9,312	-4,000	-4,100
		Resort Parks	Rents - Concessions	Rents - Concessions	-4,160	-4,200	-4,300
			Rents - General	Rents - General	-3,281	-3,400	-3,500
			Service Charges Recovered	Service Charges Recovered	-1,198	-100	-100
		Small Parks & Open Spaces	General Fees & Charges	General Fees & Charges	-200	-400	-400
		Street Cleaning	General Fees & Charges	General Fees & Charges	-28,415	-31,800	-32,500
		Trade Refuse	Trade Refuse Collections	Trade Refuse Collections	-1,435,265	-1,460,900	-1,491,600
		Williamson Park Butterfly House	Admission Fees	Admission Fees	-110,880	-102,600	-107,300
			Educational Usage	Educational Usage	-14,085	-12,300	-12,600
			Family Tickets	Family Tickets	-34,945	-32,700	-33,400
		Williamson Park Cafe	Sales - General	Sales - General	-334,144	-329,500	-351,700
		Williamson Park Events	Special Events	Special Events	-22,550	-26,800	-27,400
			Venue Hire	Venue Hire	-41,831	-45,600	-46,600
		Williamson Park Ice Cream Concession	Sales - General	Sales - General	-26,064	-24,500	-25,000
		Williamson Park Mngmt & Admin	Car Parking Fees	Car Parking Fees	-41,820	-40,300	-41,100
			Sales - General	Sales - General	-350	-400	-400
		Williamson Park Reception & Retail	Sale of Recycling Material	Sale of Recycling Material	-705	-1,000	-1,000
			Sales - General	Sales - General	-65,195	-56,200	-57,400
			Sales - Publications & Data	Sales - Publications & Data	-202	-200	-200
<b>Corporate Services</b>	<b>Democratic Finance Legal</b>	Electoral Registration	Sales - Publications & Data	Sales - Publications & Data	-3,052	-2,200	-2,200
		Financial Services Management & Admin	Administration Charges	Administration Charges	-1,082	-1,000	-2,100
		Legal Services Mgt & Admin	General Fees & Charges	General Fees & Charges	-42,947	-32,700	-33,400
			Legal Fees-County Court	Legal Fees-County Court	-4,302	-16,800	-17,200
			Legal Fees-Magistrates Courts	Legal Fees-Magistrates Courts	-53,814	-3,000	-3,100
		Searches Administration	Search Fees	Search Fees	-198,171	-210,700	-200,000
	<b>Revenues &amp; Benefits</b>	Council Tax & NNDR	Legal Costs Recovered	Legal Costs Recovered	-291,058	-457,100	-336,800
<b>Economic Growth and Regeneration</b>	<b>Economic Development</b>	City Museum	Admission Fees	Admission Fees	-77	-100	-200
			Cafe	Cafe	0	-300	-1,300
			Sales - General	Sales - General	-3,281	-9,800	-22,300
		Lancaster V.I.C.	Commission - Concerts/Discount Ticket	Commission - Concerts/Discount Ticket	-2,565	-2,000	-3,100
			Commission - National Express	Commission - National Express	-186	-200	-200
			Sales - Publications & Data	Sales - Publications & Data	-7,976	-8,200	-8,400
			Sales - Souvenirs	Sales - Souvenirs	-17,207	-17,600	-18,000
		Maritime Museum	Admission Fees	Admission Fees	-3,885	0	-12,300
			Sales - General	Sales - General	-1,789	-4,500	-4,800
			Sales - Refreshments	Sales - Refreshments	-1,774	-6,000	-6,200
		Morecambe V.I.C.	Commission - Accom Bookings	Commission - Accom Bookings	-34	-100	-100
			Commission - Coach Travel Tickets	Commission - Coach Travel Tickets	-363	-400	-400
			Commission - Concerts/Discount Ticket	Commission - Concerts/Discount Ticket	-429	-300	-300
			Commission - National Express	Commission - National Express	-209	-200	-200
			Sales - Publications & Data	Sales - Publications & Data	-5,796	-7,200	-7,400
			Sales - Souvenirs	Sales - Souvenirs	-12,086	-13,900	-14,200
			Travel Tickets	Travel Tickets	-2,304	-2,300	-1,300
		Platform	Admission Fees	Admission Fees	-256,736	-240,800	-261,800
			Bar	Bar	-76,576	-76,100	-87,900
			Cafe	Cafe	-4,377	-3,300	-3,400
			Private Hire	Private Hire	-47,912	-54,000	-55,100
			Venue Hire	Venue Hire	-27,649	-29,300	-29,900
		Winning Back West End Property Account	Rents - Commercial Properties	Rents - Commercial Properties	-16,360	-16,000	-16,000
		Arnsdale and Silverdale AONB	Feed In Tariff Credits	Feed In Tariff Credits	-526	-500	-500
		Building Regulations	Bldg Regs - Application Fees	Bldg Regs - Application Fees	-58,122	-60,000	-60,000
		Development Control	Planning Application Fees	Planning Application Fees	-765,750	-1,000,000	-1,000,000
			Planning Pre Application Advice Fees	Planning Pre Application Advice Fees	-34,648	-58,800	-50,000
		Middleton Nature Reser & Pumping Station	Rents - General	Rents - General	-875	-900	-900
			Rents - Grazing Rights	Rents - Grazing Rights	0	-900	-900
			Rents - Wayleaves & Titles	Rents - Wayleaves & Titles	-500	-500	-500
		Commercial Land & Buildings	Hire Of Premises	Hire Of Premises	-5,371	-4,700	-4,800
			Rents - General	Rents - General	-813,343	-835,500	-810,700
			Rents - Grazing Rights	Rents - Grazing Rights	-1,945	-4,000	-4,000
			Sales - Refreshments	Sales - Refreshments	-13	-100	-100
			Service Charges Recovered	Service Charges Recovered	-320,728	-313,000	-313,100
		Municipal Land & Buildings	Hire Of Premises	Hire Of Premises	-33,417	-46,900	-50,900
			Rents - General	Rents - General	-4,550	-4,700	-4,800
			Sales - Refreshments	Sales - Refreshments	-4,870	-3,000	-3,100
		Property Services Mgmt & Admin	General Fees & Charges	General Fees & Charges	-300	-2,100	-2,100
		Storey Institute	Hire Of Premises	Hire Of Premises	-56,259	-61,700	-72,200
			Rents - General	Rents - General	-87,581	-78,700	-85,000
			Sales - General	Sales - General	-165,480	-153,200	-202,400
			Service Charges Recovered	Service Charges Recovered	-72,566	-68,800	-68,800
			<b>TOTAL INCOME</b>	<b>TOTAL INCOME</b>	<b>-14,440,345</b>	<b>-14,850,400</b>	<b>-15,244,500</b>

\* inflation included for the purpose of this appendix but will be removed following approval of budget proposal elsewhere on this agenda

# Equality Impact Assessment

This **online** equality impact assessment should:

An equality impact assessment should take place when considering doing something in a new way. Please submit your completed EIA as an appendix to your committee report. Please remember that this will be a public document – do not use jargon or abbreviations.

**Service**

## Title of policy, service, function, project or strategy

**Type of policy, service, function, project or strategy:** Existing  New/Proposed

**Lead Officer**

## People involved with completing the EIA

### Step 1.1: Make sure you have clear aims and objectives

Q1. What is the aim of your policy, service, function, project or strategy?

Q2. Who is intended to benefit? Who will it have a detrimental effect on and how?

### Step 1.2: Collecting your information

Q3. Using existing data (if available) and thinking about each group below, does, or could, the policy, service, function, project or strategy have a negative impact on the groups below?

Group	Negative	Positive/No Impact	Unclear
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Faith, religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender including marriage, pregnancy and maternity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual orientation including civic partnerships	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other socially excluded groups such as carers, areas of deprivation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rural communities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### Step 1.3 – Is there a need to consult!

Q4. Who have you consulted with? If you haven't consulted yet please list who you are going to consult with? Please give examples of how you have or are going to consult with specific groups of communities

# Equality Impact Assessment

Lancaster BID, Morecambe BID, Chamber of Commerce. A summary of the proposals shall be sent to each of the above but given the positive nature of the proposals, no return comments are expected.

## Step 1.4 – Assessing the impact

Q5. Using the existing data and the assessment in questions 3 what does it tell you, is there an impact on some groups in the community?

Age: Neutral
Disability: Neutral
Faith, Religion or Belief: Neutral
Gender including Marriage, Pregnancy and Maternity: Neutral
Gender Reassignment: Neutral
Race: Neutral
Sexual Orientation including Civic Partnership: Neutral
Rural Communities: Neutral

## Step 1.5 – What are the differences?

Q6. If you are either directly or indirectly discriminating, how are you going to change this or mitigate the negative impact?

No perceived direct or indirect discrimination arising.

Q7. Do you need any more information/evidence eg statistic, consultation. If so how do you plan to address this?

Nothing specific identified, however monitoring of existing data usage data (where available) would be further evaluated and taken into consideration during the annual review.

## Step 1.6 – Make a recommendation based on steps 1.1 to 1.5

Q8. If you are in a position to make a recommendation to change or introduce the policy, service, function, project or strategy, clearly show how it was decided on.

Through Member decision making or officer delegations, as appropriate.

Q9. If you are not in a position to go ahead, what actions are you going to take?

Report back to Cabinet, primarily as part of normal monitoring, budgeting and outturn reporting arrangements, as appropriate.

Q10. Where necessary, how do you plan to monitor the impact and effectiveness of this change or decision?

Through corporate monitoring / service specific monitoring, as appropriate.

**Lancaster City Council | Report Cover Sheet**

<b>Meeting</b>	Cabinet	<b>Date</b>	11 February 2020		
<b>Title</b>	Housing Revenue Account and Capital Programme				
<b>Report of</b>	Director for Communities and the Environment				
<b>Purpose of Report</b>					
To seek Cabinet decisions on Council Housing rent setting proposals and HRA revenue and capital budget proposals.					
<b>Key Decision (Y/N)</b>	<b>Y</b>	<b>Date of Notice</b>	<b>13.1.20</b>	<b>Exempt (Y/N)</b>	<b>N</b>

**Report Summary**

This report provides an update on the council housing budgetary position and seeks Cabinet's decisions on council housing rent levels for 2020/21 and targets for future years. It also seeks approval of Cabinet's supporting revenue budget and capital programme proposals for referral on to Budget Council, in order to complete the HRA budget setting process for 2020/21.

**Recommendations of Councillors**

1. That the Housing Revenue Account Budget for 2020-21, as set out at Appendix A, be referred on to Council for approval.
2. That the minimum level of HRA unallocated balances be retained at £500,000 from 01 April 2020, and that the full Statement on Reserves and Balances as set out at Appendix F be endorsed and referred on to Budget Council for approval.
3. That council housing rents be set in accordance with statutory requirements as follows:
  - for general properties let as at 01 April 2020, average rent be set at £73.54 for 2020/21;
  - for sheltered and supported housing properties let as at 01 April 2020, average rent be set at £68.64 for 2020/21;
  - for any relevant property becoming vacant the following policy be reaffirmed: that they be re-let at the higher 'formula rent'.
4. That garage rents be frozen for a 12-month period (rather than increased by CPI, as per the rent setting policy established by Cabinet in January 2017) in the context of falling occupancy levels, and in order to protect income levels currently achieved.
5. That the growth proposals as set out at Appendix E be included in Cabinet's budget proposals for referral on to Council, noting that any approvals be met from unallocated balances.
6. That subject to the above, the resulting Housing Revenue Account budget for 2020/21 onwards, as set out at Appendix A, together with the resulting Capital

**Programme as set out at Appendix C, be referred on to Budget Council for approval.**

### **Relationship to Policy Framework**

The budget represents, in financial terms, what the Council is seeking to achieve through its housing strategy in relation to Council Housing

### **Conclusion of Impact Assessment(s) where applicable**

**Climate:** as per paragraph 10 (below) the report outlines a number of positive climate related impacts resulting from the HRA budgeting process. Also, see Appendix E for additional positive impacts.

**Wellbeing & Social Value:** positive impacts identified via growth proposals. See appendix E for details

**Digital**

**Health & Safety**

**Equality**

**Community Safety**

No significant detrimental impact on specific groups. See Appendix H – Equality Impact Assessment

### **Details of Consultation**

Consultation with tenants took place through the District Wide Tenants Forum held at Ridge Community Centre on 22nd January 2020. The meeting was openly advertised to all tenants through a variety of platforms, with personal invitations also provided to those tenants who have previously engaged in consultation activity with 4 tenants attending the meeting.

Tenants were reminded that 2019/20 is the final year of the annual 1% rent reduction and that a rent increase of 2.7% is proposed which would support us in maintaining stock condition but also with a new focus around reinvesting money back into communities and working more closely with residents for this.

Service charges were also discussed with tenants at this event, with the focus on the principle that these charges would be increased so that they would pay for themselves and not be subsidised from rents. Finally, it was discussed that a freeze in garage rents would be proposed to seek to guarantee this income stream for 2020/21.

Tenants views on Officers responses are summarised below:-

- A question was raised as to whether we planned to look at retrofitting further properties in the next year, it was confirmed we would seek to continue this work, and continue to learn and adapt with this programme.
- The consensus of the Forum was that the proposed rent increases were reasonable.
- The consensus of the forum was that the growth items as set out were very positive, and would help to deliver an improved service to tenants and residents across the district.

### **Legal Implications**



The Council may amend its reasonable charges for occupation of council housing dwellings as they determine. The level of rent must be reviewed from time to time (s24 Housing Act 1985). The Council must have regard to relevant standards set by Housing Regulator's guidance - pursuant to s193 of the Housing and Regeneration Act 2008. Furthermore the decision to change charges must be taken in accordance with normal principles of public law.

The Council has had regards to the relevant standards set by the Housing Regulator and should it make a decision to increase it charges it should ensure that the change is implemented in accordance with statutory provision and guidance.

### **Financial Implications**

As set out in the report

### **Other Resource or Risk Implications**

### **Section 151 Officer's Comments**

The Local Government Act 2003 placed explicit requirements on the s151 Officer to report on the robustness of the estimates included in the budget and on the adequacy of the Council's reserves; this requirement is addressed below.

#### **Provisions, Reserves and Balances**

- Specific HRA earmarked reserves and provisions are satisfactory at the levels currently proposed.
- An unallocated minimum balance of £0.5M for the Housing Revenue Account is a reasonable level to safeguard the Council's overall financial position, given other measures and safeguards in place, taking a medium to longer term view.

The above advice regarding unallocated balances is dependent upon other provisions and reserves remaining broadly at proposed levels, unless a specific policy change indicates otherwise. It is dependent upon Council not varying substantially the budget proposals as set out.

As a very simple measure, the inherent value of the risks facing the Council by far exceeds the total of all reserves and balances. Whilst it is not the case that all these risks could fall due immediately, Members should appreciate the need for holding balances and reserves more generally, and using them wisely. It is inappropriate to view simply the level of funds held, without considering the reasons as to why those funds might be needed.

#### **Robustness of Estimates**

A variety of exercises have been undertaken to establish a robust budget for the forthcoming year. These include:

- producing a base budget, taking account of service commitments, pay and price increases and expected demand / activity levels as appropriate, and the consideration of key assumptions and risks;
- reviewing the Council's services and activities, making provision for expected changes;
- reviewing the HRA Thirty Year plan, together with other corporate monitoring information produced during the year;

- undertaking a review of the Council’s borrowing needs to support capital investment, in line with the Prudential Code.

These measures ensure that as far as is practical, the estimates and assumptions underpinning the base budget are robust, and the proposed HRA Thirty Year Business Plan presents a reasonable approach for the way forward. The Council has recognised the tendency for optimism bias regarding income forecasts particularly and this will be taken account of in the development of future key budget proposals and business cases. Furthermore, arrangements are in hand to assess capacity needs and programming to help ensure successful delivery of key projects. Coupled with sound programming, the Budget Support reserve provides scope to help address any shortfalls in capacity etc.

**Affordability of Spending Plans**

In addition, the s151 Officer is responsible for ensuring that when setting and revising Prudential Indicators, including borrowing limits, all matters to be taken into account are reported to Council for consideration. In considering affordability, the fundamental objective is to ensure that the Council’s capital investment remains within sustainable limits, having particular regard to the impact on housing rents for Council Housing investment. Affordability is ultimately determined by judgements on what is ‘acceptable’ - this will be influenced by public, political and national influences.

The factors that have been (and should be) taken into account in considering capital investment plans include the following.

- availability of capital resources, including capital grants, capital receipts, etc
- existing liabilities, service needs, commitments and planned service / priority changes
- options appraisal arrangements (including the extent to which other liabilities may be avoided, through investment decisions)
- revenue consequences of any proposed capital schemes, including interest and debt repayment costs of any borrowing
- future years’ revenue budget projections, and the scope to meet borrowing costs
- the likely level of government support for revenue generally.

The HRA has a Capital Financing Requirement which reflects underlying need to borrow. This is reviewed periodically to ensure that borrowing is, at all times, affordable, sustainable and prudent and a minimum revenue provision charge is made to the HRA each year to reflect the cost of borrowing.

**Monitoring Officer’s Comments**

**The Monitoring officer has been consulted and has no further comments.**

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**Links to Background Papers**

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## 1. Introduction

- 1.1. The Council is required under statutory provisions to maintain a separate ring-fenced account for the provision of local authority housing, known as the Housing Revenue Account (HRA). This covers the maintenance and management of the Council's housing stock.
- 1.2. This report sets out the rent setting policy and the latest position with regards to the HRA 30-year Business Plan, covering both revenue and capital budgets, and the associated level of reserves and balances. It seeks approval for rent levels and various other budget matters, with referral on to Budget Council as appropriate.
- 1.3. It can be noted that within the context of ring-fencing the HRA has a role to play in support of wider Council priorities; contributing to and facilitating projects across the district to support the wider ambitions of the council. The HRA also underpins the Council's general fund through contribution to support services and corporate commitments.

## 2. Achievements 2019/20

- 2.1. Against the financial pressure of four consecutive years of 1% rent decreases the council has continued to deliver a responsive, ambitious service through the HRA. Across household and tenancy management, sheltered housing, allocations and lettings, and repairs and maintenance, a number of notable successes have been achieved in 2019/20. For example:

- Sustained improvements to voids performance; current empty property turnaround time at Q3 19/20 is 23.99 days. This compares to 66.31 days at the same point in 17/18 and delivers significant additional rental income. Current voids in process (at Q3 19/20) is around 30, compared to over 100 at the same point in 2017/18.
- Reduced the amount of current tenant rent arrears by almost 30% (from £308,000, Quarter 3 2018/19 to £222,000 as at Quarter 3 2019/20). Proactive early intervention and support saw recourse to court action reduce significantly; a 50% reduction on court applications against tenants year on year.
- Provided over one hundred disabled adaptations with Council properties to support tenants to remain independent in their own home.
- Summer community events held at Branksome, Carnforth and Ryelands, with sustained positive involvement from residents.
- Contacting 72 residents over the age of 80 in non-sheltered accommodation as part of a Winter Welfare visit service before Christmas to facilitate support over this period and beyond where required.
- Developed a more robust approach to hoarding: more positive outcomes for extreme cases, and about to launch a new Hoarders Support Group.
- Introduced more convenient repair appointments for tenants e.g. before / after school run time.
- Undertook preventative river-bank erosion works at Artlebeck, Caton – installing over three hundred tonnes of rock and vegetation.
- Installed energy efficient movement sensor 'Dull-down' LED light replacements to communal areas.
- Commenced replacement of the Repairs and Maintenance vehicles with Electric Vehicles.

### 3. Rent Setting

- 3.1. From 2020/21 the Rent Standard within the Social Housing Regulations as set by the HCA “Rent Standards Guidance” applies to all Local Authorities. In previous years the Council has adhered to this aspect of the regulations voluntarily, as a matter of good practice, and as such our approach to rent setting remains largely unchanged.
- 3.2. The financial year 2020/21 sees Local Authorities released from the restrictions within the government’s four-year rent setting policy to reduce social housing rents by 1% per annum to 2020. From 2020 the Council has the freedom to increase rent by a maximum of CPI+1% for the next five years. For rent setting purposes for 2020/21, the September 2019 CPI figure of 1.7% is used, with forecast CPI used thereafter.
- 3.3. Had rents not been subject to these decreases and instead frozen at levels prior to the -1% reductions, over the last four years rental income would have been in the region of £1M higher. Clearly, had rents increased during this period income would have increased further still.
- 3.4. The maximum increase of CPI+1% remains consistent with Government guidance referred to, and the advice provided to Cabinet, within the HRA Budget Report approved in February 2019.
- 3.5. It remains the case that where properties become vacant and their rents are below ‘formula rent’ the rents to be charged for new tenancies can increase up to the formula rent level<sup>1</sup>.
- 3.6. All Council rents sit below the Local Housing Allowance (LHA) rate; this rate defines the maximum amount that can be paid in Housing Benefit (HB) or through the housing element of Universal Credit (UC)<sup>2</sup>. Around 80% of tenants are in receipt of some form of HB or UC.
- 3.7. Rental income is the main funding source for the HRA and there are factors that will influence the outturn position:
  - Void levels and re-let times (equating to void rent loss/uncollectable rent)
  - Right to Buy (decrease in housing stock); as at Quarter 3 a total of 20 Right To Buy completions have taken place in 2019/20. Estimates assume 18 completions per year in future years.

