



Uttlesford District Council

Chief Executive: Dawn French

Scrutiny Committee

Date: Tuesday, 25th September, 2018

Time: 7.30 pm

Venue: Committee Room - Council Offices, London Road, Saffron Walden,
Essex CB11 4ER

Chairman: Councillor A Dean

Members: Councillors H Asker, G Barker (Vice-Chair), R Chambers, J Davey,
P Davies, S Harris, G LeCount, M Lemon, B Light and E Oliver

Substitutes: Councillors A Gerard, A Mills, G Sell and L Wells

Public Speaking

At the start of the meeting there will be an opportunity of up to 15 minutes for members of the public to ask questions and make statements subject to having given notice by 12 noon two working days before the meeting. A time limit of 3 minutes is allowed for each speaker. Please refer to further information overleaf.

AGENDA PART 1

Open to Public and Press

1 Apologies for Absence and Declarations of Interest

To receive any apologies for absence and declarations of interest.

2 Minutes of the Previous Meeting

5 - 6

To consider the minutes of the previous meeting.

3 Responses of the Executive to reports of the Committee

To consider any responses of the Executive to reports of the Committee.

4 Consideration of any matter referred to the Committee in relation to call in of a decision

To consider any matter referred for call in.

5 Invited reports from the Executive

To consider any invited reports from the Executive.

6 Cabinet Forward Plan 7 - 12

To receive the updated Cabinet Forward Plan.

7 Scrutiny Work Programme 2018-19 13 - 20

To receive the Scrutiny Work Programme for 2018-19.

8 Street Services update 21 - 28

To receive an update from Street Services including the waste education action plan.

9 Centre for Public Scrutiny - Action Plan 29 - 36

To consider the action plan proposed by the Centre for Public Scrutiny.

10 Affordable Housing Scrutiny report 37 - 72

To consider the report on Affordable Housing in the Proposed Garden Communities.

11 Investment Strategy 73 - 80

To receive the Investment Strategy report.

MEETINGS AND THE PUBLIC

Members of the public are welcome to attend any of the Council's Cabinet or Committee meetings and listen to the debate. All agendas, reports and minutes can be viewed on the Council's website www.uttlesford.gov.uk. For background papers in relation to this meeting please contact committee@uttlesford.gov.uk or phone 01799 510548/369.

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The agenda is split into two parts. Most of the business is dealt with in Part I which is open to the public. Part II includes items which may be discussed in the absence of the press or public, as they deal with information which is personal or sensitive for some other reason. You will be asked to leave the meeting before Part II items are discussed.

Agenda and Minutes are available in alternative formats and/or languages. For more information please call 01799 510510.

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**SCRUTINY COMMITTEE held at COMMITTEE ROOM - COUNCIL OFFICES,
LONDON ROAD, SAFFRON WALDEN, ESSEX CB11 4ER, on MONDAY, 18
JUNE 2018 at 7.30 pm**

Present: Councillor A Dean (Chairman)
Councillors G Barker, R Chambers, J Davey, S Harris,
G LeCount, M Lemon and B Light

Officers in attendance: R Auty (Assistant Director - Corporate Services) and B Ferguson
(Democratic Services Officer)

SC1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors Asker, S Barker and Oliver.

SC2 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 1 May 2018 were signed and approved as a correct record.

SC3 RESPONSES OF THE EXECUTIVE TO REPORTS OF THE COMMITTEE

The Chairman said whilst there had been no formal reports that warranted a response, Cabinet had agreed with the decision of the previous Scrutiny Committee regarding the Centre for Public Scrutiny review. He said a report would be brought to the Scrutiny Committee in the near future.

SC4 CABINET FORWARD PLAN

The updated Cabinet Forward Plan was noted.

SC5 SCRUTINY WORK PROGRAMME 2018-19

The Chairman said the agenda for the Scrutiny meeting scheduled for the 25 September was particularly busy. He said an additional meeting on 1 October may be required.

SC6 AFFORDABLE HOUSING - UPDATE FOR INFORMATION

The Chairman updated Members on the progress of the Affordable Housing Discussion Group. He said the Group had met twice since the last Scrutiny Committee meeting, and another meeting would be scheduled before the end of

July. A report would be brought back to the Committee informed by the discussion between Members and Officers.

Councillor Barker said he knew of a Community Led Housing Fund scheme that was being reported on by Essex County Council. He said the report outlined various affordable housing models, as well as mechanisms by which local authorities could protect housing stock from Right to Buy.

The Chairman agreed that a link to the Executive Summary of the report should be provided in the minutes <https://www.uttlesford.gov.uk/community-led-housing>.

In response to a question from Councillor Light, the Chairman said he would ask Housing Officers whether there was any way to protect the Council's current housing stock by retrospectively applying mechanisms that prevent Right to Buy.

SC7

LOCAL COUNCIL TAX SUPPORT PROPOSALS 2019/20

Members considered the report on LCTS proposals for 2019/20.

The Assistant Director – Corporate Services provided clarification regarding the proposed change. The proposed 100% increase to the empty homes premium would double the council tax on any property that had not been occupied for two years or more; it was not, as the Committee had initially understood, negating a 50% discount.

RESOLVED to approve the following draft proposals:

- i. The 2019/20 LCTS scheme is set on the same basis as the 2018/19 scheme and therefore the contribution rate is frozen for the fifth consecutive year.
- ii. The Council continues to protect Vulnerable and Disabled Residents and Carers on a low income.
- iii. The empty homes premium is increased from 50% to 100% after 2 years of non-occupancy.

The meeting ended at 7.55pm.