*Note: Refer to Appendix G for further details about risk factors.*

- 3.8. Therefore, in line with government policy Cabinet is now advised to set average council rents as follows<sup>3</sup>:-

Property Type	2019/20	2020/21
General	<b>£71.05</b>	<b>£73.54</b>
Sheltered and Supported	<b>£66.08</b>	<b>£68.64</b>

<sup>1</sup> Formula rent for a property is calculated based on relative property values, relative local earnings, and property size (no. of bedrooms), in line with annual guidance produced by the Social Housing Regulator.

<sup>2</sup> It is estimated that around 80% of tenants are in receipt of full or partial HB or UC – due to the housing element being paid direct it is not fully clear the exact number – however, prior to the introduction of UC 80% of tenants were supported by HB to pay their rent.

<sup>3</sup> Note that the above figures are presented on a 52-week basis.

Specific rents vary depending on property type / area / size - between £53.42 (for a bedsit at Mainway) and £102.06 (for a 5-bedroom house in Morecambe).

#### 4. Other Charges

- 4.1. A general principal is applied to service charges to ensure they are sufficient to cover the cost of service provision, and that they are reasonable and transparent. Service charges are increased each year using a range of inflationary factors: e.g. General Inflationary Index, Building Cost Information Service (BCIS), Gas, and Electricity, and costs of service provision are reviewed periodically. A full review of these costs is planned during 2020/21.
- 4.2. As per the Social Housing Regulations the Council should “endeavour to keep increases for service charges within the limit on rent changes of CPI+1%.”<sup>4</sup> However, it is recognised that service charges fluctuate significantly from year to year and that the requirement to contain increases within CPI+1% should be interpreted on a medium- or long-term basis<sup>5</sup>.
- 4.3. It is estimated that around 80% of council tenants are in receipt of either HB or UC. Most service chargeable elements are HB/UC eligible; the exceptions being individual heating costs, and monitoring of alarms within sheltered housing or community alarmed properties.
- 4.4. With regard to garage rents, in January 2017 Cabinet established a rent setting policy for garages within the HRA: “That for 2017/18, all garage rents be increased by the Consumer Price Index (CPI) plus £1, with an additional CPI + £1 increase in each subsequent year until 2019/20, with CPI increase thereafter.” It is recognised that garage rents have now increased to a level slightly above the wider market, and there is some evidence that take up for garages at the current rent level is dropping off. For this reason, it is recommended that garage rents be subject to a freeze for 2020/21, with a full review to be undertaken in 2020/21. This would see garage rents set at £11.66 for Council tenants (VAT is applied for non-tenants).

#### 5. Revenue Expenditure

5.1. The future years estimates for 2020/21 alongside the following three financial years have been prepared as part of this budget setting process. The differences between the budget approved last year and the draft revenue budget as prepared are illustrated in the variance analysis supplied at Appendix B. The key areas are listed as follows: -

- The pay award has been included at 3%, which represents a rise of 1% as included in the previous figures
- During 2019/20, the cleaning contract was extended to cover all communal areas, with charging proposed to commence 1<sup>st</sup> April 2020 to fully recover the cost in a phased process. However, service charging in general has seen increased collection due to improved voids performance
- Improved rent collection rates have resulted in a reduction to the bad debt provision
- Public Works Loan Board (PWLB) loan interest savings
- Investment interest reduction due to changes in bank rate assumptions
- The contributions to earmarked reserves have been reviewed and levels have decreased largely due to the rescheduling of the housing management software replacement; software replacement project is now underway and the reserve at its current level is sufficient to fund this without additional contributions. Planned capital expenditure has reduced by £33K in 2020/21, however the requirement to fund from the Major Repairs reserve has lessened

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<sup>4</sup> Source: *Policy statement on rents for social housing - Feb 2019*

<sup>5</sup> Source: *National Housing Federation Briefing on Rent Standard 2020 - Jan 2020*

by £77K due to projected capital receipts from the sale of properties under the Right to Buy scheme.

- 5.2. In summation the 2020/21 revenue budget projected surplus is £123.9K, which is a significant improvement on the previously projected funding requirement of £114.5K, which was to be funded by unallocated balances.
- 5.3. Should all growth items be approved then there will be an additional funding requirement in both 2020/21 and 2021/22 which can be managed by the short-term use of the unallocated reserve. This management of the fund would then see surpluses generated in the years thereafter (see Appendix A).
- 5.4. The fourteen sheltered housing schemes within Council Stock are currently operating on analogue alarm and monitoring equipment provided by Tunstall. This equipment is reaching the end of its life, necessitating a programme of upgrade across all schemes to the latest intelligent digital equipment. The total cost of this project across all schemes is estimated at £390,000, funded from the Sheltered Support Grant Reserve; this reserve exists for the sole purpose of scheme equipment replacement. The programme of upgrade will take place over the next two to three years.

## 6. Capital Expenditure

- 6.1. The four-year capital programme is included at Appendix C.
- 6.2. The key changes to the programme from last year's reported position are included at Appendix D.
- 6.3. The 2020/21 capital programme includes no provision for any major refurbishment works on the Mainway Estate. This is due to the proposed major capital project for a transformational refurbishment of the estate so any works undertaken may be seen as being wasteful.
- 6.4. The scheme will look to incorporate the highest standards of thermal efficiency practicable thus contributing to the council's priorities around renewable energy and reducing our carbon footprint.
- 6.5. Proposals will be developed through a consultation model focused on the tenant, the quality of the accommodation, living costs and management, and assured by external technical consultancy, cost engineering and our Council Housing expertise. The project will generate option(s) which will then be subject to financial and cabinet scrutiny and approval.
- 6.6. The project is still at feasibility stage and it is hoped that over the forthcoming year a proposed project will be developed and reported back to Cabinet and Council as required for subsequent approval. The total project value is not included in the current Capital programme as this is dependent on the project options. However, it is anticipated that the cost of repair and the attendant upgrading will ultimately require us to draw substantially on reserves and borrowing; potentially £10M+, with significant further preparatory work within 2020/21, and a start date within 2021/22.
- 6.7. 2020/21 will also see an increase in the Council's adaptations budget from £250,000 to £300,000. By providing adaptations the Council is able to assist tenants in remaining independent in their own homes; by increasing the budget provision this vital service continues to meet this aim, in the context of a known ageing population within the district.
- 6.8. To note: In line with Council's priorities moving forward the Council will ensure that social value is realised through our procurement processes. For example, in terms of local employment and other local outcomes.

## 7. Savings and Growth

- 7.1. Alongside setting council housing rents, Cabinet is also requested to make recommendations regarding savings and growth proposals for consideration by Council.
- 7.2. Through the business planning process, no savings have been proposed and the following areas of growth within the HRA have been identified. These items represent a committed reinvestment into our communities, people and places, and aspire to improve the district as a whole, whilst contributing to improved housing standards, climate change initiatives plus other Council priorities:

<b>Growth Proposal</b>	<b>2020/21 £</b>	<b>2021/22 £</b>	<b>2022/23 £</b>	<b>2023/24 £</b>
Job Evaluation	<b>102,500</b>	<b>140,900</b>	<b>167,100</b>	<b>221,600</b>
Neighbourhood Projects	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
Estate Manager (G4) (16hrs)	<b>14,600</b>	<b>15,500</b>	<b>16,200</b>	<b>17,100</b>
Income Management Support Officer (FTA) (G3)	<b>24,100</b>	<b>24,600</b>	<b>25,100</b>	<b>26,200</b>
RMS Energy Support Officer (G3)	<b>27,300</b>	<b>25,900</b>	<b>27,000</b>	<b>28,700</b>
RMS Development Plan	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
New Build Feasibility Studies	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Property Conversions	<b>0</b>	<b>(10,000)</b>	<b>(10,200)</b>	<b>(10,400)</b>
Capital charges for electric vehicles (see GF growth bid 5)	<b>0</b>	<b>21,600</b>	<b>21,600</b>	<b>21,600</b>
Savings on car allowances re additional pool cars (GF growth bid 6)	<b>(6,700)</b>	<b>(11,800)</b>	<b>(12,100)</b>	<b>(12,400)</b>
<b>Total of all growth bids</b>	<b>211,800</b>	<b>256,700</b>	<b>284,700</b>	<b>342,400</b>

- 7.3. Please see attached Appendix E which details and discusses individual growth bids. Note that zero values against growth denote spend from reserves. See Appendix E for details.
- 7.4. This growth should also be seen in the context of wider organisational development work taking place Council wide which aims to develop modern, cost focussed, efficient working practices. In addition, several of the growth items above would be expected to deliver increased income and wider social value outcomes.

## 8. Provisions, Reserves and Balances

- 8.1. After reviewing the Housing Revenue Account and General Fund in comparative terms and considering the key issues, assumptions and risks underlying the budget projections, the Section 151 Officer advises maintaining the minimum level of HRA Balances at £500K from 01 April 2020 to support the budget forecasts, as part of the overall medium term financial planning for the HRA.

- 8.2. Draft statements on all reserves are attached at Appendix F(i) and Appendix F(ii). Levels are viewed as adequate for the period covered and Cabinet is asked to endorse this information, with the Statement being referred on to council as part of the HRA budget proposals.
- 8.3. To note, the Business Support Reserve is established to provide support to additional business plan commitments and planned investment opportunities. Any future Cabinet decisions around acquisition of former Council properties sold through Right to Buy, for example.

## 9. Business Planning & Future Risks

- 9.1. Taking account of the work that has been done to date, the following table sets out the latest position for the business plan, represented by the level of unallocated balances and the Business Support Reserve (BSR). It compares the position back in February 2019 to projections as at February this year.

### 30 Year Business Plan: Business Support Reserve and Unallocated Balances

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	30 Year Cumulative Total £'000
Business Support Reserve	8,257	8,072	8,072	8,072	8,072
Unallocated Balances	2,010	1,714	1,702	1,891	60,900
<b>Projections as at February 2019</b>	<b>10,267</b>	<b>9,786</b>	<b>9,774</b>	<b>9,963</b>	<b>68,972</b>
Business Support Reserve	8,080	8,080	8,080	8,080	8,080
Unallocated Balances	1,964	1,990	2,292	3,008	15,964
<b>Projections as at February 2020</b>	<b>10,044</b>	<b>10,070</b>	<b>10,372</b>	<b>11,088</b>	<b>24,044</b>
<b>Overall Movement Adverse / (Favourable)</b>	<b>223</b>	<b>(284)</b>	<b>(598)</b>	<b>(1,125)</b>	<b>44,928</b>

- 9.2. The unallocated balance is currently £2.0M and at no point within the 30-year business plan does it breach the £500K lower limit as detailed in section 8.1.
- 9.3. The Business Support Reserve has a current unallocated balance of £8.3M. There is no further call on the reserve at this juncture for the remainder of the 30-year business plan with the exception of therefore mentioned growth and the possibility of its use to supplement the Mainway project.
- 9.4. The significant drop in the projected balance at the end of the 30-year business plan is largely due to the inflation assumptions used in the setting of rents. As previously discussed, rents have been set at CPI+1% for the next five years. Last year's projections included this for the remainder of the business plan whereas this year a conscious decision to limit this for five years has been taken, reverting to CPI only



from 2025/26. The risks surrounding this assumption must be appreciated and the magnitude of a small change within this area.

9.5. Should the growth items in section 7 be approved then the combined level of reserves will be reduced to £8.9M by the end of the 30-year business plan.

9.6. The Section 151 Officer is required to undertake a formal review of general reserve levels. In assessing the adequacy of such balances, the Head of Financial Services takes account of the strategic, operational and financial risks facing the authority. The effectiveness of internal financial and other controls are also taken into account; assurance on these can be taken from the respective formal Statements and external assessments. Consideration has also been given to the specific risks and assumptions underlying the HRA as set out in Appendix G.

## 10. Climate Emergency

10.1 Council Housing service priorities and objectives, as underpinned by the budget requirements set out here, are set in the context of the Climate Emergency declared by the Council on 30<sup>th</sup> January 2019. Examples of service delivery which directly contribute to tackling the Climate Emergency include:

- Roll out of electric fleet vehicles across RMS (including provision of electric charging points located at sheltered schemes and for general use).
- Installation of 'dull down' movement sensor LED communal area lighting.
- Growth Item: Energy Support Officer.
- Increased energy efficiency/boiler replacement within the five-year Capital Programme:
  - Energy saving and conservation measures pilot
  - Loft insulation programme
  - Extend energy efficient boiler programme
- Major capital project on Mainway Estate: to incorporate the highest standards of thermal efficiency practicable, contributing to the council's priorities around renewable energy and reduction of carbon footprint.

10.2 Through business planning Council Housing will continue to seek opportunities to contribute to the priorities of the Climate Emergency declaration.

## 11 Options and Options Analysis [including risk assessment]

11.1 The options with regards to rent setting are set out under section 3, the maximum permitted increase being CPI+1%. By applying this increase, it allows for a budget that can deliver on the Council's ambitions on improving housing standards and addressing the climate change emergency, whilst adhering to the Rent Standard and legislative requirements.

11.2 In relation to garage rents, the previous decision was to increase using CPI from 2020/21. Occupancy levels suggest that this is not sustainable in the short term, therefore it is recommended to freeze rent levels for a 12-month period in order to protect the current income levels achieved, reverting to a CPI increase thereafter.

11.3 With regard to the revenue budget generally, Cabinet could consider other proposals that may influence spending in current and future years, as long as their financing is considered and addressed.

11.4 The options available in respect of the minimum level of HRA balances are to retain the level at £500,000 in line with the advice of the Section 151 Officer, or adopt a different level. Should Members choose not to accept the advice on the level of balances, then this should be recorded formally in the minutes of the meeting and it could

have implications for the Council’s financial standing, as assessed by its external auditor.

11.5 With regards to the savings and growth proposals as set out in section 7 of the report, Cabinet should consider the costs and benefits of the proposals and whether they are affordable, in particular over the medium to longer term.

11.6 The options available in respect of the Capital Programme are:

- i) To approve the programme in full, with the financing as set out;
- ii) To incorporate other increases or reductions to the programme, with appropriate sources of funding being identified.

11.7 Any risks attached to the above would depend on measures Members proposed, and their impact on the council housing service and its tenants. As such, a full options analysis could only be undertaken once any alternative proposals are known, and Officers may require more time in order to do this.

<b>Option 1:</b> Set housing and garage rent levels as set out in this report and approve the provisions, reserves and balances position (and their use); the revenue budgets and capital programme; and all growth proposals as set out
<b>Advantages:</b> Increased rental income allows the Council to deliver towards its climate ambitions and provide an ambitious housing service which places people and place at the heart of its offer.
<b>Disadvantages:</b> Increased rent levels for tenants.
<b>Risks:</b> Proposed areas of growth, though sustainable in the long term, may increase the need for borrowing to deliver on new build ambitions
<b>Option 2:</b> Set housing and garage rent levels as detailed in this report and approve the provisions, reserves and balances position (and their use) as set out, and the revenue budgets and capital programme, but allowing for Cabinet’s recommendations regarding specific savings and growth proposals.
<b>Advantages:</b> Increased rental income allows the council to deliver towards its ambitions. Non-approval of growth items would lead to greater HRA surpluses over the life of the 30-year business plan.
<b>Disadvantages:</b> Non-approval of growth items would cause a scaling back of ambitions.
<b>Risks:</b> Inability to maximise service provision and deliver on Council, and housing related ambitions.
<b>Option 3:</b> To propose alternatives to those outlined in Section 11 above.
<b>Advantages:</b> Unknown

<b>Disadvantages:</b> Would require further options analysis
<b>Risks:</b> Impact on housing service and council housing tenants unknown.

**12. Officer Preferred Option (and comments)**

**Option 1:** Set housing and garage rent levels as set out in this report and approve the provisions, reserves and balances position (and their use); the revenue budgets and capital programme; and all growth proposals as set out.

## HOUSING REVENUE ACCOUNT BUDGET

For Consideration by Cabinet 11 February 2020

	2020/21 Forecast £	2021/22 Forecast £	2022/23 Forecast £	2023/24 Forecast £
<b>INCOME</b>				
Rental Income - Council Housing	(13,745,900)	(14,164,200)	(14,575,000)	(14,982,900)
Rental Income - Other (Shops and Garages etc.)	(275,800)	(279,600)	(283,500)	(287,500)
Charges for Services & Facilities	(1,640,400)	(1,626,600)	(1,664,600)	(1,697,900)
Grant Income	(7,700)	(7,700)	(7,700)	(7,700)
Contributions from General Fund	(111,800)	(113,100)	(116,900)	(116,900)
<b>Total Income</b>	<b>(15,781,600)</b>	<b>(16,191,200)</b>	<b>(16,647,700)</b>	<b>(17,092,900)</b>
<b>EXPENDITURE</b>				
Repairs & Maintenance	5,248,600	5,378,500	5,558,400	5,678,600
Supervision & Management	3,533,700	3,619,700	3,751,300	3,843,700
Rents, Rates & Insurance	210,200	227,300	244,300	261,300
Contribution to Provision for Bad and Doubtful Debts	158,800	160,700	162,800	165,200
Depreciation & Impairment of Fixed Assets	2,772,300	2,772,300	2,771,700	2,771,700
Debt Management Costs	1,100	1,100	1,100	1,100
<b>Total Expenditure</b>	<b>11,924,700</b>	<b>12,159,600</b>	<b>12,489,600</b>	<b>12,721,600</b>
<b>NET COST OF HRA SERVICES</b>	<b>(3,856,900)</b>	<b>(4,031,600)</b>	<b>(4,158,100)</b>	<b>(4,371,300)</b>
Capital Grants and Contributions Receivable	0	0	0	0
Interest Payable & Similar Charges	1,756,900	1,718,300	1,679,400	1,640,300
Premiums & Discounts from Earlier Debt Rescheduling	0	0	0	0
Interest & Investment Income	(23,800)	(33,100)	(43,100)	(44,800)
Pensions Interest Costs & Expected Return on Pensions Assets	232,400	231,900	231,900	231,900
Self Financing Debt Repayment	1,041,400	1,041,400	1,041,400	1,041,400
<b>(SURPLUS) / DEFICIT FOR THE YEAR</b>	<b>(850,000)</b>	<b>(1,073,100)</b>	<b>(1,248,500)</b>	<b>(1,502,500)</b>
Adjustments to reverse out Notional Charges included above	0	0	0	0
Net Charges made for Retirement Benefits	0	0	0	0
Transfer to/(from) Earmarked Reserves - for Revenue Purposes	3,900	165,400	144,100	154,600
Capital Expenditure funded from Major Repairs Reserve	722,200	881,200	802,800	631,800
Transfer from Earmarked Reserves - for Capital Purposes	(72,000)	0	(100,000)	(100,000)
Financing of Capital Expenditure from Earmarked Reserves	72,000	0	100,000	100,000
<b>TOTAL (SURPLUS) / DEFICIT FOR THE YEAR</b>	<b>(123,900)</b>	<b>(26,500)</b>	<b>(301,600)</b>	<b>(716,100)</b>
<b>GROWTH PROPOSALS</b>				
Job Evaluation	102,500	140,900	167,100	221,600
Neighbourhood Projects	50,000	50,000	50,000	50,000
Estate Manager (G4) (16hrs)	14,600	15,500	16,200	17,100
Income Management Support Officer (G3)	24,100	24,600	25,100	26,200
RMS Energy Support Officer (G3)	27,300	25,900	27,000	28,700
RMS Development Plan (funded from ICT & Systems Improvement Reserve)	0	0	0	0
New Build Feasibility Studies (funded from Business Support Reserve)	0	0	0	0
Property Conversions (funded from Business Support Reserve)	0	(10,000)	(10,200)	(10,400)
Capital charges for electric vehicles (see GF growth bid 5)	0	21,600	21,600	21,600
Savings on car allowances re additional pool cars (see GF growth bid 6)	(6,700)	(11,800)	(12,100)	(12,400)
<b>TOTAL GROWTH</b>	<b>211,800</b>	<b>256,700</b>	<b>284,700</b>	<b>342,400</b>
<b>UPDATED TOTAL (SURPLUS) / DEFICIT FOR THE YEAR</b>	<b>87,900</b>	<b>230,200</b>	<b>(16,900)</b>	<b>(373,700)</b>
Housing Revenue Account Balance brought forward	(1,840,085)	(1,752,185)	(1,521,985)	(1,538,885)
<b>HRA BALANCE CARRIED FORWARD</b>	<b>(1,752,185)</b>	<b>(1,521,985)</b>	<b>(1,538,885)</b>	<b>(1,912,585)</b>

Note: The shaded items relate directly to financing the capital programme, and comprise depreciation on Council Dwellings, grants and contributions, use of the Major Repairs Reserve and specific Earmarked Reserves.