UTTLESFORD DISTRICT COUNCIL CABINET FORWARD PLAN

Item	Decision Maker	Date	Brief information about the item and details of documents submitted for consideration	Key Decision?	Part 2?	Portfolio Holder	Contact officer from where the documents can be obtained
Qtr. 1 Actuals and Forecast Outturn 2018/19	Cabinet	16 October 2018	To present the predicted budget spend for Quarter 1 2018/19 (April – June)			Cllr Howell	Angela Knight – Assistant Director Resources
Houses in Multiple Occupation Amenity Standards	Cabinet	16 October 2018	New council guidance for amenity standards for Houses in Multiple Occupation that require Mandatory Licensing	No		Cllr Susan Barker	Roz Millership – Assistant Director – Housing, Health and Communities
Corporate Plan Delivery Plan Progress report Q 2	Cabinet	16 October 2018		No	No	Cllr Rolfe	Dawn French – Chief Executive
Officer Decisions under Delegated Powers – Write offs	Cabinet	16 October	To update members on the value of the annual write offs relating to income collections and debt recovery			Cllr Howell	Angela Knight – Assistant Director Resources
Local Development Scheme	Cabinet	16 October	The Local Development Scheme sets the timetable for the production of the Local			Cllr Barker	Stephen Miles – Planning Policy Team Leader

Item	Decision Maker	Date	Brief information about the item and details of documents submitted for consideration	Key Decision?	Part 2?	Portfolio Holder	Contact officer from where the documents can be obtained
			Plan and other planning policy documents. The timetable is being updated prior to submission of the Local Plan.				
Changes to Animal Welfare Licensing	Cabinet	16 October 2018	Proposal to set new licensing fees and charges for Boarding Establishments, Horse Riding Establishments, Breeders, Pet Shops, Zoos and Animals for Exhibition.	No	No	Cllr Susan Barker	Roz Millership – Assistant Director – Housing, Health and Communities
Regulation of Investigative Powers (RIPA): Review of Policy	Cabinet	16 October 2018	The item will recommend improvements to the text of the policy adopted by the Council in January 2017. The Council has not used the powers regulated by RIPA for several years.	No	No	Cllr Howell	Simon Pugh, Assistant Director, Governance and Legal.
Claypits Plantation	Cabinet	16 October 2018	To decide the future use of the former BMX track	No	No	Cllr Howell	Adrian Webb, Director of Finance and Corporate Services
LCTS proposals and Consultation responses 2019/20	Cabinet	29 Nov 2018	To review the LCTS scheme proposals for 2019/20 for recommendation to Full Council			Cllr Howell	

Item	Decision Maker	Date	Brief information about the item and details of documents submitted for consideration	Key Decision?	Part 2?	Portfolio Holder	Contact officer from where the documents can be obtained
Budget Consultation responses 2019/20	Cabinet	29 Nov 2018	To review Residents and Businesses responses to Budget priorities for the 2019/20 budget setting			Cllr Howell	Angela Knight – Assistant Director Resources
Qtr. 2 Actuals and Forecast outturn 2018/19	Cabinet	29 Nov 2018	To present the predicted budget spend for Quarter 2 2018/19 (July – September)			Cllr Howell	Angela Knight – Assistant Director Resources
Treasury Management – 2018/19 Mid-Year Review	Cabinet	29 Nov 2018	Update on PI's, strategy and performance on investments/borrowing			Cllr Howell	Angela Knight – Assistant Director Resources
Environmental Health Enforcement Civil Penalty Notice Policy	Cabinet	29 Nov 2018	Adoption of a civil penalty policy for Housing Act offences	No		Cllr Susan Barker	Roz Millership – Assistant Director – Housing, Health and Communities
Garden Communities Delivery Member Governance Board update'	Cabinet	10 Jan 2019	Update from the Cabinet Working Group on items discussed in the last 3 months'	N	N	Cllr Rolfe	Adrian Webb - Director of Finance and Corporate Services
Corporate Plan Delivery Plan Q3 progress report	Cabinet	10 Jan 2019		N	N	Cllr Rolfe	Dawn French – Chief Executive

Item	Decision Maker	Date	Brief information about the item and details of documents submitted for consideration	Key Decision?	Part 2?	Portfolio Holder	Contact officer from where the documents can be obtained
All Budget reports 2019/20	Cabinet	12 Feb 2019	To review all budget reports for recommendation to Full Council			Cllr Howell	Angela Knight – Assistant Director Resources
Qtr. 3 Actuals and Forecast Outturn 2018/19	Cabinet	12 Feb 2019	To present the predicted budget spend for Quarter 3 2018/19 (October – December)			Cllr Howell	Angela Knight – Assistant Director Resources
Local Plan	Cabinet	TBC	Further decisions will be required regarding the local plan but the timing may not align to existing meetings and may therefore necessitate additional meetings of Cabinet and Council				Gordon Glenday – Assistant Director - Planning
Licensing Review	Cabinet	TBC	To identify both the current strengths and vulnerabilities of the Licensing Service, recommending any necessary changes both to UDC licensing policy & procedures and the current team structure	Yes	No	Cllr Barker	Tony Cobden – Environmental Health Manager (Commercial)
Day Centres	Cabinet	TBC	To consider a proposal for the future management of the Day Centres within the			Cllr Ranger	Paula Evans – Leisure and Performance Manager

Item	Decision Maker	Date	Brief information about the item and details of documents submitted for consideration	Key Decision?	Part 2?	Portfolio Holder	Contact officer from where the documents can be obtained
			District.				