## HOUSING REVENUE ACCOUNT VARIANCE ANALYSIS

	2020/21	
	£	£
<b>ORIGINAL BUDGET</b>		<b>0</b>
<b>EXPENDITURE</b>		
<b>Employee Savings</b>		
Impact of change in assumptions re pay award	29,800	29,800
<b>Premises</b>		
Repairs & Maintenance - additional vehicle repairs & maintenance costs to reflect more pro-active fleet management	22,000	22,000
<b>Transport</b>		
	0	0
<b>Supplies &amp; Services</b>		
Caretaker Services cleaning contract extended across all communal areas	39,100	
PWLB loan interest savings	(50,000)	
Bad debt provision reduction to required revenue contribution	(27,300)	(38,200)
<b>Support Services</b>		
	0	0
<b>INCOME</b>		
HRA Dwellings Rent increase due to improved voids performance	(37,900)	
Rents (Other) reduction due to one year rent freeze for garages	19,200	
Service Charges Flats increase due to improved voids performance and additional service charge relating to cleaning contract	(51,600)	
Investment Interest reduction due to changes in bank rate assumptions	73,900	3,600
<b>FINANCING</b>		
Direct Revenue Financing reduction to reflect changes to works in communal areas	(28,000)	(28,000)
<b>APPROPRIATIONS</b>		
Earmarked Reserves appropriations - to reflect projected transfers from reserves re works in communal areas and replacement of housing management software, review of contributions to reserves	(169,000)	
Major Repairs Reserve appropriations - net reduction in additional contribution due to increased capital receipts	(77,000)	(246,000)
<b>Other Net Service Variances</b>		18,400
<b>IN YEAR VARIANCES</b>		<b>(238,400)</b>
<b>Previously Agreed Contribution (To) / From Unallocated Reserve</b>		114,500
<b>REVISED CONTRIBUTION (TO) / FROM UNALLOCATED RESERVE</b>		<b>(123,900)</b>

\*Variances shown as adverse / (favourable)

## Council Housing 5 Year Capital Programme For Consideration by Cabinet 11 February 2020

	2020/21 Estimate £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	TOTAL £000
<b>EXPENDITURE</b>					
Adaptations	300	300	300	300	1,200
Energy Efficiency/Boiler Replacement	755	778	764	780	3,077
Internal Refurbishment	888	945	986	936	3,755
External Refurbishment	277	-	299	263	839
Environmental Improvements	552	360	280	250	1,442
Re-roofing/Window Renewals	792	871	614	513	2,790
Rewiring	84	56	88	88	316
Lift Replacements	-	-	-	-	-
Fire Precaution Works	145	150	150	180	625
Housing Renewal and Renovation	327	747	747	747	2,568
<b>TOTAL EXPENDITURE</b>	<b>4,120</b>	<b>4,207</b>	<b>4,228</b>	<b>4,057</b>	<b>16,612</b>
<b>FINANCING</b>					
Capital Receipts	558	558	558	558	2,232
Contributions	-	-	-	-	-
Earmarked Reserves	72	-	100	100	272
Major Repairs Reserve	3,490	3,649	3,570	3,399	14,108
<b>TOTAL FINANCING</b>	<b>4,120</b>	<b>4,207</b>	<b>4,228</b>	<b>4,057</b>	<b>16,612</b>
<b>SHORTFALL/(SURPLUS)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME - KEY CHANGES**

	20/21 Estimate	21/22 Estimate	22/23 Estimate
<b>PREVIOUSLY APPROVED CAPITAL PROGRAMME</b>	<b>4,153</b>	<b>4,250</b>	<b>4,161</b>
<u>Adaptions</u>			
Additional service demands	+50	+50	+50
<u>Energy Efficiency/Boiler Replacement</u>			
Energy saving and conservation measures pilot	+70	+70	+70
Loft insulation programme	+25	+38	+14
Extend energy efficient boiler programme	+50	+50	+50
Mainway calorifiers / water heaters	(155)		
<u>Internal Refurbishment</u>			
Adjustments to kitchen programme	(70)	(22)	+28
<u>External Refurbishment</u>			
Upgrade & replacement of existing entrance doors	+260		(89)
Mainway external cladding renovations / window renewal	(845)	(440)	
<u>Environmental Improvements</u>			
Adjustment to programme / reduced scope of fencing works	(30)	(280)	
Communal areas, railings & balusters	+90	+180	
Adjustments to communal areas programme	+72		
Mainway communal areas	(100)	(100)	
<u>Re-Roofing/Window Renewals</u>			
Roofing programme priority changes	+559	+480	+23
Replace prematurely failing 12mm glazing	+120	+80	+80
<u>Rewiring</u>			
No change to programme			
<u>Lift Replacements</u>			
Bridge House lift replacement	(120)	(120)	(120)
<u>Septic Tanks</u>			
No change to programme			
<u>Fire Precaution Works</u>			
Budget & scope savings		(30)	(30)
Mainway smoke and CO alarms	(10)		
<u>Housing Renewal and Renovation</u>			
Renewals and renovations			(10)
Minor Variances	(1)	(1)	(1)
<b>REVISED CAPITAL PROGRAMME</b>	<b>4,120</b>	<b>4,207</b>	<b>4,228</b>

**Directorate: Corporate Services**

**Cost Centre Name: JOB EVALUATION**

**Cost Centre Number:**

### What is the Proposal?

*Please summarise the proposal and what impact it will have.*

*Job evaluation project: After the last job evaluation exercise in 2010, it was agreed that a review would take place two years later, and this unfortunately did not take place. In 2018, the Council took the decision to progress with this piece of work for a variety of reasons; an opportunity to procure a more modern and commercial method of evaluation with a better fit for our organisation and its ambitions, a chance to review the pay and grading of all roles, and support with recruitment, retention and development of staff.*

*We have engaged with members and trade unions throughout the project and kept them aware of each key stage as we have achieved it.*

*What difference will it make? It will make a significant difference to staff engagement, morale and retention by appropriately grading roles based on role requirements and deliverables and not based on line manager judgement or the person.*

*What will it look like? It will support Our Values and the new skills and behavioural framework to develop and support our staff. It is a new Global Grading System and scheme that will support job evaluation for years to come.*

*Who will be impacted by the project and how? Every employee of the council will receive a letter to advise their new grade and any impact to salary from April 2020.*

### Priorities

How does the project contribute to the draft council Priorities?

<b>A Sustainable District</b>	
<b>An Inclusive and Prosperous Local Economy</b>	
<b>Healthy &amp; Happy Communities</b>	
<b>A Co-operative Kind and Responsible Council</b>	Contributes to staff engagement, retention, recruitment of future talent and development of future talent for critical roles



### Cross-Cutting Themes

How does the project contribute to the draft council Themes?

<b>Climate Emergency</b>	
<b>Community Wealth Building</b>	
<b>Citizen Engagement</b>	

### How will the outcomes be measured?

<b>Outcome</b>	<b>Performance Measure</b>	<b>Target</b>
Staff engagement	Engagement Surveys	Regularly throughout 2020
Staff retention	HR data, showing decrease in leavers, good attrition through development opportunities rather than negative attrition based on pay and being able to recruit into critical roles	Ongoing
Staff development	New pay scale incorporates development/progression points for staff to be able to develop in to. HR and payroll data will measure this.	Ongoing

### Estimated Resource Requirements

#### Total Revenue (General Fund & HRA)

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Total Increases (a)	620,110	907,031	1,129,104	1,289,961
Total Decreases(b)	(300,069)	(327,874)	(347,109)	(363,504)
Pay Protection - Funded from Restructuring Reserve (c)	300,069	150,034	75,017	
<b>Total (a + b + c)</b>	<b>620,110</b>	<b>729,191</b>	<b>857,012</b>	<b>926,456</b>

#### General Fund

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General Fund Increases	510,617	758,528	951,843	1,059,062
General Fund Decreases	(293,104)	(320,293)	(336,934)	(354,221)
<b>Total</b>	<b>217,513</b>	<b>438,235</b>	<b>614,909</b>	<b>704,841</b>

**HRA**

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
HRA Increases	109,494	148,503	177,260	230,899
HRA Decreases	(6,964)	(7,581)	(10,175)	(9,283)
<b>Total</b>	<b>102,530</b>	<b>140,922</b>	<b>167,085</b>	<b>221,616</b>

**Application of Reserves**

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General Fund	293,104	146,552	73,276	
HRA	6,964	3,482	1,741	
<b>Total</b>	<b>300,068</b>	<b>150,034</b>	<b>75,017</b>	

**Business Case**

At what stage is the business case for the proposal?

<b>Not written</b>	
<b>Outline</b>	
<b>Developed</b>	Ready to implement in Feb 2020

**Funding the Future**

Will the project deliver financial efficiencies?	No, but it will deliver staff retention, recruitment and development efficiencies
Will the project contribute to the Council's Commercial Strategy?	
Will the project lever in finance from other organisations?	
What is the expected lifespan of the project?	Project will be complete by April 2020

**Are there any other support requirements?**

Details of any further resources that may be required to support the proposal.

N/A good progress being made ready for project delivery in Feb 2020.

**Directors Signature**

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**Directorate: Communities and the Environment**

**Cost Centre Name: Neighbourhood Management**

**Cost Centre Number: H2210**

## What is the Proposal?

### Neighbourhood Projects

*Please summarise the proposal and what impact it will have.*

Significant budget savings have been achieved in recent years through improved income management and void property management. The proposal seeks to re-invest this at a neighbourhood level; working collaboratively with residents to deliver community led projects.

*What difference will it make?*

It will empower communities, with the support of the council, to drive positive change and improvement in their neighbourhoods. It also has the potential to promote a sense of ownership and community spirit through delivery of practical, visible projects.

*What will it look like?*

This proposal requires a £50k annual budget within the Housing Revenue Account; a budget which is ring-fenced for this designated purpose and which can be accessed/drawn on with a minimum of bureaucracy (whilst under the required oversight).

Neighbourhood plans are being developed which will underpin and help identify and deliver on outcomes.

*Who will be impacted by the project and how?*

The main neighbourhood of focus in 2020 will be the Branksome Estate, where the momentum of current positive work with residents can form a springboard for future projects, although residents from other neighbourhoods will also be supported to access funding for their communities.

Council tenant and residents alike will benefit from successful project work. Further neighbourhoods will be focussed on in subsequent years.

## Priorities

How does the project contribute to the draft council Priorities?

<b>A Sustainable District</b>	Unknown – dependant on specific projects. Sustainability will be a consideration at the inception of any project.
<b>An Inclusive and Prosperous Local Economy</b>	Where appropriate, project funding will be spent within the local economy.
<b>Healthy &amp; Happy Communities</b>	It is hoped that neighbourhood level projects can contribute to wellbeing at a local level, whether through the provision of improvements in the built environment; the addition of services and

	facilities; or by assisting groups of people in coming together to deliver with a shared purpose.
<b>A Co-operative Kind and Responsible Council</b>	The Council will act as enabler and facilitator; delegating decision-making to groups of residents where possible, and working co-operatively rather than in an authoritative landlord and tenant relationship.

### Cross-Cutting Themes

How does the project contribute to the draft council Themes?

<b>Climate Emergency</b>	Dependant on specific projects. Neighbourhood plans currently in development will include climate related outcomes; neighbourhood projects will be required to deliver on these.
<b>Community Wealth Building</b>	Dependant on specific projects. Opportunities for community wealth building will be identified on a project by project basis, and maximised where possible.
<b>Citizen Engagement</b>	The engagement of residents is at the root of the proposal, providing residents with opportunities to be creative and inventive, and to deliver neighbourhood level projects which have a positive impact on lives and community.

### How will the outcomes be measured?

<b>Outcome</b>	<b>Performance Measure</b>	<b>Target</b>
The Neighbourhood Plan for each area will include stated aims and objectives and measurable outputs. At the inception of any project it will be aligned with these – specific projects will contain specific performance measures and outputs.		

### Estimated Resource Requirements

#### Revenue

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Specific Project Work	50,000	50,000	50,000	50,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>

**Business Case**

At what stage is the business case for the proposal?

<b>Not written</b>	
<b>Outline</b>	Outline
<b>Developed</b>	

**Funding the Future**

Will the project deliver financial efficiencies?	Unknown
Will the project contribute to the Council's Commercial Strategy?	Unknown
Will the project lever in finance from other organisations?	Unknown
What is the expected lifespan of the project?	Annual £50k budget for a five year programme

**Are there any other support requirements?**

Support will be required from other services in line with the principles of area based working. Resource requirements will be identified on a project by project basis.

**Directors Signature**



**Directorate: Communities and the Environment**

**Cost Centre Name: Council Housing Management and Admin**

**Cost Centre Number: H1000/E0100**

## What is the Proposal?

### **Additional 16 hrs p/week Estate Management resource**

*Please summarise the proposal and what impact it will have.*

To increase the Estate Management team within council housing by 16 hrs per week. This additional resource will be directed towards the co-ordination and delivery of neighbourhood projects (see Neighbourhood Projects growth proposal)

*What difference will it make?*

It will allow a dedicate focus on delivery of neighbourhood projects; projects that are developed with residents and in response to local conditions and priorities at a neighbourhood level. Projects will be underpinned by neighbourhood plans. This additional resource will strengthen the commitment by the housing team to deliver area based services which focus on people and place.

*What will it look like?*

A current job share estate management officer role is made up of a 21/16 hour p/week split. The 21 hour element is currently vacant. This growth proposal will allow recruitment for one 37 hour p/week Estate Manager

*Who will be impacted by the project and how?*

Neighbourhoods on which project work is delivered will benefit from a single, focussed Estate Manager, as a resource and point of contact. The EM will be available to support and empower residents to own and influence neighbourhood improvements.

## Priorities

How does the project contribute to the draft council Priorities?

<b>A Sustainable District</b>	Unknown – dependant on specific projects. Sustainability will be a consideration at the inception of any project.
<b>An Inclusive and Prosperous Local Economy</b>	Where appropriate, neighbourhood projects will utilise local resources and help promote the local economy
<b>Healthy &amp; Happy Communities</b>	It is hoped that neighbourhood level projects can contribute to wellbeing at a local level, whether through the provision of improvements in the built environment; the addition of services and facilities; or by assisting groups of people in coming together to deliver with a shared purpose. This increased resource will facilitate this.



<b>A Co-operative Kind and Responsible Council</b>	The post-holder will act as enabler and facilitator; delegating decision-making to groups of residents where possible, and working co-operatively rather than in an authoritative landlord and tenant relationship.
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### Cross-Cutting Themes

How does the project contribute to the draft council Themes?

<b>Climate Emergency</b>	Dependant on specific projects. Neighbourhood plans currently in development will include climate related outcomes; neighbourhood projects will be required to deliver on these.
<b>Community Wealth Building</b>	Dependant on specific projects. Opportunities for community wealth building will be identified on a project by project basis, and maximised where possible. The post holder will facilitate this.
<b>Citizen Engagement</b>	The engagement of residents is at the root of the proposal, providing residents with opportunities to be creative and inventive, and to deliver neighbourhood level projects which have a positive impact on lives and community. The post holder will facilitate this.

### How will the outcomes be measured?

<b>Outcome</b>	<b>Performance Measure</b>	<b>Target</b>
The Neighbourhood Plan for each area will include stated aims and objectives and measurable outputs. At the inception of any project it will be aligned with these – specific projects will contain specific performance measures and outputs. Estate Management will be the owners of these outcomes		

### Estimated Resource Requirements

#### Revenue

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Salary Costs	14,600	15,500	16,200	17,100
<b>Total</b>	<b>14,600</b>	<b>15,500</b>	<b>16,200</b>	<b>17,100</b>

**Business Case**

At what stage is the business case for the proposal?

<b>Not written</b>	
<b>Outline</b>	
<b>Developed</b>	

**Funding the Future**

Will the project deliver financial efficiencies?	
Will the project contribute to the Council's Commercial Strategy?	
Will the project lever in finance from other organisations?	
What is the expected lifespan of the project?	

**Are there any other support requirements?**

**Directors Signature**



**Directorate: Communities and the Environment**

**Cost Centre Name: Council Housing Management and Admin**

**Cost Centre Number: H1000**

### What is the Proposal?

New HRA post: Income Management Support Officer

*Please summarise the proposal and what impact it will have.*

A new post within the council housing Income Management Team. The post holder will offer support to the Income Management Officers in general, but will have a main focus on former tenant rent arrears. It is anticipated that such a post would enable prevention and collection of thousands of pounds of rent arrears annually from outgoing council tenants.

*What difference will it make?*

Currently, the former tenant debt stands at over £400k.

Resources in recent years have been intentionally directed towards current tenant arrears, and the provision of an inclusive and proactive service. This has been a great success, realising falling rent arrears levels, a significant drop in recourse to legal action against tenants, and delivery of a supportive service to assist tenants in navigating the welfare benefit system and making positive financial decisions.

This new post would allow a similarly ambitious approach to *former* tenant arrears, which would further reduce tenant debt (and therefore increase council income) whilst offering practical supporting to tenants in managing debt.

*What will it look like?*

A single fixed term full time position within the Income Management Team.

*Who will be impacted by the project and how?*

The project is underpinned by the potential for significantly increased income collection; potentially tens of thousands of pounds annually. This can then be reinvested via the business planning process, allowing the council to continue delivery of improved services.

It will directly impact outgoing tenants, who will be supported through the process of clearing any debt with the council upon leaving a tenancy.

### Priorities

How does the project contribute to the draft council Priorities?

<b>A Sustainable District</b>	
<b>An Inclusive and Prosperous Local Economy</b>	

<b>Healthy &amp; Happy Communities</b>	A proactive approach to assisting tenants with debt and financial issues helps to promote healthy and happy communities. This new post will allow the Income Management Team to continue to develop an approach to tenant debt based on prevention, early intervention, and empowerment of tenants to make sound financial decisions.
<b>A Co-operative Kind and Responsible Council</b>	

### Cross-Cutting Themes

How does the project contribute to the draft council Themes?

<b>Climate Emergency</b>	
<b>Community Wealth Building</b>	
<b>Citizen Engagement</b>	A forward thinking approach to former tenant debt is underpinned by genuine engagement with residents, and the ability to build relationships of trust. This post will contribute to this.

### How will the outcomes be measured?

<b>Outcome</b>	<b>Performance Measure</b>	<b>Target</b>
Prevention of FTA's	Total arrears of outgoing council tenants	
Improved collection of FTA's	Total FTA's owed to the Council	

### Estimated Resource Requirements

#### Revenue

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Salary Costs	24,100	24,600	25,100	26,200
<b>Total</b>	<b>24,100</b>	<b>24,600</b>	<b>25,100</b>	<b>26,200</b>

**Business Case**

At what stage is the business case for the proposal?

<b>Not written</b>	
<b>Outline</b>	Outline
<b>Developed</b>	

**Funding the Future**

Will the project deliver financial efficiencies?	Yes. The new post will be created to both prevent and reduce rent arrears. This is a project about income generation.
Will the project contribute to the Council's Commercial Strategy?	
Will the project lever in finance from other organisations?	
What is the expected lifespan of the project?	

**Are there any other support requirements?**

**Directors Signature**



**Directorate: Communities and the Environment**

**Cost Centre Name: RMS Management & Admin**

**Cost Centre Number: C1001**

### What is the Proposal?

*Please summarise the proposal and what impact it will have.*

The appointment of an Energy Support Officer will provide support to Council tenants enabling them to maximise the efficient use of heating and energy. The postholder will also be expected to liaise with a range of utility providers and the Climate Change Manager.

*What difference will it make?*

The post will support Council tenants who may be experiencing fuel poverty, to seek financial support/grants and identifying a range of energy efficiency measures to improve living conditions and well-being.

*What will it look like?*

The post will be visible in the community with surgeries and events planned for Council tenants and visits to individual homes.

*Who will be impacted by the project and how?*

Individual tenants who require energy advice and support plus contributing towards the Council's overall objective to be carbon neutral by 2030

### Priorities

How does the project contribute to the draft council Priorities?

<b>A Sustainable District</b>	
<b>An Inclusive and Prosperous Local Economy</b>	
<b>Healthy &amp; Happy Communities</b>	The appointment of an Energy Support Officer will improve the homes and well-being of Council tenants
<b>A Co-operative Kind and Responsible Council</b>	



### Cross-Cutting Themes

How does the project contribute to the draft council Themes?

<b>Climate Emergency</b>	The Energy Support Officer will fully embrace and contribute towards the Council being carbon neutral by 2030
<b>Community Wealth Building</b>	
<b>Citizen Engagement</b>	

### How will the outcomes be measured?

<b>Outcome</b>	<b>Performance Measure</b>	<b>Target</b>
Reduced repair requests from new Council tenants to heating installations	To visit every new tenant within the 1 <sup>st</sup> week of their tenancy to provide advice and guidance	300 home visits annually
Provide advice, guidance and support for all Council tenants to ensure they can access the best energy tariffs and available energy grants	To promote and hold monthly energy advice surgeries working in collaboration with Council Housing Income Officers	12 x monthly surgeries
To inform the Asset Manager of any property visited that may require draught proofing, insulation or ventilation works	To identify any energy efficiency measures to improve the physical conditions of a Council property and improve the overall EPC rating	To maintain a property condition register of all homes visited

### Estimated Resource Requirements

#### Revenue

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Salary Costs	24,800	25,900	27,000	28,700
Equipment & Training	2,500			
<b>Total</b>	<b>27,300</b>	<b>25,900</b>	<b>27,000</b>	<b>28,700</b>

### Business Case

At what stage is the business case for the proposal?

<b>Not written</b>	
<b>Outline</b>	
<b>Developed</b>	

**Funding the Future**

Will the project deliver financial efficiencies?	
Will the project contribute to the Council's Commercial Strategy?	
Will the project lever in finance from other organisations?	Potential to attract external funding from energy suppliers for individual tenants and the Council
What is the expected lifespan of the project?	Ongoing

**Are there any other support requirements?**

**Directors Signature**



**Directorate: Communities and the Environment**

**Cost Centre Name: RMS Development Plan – Stores Bar Coding**

**Cost Centre Number: C1001**

**What is the Proposal?**

*Please summarise the proposal and what impact it will have.*

The implementation of a bar coding system called "Immobile" (Software supplied by Total Mobile) will enable the Stores service at White Lund Depot to scan in material deliveries, allocate materials and replenish stock at pre-determined levels more efficiently.

*What difference will it make?*

Making better use of available technology will reduce manual errors when accepting deliveries/allocating stock and provide an accurate ongoing audit of stock levels. A reporting facility will provide accurate details on stock and the frequency of use to aid stock replenishment. Accurate retention of materials will make better use of limited storage space, replenish operative van stocks more quickly and support the completion of more repairs Right First Time.

*What will it look like?*

"Immobile" has wireless functionality and will interface with the existing Total Mobile/Total Repairs system. Bar coding of stock/materials will support and ensure accurate stock levels are maintained at all times.

*Who will be impacted by the project and how?*

The stores handling service will be able to account for incoming/outgoing stock more quickly and efficiently. This will support operatives and the stores facility to ensure stock levels are maintained at pre-determined volumes and avoid any errors associated with manual counting of stock retained in storage. It will also aid an ongoing audit of stock levels/value at any point in time. Bar coding will support other activities (van stock replenishment) specified within the agreed RMS Development Plan.

**Priorities**

How does the project contribute to the draft council Priorities?

<b>A Sustainable District</b>	
<b>An Inclusive and Prosperous Local Economy</b>	

<b>Healthy &amp; Happy Communities</b>	The implementation of "Immobalise" will support the delivery of a 1 <sup>st</sup> class excellent, modern repairs and maintenance service to Council tenants.
<b>A Co-operative Kind and Responsible Council</b>	

### Cross-Cutting Themes

How does the project contribute to the draft council Themes?

<b>Climate Emergency</b>	
<b>Community Wealth Building</b>	"Immobalise" will support the purchase of stock where possible from local merchants and suppliers
<b>Citizen Engagement</b>	

### How will the outcomes be measured?

<b>Outcome</b>	<b>Performance Measure</b>	<b>Target</b>
Reduced write off value of redundant materials/stock with improved control of stock	Reduction in value of stock written off due to becoming obsolete	Less than £5k P/A
Ongoing audit of stock levels at any point in time – and will remove the need for manual counting which could lead to inaccuracies	Reporting facility to measure value of incoming stock/outgoing stock at any point in time. Removing the potential for human errors will ultimately reduce materials expenditure	TBD

### Estimated Resource Requirements

#### Revenue

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Software Costs	23,850	3,000	3,000	3,000
Efficiency savings		(3,000)	(3,000)	(3,000)
<b>Total</b>	<b>23,850</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Application of Reserves**

	<b>2020/21</b> <b>£</b>	<b>2021/22</b> <b>£</b>	<b>2022/23</b> <b>£</b>	<b>2023/24</b> <b>£</b>
ICT & Systems Improvement Reserve	(23,850)			
<b>Total</b>	<b>(23,850)</b>			

**Business Case**

At what stage is the business case for the proposal?

<b>Not written</b>	
<b>Outline</b>	
<b>Developed</b>	

**Funding the Future**

Will the project deliver financial efficiencies?	Yes – more accurate control over the maintenance of incoming and outgoing stock
Will the project contribute to the Council's Commercial Strategy?	Yes – increased emphasis on using local merchants and suppliers
Will the project lever in finance from other organisations?	No
What is the expected lifespan of the project?	Ongoing – with support from the software provider Total Mobile.

**Are there any other support requirements?**

**Directors Signature**



**Directorate: Communities and the Environment**

**Cost Centre Name: Planned Maintenance**

**Cost Centre Number: C2201**

## What is the Proposal?

### **New Build Feasibility**

Proposal

Following the re-affirmation of the 2014 Council Housing New Build Programme by the Strategic Housing Group and Portfolio Holder, it is proposed to draw down reserves to fund feasibility, design and the preparation and submission of pre-planning advice to explore the potential of building social housing on suitable sites, including exploration of an Extra Care scheme.

This project will determine the feasibility of future social housing development on identified sites within existing land holdings or other associated sites of interest to the Council.

## Priorities

How does the project contribute to the draft council Priorities?

<b>A Sustainable District</b>	The properties will incorporate energy conservation measures
<b>An Inclusive and Prosperous Local Economy</b>	Generate opportunities for work and supply of goods and services for local companies
<b>Healthy &amp; Happy Communities</b>	Increase the housing stock and opportunities for our tenants to benefit from high quality new homes
<b>A Co-operative Kind and Responsible Council</b>	Projects meet obligation to provide social housing and efficient management of Council assets

## Cross-Cutting Themes

How does the project contribute to the draft council Themes?

<b>Climate Emergency</b>	Incorporation of energy saving and efficiency measures and design
<b>Community Wealth Building</b>	Project procurement with local companies and suppliers
<b>Citizen Engagement</b>	Consultation with communities and social housing provision



**How will the outcomes be measured?**

<b>Outcome</b>	<b>Performance Measure</b>	<b>Target</b>
Site selection	Initial assessment, feasibility and viability filters	Development potential
Feasibility	Is the project possible, practical and achievable with our capabilities?	Positive assessment
Viability assessment	Is the project affordable? Income v expenditure	Positive profile within 40 years
Pre-planning advice	Preparation of submission documents	Positive determination

**Estimated Resource Requirements**

**Revenue**

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Feasibility studies	60,000	30,000		
<b>Total</b>	<b>60,000</b>	<b>30,000</b>		

**Application of Reserves**

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Business Support Reserve	(60,000)	(30,000)		
<b>Total</b>	<b>(60,000)</b>	<b>(30,000)</b>		

**Business Case**

At what stage is the business case for the proposal?

<b>Not written</b>	
<b>Outline</b>	Yes, supports decision to re-affirm new build housing programme
<b>Developed</b>	

**Funding the Future**

Will the project deliver financial efficiencies?	Yes, by reducing development risk and making a determination of viability
Will the project contribute to the Council's Commercial Strategy?	Yes, by seeking to develop potential sites
Will the project lever in finance from other organisations?	Yes, Homes England Grant
What is the expected lifespan of the project?	This financial year and on-going

**Are there any other support requirements?**

Preparation of pre-planning documentation will be outsourced, other resources are within RMS capabilities

**Directors Signature**



**Directorate: Communities and the Environment**

**Cost Centre Name: Sheltered Scheme Conversions**

**Cost Centre Number: H8407**

### What is the Proposal?

To convert a total of 2 ex scheme manager occupied properties this year and additionally a failed shop unit. This will bring back vacant property into long term use and address tenant housing demand, provide adapted accommodation and generate a return on redundant assets.

This supports a review the provision of Scheme Managers housing across the estate and the viability of converting these units into self-contained sheltered flats. Additionally, a former shop unit occupying a corner plot in Galgate is deemed suitable for conversion to wheelchair accessibility and living accommodation standards.

The conversions will increase the supply of sheltered housing and adapted accessible accommodation. It will also reduce the risk of maintaining vacant property and generate rental income from the asset.

To meet business requirements, properties will be selected to meet tenant demand and support Council Housing in their efficient management of the estate as the management of sheltered schemes is made non-residential. Each the 3 conversion projects will be approved by the Head of Service.

This will increase housing provision by creating four fully refurbished sheltered apartments and one wheelchair fully accessible property.

### Priorities

How does the project contribute to the draft council Priorities?

<b>A Sustainable District</b>	The properties will incorporate sustainable energy saving features
<b>An Inclusive and Prosperous Local Economy</b>	The construction will generate opportunities, for work and supply of goods and services for local companies
<b>Healthy &amp; Happy Communities</b>	Increased provision of sheltered accommodation for vulnerable and differently abled people
<b>A Co-operative Kind and Responsible Council</b>	Projects meet obligation to provide social housing and efficient management of Council assets.

### Cross-Cutting Themes

How does the project contribute to the draft council Themes?

<b>Climate Emergency</b>	Incorporation of energy saving and efficiency measures and design.
<b>Community Wealth Building</b>	Project procurement with local companies and suppliers
<b>Citizen Engagement</b>	Social housing provision

### How will the outcomes be measured?

<b>Outcome</b>	<b>Performance Measure</b>	<b>Target</b>
Energy conservation	SAP rating	exceeding 72
Conversion brief	Design and layout	Client acceptance
Quality construction	specification for materials and workmanship	Snag free handover
Delivery	Design and contract programme	Completion date
Financial control	Valuations and final account	Not to exceed budget limits

### Estimated Resource Requirements

#### Capital

	<b>2020/21</b> £	<b>2021/22</b> £	<b>2022/23</b> £	<b>2023/24</b> £
Property 1	70,000			
Property 2	70,000			
Property 3	70,000			
<b>Total</b>	<b>210,000</b>			

### Application of Reserves

	2020/21 £	2021/22 £	2022/23 £	2023/24 £
Business Support Reserve	(210,000)			
<b>Total</b>	<b>(210,000)</b>			

### Revenue Implications of Capital Investment

	2020/21 £	2021/22 £	2022/23 £	2023/24 £
Additional net rental income		(10,000)	(10,200)	(10,400)
<b>Total</b>		<b>(10,000)</b>	<b>(10,200)</b>	<b>(10,400)</b>

### Business Case

At what stage is the business case for the proposal?

<b>Not written</b>	
<b>Outline</b>	Yes, supports decision to move towards non-residential sheltered accommodation management
<b>Developed</b>	

### Funding the Future

Will the project deliver financial efficiencies?	Yes, it will generate rental income
Will the project contribute to the Council's Commercial Strategy?	Yes, by reducing risk and providing a return on otherwise redundant assets
Will the project lever in finance from other organisations?	No, contained within HRA
What is the expected lifespan of the project?	This financial year

### Are there any other support requirements?

No, the resources to complete the project are within RMS capabilities

### Directors Signature

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**HOUSING REVENUE ACCOUNT - RESERVES AND PROVISIONS STATEMENT**  
**For Consideration by Cabinet 11 February 2020**

	Balance as at 31/03/20	Contributions			Balance as at 31/03/21	Contributions			Balance as at 31/03/22	Contributions			Balance as at 31/03/23	Contributions			Balance as at 31/03/24
		To the Reserve from Revenue	From the Reserve			To the Reserve from Revenue	From the Reserve			To the Reserve from Revenue	From the Reserve			To the Reserve from Revenue	From the Reserve		
		£	To Capital	To Revenue		£	To Capital	To Revenue		£	To Capital	To Revenue		£	To Capital	To Revenue	
HRA General Balances	1,840,085	123,900			1,963,985	26,500			1,990,485	301,600			2,292,085	716,100			3,008,185
<b>Earmarked Reserves:</b>																	
Business Support Reserve	8,080,179				8,080,179				8,080,179				8,080,179				8,080,179
Major Repairs Reserve		3,494,500	(3,494,500)			3,653,500	(3,653,500)			3,574,500	(3,574,500)			3,403,500	(3,403,500)		
Flats - Planned Maintenance	501,974	133,000	(72,000)	(22,900)	540,074	133,000		(22,900)	650,174	133,000	(100,000)	(22,900)	660,274	133,000	(100,000)	(22,900)	670,374
ICT and Systems Improvement	580,189			(141,000)	439,189			(1,000)	438,189			(1,000)	437,189				437,189
Office Equipment Reserve	39,009				39,009				39,009				39,009				39,009
Sheltered - Equipment	315,382	23,600		(44,100)	294,882	21,300		(13,400)	302,782	20,500		(31,600)	291,682	18,200		(12,900)	296,982
Sheltered - Planned Maintenance	228,269	47,000		(15,300)	259,969	42,400		(15,300)	287,069	40,900		(15,300)	312,669	36,300		(15,300)	333,669
Sheltered Support Grant Maintenance	529,224	23,600			552,824	21,300			574,124	20,500			594,624	18,200			612,824
<b>Total Earmarked Reserves</b>	<b>10,274,224</b>	<b>3,721,700</b>	<b>(3,566,500)</b>	<b>(223,300)</b>	<b>10,206,124</b>	<b>3,871,500</b>	<b>(3,653,500)</b>	<b>(52,600)</b>	<b>10,371,524</b>	<b>3,789,400</b>	<b>(3,674,500)</b>	<b>(70,800)</b>	<b>10,415,624</b>	<b>3,609,200</b>	<b>(3,503,500)</b>	<b>(51,100)</b>	<b>10,470,224</b>



## RESERVES AND PROVISIONS- For Consideration by Cabinet on 11 February 2020

	Reason for/purpose	How & when it be used	Management & control	Reviewed	Recommendations
<b>Capital Reserves</b>					
<b>Major Repairs Reserve (MRR)</b>	Set up following the introduction of Resource Accounting in the HRA. Credited with the amount of depreciation charged to the HRA and topped up with additional funds required to finance the capital programme in-year.	Use of reserve to be determined and reported by the Director (Corporate Services) (or his nominated representative).  Can be applied to capital improvements to HRA housing stock (specifically excluding demolition) and, additionally from 1 <sup>st</sup> April 2004, repayment of HRA debt and credit liabilities (including premia on early repayment of PWLB loans).	<b>Communities &amp; the Environment/ Corporate Services</b>	<b>Budget &amp; Outturn</b>	<b>To provide in-year funding for the capital programme as budgeted</b>
<b>Business Support Reserve (BSR)</b>	Established to provide support to additional business plan commitments and planned investment opportunities.	Use of the reserve to be approved by Cabinet.  Contributions to the reserve to be approved annually as part of the budget.	<b>Communities &amp; the Environment/ Corporate Services</b>	<b>Budget &amp; Outturn</b>	<b>Retain as budgeted, noting that the first call will be to support the business plan</b>

## RESERVES AND PROVISIONS- For Consideration by Cabinet on 11 February 2020

	Reason for/purpose	How & when it be used	Management & control	Reviewed	Recommendations
<b>Revenue Reserves</b>					
<b>Flats – Planned Maintenance Reserve</b>	Established to smooth the costs of major revenue and capital works to flats funded from Service Charges.	Contributions from Service Charges made to this reserve, together with additional appropriations in lieu of interest.  Reserve to be applied to major works to communal facilities in flats.	<b>Communities &amp; the Environment/ Corporate Services</b>	<b>Budget &amp; Outturn</b>	<b>Retain as budgeted</b>
<b>ICT &amp; Systems Improvement Reserve</b>	Established to fund future ICT systems and equipment replacement.	To be applied to future replacements and system / process improvements.	<b>Communities &amp; the Environment/ Corporate Services</b>	<b>Budget &amp; Outturn</b>	<b>Retain as budgeted</b>
<b>Office Equipment Reserve</b>	Established to fund purchases of major office furnishings.	Used to fund ad-hoc purchases of major office furnishings resultant from health & safety legislation and risk assessments (desk, chairs, cabinets etc) and minor office equipment items.	<b>Communities &amp; the Environment/ Corporate Services</b>	<b>Budget &amp; Outturn</b>	<b>Retain as budgeted</b>
<b>Sheltered Equipment Reserve</b>	Established to fund purchases of equipment for Sheltered schemes funded from Service Charges.	Contributions from Service Charges made to this reserve, together with additional appropriations in lieu of interest. Reserve to be applied to purchases of equipment for common area services for Sheltered schemes.	<b>Communities &amp; the Environment/ Corporate Services</b>	<b>Budget &amp; Outturn</b>	<b>Retain as budgeted</b>

## RESERVES AND PROVISIONS- For Consideration by Cabinet on 11 February 2020

	Reason for/purpose	How & when it be used	Management & control	Reviewed	Recommendations
<b>Sheltered – Planned Maintenance</b>	Established to smooth the costs of major revenue and capital works to flats funded from Service Charges	Contributions from Service Charges made to this reserve, together with additional appropriations in lieu of interest. Reserve to be applied to major works to communal facilities in Sheltered schemes.	<b>Communities &amp; the Environment/ Corporate Services</b>	<b>Budget &amp; Outturn</b>	<b>Retain as budgeted</b>
<b>Sheltered – Support Grant Maintenance</b>	Established to fund purchases of equipment for Sheltered schemes funded from Service Charges, but classed as Support Costs under County Guidelines.	Contributions from Service Charges made to this reserve, together with additional appropriations in lieu of interest. Reserve to be applied to major works to communal facilities in Sheltered schemes.	<b>Communities &amp; the Environment/ Corporate Services</b>	<b>Budget &amp; Outturn</b>	<b>Retain as budgeted</b>

Use of all reserves with the exception of the BSR and MRR to be approved by the Director (Communities & the Environment) in consultation with the Director (Corporate Services) (or nominated representative) and reported to Cabinet, primarily as part of normal monitoring, budgeting and outturn reporting arrangements.

	Reason for/purpose	How & when it be used	Management & control	Reviewed	Recommendations
<b>Provisions</b>					
<b>Bad Debts</b>	This provision is used to provide cover for all Housing Revenue Account bad and doubtful debts.	Contributions are determined at budget setting and outturn, based on assessment of the level of debt outstanding. Write offs are charged against the provision during the year.	<b>Corporate Services</b>	<b>Budget &amp; Outturn</b>	<b>As reflected in the report</b>

The Bad Debt provision will be applied by the Director (Corporate Services) (or nominated representative) and reported to Cabinet, primarily as part of normal monitoring, budgeting and outturn reporting arrangements.



**2020/21 BUDGET**  
**HOUSING REVENUE ACCOUNT – RISK & ASSUMPTIONS**  
**FOR CONSIDERATION BY CABINET 11 February**  
**2020**

**APPENDIX G**

RISK AREA	NOTES/DETAILS
Self financing	<p>Under Part VI of the Local Government and Housing Act 1989 a local authority has duty to keep a HRA as a ring fenced account and has a duty to ensure that it does not go into deficit.</p> <p>Following four years under which the Government removed local discretion to set rent levels (imposing four annual rent decreases of –1%) from 2020/21 (and for five consecutive years) Local Authorities are granted discretion to increase rents by a maximum of CPI +1%.</p> <p>Potential financial risk exists, should the Government deviate from this position during the five-year period.</p>
Rent policy	<p>The Council had set a local rent policy, based on Government rent policy guidelines and the freedoms introduced under the self- financing regime in 2011, which supported the future investment needs of its HRA housing stock.</p> <p>In May 2015 the Government announced a statutory limit on rents for 4 years commencing 2016/17, imposing rent decreases of 1% per annum. This created substantial financial sustainability risks for the HRA.</p> <p>On 4 October 2017 the Government announced it would maintain statutory control over rent increases and that increases to social housing rents will be limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020. This remains as current policy.</p> <p>The 30-year HRA business plan reflects this rent increase from 01 April 2020 and for 5 years. There is still considerable uncertainty regarding prospects for 2025/26 onwards and the above history highlights that Government policy can change significantly. These risks will need to be considered and Government plans kept under review, to inform future decision-making.</p>
Income recovery	<p>The welfare reform agenda, and in particular the introduction of Universal Credit (UC) within the district in 2016, resulted in significantly increased levels of rent arrears, and risk to rent collection.</p> <p>The Income Management team has been developed since 2016, achieving external accreditation as an example of industry-wide good practice from HQN in 2018. Current tenant rent arrears are low, and rental income collection is being maintained effectively.</p> <p>The impact of tenant debt on business planning is recognized as a key risk to the delivery of housing services. A renewed focus on former tenant and other sundry debt is underway, to be reflected in service improvement planning for 2020/21.</p>
Void levels	<p>Management of voids remains a priority to ensure that rent loss through voids is minimised. Significant improvements have been realised since 2018 to cut void rent loss from around 2% of the total rent debit to below 1%.</p> <p>Void management, however, is subject to fluctuation in property turnover levels, and remains an area of risk. Continuous review is in place to mitigate this risk, and will be underpinned by the service improvement planning process from 2020/21.</p>

Reduced demand	<p>Overall demand across the council housing stock is monitored and informs the asset management plans.</p> <p>Demand for council housing remain high, particularly for one- and two-bedroom properties. The demand profile continues to inform the Council's decision to give priority to building one bedroom accommodation in any new build programme or acquisition scheme.</p>
Stock reductions	<p>The rate of Right to Buy (RTB) sales in 2019/20 remains relatively low compared to historic levels of sales.</p> <p>Any sales lead to future projected rental income levels being reduced, but many costs are fixed, resulting in an adverse impact on the revenue position. On the other hand, low sales levels also lead to lower levels of capital receipt.</p> <p>Significant increase in RTB sale would reduce income levels, which would lead to deterioration in the HRA budgetary position and the viability of the HRA. However there are no indications that such an increase is likely.</p>
Additional capital requirements	<p>Legislation, changes in health and safety standards, or the discovery of previously unknown defects create the potential for additional capital expenditure requirements. The Council has increased its expenditure in recent years on fire precaution works, asbestos management, and the managing the risk of legionella.</p> <p>The Council still need to ensure the asset register and asset management plans correctly identify the investment needs and inform the programme. Any requirements identified will be reviewed and reflected in the 30-year HRA Business Plan.</p> <p>The Mainway estate (comprising circa 200 council dwellings) was subject, in 2019, to detailed survey work which highlighted the need for major decisions around repair, upgrade, or redesign.</p> <p>Project work is underway to define the options available; any potential project of transformation on Mainway would likely require borrowing against the HRA and will be subject to the council decision making process.</p> <p>The outcome of this project will devise the most cost-effective strategy for the future of the estate.</p>
Major disasters	<p>The district has been subject to two severe weather events in recent years.</p> <p>Major disasters are generally covered by insurance. The Government also provides support for uninsurable losses incurred by local authorities through the Bellwin scheme.</p>
Effect of Legislation /Regulation	<p>Implications of new legislation / regulation or changes to existing legislation /regulation can present significant new financial risks.</p> <p>Although the housing related legislative programme of Government remains uncertain, it contains the potential to create new financial challenges and risks to the Council's HRA.</p>
Other events	<p>Continuing reductions in services in other sectors such and health and social care are presenting increased demands and risks to the Council as a social landlord.</p> <p>In response to these challenges the Council has redesigned and continues to develop its housing management services to support tenants, protect revenue streams, and protect its assets.</p> <p>The implications of Brexit remain unclear but the potential threat to income streams and supplier relationships, and the impact on future Government policy making around social housing, remains relevant. Business planning continues to take this uncertainty into account.</p>

# Equality Impact Assessment

This **online** equality impact assessment should:

An equality impact assessment should take place when considering doing something in a new way. Please submit your completed EIA as an appendix to your committee report. Please remember that this will be a public document – do not use jargon or abbreviations.