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Work Programme 2018/19

Date	25 September 2018	20 November 2018	5 February 2019	21 March 2019
Standard agenda items	Responses of the Executive to reports of the Committee	Responses of the Executive to reports of the Committee	Responses of the Executive to reports of the Committee	Responses of the Executive to reports of the Committee
	Consideration of any matter referred to the Committee in relation to call in of a decision	Consideration of any matter referred to the Committee in relation to call in of a decision	Consideration of any matter referred to the Committee in relation to call in of a decision	Consideration of any matter referred to the Committee in relation to call in of a decision
	Invited reports from the Executive	Invited reports from the Executive	Invited reports from the Executive	Invited reports from the Executive
	Cabinet Forward Plan	Cabinet Forward Plan	Cabinet Forward Plan	Cabinet Forward Plan
	Scrutiny Work Programme	Scrutiny Work Programme	Scrutiny Work Programme	Scrutiny Work Programme
Page 13 Agenda items	Investment Strategy	Local Council Tax Support Scheme 2019/20	2019/20 Budget	2018/19 Scrutiny Annual Report
	Affordable Housing final report	Budget Overview 2019/20		Day Centre Report
	Recycling action plan report	S106 Agreements/CILs – presentation/report		
	CfPS Action Plan	Airport Parking		

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SCRUTINY COMMITTEE WORK PROGRAMME 2018/19 SUGGESTED TOPICS

Topic		Reason for review	Scrutiny Action(s):	Notes
1.	Recycling	<p>Understanding reasons for failing rates and impact on the MTFS</p> <p>Inform Council when making decisions about future recycling</p>	<p>Consider: What the performance is today What the market situation is</p> <p>Required: Status report from Street Services.</p> <p>To include the current service performance, costs, market situation and risks (financial and otherwise). Report to determine state of service – what is the contamination situation, what's the potential for improving the service compared to where we are now. Solutions to problems should not be identified at this stage, just details of the issues. If remedial work is underway in some areas then this should be identified and progress determined.</p> <p>Further action: Develop a Scoping Report</p>	<p>Initial report considered at 1/5/18 Scrutiny Committee.</p> <p>Further report requested covering proposed education programme. On agenda for 25/9/18 meeting</p>
2.	Investment Strategy	<p>To understand the Council's approach to large scale investment projects</p>	<p>Consider: The criteria in place for making investments to secure the Council's long term economic stability</p> <p>Required: Status Report from Commercial Team</p> <p>To include an overview of the Strategy and the decision-making process and an update on the investments made or proposed over the last two or three years, e.g. CRP and commercial opportunities. Return for UDC Is there sufficient audit and governance in place to ensure minimisation of loss and waste</p> <p>Further action: TBC</p>	<p>On agenda for 25/9/18 meeting</p>
3.	Large Scale Grants	<p>To understand the Council's approach to the allocation of large scale grants</p>	<p>Consider: The process for the allocation of large scale grants</p> <p>Required: Status Report from Lead Officers of projects</p> <p>To include an overview of the allocation process and an update on the grants that have been made or proposed e.g. Carver Barracks, Broadband, Stansted College etc.</p> <p>Further action: TBC</p>	

SCRUTINY COMMITTEE WORK PROGRAMME 2018/19 SUGGESTED TOPICS

Topic		Reason for review	Scrutiny Action(s):	Notes
4.	Section 106	To understand if s106 process is being applied effectively	<p>Consider: Effectiveness of S.106 agreements. Is now the time for the council to adopt CIL?</p> <p>Requirement: Informally ask whoever is recruiting 106 Officer what are the terms of reference. A full review of the process is required.</p> <p>Further Action: TBC</p>	At 1/5/18 Scrutiny Committee meeting, a presentation /report outlining differences between S106 and CiL and the advantages/disadvantages of each was requested. With Chairman's agreement this has been moved to 20/11/18 meeting
5.	Social/ Affordable Housing	What can/can't we deliver with regards to the allocation of Social/Affordable Housing in new developments	<p>Consider: Council in a situation now where it isn't able to meet the needs of everyone who wants a home. That will change over a period of time due to local plan, the rate of house building increasing, more people moving to district etc.</p> <p>Need to identify what groups of people we are expecting to move into District? Are we developing new housing for them e.g. people who work at the airport can live closer to their work-place. Is there going to be a rebalancing of the demographics? Have to know what the need is and work out if we are providing for that need or continuing with 40% affordable policy. Should we be considering alternatives to Right to Buy such as housing associations/local housing companies? How is percentage allocation calculated? What are others doing? A clear definition is needed to inform Housing policies.</p> <p>Requirement: Scoping Report from Housing</p> <p>Further Action: TBC</p>	Scoping document taken to 1/5/18 Scrutiny Committee. Update on meetings reported at 18/6/18 meeting. Final report on agenda for 25/9/18 meeting
6.	Airport Parking	Understand the limitations/ opportunities for the	<p>Consider: Enforcement capability under legislation Planning controls</p>	Timetabled for 25/9/18 meeting.

SCRUTINY COMMITTEE WORK PROGRAMME 2018/19 SUGGESTED TOPICS

		council in addressing airport related parking issues	How is it managed beyond the council? Contract to agency? Required: Status Report from Environmental Health Report to include council's enforcement responsibilities and capability and details of any new byelaws which could impact. Further Action: TBC	Subsequently moved with Chairman's agreement to 20/11/18 because of discussions going on elsewhere
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Topic		Reason for review	Scrutiny Action(s):	Notes
7.	Review of Cabinet system	Understand its effectiveness in UDC	Consider: Is the Cabinet system the right system for UDC? If not, why not? Requirement: Scoping Report from Democratic Services? Ask LGA about trends at other authorities. Completion by end 2018/19 before new council. Further Action: TBC	
8.	Street cleaning/ littering	Area of concern for public - Pride in Place initiative	Consider: Will the Council's Pride in Place initiative achieve meaningful outcomes? What is being done at the moment? Cleanliness of public spaces, how clean are our streets? How often are they cleaned? How do we compare with other districts? How are resources allocated? Requirement: TBC Further Action: TBC	It was commented at Scrutiny Committee on 27/3/18 that this had already been the subject of a Scrutiny review
9.	Energy efficiency of council homes	Has the council reached the limits of what it can achieve in making council housing energy efficient?	Consider: What energy efficiency schemes/projects does/has the council run? Why is budget now zero? What have been the CO2 reductions over time? Do we educate our Tenants? What more could be done? Requirement: Status Report Further Action: TBC	
10.	Economic Development Strategy	Mid-year review of progress against action plan	Consider: Progress against actions Constraints in progressing actions (where	