**Service**

## Title of policy, service, function, project or strategy

**Type of policy, service, function, project or strategy:** Existing  New/Proposed

**Lead Officer**

## People involved with completing the EIA

### Step 1.1: Make sure you have clear aims and objectives

Q1. What is the aim of your policy, service, function, project or strategy?

Q2.

Who is intended to benefit? Who will it have a detrimental effect on and how?

The setting of council housing rents, and the subsequent service planning process which derives from it, affects council tenants and other residents within the district. The aims of the housing service involve tenancy and asset management, but also an investment in communities and neighbourhoods and the delivery of social value. Prudent rent setting underpins this. The potential for a detrimental impact exists in as much as an increase in rent will put pressure on those individuals in, or at risk of, financial hardship. It should be noted that rent levels will remain well below both market rent and 'affordable rent' (80% of market) and well below the Local Housing Allowance (LHA) level for the district. The LHA is the maximum amount payable through Housing Benefit or the housing element of Universal Credit. In addition, the Council's in-house Income Management Team takes a pro active, supportive approach to preventing rent arrears and offering financial inclusion through money advice, referrals for support, and assistance in maximising income (through benefit claims, or advice on management of other debts, for example). Thus it is concluded that the detrimental effects of a rent increase are mitigated where appropriate.

### Step 1.2: Collecting your information

Q3. Using existing data (if available) and thinking about each group below, does, or could, the policy, service, function, project or strategy have a negative impact on the groups below?

Group	Negative	Positive/No Impact	Unclear
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Faith, religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

# Equality Impact Assessment

Gender including marriage, pregnancy and maternity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual orientation including civic partnerships	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other socially excluded groups such as carers, areas of deprivation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rural communities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## Step 1.3 – Is there a need to consult!

Q4. Who have you consulted with? If you haven't consulted yet please list who you are going to consult with? Please give examples of how you have or are going to consult with specific groups of communities

As a key part of the rent setting process we have consulted with the District Wide Tenants Forum; a group made up of council officers, councillors, and residents from across the district. The group discussed and debated the proposed rent increase and the future plans of the Council Housing Service and were broadly supportive of the decision to propose an increase in rents following four years of rent decrease, and were in support of the plans of the service to invest in additional areas of service.

## Step 1.4 – Assessing the impact

Q5. Using the existing data and the assessment in questions 3 what does it tell you, is there an impact on some groups in the community?

<b>Age:</b> No significant impact
<b>Disability:</b> The increase in the adaptations budget for the year 2020/21 has the potential to positively impact those with disability, offering increased opportunity for individuals and families to remain independent in their homes
<b>Faith, Religion or Belief:</b> No significant impact
<b>Gender including Marriage, Pregnancy and Maternity:</b> No significant impact
<b>Gender Reassignment:</b> No significant impact
<b>Race:</b> No significant impact
<b>Sexual Orientation including Civic Partnership:</b> No significant impact
<b>Rural Communities:</b> Click here to enter text.

## Step 1.5 – What are the differences?

Q6. If you are either directly or indirectly discriminating, how are you going to change this or mitigate the negative impact?

No areas of discrimination based on protected characteristics, how mitigation is outlined in Q1 regarding potential adverse effects of a rent increase.

Q7. Do you need any more information/evidence eg statistic, consultation. If so how do you plan to address this?

No

## Step 1.6 – Make a recommendation based on steps 1.1 to 1.5

# Equality Impact Assessment

Q8. If you are in a position to make a recommendation to change or introduce the policy, service, function, project or strategy, clearly show how it was decided on.

The Equality Impact Assessment concludes no adverse impact on individuals on the basis of a protected characteristic as above. However, it is noted that individuals and groups may be adversely impacted by a rent increase, though not as a direct result of any protected characteristics. As per Q2, above, where individuals are adversely affected there is mitigation in place.

Q9.  
If  
you

are not in a position to go ahead, what actions are you going to take?

N/a

Q10. Where necessary, how do you plan to monitor the impact and effectiveness of this change or decision?

Continuous weekly monitoring of rent accounts takes place to highlight areas of negative impact.



**Lancaster City Council | Report Cover Sheet**

<b>Meeting</b>	Cabinet	<b>Date</b>	11 February 2020		
<b>Title</b>	Direction under Article 4 of the Town and Country Planning (General Permitted Development) Order 2015 and a Regulation 7 Direction under the Town and Country Planning (Control of Advertisements) (England) Regulations 2007				
<b>Report of</b>	Director for Economic Growth and Regeneration				
<b>Purpose of Report</b>					
<p>The purpose of the report is to consider the designation of a Direction under Article 4 of the Town and Country Planning (General Permitted Development) Order 2015 and a Regulation 7 Direction under the Town and Country Planning (Control of Advertisements) (England) Regulations 2007.</p> <p>An Article 4 Direction would remove the permitted development which allows the conversion of dwellings to Houses in Multiple Occupation (HMO). A Regulation 7 Direction would restrict the display of To Let boards.</p> <p>The report also seeks approval for progression of the Directions though an informal consultation process and then the statutory processes necessary for the Directions to be made.</p>					
<b>Key Decision (Y/N)</b>	<b>N</b>	<b>Date of Notice</b>		<b>Exempt (Y/N)</b>	<b>N</b>

**Report Summary**

The concentration of HMOs in some parts of the City of Lancaster is at such an extent that the amenity available to residents is adversely affected due to; increased noise, increased demand for limited parking and a population density that fluctuates during the year.

Policy DM13 of the emerging Development Management Development Plan Document (DPD) seeks to control the concentration of HMOs to protect the amenity of residents. However, the national planning system allows dwellings to change to 'small' HMOs (defined as accommodating 3-6 occupants) without requiring planning permission. Therefore, whilst the policy is useful in controlling larger HMOs, its effectiveness is limited. The only way in which this can be addressed is by the local planning authority seeking to remove the permitted development rights. This will then allow the total number of HMOs to be managed effectively.

The quantum of HMOs within areas of Lancaster also creates an unfortunate ancillary, visual impact. The properties used as HMOs often display To Let Boards for prolonged periods, creating an unacceptable degree of clutter and an adverse visual effect along terraced streets. The introduction of advertisement controls will seek to reduce this clutter and improve the appearance of these areas.

It is recommended that approval is given to undertake the necessary statutory procedures to introduce these measures of control.

### Recommendations of Councillor John Reynolds

- (1) That a Direction under Article 4 of the Town and Country Planning (General Permitted Development) Order 2015, to control the conversion of dwellinghouses to HMOs (Use Class C4) in the City of Lancaster and Galgate, is progressed through informal consultation and the statutory processes necessary for the Article 4 Direction to be made.
- (2) That a Regulation 7 Direction under the Town and Country Planning (Control of Advertisements) (England) Regulations 2007, to control the display of To Let boards in the wards of Bulk, Castle, John o'Gaunt and Scotforth West, is progressed through informal consultation and the statutory processes necessary for the Regulation 7 Direction to be made.

### Relationship to Policy Framework

The Council Plan includes ambitions to enhance community cohesion.

The emerging Lancaster District Local Plan includes policies which seek to improve the amenity of residents in Lancaster and to protect the character and appearance.

Policies in the emerging Strategic Policies and Land Allocations Development Plan Document aim to ensure that development, including uses of buildings, maintain the district's heritage (SP7) and strong and vibrant communities (SP9).

Policy DM13 of the emerging Development Management DPD aims to control the concentration of HMOs and Policy DM21 seeks to ensure that signage is well designed and appropriately sited.

The proposals seek to address the twin detrimental impacts of concentration of HMOs and associated letting boards in accordance with the ambitions of the Council Plan and the Local Plan.

### Conclusion of Impact Assessment(s) where applicable

Climate N/A

#### Wellbeing & Social Value

The proposals will manage the concentration of Houses in Multiple Occupation and associated To Let Boards to protect the amenity of residents and minimise the adverse impacts of high numbers of HMOs in Lancaster.

Digital N/A

#### Health & Safety N/A

Equality N/A

#### Community Safety N/A

### Details of Consultation

The issue and an associated 'Residential Conversions and Houses in Multiple Occupation Supplementary Planning Guidance' has been discussed by the Local Plan Review Group.

<p>Informal and statutory consultation under the Town and Country Planning (General Permitted Development) Order 2015 and the Town and Country Planning (Control of Advertisements) (England) Regulations 2007 will be carried out.</p>	
<p><b>Legal Implications</b></p> <p>The designation of an Article 4 Direction and a Regulation 7 Direction are required to be implemented through statutory processes within the Town and Country Planning (General Permitted Development) Order 2015 and the Town and Country Planning (Control of Advertisements) (England) Regulations 2007. Failure to do so could result in legal challenges.</p>	
<p><b>Financial Implications</b></p> <p>The designation of an Article 4 Direction and a Regulation 7 Direction are required to be implemented through statutory processes within the Town and Country Planning (General Permitted Development) Order 2015 and the Town and Country Planning (Control of Advertisements) (England) Regulations 2007. Failure to do so could result in compensation claims.</p>	
<p><b>Other Resource or Risk Implications</b></p> <p>There will staff implications due to an increase in the number of changes of use which will require planning permission (therefore an increase in planning applications) and for the enforcement of the policies. The impact of the increased workload can be monitored in the first year of implementation and consideration given to the resource implications in subsequent years.</p>	
<p><b>Section 151 Officer's Comments</b></p> <p>The s151 Officer has been consulted and has no further comments</p>	
<p><b>Monitoring Officer's Comments</b></p> <p>The Monitoring Officer has been consulted and has no further comments</p>	
<b>Contact Officer</b>	Fiona Clark
<b>Tel</b>	01254 582222
<b>Email</b>	fjclark@lancaster.gov.uk
<p><b>Links to Background Papers</b></p> <ul style="list-style-type: none"> <li>• Draft Background Paper in Support of the Designation of Article 4 Areas to Control Houses in Multiple Occupation</li> <li>• Draft Background Paper in Support of the Designation of a Regulation 7 Direction in Lancaster</li> <li>• Draft Residential Conversions and Houses in Multiple Occupation Supplementary Planning Document</li> </ul>	

## 1.0 Introduction

1.1 There are wards and streets in Lancaster where the concentration of student HMOs is at such a degree, HMOs create an imbalance in the community and affect the character of the neighbourhood. Issues arise from depopulation over the summer period, noise and disturbance, pressure on refuse storage, car

parking and services, as well as the detrimental visual impact caused by the display of a significant volume of To Let boards. Policy DM13 of the emerging Development Management DPD seeks to control the increase in concentration. However, because the conversion of a dwelling house to a HMO (Use Class C4, 3 to 6 occupants) does not require planning permission, this policy will only control the growth of large HMOs (over 6 occupants).

1.2 An Article 4 Direction would remove the permitted development rights that are contained in Schedule 2, Part 3, Class L of the Town and Country Planning (General Permitted Development Order). These currently allow the change of use of a building from a use falling within Class C3 (dwellinghouses) to a use falling within Class C4 (houses in multiple occupation).

1.3 A Regulation 7 Direction would restrict the display of To Let boards under Class 3A of Schedule 3, Part 1 of the Town and Country Planning (Control of Advertisements) (England) Regulations 2007.

## 2.0 Proposal Details

### Control of HMOs

2.1 The attached *Draft Background Paper in Support of the Designation of Article 4 Areas to Control Houses in Multiple Occupation* illustrates the concentration of HMOs within Lancaster and explains the justification for designation in Lancaster as follows:

*“The case for an Article 4 Direction to remove permitted development rights for the conversion of dwellinghouses to HMOs is considered to be justified for the following reasons:*

- *The areas have significant concentrations of HMOs due to the nature of the housing stock and the proximity to the Universities in Lancaster.*
- *It is expected that the number of students in Lancaster will continue to increase; and it is therefore considered necessary to manage the concentration of HMOs to limit the impacts from further increases in HMO properties in residential area.*
- *Policy DM13 of the emerging Development Management Development Plan Document seeks to manage the concentration of HMOs to protect amenity. At present this management will only affect large HMOs. To be effective in protecting the amenity of areas, small HMOs (Class C4) need managed.”*

2.2 The table below shows the concentration of HMOs within wards in Lancaster.

<b>Ward</b>	<b>Estimated No. of HMOs</b>	<b>Approx total residential units</b>	<b>Approx % of stock in HMO use</b>
Bulk	386	4,200	9.2%
Castle	625	3,000	20.8%
Galgate (Ellel)	18	1,000	1.8%
John O’Gaunt	519	3,200	7.8%
Marsh	106	2,600	4%

Scotforth East	72	2,000	3.6%
Scotforth West	324	3,200	10%
Skerton East	76	3,200	2.3%
Skerton West	4	4,000	0.1%
University & Scotforth	79	2,000	4%

Table 1: Combined data sets of HMOs (November 2019) (Exempt Council Tax properties and HMO Register)

- 2.3 There are streets in Lancaster where over 20% of the residential properties are in use as HMOs. The greatest concentrations are in the wards of Bulk, Castle, John O’Gaunt and Scotforth West. However, if permitted development rights were removed from these wards alone, it would be likely to have the unfortunate effect of increasing concentrations in neighbouring wards of the city. That is why it is considered appropriate to designate an Article 4 Area across the whole city of Lancaster, and to extend this to Galgate too, given the village’s proximity to Lancaster University. This will ensure emerging policy DM13 can manage HMOs across the whole of Lancaster and Galgate.
- 2.4 It is recommended that informal consultation should be carried out to gain the views of residents, landlords and businesses, with regard to the principle of introducing an Article 4 Direction and the area which it will cover. It is also recommended that the consultation responses are taken into account before an Article 4 is designated or ‘made’ in accordance with the procedures in Schedule 3 of the Town and Country Planning (General Permitted Development) Order 2015.
- 2.5 Once an Article 4 Direction is ‘made’ press notices and site notices are required to be displayed for a period of at least 21 days to allow formal representations to be submitted. A report will then be presented to Members to take into account the consultation responses and for Members to determine whether to confirm the Article 4 Direction.
- 2.6 The Article 4 Direction would come into force a year following the date it is made. This period of time is to ensure that landowners and occupants are not prejudiced. Failure to provide this length of adequate time could result in claims for compensation by those affected by the change.

#### Control of To Let Boards

- 2.7 The attached *Background Paper in Support of the Designation of a Regulation 7 Direction in Lancaster* outlines the justification for controlling To Let boards as follows:

*“The case for a Regulation 7 Direction is considered to be justified for the wards of Bulk, Castle, John o’Gaunt and Scotforth West for the following reasons:*

- *The areas have a significant concentration of HMOs due to the nature of the housing stock and the proximity to the Universities in Lancaster. Due to the turnover of occupants in these areas, particularly the student population, there is a significant proliferation of ‘To Let’ boards.*

- *The proliferation and clutter arising from the display of ‘To Let’ boards have a negative impact on the local character of the areas. The cumulative impact has a harmful effect upon amenity contrary to the aims of the NPPF.*
- *A Regulation 7 Direction will prevent the proliferation of ‘To Let’ boards in these area and have a positive impact on the council’s ability to control advertisements and ensure that the character and appearance of areas is protected.”*

2.8 It is recommended that informal consultation be carried out to gain the views of residents, landlords and businesses with regard to the principle of introducing a Regulation 7 Direction and the area which it will cover. It is also recommended that the consultation responses are taken into account before a Regulation 7 Direction is submitted to the Secretary of State in accordance with Regulation 7 of the Town and Country Planning (Control of Advertisements) (England) Regulations 2007.

### 3.0 Options and Options Analysis (including risk assessment)

<p><b>Option 1:</b> Designate an Article 4 under the Town and Country Planning (General Permitted Development) Order 2015.</p>
<p><b>Advantages:</b> The Article 4 Direction will allow the concentration of HMOs in Lancaster to be managed to better protect the amenity of residents and of the areas and to enable policy DM13 of the emerging Development Management DPD to be effective in managing all sizes of HMO.</p>
<p><b>Disadvantages:</b> An Article 4 Direction will increase the number of change of use applications to be processed and the enforcement necessary to ensure that it is effectively implemented.</p>
<p><b>Risks:</b> If an Article 4 Direction is not implemented in accordance with the statutory procedures and adequate time provided between the Direction being ‘made’ and it coming into force, there is a risk of legal challenge and compensation claims.</p>
<p><b>Option 2:</b> Do not designate an Article 4 under the Town and Country Planning (General Permitted Development) Order 2015.</p>
<p><b>Advantages:</b> None</p>
<p><b>Disadvantages:</b> Not introducing an Article 4 Direction will allow the concentration of small HMOs in Lancaster to increase and undermine the effectiveness of policy DM13 of the emerging Development Management Development Plan Document.</p>

<p><b>Risks:</b> The number and concentration of HMOs will increase adversely affecting the amenity or residents and of area.</p>
<p><b>Option 3:</b> Designate a Regulation 7 Direction under the Town and Country Planning (Control of Advertisements) (England) Regulations 2007.</p>
<p><b>Advantages:</b> A Regulation 7 Direction will allow management of the number of To Let boards displayed. This will reduce the proliferation and clutter arising from the excessive display of boards within terraced streets and improve the visual amenity of the areas designated.</p>
<p><b>Disadvantages:</b> A Regulation 7 Direction may increase the enforcement necessary to ensure that it is effectively implemented.</p>
<p><b>Risks:</b> If a Regulation 7 Direction is not implemented in accordance with the statutory procedures, there is a risk of legal challenge and compensation claims.</p>
<p><b>Option 4:</b> Do not introduce a Regulation 7 Direction under the Town and Country Planning (Control of Advertisements) (England) Regulations 2007.</p>
<p><b>Advantages:</b> None</p>
<p><b>Disadvantages:</b> The proliferation and clutter of To Let signs will continue to adversely affect the visual amenity of the areas.</p>
<p><b>Risks:</b> None</p>

#### 4. Officer Preferred Option

- 4.1 The officer preferred options are Option 1, in regard to the designation of an Article 4 under the Town and Country Planning (General Permitted Development) Order 2015 and Option 3 with regard to introducing a Regulation 7 Direction under the Town and Country Planning (Control of Advertisements) (England) Regulations 2007. These actions will ensure that the concentration of HMOs and associated To Let boards can be managed to better protect the amenity of residents and the character and appearance of the areas proposed to the designated.