SCRUTINY COMMITTEE WORK PROGRAMME 2018/19 SUGGESTED TOPICS

			relevant). Priorities. Requirement: TBC Further Action: TBC	
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Topic		Reason for review	Scrutiny Action(s):	Notes
11.	Corporate Plan Delivery Plan	Review progress of actions	Consider: Review of 2018/19 CPDP Q2 actions status at November meeting Requirement: TBC Further Action: TBC	
12.	Day Centres	Review of plans for new operating models to deliver best possible service	Consider: How the Council aims to maintain and improve day centre service provision. Requirement: End of year status report for March 2019 meeting Further Action: TBC	It was commented at Scrutiny Committee on 27/3/18 that this had already been the subject of a Scrutiny review Annual summary report timetabled for 21/3/19 meeting
13.	Email	Member of staff said he received 200+emails a day	Consider: Time wasted? Right to disconnect Increase staff efficiency and well being Requirement: TBC Further Action: TBC	
14.	'Charitable' giving	How much do we give to charity/voluntary sector/profession	Consider: Process Service level agreement	

SCRUTINY COMMITTEE WORK PROGRAMME 2018/19 SUGGESTED TOPICS

		al bodies	Aligns with corporate plan Governance Ensure taxpayers money is equitable and give good value for money Requirement: TBC Further Action: TBC	
15.	Budget Role of Scrutiny	Scrutiny and GAP review the 'Budget'	Consider: Why duplicate? Scrutiny could be critical friend, GAP could take on 'corporate scrutiny' Requirement: TBC Further Action: TBC	
16.	Business development	How the council helps businesses in the district	Consider: Value for money Audit trail Evidence of impact Audit and Governance can ensure minimisation of loss and waste Requirement: TBC Further Action: TBC	
17.	Statutory/ Non-statutory service review.	Understanding of which services provided by the council are statutory	Consider: Awareness when Council is judging service provision Requirement: TBC Further Action: TBC	
18.	Relevant and relative responsibilities of Scrutiny and GAP	Clarity around roles of both committees – when does one committee refer an item to the other?	Consider: Both committees working effectively for the benefit of the community. Requirement: TBC Further Action: TBC	

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Committee: Scrutiny

Date:

Title: Street services update including waste education action plan

25 September 2018

Report Author: Ben Brown, Operations Manager – Street Services
01799 510557

Summary

1. Scrutiny Committee previously considered a report detailing the impact of Operation Sword on the UK recycling market. As part of the discussion that followed, it was agreed that the Committee would receive a further report detailing a new action plan for waste education and awareness. The overall aim of the plan is to increase participation in the Council's recycling services and to help reduce contamination levels. The Committee heard that providing good quality, clean material for reprocessing is critical for ensuring higher material incomes from the sale of recyclables.
2. Since the meeting there have been a number of staffing changes within Street Services including the appointment of a new Waste and Recycling officer. This member of staff will be tasked with implementing the waste education and awareness plan.

Recommendations

3. The report is for information only.

Financial Implications

4. Service budgets for 2018-19 were set using assumptions about the state of the market for recyclable materials going forward. The rates ultimately obtained for sale of materials are affected by global market conditions and demand. Whilst the Council is not able to influence volatile markets conditions, it does use longer term materials contracts to even out variations in price.
5. Waste education initiatives are critical to ensuring that residents understand the types of materials that should be presented for collection. It is hoped that with the appointment to the post of Waste and Recycling Officer that issues such poor participation and contamination can be addressed and the Council's historical good recycling performance can be maintained.

Impact

6.

Communication/Consultation	Continuation of clear communication regarding quality of recyclables.
Community Safety	N/A
Equalities	N/A
Health and Safety	N/A
Human Rights/Legal Implications	N/A
Sustainability	N/A
Ward-specific impacts	N/A
Workforce/Workplace	N/A

Situation

7. In order to maximise income to offset the cost of providing collection services, the Council must ensure that the materials collected are of good quality and that public participation in services is maintained.
8. In recent years, the Council's recycling rate has fallen from 51.12% in 2015/16 to 50.00% in 2017/18. The actual tonnage of recyclables collected has remained largely consistent over that period; however composting rates have varied due to fluctuations in weather. The amount of waste residual waste collected has also grown over time by almost 1000 tonnes which is in part attributable to housing growth within the district.
9. APPENDIX 1 sets out a high level action plan for waste education and awareness plan which aims to increase participation in the Council's recycling services and to help reduce contamination levels. The plan takes into account feedback from the Council's reprocessing contractors, the views of the collection staff 'on the ground' as well as county / nationwide waste education initiatives. The key aims of the plan are to :-
 - Reduce the level of contamination in the recycling collection services
 - Increase participation in the food waste collection service

- Promote and encourage waste minimisation
 - Empower schools and the wider community with increased knowledge regarding recycling and waste minimisation.
 - To help schools to reduce the amount of residual waste they produce
Improve capture rates of higher value materials
10. Crew feedback will be used to ascertain areas where participation is lower than or where contamination is higher. In Uttlesford, like many other parts of the UK, lowest participation rates are generally found in newer communities where the residents are, on the whole, time poor and perhaps have less interest in environmental issues. These areas will be the focus of initial waste education programme.
11. The waste and recycling officer will be making contact with schools with catchment areas within poor participation areas to attempt to engage with the pupils who may take positive messages home. This is a proven technique in raising awareness.
12. As well as focusing on school age children, efforts will also be made to target areas of the district where recycling performance is poor. In these scenarios the waste and recycling officer will use crew feedback and their own observations to encourage participation.

Risk Analysis

13. The waste education programme is specifically designed to improve participation in the district's recycling services and is in effect designed to help mitigate some of the financial risk associated with waste services.

Risk	Likelihood	Impact	Mitigating actions
Significant overspend against current budget for dry recyclables processing	3	3	Continued communication activities to improve quality of materials presented for recycling.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

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DRAFT Waste Awareness Plan for Uttlesford District 2018-2024

Uttlesford District Council is keen to educate the next generation about waste and the associated environmental issues. The Waste Education Plan (WEP) aims to promote and encourage the 3Rs (Reduce, Reuse and Recycle) and the wider sustainability agenda in Uttlesfords schools and their local communities. Educating children about environmental issues is an essential component to achieving a more sustainable future.

Alongside targeted efforts to reach school age children the action plan aims also to reach out to local communities.

The aim of the Waste Education Plan (WEP) is to : -

- Reduce the level of contamination in the recycling collection services
- Increase participation in the food waste collection service
- Promote and encourage waste minimisation
- Empower schools and the wider community with increased knowledge regarding recycling and waste minimisation.
- To help schools to reduce the amount of residual waste they produce
- Improve capture rates of higher value materials

Objectives

- To enable 100% of schools to recycle by 2024
- To support and assist schools to compost on site by 2024
- To help schools who are engaged with the WEP to reduce contamination levels in their recycling bins
- Through the sharing of knowledge with parents/guardians a reduction in contamination in the recycling collection service
- A higher participation rate of the food waste collection service
- To assist schools with carrying out waste audits and developing waste minimisation plans
- To see a rise in the amount of higher value materials in the recycling collection
- To monitor the effectiveness of the plan and to keep accurate data

Primary School Programme

Primary schools have been identified as an opportunity to develop and increase pupils and staffs knowledge of the importance of recycling and waste minimisation. Primary schools have also been know as a channel to educating the wider community , as pupils will often share the information and knowledge gained with their families/caregivers and the wider community around them.

Therefore the target audience of the WEP will be Primary School Pupils, Primary School Staff and Parents/caregivers and then the wider family and community.

The WEP will introduce and build on the pupils understanding and knowledge of waste minimisation and recycling (focussing on Uttlesfords recycling collection system) an emphasis will be placed on reducing contamination and promoting recycling at home.

A range of activities will be made available to the School and will utilise a range of resources such as class worksheets, paper making kits, a wormery, waste audit kits and recycling props.

These will be used to deliver a wide range of education activities which will include and not be limited to;

Reduce, Reuse and recycle

introduction to the world of waste, the waste hierarchy and learn about the environmental impacts of landfill. Pupils will learn about what can be recycled in the Uttlesford District and how non-recyclable items should be disposed off. We will finish the session with a game of recycling bingo and a 'rubbish relay' to check the pupils understanding and knowledge.

Paper Making

The paper making activity teaches pupils about the natural resources required to make paper and why these need to be preserved. We will then look at how paper is recycled and then they can have a go at making their own paper

Wonderful world of worms

This session allows pupils to investigate the world of vermicomposting (wormeries) a real life working wormery will be brought into school and the pupils can learn all about nature's top recyclers. They can gently handle the worms, identify the main parts, and learn about their diets and what products the worms produce. Children can even make their own composting or wormery bottles to see the waste decompose into compost before their very eyes.

Waste Audit

This is a practical hands on activity that pupils can carry out in school to identify the main waste materials and waste hotspots at school. Pupils will collect samples of waste which will then be sorted by material type and then weighed. This information can then be used to pinpoint what your school can do to reduce the amount of waste you produce and this in turn can help to develop a waste minimisation plan specific to your school. The waste audit will be carried out over 3 sessions

- Planning the waste audit
- Carrying out the waste audit
- Results and producing a waste minimisation plan

Waste free lunch

A large percentage of the waste that a school produces comes from lunchtime. A waste free lunch is a challenge to everyone to make as little rubbish as they can from their lunch (including the Teachers). It can start off as a one off event but it could become a regular

activity. We will start off by first carrying out a mini waste audit on a typical lunchtime; we will then introduce the concept of the 'waste free lunch' and plan the event. A week later we will hold the waste free lunch challenge and carry out a repeat waste audit to see if the waste free lunch challenge has made a difference to the amount of waste produced.

The WEP will be evaluated through the use of session feedback forms completed by the teachers, presenter self-evaluation and anecdotal feedback from both teachers and pupils.

The WEP will at first be focussing on schools which have been identified as being in areas where participation in the recycling scheme or the food waste scheme is lower, contamination rates are high or newer communities.

Target areas

Firstly schools which are deemed to be in areas where participation in the recycling /food waste scheme is low or contamination is high will be targeted first. This information will be gained by getting feedback from our collection crews.

Once Schools in the target area have been visited the WEP will be rolled out across the whole of the district. It is hoped that a long term relationship will be built up with the schools engaged in the WEP. This in turn will hopefully lead to a decrease in the amount of residual waste a school produces, a higher (and contamination free) recycling rate and a mini informed, engaged and knowledgeable recycling officer sent home to every household to help their family to recycle more and to recycle right.

Participation and engagement

Schools will initially be contacted by email. The email will introduce the waste education programme and will detail the activities which the school can avail. The school will directly contact the waste and recycling officer to arrange any activities and to book these into the calendar. If no response is received from a School in a target area the recycling officer will follow up with a phone call to explain and encourage participation in the WEP.

The information will also be made available on the Uttlesford District Council website under recycling in schools (currently being rewritten).

Education in the wider Community

Even though educating children about waste and recycling will be a priority for Uttlesford District Council, it is just as important that every resident has access to the correct information and feels empowered to make the correct choices when dealing with their waste.