**Draft Background Paper in Support of the Designation of Article 4 Areas to Control Houses in Multiple Occupation**

1.0 Introduction

- 1.1 This background paper arises out of concerns regarding the concentration of Houses of Multiple Occupation (HMOs) in certain parts of the district, in particular the impact that student HMOs can have upon the amenity of an area. This paper seeks to review the quantity and spatial distribution of HMOs, consider the impact that concentrations of HMOs have upon the amenity of an area and identify where the control of the concentration of HMOs and the associated advertisements will protect the amenity in communities.
- 1.2 The paper provides evidence in support of the designation of an Article 4 Direction for Houses in Multiple Occupation. An Article 4 Direction is made under the Town and Country Planning General Permitted Development Order 1995 (as amended) and will remove Permitted Development Rights which allow the use of houses as small HMOs without the need for a planning application. The Article 4 Direction will not stop development but will provide a means of controlling the concentration of HMOs and seek to protect and enhance balanced communities.
- 1.3 This paper should be read in conjunction with Policy DM13 of the Development Management DPD, the draft Houses in Multiple Occupation Supplementary Planning Guidance and the proposed Article 4.

2.0 Background

*HMOs*

- 2.1 A house in multiple occupation is a property rented out by at least three people which are not from one 'household' (e.g. a family) but share facilities like the bathroom and kitchen.
- 2.2 HMOs can make a valuable contribution to the private rented housing stock. They provide an affordable type of accommodation and contribute to the mix of housing types and tenures available in Lancaster district. They are often suited to young people and single people, including students, and those on low incomes. However, HMOs can have a detrimental impact on residential character and community cohesion and high concentrations within neighbourhoods can result imbalanced and unsustainable communities.

*What are HMOs*

- 2.3 HMOs can consist of a variety of property types including, bedsits, shared houses, households with a lodger, purpose-built HMOs, hostels, guesthouses, bed and breakfast establishments and self-contained flats. Not all of these accommodation types will fall under the planning definition of a HMO or housing definition of an HMO under the 2004 Housing Act. The determining factor is how a property is occupied. In general terms if a property is not occupied by a single family but by three or more unrelated persons, the property will form a HMO.



2.4 In planning terms there are two types of HMO:

- Small HMO - shared dwellinghouses (houses/flats) occupied by between three and six unrelated individuals, as their only or main residence, which share one or more basic amenities such as a kitchen or toilet. These HMO's fall within Use Class C4 of the Town and Country Planning (Use Classes Order). They have the same meaning as in section 254 of the Housing Act 2004, with the exception of section 257 which applies to converted blocks flats (and those buildings listed in schedule 14 of the Act).
- Larger HMO - shared dwellinghouses (houses/flats) with more than six occupants. These HMO's do not fall within any specific planning use class, therefore fall within the Sui Generis category.

2.5 A single household is where the occupants are members of the same family, for example a couple (whether married or not), their children or step children (or equivalent), one or more are a close relative of both or either of them.

2.6 In Housing terms, the definition of a HMOs is contained within the Housing Act 2004 and can be summarised as, a building or part of a building that:

- Consists of one or more units of accommodation not consisting of a self-contained flat or flats;
- The living accommodation is occupied by persons who do not form a single household;
- The living accommodation is occupied by those persons as their only or main residence;
- Rents are payable or other consideration is to be provided either by the occupier, employer or other means;
- Two or more households shared one or more basic amenities.

2.7 A license is required for large HMOs in Lancaster district and is issued by the Council for properties that meet all the following criteria:

- Has 5 or more unrelated people living in it
- Has 2 or more separate households living there

2.8 Licensing also applies to blocks of purpose-built flats where there are up to two flats in the block and one or both are occupied as an HMO.

### *Planning Policy*

2.9 Paragraph 127 of the National Planning Policy Framework (NPPF) states that:

“Planning policies and decisions should ensure that developments:

- f) create places that are safe, inclusive and accessible and which promote health and well-being, with a high standard of amenity for existing and future users<sup>46</sup>; and where crime and disorder, and the fear of crime, do not undermine the quality of life or community cohesion and resilience.”

2.10 Paragraph 53 of the NPPF states:

“The use of Article 4 directions to remove national permitted development rights should be limited to situations where this is necessary to protect local amenity or the well-being of the area (this could include the use of Article 4 directions to require planning permission for the demolition of local facilities). Similarly, planning conditions should not be used to restrict national permitted development rights unless there is clear justification to do so.”

2.11 Policy DM13: Residential Conversions sets out the criteria against which applications will be assessed to ensure that conversions do not result in imbalances in the housing market or have a detrimental impact on the amenity of residents. It sets a threshold for the concentration HMOs of 10% of houses classed as HMOs within a 100m radius of an application site. The policy states:

*Houses of Multiple Occupation (HMOs)*

The City Council considers the importance of maintaining an appropriate housing mix and safeguarding the character of residential areas to be an important priorities. In doing so, the Council have adopted an approach of a general presumption against new housing in multiple occupation within the district. Proposals which would lead to a concentration of more than 10% of houses being classed as HMOs of the total housing stock within a 100m radius will not be considered acceptable. This includes proposals for changes of use to HMOs, or extensions to existing HMOs.

The Council are considering the merits of bringing forward Article 4 directions to manage the amount of small HMOs being developed (i.e. those where 3 to 6 people live separately within the same dwelling house).

Proposals may on exception be considered acceptable where:

- V. Effective measures are proposed to minimise noise and other forms of disturbance to neighbouring residential properties;
- VI. Suitable means of storage including refuse, recycling and bicycle storage is provided;
- VII. The proposal would not harm the character of the building or surrounding area;
- VIII. The proposal would not result in unacceptable impact on parking including unacceptable levels of on-street parking;
- IX. The proposal would not result in the creation of sub-standard living conditions.

2.12 As the change from a dwelling house to a small HMO (up to six unrelated people living in the house) does not require planning permission, the impact of these HMOs upon the concentrations cannot be currently fully assessed.

### 3.0 The Concentration of HMOs in the District

3.1 Table 3.6 of the Strategic Housing Market Assessment (2018) shows the profile of the private rented sector in the district including the number of student houses in each sub-area. The 2017 Household Survey indicated that students made up 3% of household types across the district, with the majority being located in South Lancaster close to Lancaster University.

- 3.2 HMOs have been mapped to determine the quantity and spatial distribution. The following data sources have been used to collate the HMOs:
- Council Tax data;
  - The HMO License Register;
  - Data provided by letting and managing agents;
  - Data from letting and managing agent websites.
- 3.3 The accurate identification of the quantity and spatial distribution of HMOs has been problematic due to:
- Permitted development rights which allow the conversion of dwellinghouses (Class C3) to houses of small HMOs (Class C4);
  - Unauthorised development;
  - Licensing only covers HMOs of over 5 persons;
  - Council tax records with student exemptions can be used as an indicative guide only. This information cannot be disclosed to members of the public.
  - Electoral register showing three or more apparently unrelated individuals. It is recognised that will not provide a conclusive evidence that a property is an HMO.
- 3.4 For the purposes of this topic paper, the information will only be made available on a ward and in some cases a street basis.
- 3.5 The information will only be made public by the council on request; in connection with the determination of a current application or appeal and in relation to the 100m radius from the application property. The means of identification will not be made public.
- 3.6 The sources listed above are not conclusive or exhaustive record of all HMOs in the relevant area. There may be existing HMOs which are occupied but unknown to the Council. For example, on 6th April 2010 the Uses Classes Order introduced a class for HMOs to reclassify C3 dwellings to either the new C3 or C4 Classes. The reclassification of existing dwellings to C4 use did not require planning permission and therefore will not be registered on the council's register of planning applications. Planning permission is not currently required to convert from C3 to C4 under permitted development rights. If an Article 4 direction restricting these rights is introduced a more accurate picture of new HMOs will be achievable.
- 3.7 The sources do however provide a reasonable indication of the numbers and location of HMOs.

*HMO Register*

- 3.8 The HMO License Register data provides all the registered HMOs with 5 or more occupants.

Ward	No. of licenses (Nov '19)
Bulk	53
Castle	138
Ellel	9
John O Gaunt	130
Marsh	30
Scotforth East	18
Scotforth West	38
Sketon East	13

*Table 1: HMO Licensed Properties (November 2019)*

- 3.9 The Register shows a concentration of large HMOs in the Lancaster wards of Castle and John O Gaunt and to a lesser degree in Bulk, Scotforth West and Marsh wards.

*Council Tax Data*

- 3.10 Students can apply for a reduction in Council Tax and where all the occupants of a property are students, the property can be registered for a full Council Tax exemption. This data indicates the number of houses used for student accommodation, the primary source of HMOs in the district.

Ward	Number of Student Exemptions
Bulk	295
Castle	532
Ellel	21
John O'Gaunt	392
Marsh	72
Scotforth East	39
Scotforth West	239
Skerton East	40
Skerton West	4
University & Scotforth	79

*Table 2: Properties with student council tax exemptions (November 2019)*

- 3.11 Council tax records show that there are 1,630 properties in Lancaster that are have student exemptions (Council Tax records November 2019). The data highlights that the concentrations are in similar locations to those identified in the HMO register, with additional of a significant number within Scotforth West ward. Of particular note are the wards of Bulk, Castle, John O'Gaunt and Scotforth West.

*Combined Data Sets*

- 3.12 The HMOs identified from all these sources have been plotted and placed into a single data base to avoid double counting. The combined data indicates that there are approximately 2,200 HMOs of all sizes in Lancaster.

Ward	Estimated No. of HMOs	Approx total residential units	Approx % of stock in HMO use
Bulk	386	4,200	9.2%
Castle	625	3,000	20.8%
Galgate (Ellel)	18	1,000	1.8%
John O'Gaunt	519	3,200	7.8%
Marsh	106	2,600	4%
Scotforth East	72	2,000	3.6%
Scotforth West	324	3,200	10%
Skerton East	76	3,200	2.3%
Skerton West	4	4,000	0.1%
University & Scotforth	79	2,000	4%

*Table 3: Combined data sets of HMOs (November 2019)*

- 3.13 When the large HMOs from the HMO Register and Council Tax exempt properties are combined, the concentrations of HMOs reflect those identified through the exempt data. The numbers within Castle ward are particularly high with approximately 20% of the dwellings being identified as HMOs. Bulk and John O'Gaunt and Scotforth West ward also have high levels in the region of 8 to 10%.
- 3.14 The numbers and percentages of identified properties illustrate the high levels of HMOs within the city of Lancaster. These properties are concentrated in particular areas and along terraced streets. The impact of HMOs in these streets is exacerbated due to the density of these areas, the position of the terraced properties either abutting the pavement or with short front gardens and the lack of off-street parking.
- 3.15 In Bulk ward there are high numbers of flats on Cable Street, Kingsway, North Road and St Leonards Gate. There is a high concentration of HMO properties on the terraced streets of Albion, Green, Hinde and Ridge Street and Gladstone Terrace (approx. 46 properties). These properties are within an area of 1.7 hectares. There is also a significant number of purpose built student flats within the Bulk ward.
- 3.16 There are streets which have high concentrations of identified properties in Castle ward. 15 have been identified along Dallas Road (20% of dwellings). Along Blades Street 20 have been identified (approx. 27%). Dallas Road and Blades Street run parallel to each other, creating a high concentration in this small area. There are 19 identified in Regent Street, 11 on Portland Street, 10 in Lindow Square and Street and a further 18 on Queen Street and 10 on Brock Street. These latter streets are located to the southeast of Dallas Road and Queen Street is located slightly further to the east. Other notable concentrations in this ward are King Street, Sibsey Street, St. Georges Quay. There are significant numbers of flats on Damside Street, China Street, Aalborg Street, Queen Street and Penny Street. They are all within a confined area, creating a concentration of large HMOs in this part of Castle

- 3.17 The terraces within John O’Gaunt ward where there are high concentrations of identified properties. There are two particular areas of concentration, the area to the north of Aberdeen Road and the area to the east of Dale Street. There are 84 identified properties between Balmoral/Kirkes Roads, Dundee Street, Dumbarton Street and Aberdeen Road (approx. 4.9 hectares). There are 28 identified properties along Dale Street, all these are within a 200m part of the street. St Oswald Street is located to the south east and includes 20 identified properties. Prospect Street adjacent to Dale Street has 34 identified properties (approx. 34% of properties). There are also high concentrations around the Golgotha and Adelphi Road areas. There are 32 (approx. 37%) identified properties on Coulston Road and 26 (approx. 47%) on Golgotha Road. There are 93 exempt properties within an area of approximately 4 hectares.
- 3.18 There are clusters of exempt properties within terraces in Scotforth West ward. These concentrations are highest in the areas around Greaves, Vine and Graham Roads (29 identified properties), South Road where there are 19 identified properties and in the area around Trafalgar Road and Newisham Place.
- 3.19 In Marsh ward, there is a concentration in the Hubert Street area.
- 3.20 It should be noted that University and Scotforth ward includes Lancaster University campus and HMOs in the residential areas and on campus have not been accurately disseminated.
- 3.20 The above information indicates that there is a trend for large HMOs to be concentrated in particular streets. Such concentrations can be beneficial for the landlord or agent but not for other residents in the street.
- 3.21 There are a number of reasons which may explain this trend:
- The availability of cheaper terraced housing capable of extension and alteration to form HMOs;
  - Accessible location for the city centre and universities;
  - The clustering of HMOs for management and maintenance reasons.

#### 4.0 The Impact of Concentrations of HMOs

- 4.1 HMOs can have a detrimental impact on residential character and community cohesion and high concentrations within a neighbourhood can result in harmful impacts including:
- Seasonal depopulation (where areas are occupied predominantly by students);
  - Divisions between social groups;
  - Lack of interaction;
  - Turnover of occupants;
  - Poor upkeep of houses and gardens;
  - Adverse impact on the affordability of rents;
  - Issues with parking provision and traffic congestion;
  - Difficulties for the owners of remaining C3 dwellings selling their properties.

- 4.2 The increasing demand for student accommodation, has led to an increase in the conversion of family homes to student occupied HMOs. The uneven distribution and concentration puts pressure on housing stock and has resulted in a more intensive use of properties. The transient nature of students has also changed the character of neighbourhoods. The Council's Environmental Health team and the Strategic Housing Market Assessment provides evidence with regard to the impact of HMOs and in particular student accommodation.

### *Complaints*

- 4.3 The Council's Environmental Health team reported that 148 complaints were received between August 2014 and November 2019 with regard HMOs. 54 of these were made in respect of properties in Lancaster. Within the same period 43 Community Protection Notices with regard to anti-social behaviour community protection notices were served on HMOs in the district. As a result of these amenity impacts, it will be less attractive for more permanent residents to live in a community affected by a high concentration of HMOs.
- 4.4 During the last five years (January 2015 to December 2019) approximately 38 applications for HMOs were submitted. These applications relate to either large HMOs or changes of use of buildings other than dwellinghouses (Class C3). This does not include changes of use of dwellinghouses to small HMOs or all the large scale purpose built student accommodation.
- 4.5 Over the same period, approximately 11 planning enforcement complaints in respect of HMOs were received. Some of the complaints related to the change of use to small HMOs which did not require planning permission.

### *Strategic Housing Market Assessment (SHMA)*

- 4.6 The SHMA at page 141 states:
- 'The Strategic Housing Market Assessment Lancaster's student population was just over 13,000 in 2015/16. For 6,700 of these students, accommodation is a part of the offer of a place. Just over 1,000 students (8%) live at home. The remainder of the students find accommodation on Lancaster's market rented sector.'
- 4.7 In 2016 the Lancaster University Annual Report noted the number of students as full time equivalents as 11,986 and in 2018 as 12,960. This is a significant increase in student numbers at just one institution in Lancaster.
- 4.8 Respondents to the 2017 Household Survey commented that student lettings have increased the typical rental charge in South Lancaster. As a result, South Lancaster is no longer affordable for renting on Housing Benefit (the Local Housing Allowance rates are the same across the whole area).

4.9 The Estate Agent review states:

‘The preferred property of choice for students in the market rented sector tends to be larger shared houses near to campus or the centre. Unfortunately, there are few such properties in Lancaster and fewer that are available in these locations. The city’s terraced housing has long been a replacement vehicle for Lancaster’s student population especially in their second year and those choosing to remain in the city post-studies.’

‘Private landlords also report reduced demand for accommodation which they attribute to declining student population and an increase in the number of private landlords operating in Lancaster’s student market.’

4.10 A significant number of new purpose built accommodation buildings have been introduced or are being built. These increase the concentrations of students in some areas in addition to the shared house type HMOs. They also should relieve the pressure for accommodation and new shared house type HMO’s. As the amount of student accommodation has recently increased, now is considered an appropriate time to redress the balance within the housing stock.

5.0 The Means of Controlling HMOs

5.1 To more fully regulate the conversion of dwellinghouses to HMOs and the transformative effects of over-concentration of HMOs upon the local character of neighbourhoods, the Council is introducing policy DM13 in the Development Management DPD. The scope of this policy is however limited as only HMOs with 6 more residents require planning permission.

5.2 An Article 4 Direction would remove the permitted development contained in Schedule 2, Part 3, Class L of the Town and Country Planning (General Permitted Development Order) which allows the change of use of a building from a use falling within Class C3 (dwellinghouses) to a use falling within Class C4 (houses in multiple occupation). When an Article 4 comes into effect, planning permission would be required for the conversion of dwellinghouses to small HMOs (Use Class C4). Once these small HMOs require planning permission and on adoption of the Local Plan, the emerging policy can be used when assessing changes of use and will limit the over concentration of new HMOs.

5.3 An Article 4 Direction will not stop changes of use but will provide a means to control the concentration of HMOs. Article 4 Directions have no control over how a HMO is managed.

5.4 The concentration of HMOs is mainly focused on the wards of Bulk, Castle, John O’Gaunt, Marsh and Scotforth West. However, by restricting the number of additional HMOs in these wards, it is likely that the demand would dissipate outwards. The Council is aware that new housing developments at Luneside and in Galgate have become attractive to HMO landlords. It is therefore important to ensure that new HMOs do not become concentrated in other parts of the district. It is therefore proposed to include all of the Lancaster wards and the parish of Ellel to capture the village of Galgate.

5.5 A copy of a draft Article 4 Direction and a map showing the area under consideration for inclusion is attached at Appendix 1 and 2 respectively.



## 6.0 Consultation

6.1 In preparation for the Article 4 Direction, the Council will undertake informal consultation with the relevant stakeholders. The consultation will seek view in respect of the designation and the extent of the areas proposed to be covered.

6.2 Should the Council decide to move forward and designate an Article 4 direction following the outcome of the consultation, a period of one year will elapse between designation and the Article 4 coming into effect. This is required to ensure that property owners can be made fully informed and not disadvantaged by the change in the need for planning permission. During this time publicity will take place in the form of press and site notices, notices on the Council website and notification to those registered on the planning policy consultation list. Registration is via the Council website on the following page:

<http://www.lancaster.gov.uk/planning/planning-policy/planning-policy-consultations>

## 7.0 Conclusion

7.1 The case for an Article 4 Direction to remove permitted development rights for the conversion of dwellinghouses to HMOs is considered to be justified for the following reasons:

- The areas have significant concentrations of HMOs due to the nature of the housing stock and the proximity to the Universities in Lancaster.
- It is expected that the number of students in Lancaster will continue to increase, it is therefore considered necessary to manage the concentration of HMOs to limit the impacts from further increases in HMO properties in residential area.
- Policy DM13 of the emerging Development Management Development Plan Document seeks to manage the concentration of HMOs to protect amenity. At present this management will only affect large HMOs. To be effective in protecting the amenity of areas, small HMOs (Class C4) need managed.

**Appendix 1 – Draft Article 4 Direction**

Lancaster City Council

Town and Country Planning (General Permitted Development) Order 1995 (as amended)

Direction made under Article 4 (1) to which Article 5 applies

Whereas Lancaster City Council being the appropriate Local Planning Authority within the meaning of article 4(5) of the Town and Country Planning (General Permitted Development) Order 2015 (as amended), is satisfied that it is expedient that development of the description set out in the First Schedule below should not be carried within the area of described in the Second Schedule and shown edged red and hatched on the attached plans, unless permission is granted on an application made under Part III of the Town and Country Planning Act 1990 (as amended).

Now therefore the said Council in pursuance of the power conferred on them by article 4(1) of the Town and Country Planning (General Permitted Development) Order 2015 (as amended), hereby directs that the permission granted by Article 3 of the said Order shall not apply to development of the description set out in the First Schedule below, on land within the area described in the Second Schedule and shown on the attached maps.

First Schedule

Development consisting of a change of use of a building from a use falling within Class C3 (dwellinghouses) of the Schedule of the Town and Country Planning (Use Classes) Order 1987 (as amended), to a use falling within Class C4 (houses in multiple occupation) of that Schedule being development comprised within Class L(b) of Part 3 of the Schedule 2 of the Town and Country Planning (General Permitted development) Order 2015 (as amended) not being development comprised within any other Class.