During the year UDC will be running recycling events including roadshows during Recycle Week. We will be meeting with residents and giving them the opportunity to ask any questions they may have about the schemes we run. In turn we will be spreading our recycling message, and getting our key messages about contamination in the recycling bin and improve the participation rate of our food waste scheme.

Early in 2019 we are also hoping to run some composting workshops for our residents. They would be able to learn the basics of home composting and would also offer advice to any residents who have tried in the past but faced difficulties and given up. These workshops would be free of charge.

Also in 2019 we will hope to launch the recycleopedia app. Recycleopedia is the recycling search tool that makes it simple for our residents to work out what should go into each collection service. It is currently available on the UDC website but the app should be released by early next year. Since its launch in 2017 the item search numbers are continuing to climb so our residents are making good use of this tool.

We will continue to promote the use of cloth nappies and the associated benefits to our residents. There is a £30 refund offer which is provided by Essex County Council for residents who do use cloth nappies or a laundering service. Leaflets outlining the refund offer will be made available during our recycling events and we hope to promote this to local baby groups such as the NCT and the baby weigh in session which is run at the local community hospital.

If any community groups such as the Scout or Girl Guide associations, neighbourhood watch, Women's Institute or U3A groups wish to have a visit from the waste and recycling officer this service will be available to them.

Committee: Scrutiny

Date:

25 September 2018

Title: Centre for Public Scrutiny Action Plan

Author: Richard Auty, Assistant Director – Corporate Services

Summary

1. The Council commissioned The Centre for Public Scrutiny (CfPS) to carry out a review to consider the effectiveness and impact of its current approach to overview and scrutiny.
2. This report contains the outcome of initial discussions between officers and the Chairman of the Scrutiny Committee and members.

Recommendation

3. The Committee endorses the approach and actions proposed in the action plan to address the points raised by the CfPS.

Financial Implications

4. None. There are no financial implications associated with this report.

Background Papers

5. None

Impact

- 6.

Communication/Consultation	Further discussion with Scrutiny members and members of the Executive will need to take place
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None

Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	Addressing some recommendations will require changes in working practice

Situation

7. Following the CfPS review of the Council's overview and scrutiny arrangements, Ian Parry from the CfPS presented his findings to the Committee earlier this year. The Committee accepted these recommendations.
8. The CfPS report was then considered by Cabinet, which also accepted the recommendations.
9. The CfPS report highlighted several strengths:
 - Scrutiny is generally well organised and is welcomed in the council.
 - Relationships between scrutiny members and officers are good and there is a general willingness to support scrutiny.
 - Scrutiny and executive members in general have a good relationship and scrutiny aims to be objective. It is not seen as threatening or negative.
 - Members appreciate the role of scrutiny and want it to become better.
 - In the main cabinet decisions are transparent and accessible for call-in or scrutiny.
 - Scrutiny members take their role seriously and are willing to develop and improve.
10. The report also summarised key areas for improvement:
 - Overview and scrutiny is underachieving. It lacks purpose and authority.
 - It is widely valued, but not consistently understood and there are wide differences of opinion about its purpose, potential and function.
 - It does not provide sufficient impact and value in shaping and improving decision-making and performance in the council.
 - Scrutiny is too focused on monitoring and therefore missing opportunities to provide strategic input.
 - There are signs that scrutiny is not integral to or valued as part of the decision and policy making process.
 - Cabinet is not sufficiently visibly accountable to scrutiny. Scrutiny is not effectively holding it to account. Cabinet members are often observers or not present at scrutiny meetings.

- There is too little structured scrutiny and too much consultative activity - information giving or clarification-seeking in scrutiny meetings.

11. The report then gave a series of recommendations.

12. Subsequent to these meetings, officers have discussed what improvements could be made to meet these recommendations and have also met with the Chairman of Scrutiny.

13. Attached as Appendix A is a table giving the CfPS recommendations, any additional commentary from the report and the views of officers about these recommendations.

14. The committee is invited to discuss this progress so far and make suggestions for any further areas of work required.

Risk Analysis

10.

Risk	Likelihood	Impact	Mitigating actions
The council fails to act on the recommendations of the CfPS report, missing an opportunity to make lasting improvement to the council's scrutiny function.	1 – The recommendations have been accepted by both the Scrutiny Committee and the Cabinet	2 – The CfPS report acknowledged that some aspects of scrutiny work were effective	Officers will continue to work with members to develop the proposals to meet the recommendations

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

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CfPS Recommendation	CfPS Comment	Officer Comment/Action
Create a common understanding and purpose for scrutiny	Getting a shared view of scrutiny's role and purpose is vital. The lack of understanding was cited as a key issue getting in the way of good scrutiny in a recent CfPS/ APSE Report. Undertaking this as a joint exercise would provide a route for Cabinet to demonstrate its commitment to being challenged. It could also form part of the work programming process.	A Memorandum of Understanding could be developed between the executive and scrutiny to establish roles, responsibilities and expectations. This is an approach adopted by some other local authorities. Such a document will help ensure a thorough understanding for all members and officers and better define the purpose of the scrutiny function.
Leader and Cabinet members all directly accountable and visible	Scrutiny's job is to hold the executive to account, this means Cabinet members should be front and centre. Reports should therefore be in their name and they attend meetings as required. Whilst the current committee structure does not lend itself well to this (Cabinet members could be at all of them, all of the time) this is not an acceptable excuse. Officers can be present but for technical support only. Cabinet should view scrutiny as a critical friend who offer additional insight and sometimes challenge that may strengthen decisions and improve performance.	Cabinet and Scrutiny have previously agreed all recommendations in the CfPS report. Therefore the council will move to a model whereby reports relating to executive functions will be in the Cabinet Member's name and the Cabinet Member will be expected to attend and present the report. Officers' role will be limited to technical support.
Relationship with cabinet - Structured meetings to discuss scrutiny	No further comment is provided in the CfPS report in respect of this recommendation.	<p>It is important that the Cabinet and the Scrutiny Committee have an effective relationship. Officers are flagging this recommendation as an issue that needs discussion at the committee meeting. Discussions will also need to take place with the Cabinet.</p> <p>With regard to current arrangements, practice is that the Chairman of Scrutiny reports regularly on the committee's</p>

		activities to Cabinet. Consideration should be given to the Chairman instead reporting to Full Council. This would help with visibility of the committee's work and allow all councillors the opportunity to comment.
Corporate team to have greater oversight to ensure scrutiny plays its full role	To ensure that scrutiny is baked-in to all council decisions relevant directors could strengthen the advisor/guardian role, to ensure that scrutiny has the tools, access and support it needs to be effective.	<p>Restructure of Democratic Services, through which strong officer support will be provided to the Scrutiny function, will ensure that Scrutiny has a central role in the council.</p> <p>CMT will undertake formal monitoring of the Scrutiny work programme at its meetings.</p>
Scrutiny planning forum to set strategic objectives for the plan	<p>Refresh the work planning programme process that allows scrutiny councillors to focus in the most important issues for the council and residents. A high-quality work programme is critical to success. It may help in this process if a forum was established between scrutiny and cabinet to decide on priority areas for scrutiny and to also shape a task and finish schedule.</p> <p>A good work programme is about impact and outcomes. Work programming is about highlighting and proceeding with those matters where scrutiny can make most difference to the lives of local people. This relies on two things – firstly, having the information at hand to be able to make informed choices. Secondly, it is important that scrutiny understands what “impact” looks like, so it can plan for it.</p>	<p>This recommendation is related to recommendation 3 above.</p> <p>The committee's approach to work programming needs further review and consideration to ensure scrutiny objectives are clearly defined in order to ensure effective outcomes. The Memorandum of Understanding will set out criteria for developing the work programme and will help develop an understanding of the respective roles of the executive and scrutiny functions.</p> <p>Previously, the committee through its chairman has asked all councillors for their views on key matters they would like the committee to consider. This proved to be an effective way to collate ideas and it is proposed that this becomes a regular, perhaps, annual, activity.</p> <p>It is important to set a realistic annual work programme, focusing on a few key topics, in order to ensure manageable meeting agendas and sufficient time to explore topics in enough depth to make an impact.</p>
Consideration of public input and access	Scrutiny could consider co-option both of expert professionals (who may also be local people) and local people who while not professionals, may still have	Officers' view is that there are several important considerations relating to this recommendation.

	<p>expertise in specific issues. This could be done along with thinking more generally about scrutiny's ability to draw in and involve local people more.</p>	<p>Firstly, such people would have no democratic mandate but could be in a position to directly influence future council policy.</p> <p>Secondly, consideration would need to be given as to how they could add value.</p> <p>There may be an option to co-opt an Independent Person on to the Scrutiny Committee in the future should the council consider it advantageous to do so.</p> <p>It is officers' view that the council needs to ensure its scrutiny function is working in a consistently effective manner before considering this move and should be a topic that is returned to in the future.</p>
Scrutiny built-in as integral part of decision-making and policy forming process	No further comment is provided in the CfPS report in respect of this recommendation.	The Memorandum of Understanding can set out responsibilities of Cabinet and the Corporate Management Team to consider how scrutiny can add value to major work streams, with an expectation that scrutiny involvement, where appropriate, will be at the earliest possible stage
Annual report and performance review on scrutiny effectiveness and impact	No further comment is provided in the CfPS report in respect of this recommendation.	An annual report already exists and is considered by the committee before being presented at Full Council. The format could be reviewed so it also includes consideration of effectiveness and impact. Officers propose investigating self-assessment models. The Governance, Audit and Performance Committee already self-assesses annually through a CIPFA tool. The Centre for Public Scrutiny does have a self-assessment document but it is not as easy to use as the CIPFA audit committee one. It may be that another council has developed a self-assessment tool that could be adapted.
Further skills development – members, chair (key skills/advanced chairing skills)	No further comment is provided in the CfPS report in respect of this recommendation.	This will be addressed as part of the development of the member training programme through Democratic Services.

Structure of meetings – set objectives, create lines of enquiry etc	No further comment is provided in the CfPS report in respect of this recommendation.	Clarification of roles and responsibilities through the Memorandum of Understanding will assist in meeting this recommendation. The committee should consider to what extent “off-line” activity can enhance discussion at formal meetings – for example the recent meetings on affordable housing.
Briefings for scrutiny – Ensure that scrutiny members have necessary information and facts to prevent scrutiny meetings becoming information exchanges	Scrutiny members need a clearer sense of what is required of them as committee members and the work involved which allows good scrutiny to happen. Practically the chair and vice-chair must aim to build a team approach to evidence gathering and questioning. Support from officers will help. There needs to be more detailed pre-briefing of the members on major and important items.	<p>The role of scrutiny members can be addressed as part of the member development programme.</p> <p>In terms of pre-briefing, officers can provide technical briefings in advance of committee meetings where the committee considers it would be useful.</p> <p>There are regular briefings for all members on key topics such as the Local Plan and the council’s finances and Scrutiny Committee members should prioritise attendance at these to ensure they are abreast of the key issues and challenges facing the council.</p>

Committee: Scrutiny

Date:

Title: Affordable Housing in the Proposed Garden Communities

25 September 2018

Report Author Simon Payne, Project Manager – Planning Policy
01799 510465

Summary

1. This report describes the work of a Discussion Group that the Scrutiny Committee had set up to consider affordable housing provision in the proposed Garden Communities.

Recommendations

2. That the Scrutiny Committee endorses the work and findings of the Scrutiny Committee Affordable Housing Discussion Group and recommends Cabinet to take full account of these in the forthcoming review of the Uttlesford Housing Strategy.

Financial Implications

3. Any financial implications that arise from changes to the Housing Strategy will be considered at the time that the Council deliberates on the changes.