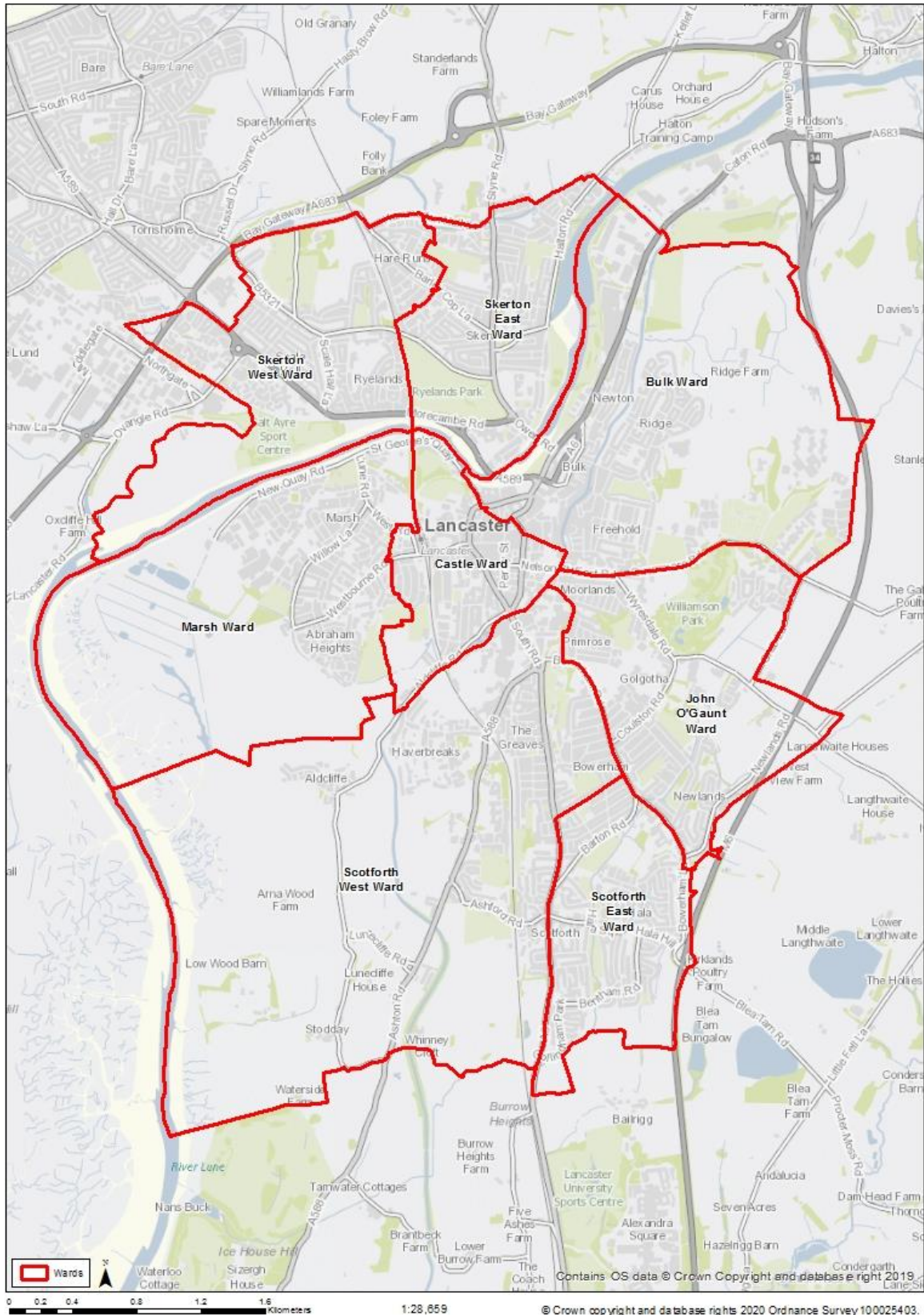
Second Schedule

The land edged in red and shown hatched on the attached plan (being the land comprised within the Lancaster electoral wards of Bulk, Castle, John O’Gaunt, Marsh, Scotforth East, Scotforth West, Skerton East, Skerton West and the village of Galgate in Ellel ward, on the date this Direction was made)

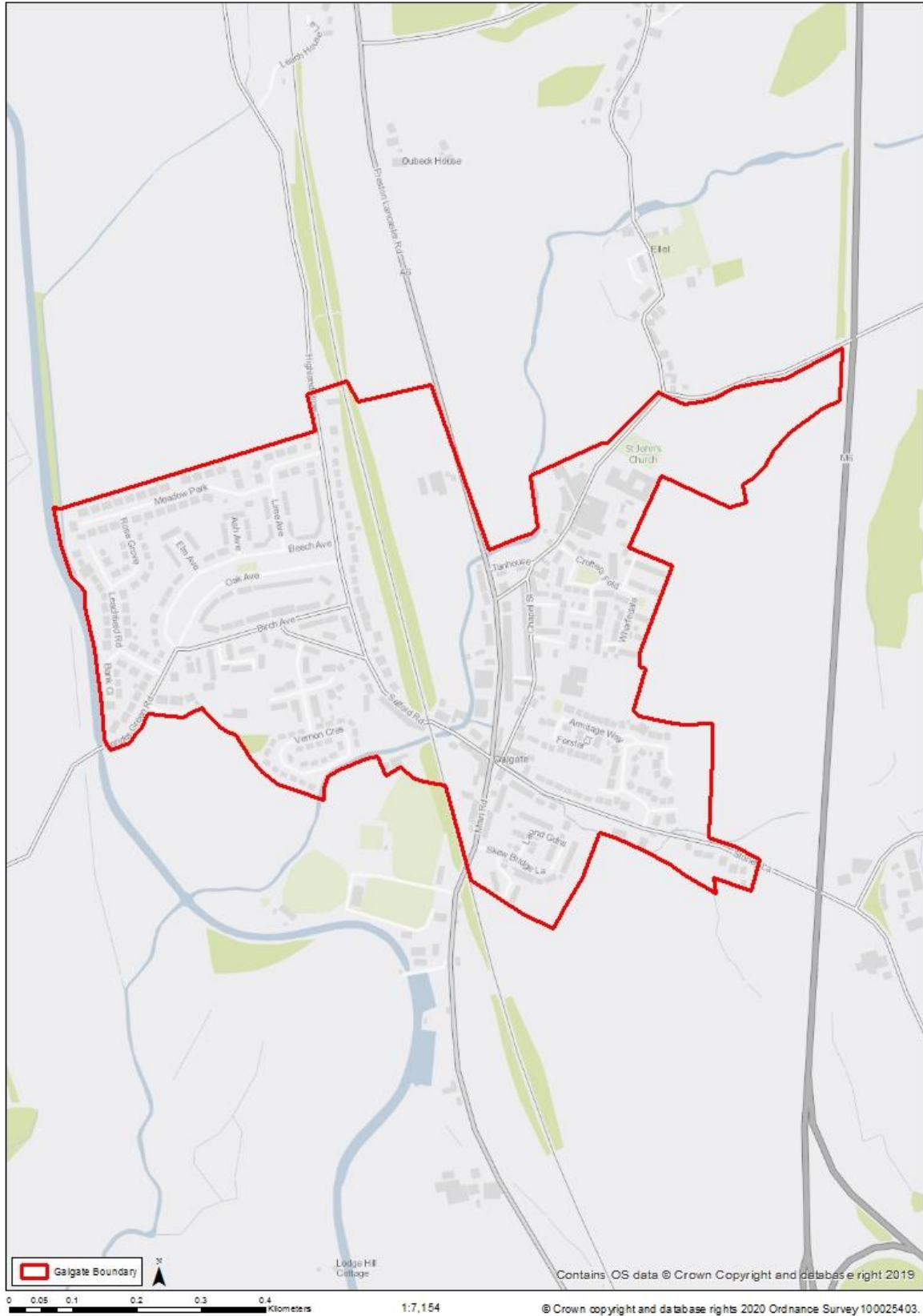
The Article 4 Direction will come into force on ??? (1 year after the made date)

Made under the Common Seal of Lancaster City Council on this // day of ?? 20??

Appendix 2 – Area Under Consideration for Inclusion in the Article 4



Lancaster wards



Galgate

## **Draft Background Paper in Support of the Designation of a Regulation 7 Direction in Lancaster**

This topic paper outlines the authority's reasons for pursuing the designation of a Regulation 7 Direction to control the display of To Let advertisement boards in Lancaster.

### **1.0 Legislative Background**

1.1 To Let boards are classed as a type of advertisement and are regulated by the Local Planning Authority under the Town and Country Planning (Control of Advertisements) (England) Regulations 2007. The boards do not require express consent where they comply with the conditions and limitations of Schedule 3, Part 1, Class 3A. These boards benefit from 'deemed consent'.

1.2 Schedule 3, Part 1, Class 3A states:

An advertisement relating to the sale or letting, for residential, agricultural, industrial or commercial use or for development for such use, of the land or premises on which it is displayed.

- (1) Not more than one advertisement, consisting of a single board or two joined boards, is permitted; and where more than one advertisement is displayed, the first to be displayed shall be taken to be the one permitted.
- (2) No advertisement may be displayed indicating that land or premises have been sold or let, other than by the addition to an existing advertisement of a statement that a sale or letting has been agreed, or that the land or premises have been sold or let, subject to contract.
- (3) The advertisement shall be removed within 14 days after the completion of a sale or the grant of a tenancy.
- (4) No advertisement may exceed in area –
  - a) where the advertisement relates to residential use or development 0.5 square metres or, in the case of two joined boards, 0.6 square metres in aggregate;
  - b) where the advertisement relates to any other use or development, 2 square metres or, in the case of two joined boards, 2.3 square metres in aggregate.
- (5) Where the advertisement is displayed on a building, the maximum projection permitted from the face of the building is 1 metre.
- (6) Illumination is not permitted.
- (7) No character of symbol on the advertisement may be more than 0.75 metre in height, or 0.3 metre in an area of special control.
- (8) No part of the advertisement may be higher above ground level than 4.6 metres, or 3.6 metres in an area of special control or, in the case of a sale or letting of part only of a building, the lowest level of that part of the building on which display is reasonably practicable.

1.3 Where the display of advertisements with deemed consent has a significant adverse impact upon the character and appearance of an area, an authority may seek to remove deemed consent. In order to remove deemed consent under Schedule 3, Part 1, Class 3A local planning authorities may seek a direction from the Secretary of State under Regulation 7 of the Town and Country Planning (Control of Advertisements) (England) Regulation 2007. If

the direction is made by the Secretary of State, it would require express consent to be gained for the display of letting boards in the area controlled.

## **2.0 Planning Policy and Guidance**

- 2.1 The National Planning Policy Framework (NPPF) provides guidance on the control of advertisements. Paragraph 132 states:

“The quality and character of places can suffer when advertisements are poorly sited and designed. A separate consent process within the planning system controls the display of advertisements, which should be operated in a way which is simple, efficient and effective. Advertisement should be subject to control only in the terms of amenity and public safety, taking account of cumulative impacts.”

- 2.2 The National Planning Practice Guidance refers to the process which a local authority may use to restrict deemed consent. It states:

“To do this, it must be clear that one or more of the deemed consent provisions has had such adverse effects on the amenity or public safety of the area that there is no prospect of an improvement in the quality of advertising in the locality, unless the local planning authority are given the power to control that particular type of advertisement”.

- 2.3 Policy DM6 of the adopted Development Management DPD seeks to ensure,

“Advertisements should be well designed and appropriately sited in order to positively contribute to a safe and attractive environment.

The policy includes criteria for schemes, the third of which requires that advertisements should,

“Not contribute to an unsightly proliferation or clutter of signage in the vicinity”.

- 2.4 These above sections of DM6 are proposed to be carried forward into policy DM21 of the emerging Development Management Development Plan Document.

## **3.0 The Case for a Regulation 7**

- 3.1 Areas of Lancaster contain a significant number of Houses in Multiple Occupation (HMO), the many of which are occupied by students with a yearly or biyearly turnaround of occupants. In the most concentrated area, some streets in John O’Gaunt ward have approximately 35% and 45% of the properties as HMOs and in Castle ward, some streets have approximately 20% and 25% HMOs. There are street where HMOs run concurrently. The advertisement boards associated with these HMOs cause a proliferation of signage which when viewed on mass, particularly in areas of terraced housing, adversely affect the visual amenity of the areas character and appearance.

- 3.2 In response to the concentration of HMOs in parts of Lancaster, the council is seeking to policy DM13: Residential Conversions (emerging Development Management Development Plan Document) which will restrict the number of HMOs within a 100m radius to 10% of the houses. The council is also seeking to adopt a Direction under Article 4 of the Town and Country Planning (General Permitted Development) Order which will allow the control of small HMOs (those with 3-6 occupants). To support the Article 4, the council has created a database of HMOs using Council Tax Data, Registered HMOs and information available from

Lancaster University Homes (University accredited homes). It is acknowledged that there are limitations in using Student Council Tax exemptions as not all properties will be HMOs and not all HMOs will be occupied by students. The database however, provide a good reflection of the concentrations of HMOs in Lancaster.

- 3.3 The database highlights the concentration of HMOs within wards and streets within Lancaster. The tables below illustrate the concentrations of HMOs within Lancaster.

Ward	Estimated No. of HMOs	Approx total residential units	Approx % of stock in HMO use
Bulk	386	4,200	9.2%
Castle	625	3,000	20.8%
Galgate (Ellel)	18	1,000	1.8%
John O'Gaunt	519	3,200	7.8%
Marsh	106	2,600	4%
Scotforth East	72	2,000	3.6%
Scotforth West	324	3,200	10%
Skerton East	76	3,200	2.3%
Skerton West	4	4,000	0.1%
University & Scotforth	79	2,000	4%

*Table 1: Combined data sets of HMOs (November 2019) (Exempt Council Tax properties and HMO Register)*

- 3.4 A survey of 'To Let' boards was carried out on 18<sup>th</sup> November 2019. The table below illustrates the number of advertisements displayed on a selection of streets in Lancaster.

Street	No. of Adverts Displayed
Aberdeen Road	8
Balmoral Road	12
Blades Street	12
Bowerham Terrace	6
Bradshaw Street	3
Clarence Street	8
Dale Street	20
Dumbarton Road	4
Dundee Street	3
Eastham Street	4
Hope Street	5
Perth Street	4
Primrose Street	7
Prospect Street	24
South Road	16 (4 properties had more than 1 advert)
Stirling Road	6
St Oswald Terrace	13

*Table 2: Survey of To Let Boards*

- 3.5 The table 2, illustrates the number of 'To Let' boards being displayed. The number displayed along Dale Street and Prospect Street are particularly high. While the numbers are lower on

some of the other streets surveyed, these streets are shorter and as they consist mainly of terraced houses, fronting directly onto the road, the visual impact arising from the clutter is harmful to the character and appearance of these street.

- 3.6 Appendix 1 includes photographs of streets in the John O'Gaunt ward. These photographs only show the impact of 'To Let' boards within a single ward. The photographs illustrate the proliferation and clustering of boards.
- 3.7 Table 1 shows the number of HMOs in wards in Lancaster. There are high concentrations of HMOs in the following terraced street (this list indicates examples only and is not exhaustive):
- Albion, Green, Hinde and Ridge Street and Gladstone Terrace - approx. 46 HMOs
  - Dallas Road - 15 HMOs or approx. 20% of dwellings.
  - Blades Street - 20 HMOs or approx. 27%. Dallas Road. Blades Street run parallel to each other, creating a high concentration in this small area.
  - Regent Street - 19 HMOs.
  - Portland Street - 11 HMOs.
  - Queen Street - 18 HMOs.
  - Greaves, Vine and Graham Roads – 29 HMOs.
  - South Road – 19 HMOs.
  - Dale Street – 28 HMOs.
  - Prospect Street – 34 HMOs
  - Coulston Road – 32 HMOs or approx. 37%.
- 3.8 Table 1 and the above list of examples streets, shows the potential number of HMOs which may display advertisement boards when they are available for rent. It is acknowledged that all the HMOs are unlikely to be available for let and display boards at the same time.
- 3.8 The greatest concentrations of HMOs and the locations of the highest concentrations of To Let Boards are the wards of Bulk, Castle, John O'Gaunt and Scotforth West. It is proposed that the Regulation 7 Direction is designated for these wards. Appendix 2 indicates the areas being considered for the Regulation 7 Direction.
- 3.9 To Let Boards are displayed over a prolonged period between the student summer holiday and Christmas. While the Advertisement Regulations require that boards are removed 14 days after a tenancy is let, enforcing this is complex. Student accommodation can be advertised for let a year prior to a new student contract, while they are occupied by the previous year's students. In some cases, rooms within a properties may be let on differing tenancies. While each property may not be advertised every year, the number and concentration of HMOs in these areas is such that a significant number of boards are displayed each year. The To Let Boards do not are have only a short term impact.

## **4.0 Consultation**

- 4.1 In preparation for the submission of an application for a Regulation 7 Direction, the council will undertake informal consultation with the relevant stakeholders. The consultation will seek views in respect of the designation of a Regulation 7 Direction and the extent of the areas proposed to be controlled.



**5.0 Conclusion**

5.1 The case for a Regulation 7 Direction is considered to be justified for the wards of Bulk, Castle, John O'Gaunt and Scotforth West for the following reasons:

- The areas have a significant concentration of HMOs due to the nature of the housing stock and the proximity to the Universities in Lancaster. Due to the turnover of occupants in these areas, particularly the student population, there is a significant proliferation of To Let boards.
- The proliferation and clutter arising from the display of 'To Let' boards have a negative impact on the local character of the areas. The cumulative impact has a harmful effect upon amenity contrary to the aims of the NPPF.
- A Regulation 7 Direction will prevent the proliferation of 'To Let' boards in these area and have a positive impact on the councils ability to control advertisements and ensure that the character and appearance of areas is protected.

**Appendix 1 - Photographs of Signs within John O'Gaunt Ward  
(Examples)**



Bowerham Terrace



Clarence Street (check)



Dale Street



Dale Street



Dale Street



Dumbarton Road



Dundee Street



Kirkes Road



Primrose Street



Primrose Street



Prospect Street



Prospect Street



Prospect Street



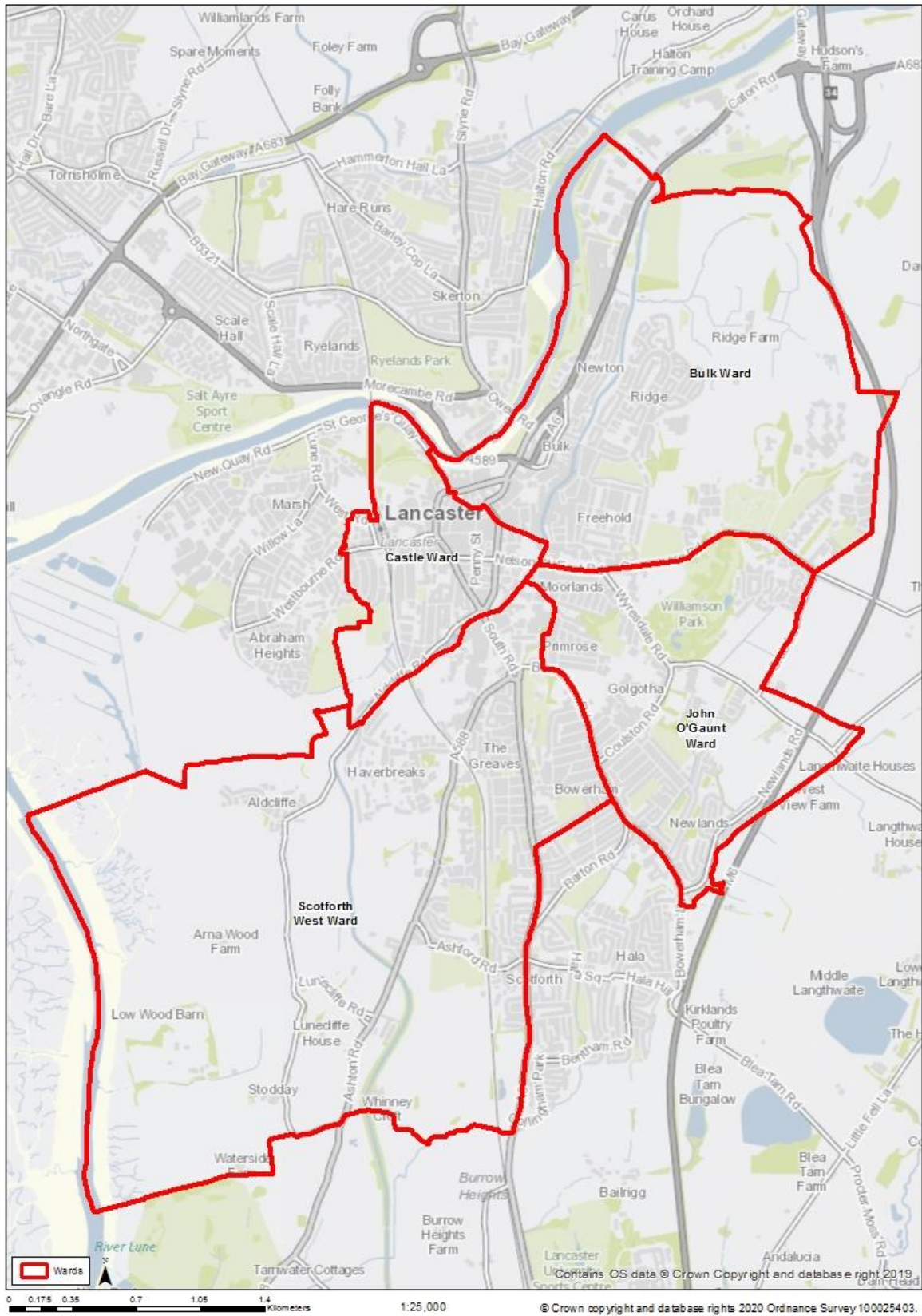
South Road





St. Oswald Street

### Appendix 2 – Map of areas considered for a Regulation 7 Direction



# A Local Plan for Lancaster District

## 2011-2031

Residential Conversions and Houses in Multiple Occupation  
Supplementary Planning Document  
Consultation Draft

December 2019



LANCASTER  
CITY COUNCIL

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## 1. Introduction

- 1.1 The Lancaster University and the University of Cumbria have grown in recent years. While a significant number of students live in purpose-built accommodation, a large number live in shared student houses that are concentrated in certain parts of the Lancaster City. There are also concentrations of HMOs, some of which provide a poor level of accommodation, in the West End of Morecambe. These concentrations adversely affect the character of local communities and neighbourhoods. This arises from seasonal depopulation, divisions between social groups and lack of interaction, turnover of occupants, poor upkeep and an impact on the affordability of rented properties. To address these imbalances, Policy DM13: Residential Conversion, of the Development Management Development Plan Document (DMDPD), provides criteria for assessing applications for new HMO's. The Council is also considering the designation of Article 4 areas to remove permitted development rights for conversion.
- 1.2 This Supplementary Planning Guidance (SPD) has been published to aid property owners, planning applicants and planning officers in preparing and determining planning applications in relation to Houses in Multiple Occupation (HMOs). It sets out how Policy DM13 will be implemented. It details how the Council will apply this policy to planning applications for HMO's. On adoption the SPD will be accorded significant weight as a material planning consideration in the determination of such applications.

## 2. What Is A House In Multiple Occupation

- 2.1 HMO's are shared houses or flats occupied by a group of unrelated people who share some, but not necessarily all, basic facilities such as a toilet, bath/shower room and cooking facilities. In planning terms there are two types of HMO:
- Small HMO - shared houses/flats of between three to six people who do not form a single household. These HMO's fall within Use Class C4 of the Town and Country Planning (Use Classes Order). They have the same meaning as in section 254 of the Housing Act 2004, with the exception of section 257 which applies to converted blocks flats (and those buildings listed in schedule 14 of the Act).
  - Larger HMO - shared houses/flats with more than six occupants. These HMO's do not fall within any specific planning use class, therefore fall within the Sui Generis category.
- 2.2 To be classified as an HMO. The property does not need to have been modified in any way.
- 2.3 HMOs also apply to houses or flats where the landlord lives and take in lodgers. A live in landlord can take in two 'non family' members before the property is classified as an HMO.
- 2.4 The definition includes bedsits.
- 2.5 The definition includes purpose built and houses/buildings converted into shared flats (e.g. student accommodation).
- 2.6 A household is either a single person or members of the same family who live together. A family includes people who are:
- married or living together - including people in same-sex relationships;
  - relatives or half-relatives, for example grandparents, aunts, uncles, siblings;
  - step-parents and step-children.
- 2.7 The reference to small and large HMO's differs from the Licensing terms, where HMO's are referred to as large HMO if there are at least 5 occupants. For information with regard to Licensing please see section 8.

### 3. The Aim Of The SPD

- 3.1 The aims of the SPD are:
- a. To inform those who intend to convert / use their existing property for multiple occupation about the Council's requirements and standards for houses in multiple occupation.
  - b. To manage the future development of HMOs to ensure such developments will not lead to or increase existing over-concentrations of HMOs which are considered harmful to local communities, and meet housing need ensuring mixed and balanced communities.

### 4. Planning Policy

- 4.1 Policy DM1: New Residential Development and Meeting Housing Needs, seeks to promote balanced communities and meet evidenced housing need. The Strategic Housing Market Assessment (Part II) undertook a stakeholder survey. The responses are summarised at Appendix E of that document. Respondents noted, 'that student lettings have increased the typical rental charge in South Lancaster. As a result, South Lancaster is no longer affordable for renting on Housing Benefit (the Local Housing Allowance rates are the same across the whole area) (paragraph E.14). The poor quality of some private rented accommodation in Morecambe is also noted.
- 4.2 There has recently been a significant increase in the amount of purpose built student accommodation within Lancaster. This will reduce the pressure upon and need for the conversion of houses into student HMOs. There is therefore the opportunity to seek to address, or at least, halt the increase in the concentration of HMO's in parts of Lancaster City.
- 4.3 In order to control the proliferation of HMO's the Council is intending to designate Article 4 Areas in Lancaster to ensure that conversion of small HMO's and an increase in the number of residents require planning permission. Designation of an Article 4 Area in Morecambe will also be explored.
- 4.4 Policy DM13 forms the basis for this intervention and sets out thresholds for appropriate concentration of HMOs. Where there is a concentration of more than 10% of HMOs within a 100m radius, new HMOs will not be permitted.

#### *Policy DM13: Residential Conversions*

Proposals that involve residential conversions must meet the following criteria:

- I. Provide accommodation that will address local housing needs and imbalances in the local housing market;
- II. Contribute towards the provision of affordable housing in accordance with Policy DM3, DM6 and the relevant policies of the Arnside & Silverdale AONB DPD;
- III. Not result in a significant detrimental impact on the amenity of nearby residents and the character and appearance of the street scene; and
- IV. Satisfy all other relevant planning policy, including the requirements of Appendix H where appropriate.

#### *Houses of Multiple Occupation (HMOs)*

The City Council considers the importance of maintaining an appropriate housing mix and safeguarding the character of residential areas to be an important priorities. In doing so,

the Council have adopted an approach of a general presumption against new housing in multiple occupation within the district. Proposals which would lead to a concentration of more than 10% of houses being classed as HMOs of the total housing stock within a 100m radius will not be considered acceptable. This includes proposals for changes of use to HMOs, or extensions to existing HMOs.

The Council are considering the merits of bringing forward Article 4 directions to manage the amount of small HMOs being developed (i.e. those where 3 to 6 people live separately within the same dwelling house).

Proposals may on exception be considered acceptable where:

V. Effective measures are proposed to minimise noise and other forms of disturbance to neighbouring residential properties;

VI. Suitable means of storage including refuse, recycling and bicycle storage is provided;

VII. The proposal would not harm the character of the building or surrounding area;

VIII. The proposal would not result in unacceptable impact on parking including unacceptable levels of on-street parking;

IX. The proposal would not result in the creation of sub-standard living conditions.

## 5. Article 4 Areas

- 5.1 The Council is considering the designation of Articles 4 areas in Lancaster and Morecambe to control the proliferation of HMOs. An Article 4 Direction is made by a planning authority under Article 4 of the Town and Country Planning (General Permitted Development) Order 2015. It restricts the scope of permitted development rights either in relation to a particular area or site, or a particular type of development anywhere in an authority's area.
- 5.2 Article 4 directions are used to remove national permitted development rights where it is necessary to protect local amenity or the well-being of an area. An Article 4 does not prevent the development to which it applies, but it instead requires that planning permission is first obtained from the Council for that development.
- 5.3 Permitted development is contained in Schedule 2 of the Town and Country Planning (General Permitted Development Order) (England) (2015) as amended. This is arranged in Classes which set out development which does not require planning permission. The Classes of development restricted by the Article 4 Direction are set out below. The restrictions relate to the conversion of dwellings to HMOs.

### Part 3 Changes of Use

#### Class L – small HMOs to dwelling houses and vice versa

L. Development consisting of a change of use of a building –

(b) from a use falling within Class C3 (dwellinghouses) of Schedule to the Use Classes Order, to a use falling within Class C4 (houses in multiple occupation) of that Schedule.

## 6. When is Planning Permission Required?

6.1 Planning permission is required for following:

- The conversion of a dwellinghouse into a large HMO (shared house of 6 or more persons);
- The conversion of a non-domestic building into a HMO, this includes small HMOs (of 3-6 persons who do not form a single household) and large HMOs.
- Should an Article 4 come into force, planning permission will be required for the conversion of a dwellinghouse (Class C3) into a small HMO (Class C4).

6.2 For details with regard to the progress of the Article 4 and the date it will come into force, please see the Lancaster City Council Website or contact the Planning and Places Service directly.

## 7. How Will Applications For HMO Use Be Determined

7.1 Paragraph 127 of the National Planning Policy Framework (NPPF) states that planning policies and decisions should ensure that developments, 'will function well and add to the overall quality of the area' and 'create places that are safe, inclusive and accessible and which promote health and well-being, with a high standard of amenity for existing and future users'.

7.2 In order to do this, policies DM13, DM29 and DM30 provide a criteria which will be used when assessing HMO applications. The Local Plan includes a range of other policies which may be relevant to specific proposals and should be taken into account.

### ***Balance of HMOs within a community***

7.3 In accordance with policy DM13, the Council will seek to refuse planning applications for HMO uses where a community is already imbalanced by existing HMO uses or where granting planning permission would create an imbalance.

7.4 A community will be considered imbalanced where:

- More than 10% of residential properties within a 100m radius of the area surrounding the application property are already in HMO use.

7.5 A proposal will be considered to create an imbalance where:

- Granting planning permission would tip the ratio of HMOs to dwellinghouses (Class C3) within a 100m radius of the application property over the 10% threshold.

7.6 Where planning permission is sought to change the use of a small HMO (Class C4) to a large HMO (Sui Generis Use) or to extend a HMO, the Council will refuse planning permission, in areas where the concentration of HMOs already exceed the 10% threshold.

7.7 The methodology for determining the concentration of HMOs within the 100m radius of an application site is included in Appendix A of this SPD. The information will only be made public by the council on request; in connection with the determination of a current application or appeal and in relation to the 100m radius from the application property. The means of identification will not be made public.

7.8 Exceptional circumstances may include where the concentration of HMOs within the 100m radius is such that the retention of remaining buildings will have little effect on the balance and mix of households. In these circumstances it is recognised that some owner occupiers or long term residents in the situation described above, being the last remaining residential property and wanting to leave the street, may struggle to sell their property for continued C3 use.



***Living conditions***

- 7.9 The Council will seek to ensure that new HMOs of all sizes provide a good standard of living and amenity for occupiers. Accommodation must be provided with an appropriate level of outlook and natural daylight.
- 7.10 The accommodation, internal layout, measurements of the HMO and associated access and storage must meet the standards within Appendix B of this SPD.
- 7.11 Applications should include a full set of floor plans which identify whether rooms are single or double, and the layouts of furniture including sanitary ware.
- 7.12 Proposals should include measures to reduce energy consumption, carbon emissions and water consumption. Measures such as insulation, energy efficient and low carbon appliances and renewable energy technologies such as heat pumps and solar panels are encouraged.

***Amenity of neighbours and local occupiers***

- 7.13 In accordance with policy DM13, new HMOs must not have a significant detrimental impact on the amenity of nearby residents and the character and appearance of the street scene. Issues which will be taken in to consideration include:
- Noise and disturbance;
  - The adequacy and location of refuge, recycling and bicycle storage;
  - The impact on the character of the building and the surrounding area;
  - The impact on car parking and congestion on the surrounding streets;
  - The intensity of the use of the property.
- 7.14 It should be noted that, new HMOs are not be automatically acceptable in locations where they form less than 10% of property types within a 100m radius. The above issues will be used to determine the impact of a new HMO in these locations. Where there is a high localised concentration or where a dwellinghouse would be sandwiched between HMOs, the impact of existing residents are likely to be adversely affected and the application refused.

**8. To Let Boards**

- 8.1 Lancaster City has many areas that contain good historic architecture, including large areas of highest quality which are designated as conservations area and listed buildings. In some areas, the proliferation of To Let Boards causes significant adverse impacts to the historic character and appearance. The Council is considering the introduction of a Regulation 7 Direction, under the Town and Country Planning (Control of Advertisements) (England) Regulations 2007, to control the proliferation of 'To Let' boards.
- 8.2 Agents are encouraged to minimize the number and timescale that 'To Let' boards are displayed. An agent should not display signs on adjoining properties and they should be removed as soon as the property is let. Agents are encouraged not to display signs during June, July and August when the number of students fall. Agents should also look at ways to minimize the impact of 'To Let' boards by displaying them in windows or flat against walls rather than as flag or 'T' mounted signs. Displays should be limited to one sign and only located on the front of a property.

**9. Making a Planning Application**

- 9.1 Advice on how to make a planning application can be found on the Councils website or by seeking pre-application advice. Further information can be found using the following link:

<http://www.lancaster.gov.uk/planning>

## **10. Licensing**

10.1 Licensing is a separate consenting regime. A license is required for HMOs in Lancaster district for properties that meet all the following criteria:

- Has 5 or more unrelated people living in it
- Has 2 or more separate households living there

10.2 Licensing also applies to block of purpose-built flats where there are up to two flats in the block and one or both are occupied as an HMO.

10.3 The Lancaster website includes details with regard to the application process, standards and frequently asked questions:

<http://www.lancaster.gov.uk/housing/private-rented-accommodation/houses-in-multiple-occupation-hmo>

## Appendix A – Determining The Concentration of HMOs

The following outlines the methodology for determining the concentration of HMOs within an area.

Where an application property is a house, an area with a radius of 100 metres, from the mid-point of the application property frontage will be identified.

- A property’s frontage comprises the width of the application building as it faces directly onto the street and generally includes the entrance to the property. A street is defined in this context as any highway (including footpath) or public area which contains a property’s frontage. Where a property does not front onto a highway or public area, the main external entrance door will be used as the point from which the radius will be taken.
- Where the property is a flat or other building (e.g. commercial or vacant building) – an area with a radius of 100 metres will be identified from the mid-point of the main external entrance door to the flat.

*Figure 1 - Houses – identifying the 100m radius around the application property*

*(Figure 1 is indicative and does not identify actual HMOs)*



- Application property
- Identified Area - 100m radius around the property
- 100m radius
- HMOs

Figure 2 – Flat or other building – identifying the 100m radius around the application property

(Figure 2 is indicative and does not identify actual HMOs)



- |   |                      |   |   |
|---|----------------------|---|---|
| ● | Application property | ○ | Identified Area - 100m radius around the property |
| — | 100m radius          | ● | HMOs  |

The number of dwellinghouses (Class C3) and HMOs will be determined by:

- Counting the number of whole or part residential properties within identified area (including where any part of the property boundary/curtilage, gardens and associated land around the building, falls within the identified area)
- Counting the number total number of residential properties within the identified area;
- Determining the number of HMOs in the identified area by checking against the Councils HMO mapping;
- Where the 100m radius captures any part of a building containing residential flats, all the properties within the building will be included in the count.

HMOs will be mapped by the Council on a yearly basis. This map will be used to determine the properties in HMO use.

The properties in HMO use will be identified by:

- All properties on the Councils HMO register;
- All properties exempt from Council Tax on the basis of student occupation;
- All properties which have extant planning permission for a small HMO (Class C4) or large HMO (Sui Generis HMO) regardless of whether they are in use at the time;
- All properties which have an extant planning permission for a mixed dwelling house (Class C3) and small HMO (Class C4) regardless of whether they are in use at the time.

**Calculation**

Figure 1 shows that the total number of residential properties in the Identified Area is 372

The HMO mapping shows that there are 45 HMOs within the Identified Area.

The number of HMOs will be calculated as a % of the total number of all properties in the Identified Area:

$$100(\%) / 372(\text{total number of residential properties}) \times 45 (\text{number of HMOs})$$

The % of HMOs in the Identified Area in this case will be 12%

In the above scenario, the application will be refused in accordance with policy DM13.

The Council acknowledges that it may not have captured all of the HMOs in an area and will therefore continue to review the mapping and seek to capture further knowledge about the way in which properties are being occupied.

Those wishing to confirm the existing lawful use of a property should not rely on the mapping as evidence. The mapping has no legal weight and does not confer that that appropriate permissions and consents are in place. If you wish to establish whether planning permission is in place for the HMO you should submit an application for a Certificate of Lawful Use. Details are available on the Government website:

<https://www.gov.uk/guidance/lawful-development-certificates>

## Appendix B – Standards for HMOs

These criteria have been prepared to ensure that appropriate standards are adopted for HMO accommodation.

The minimum space standards set out below will be applied as appropriate, with some areas excluded from the calculations (e.g. areas with limited headroom under 1.5m from the finished floor level, alcoves etc).

Each unit of accommodation shall normally comprise no more than six bedrooms.

### *Bedrooms:*

Bedrooms must be a minimum of 9sqm without an en-suite, or minimum of 11sqm with an en-suite.

All bedrooms must demonstrate on plan that the following can be accommodated:

- Bed (minimum size 2m by 0.9m);
- Desk and chair;
- Wardrobe;
- Chest of drawers (minimum 0.8m wide); and
- Adequate circulation space.

Bedrooms should accommodate no more than one resident. If the proposal is for accommodation to serve a couple (i.e. postgraduate couple) the minimum space standards for a single bedroom would not apply as additional space would be required.

Such bedrooms must demonstrate on plan that the following can be accommodated:

- Double bed (minimum size of 2m by 1.5m);
- En-suite (minimum 2sqm);
- 2 desks with a chair each;
- 2 Wardrobes;
- 2 Chests of drawers (each with a minimum width of 0.8m);
- Small sitting area for 2 people incorporating 2 'easy' chairs; and
- Adequate circulation space.

### *Kitchens:*

Kitchens and kitchen / diners must not serve more than six residents. A kitchen and dining area must be provided in each unit of accommodation. If the kitchen and dining areas are to be provided in separate rooms, they should be situated on the same floor as each other (i.e. not separated by changes in levels).

All kitchens must demonstrate on plan that the following can be accommodated:

- Sink;
- Cooker with oven, grill, four hobs and extractor;
- Full height fridge/freezer – one for every three residents;
- Two cupboards per resident (minimum 0.6m wide);
- Adequate work surface for the number of residents; and
- Adequate circulation space.

All dining areas must demonstrate on plan that the following can be accommodated:

- Dining table of an adequate size to accommodate all residents at one sitting; and
- Chairs (one per resident).

If a separate living room is to be provided in addition to the kitchen and dining areas, or as part of these areas, then appropriate space standards should be applied (i.e. if separate, it should be demonstrated that appropriate levels of comfortable seating can be provided to accommodate all residents at one time, if combined then the minimum standards set out above should be increased accordingly). Living rooms should be designed to accommodate no more than 6 people to prevent their size becoming unmanageable in terms of attracting anti-social behaviour.

### *Bathrooms:*

Bathrooms must be a minimum of 3.7sqm.

All bathrooms must demonstrate on plan that the following can be accommodated:

- Bath and/or shower;
- WC;
- Wash hand basin (should be of an adequate size for personal hygiene purposes including personal washing, cleaning of teeth and shaving);
- Circulation space to allow for changing; and
- Hanging / temporary storage facilities for towels, clothes and toiletries.

There must be at least one bathroom for every three bedrooms. Where possible, a bathroom should be provided on each floor where a bedroom is proposed /exists. Each bathroom must be accessible from a common area (i.e. corridor or hall) and if served by a window the glazing should be obscured.

### *Amenity:*

All living spaces (kitchens, kitchen/diners, dining rooms, living rooms and bedrooms) must have an adequate level of natural light and adequate outlook (i.e. clear glazed windows with the lowest part of the glazing set at a height no greater than 1.5m from the finished floor level with a separation distance of at least 12m between the window and any wall or structure opposite (or at least 21m if facing windows serving a habitable room).

Therefore it is very unlikely that living spaces within basements or lower ground floors will be supported.

### *Other Issues:*

#### *Cycle Storage*

Cycle storage should be easily accessible from the street (i.e. if steps/stairs form part of the access they should be easy to negotiate) and ideally should be an integral part of the building. If no rooms are available within the building that meets these requirements then a secured and fully covered storage facility must be provided within a secured external area within the curtilage of the building without having an adverse impact on the street scene). One cycle space should be provided per resident.

#### *Refuse Storage*

Provision must be made for refuse storage containers to be located on an area of external hard standing with suitable access from the internal space and to the street, without having an adverse impact on the street scene (i.e. discreetly screened). Where no external space is available within the building's curtilage the provision should be made within the building, subject to meeting fire and building regulations and again easy access can be provided to the street for refuse collections (i.e. if

steps/stairs form part of the access they should be easy to negotiate).

### *Access and Security*

Future residents should feel safe accessing the building and feel safe when residing within it. Therefore access to each self-contained unit should be via a single front door into a common area (i.e. a corridor or hall). All main access points from the street must be secured with appropriate levels of security including lighting, natural surveillance, locks and potentially CCTV.

### Nationally Described Space Standards

The 'Standards for Houses In Multiple Occupation' provides guidance on the requirements for amenity, including heating, washing and toilet facilities, kitchens, standards for repair, management and equipment. The standards also include minimum floor spaces for specific rooms. Where a HMO results from the conversion of a building which is not currently a single dwelling, they will also need to accord with the gross internal floor areas defined in the Nationally Described Space Standards.



## **Appendix C – Monitoring**

The HMO data base and mapping will be updated yearly using Council Tax exemption data and planning permission for new HMOs.

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By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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