Background Papers

4. No papers were referred to by the author in the preparation of this report.

Impact

- 5.

Communication/Consultation	No impact to date. Future work programme will address consultation and stakeholder programme.
Community Safety	No impact
Equalities	Positive impact given that the potential changes discussed will support a mixed and balanced community within each

	Garden Community
Health and Safety	No impact
Human Rights/Legal Implications	No impact
Sustainability	Linked directly to the local plan.
Ward-specific impacts	Indirect link to all wards in conjunction with the merging local plan,
Workforce/Workplace	Positive impact given that the potential changes could also apply to new workers that comply with household income criteria.

Situation

6. On 1st May 2018 Scrutiny Committee set up as an “Affordable Housing Discussion Group” to consider ideas arising from a Member Workshop on affordable housing in the proposed Garden Communities. The aim of the discussion group was to identify affordable housing need in the District and to ascertain the aims of the Council in addressing this need in relation to the new communities.
7. The Discussion Group has met three times since the beginning of May (minutes attached as Appendix A) and the appended report (Appendix B) sets out the findings and recommendations of those deliberations.

Key Themes

8. There are a number of key points covered in the appended report as follows:
 - Housing Objectives for the Garden Communities
 - Defining Affordable Housing Need for the Garden Communities
 - Ensuring the Uttlesford Affordable Housing Policy addresses the Defined Need in the Garden Communities
 - Proposed New Policy for the Uttlesford Housing Strategy

Housing Objectives for the Garden Communities

9. A number of objectives are set out below. These objectives are derived from the Regulation 19 Local Plan and the Town and Country Planning Association Principles for Garden Cities and are as follows:
 - to secure mixed and balanced communities from the start of the development linked with the timely delivery of social and physical infrastructure;

- to ensure that affordable housing provision not only addresses people on Uttlesford housing waiting list or those in Council or Housing Association properties but also delivers housing at suitable prices for local workers, their families and older people wanting to stay near their existing community who cannot afford market housing; and
- to bring forward homes that meet the needs of those who will have a long term need for affordable housing including for older people.

Defining Affordable Housing Need in the Garden Communities

10. The Uttlesford Regulation 19 Local Plan proposes three new Garden Communities with 40% of the housing being affordable. The overall amount of housing in the Garden Communities to be delivered within the district over the next 25-30 years is expected to be as follows:

Location	Total Number of Houses in the district at Completion of the Garden Community	Total Number of Affordable Houses in the district at Completion of the Garden Community	Comments
Easton Park Garden Community	10,000	4,000	
North Uttlesford Garden Community	5,000	2,000	
West of Braintree Garden Community	3,500	700	Up to this number in the district as part of a wider settlement totalling up to 13,500 new homes
	18,500	6,700	

11. This level of affordable housing provision, which will be in addition to housing being delivered on other sites in the local plan, represents a significant increase in the amount of affordable housing that has been provided in the district. At the

present time there is a Housing Register of about 850 applicants 1,050 with about 100 affordable new homes being provided every year.

12. The existing Housing Register only addresses one element of housing need. There is also a significant number of households that cannot afford the costs of living within the district (for instance the lowest quartile average house price in March 2018 was £331,666). One result of this is the relatively high level of daily commuting into and out of the district which contributes to traffic congestion and impacts on air quality. The 2011 Census records over 36,000 **daily** commuting movements in the district roughly split equally between inbound and outbound trips. It is estimated that half of these inbound trips are related to individuals in households where Uttlesford housing costs (either renting or owning) would represent more than 35% of their income (this is a Joseph Rowntree Foundation measure of housing affordability). **Put simply the cost of market housing in Uttlesford is too high for many working households with low and medium incomes.**

Ensuring the Uttlesford Affordable Housing Policy addresses the Defined Need in the Garden Communities

13. The quantum and location of new housing in the proposed Garden Communities provides a new opportunity to help address the local housing needs of the district. The concept of the new Garden Communities is to provide residents the choice to live and work locally. The local plan seeks to deliver about one job per household for each new settlement and this will include jobs in the local schools, shops and other businesses. At the present time the Council's eligibility criteria for affordable housing has a household income restriction and a requirement of employment within the district for a minimum of three years. A relaxation of the criteria to omit the three year requirement in favour of a permanent job within the district (and the immediate surroundings) would aid recruitment of workers in lower paid jobs (for instance care workers) and reduce the pressure for more inter district commuting.

Proposed New Policy for the Uttlesford Housing Strategy

14. In the light of the consideration set out in this report it is recommended that the Housing Strategy is revised, in relation to the new Garden Communities, as follows:
 - i. Change the eligibility criteria of the allocations policy and to create a new 'Intermediate' Housing Register, which accepts applications from all existing employees within Uttlesford District on permanent contracts for the Councils' 'Intermediate' Housing Register and associated affordable housing, providing the household can evidence that they cannot afford private rented housing within 35% (gross) of their total weekly household income (with welfare support if they are eligible) but can afford the weekly rental at LHA rates. In the case of the two Garden Communities that adjoin the district boundary, then consideration should be given to enable

permanent employees within the immediate vicinity (still to be defined) access to the affordable housing provision.

- ii. Consider allowing under occupation for families with opposite sex children below the age of 10.¹
- iii. Investigate alternative intermediate home ownership products not delivered by HA partners. For example, models that link housing costs to local median income with a resale covenant in place to permanently be delivered in this way and therefore, affordable in perpetuity.

Conclusions

- 15. There is a strong case for planning over a longer time horizon in garden communities for a mix of homes which will be made available for households “whose needs are not met by the market”.
- 16. Some of these homes can be offered on the ability to pay, and a new form of Intermediate Housing Type Register should be created, whilst some will need to be allocated by the Council on the basis of the existing Allocations Policy and restricted through the Housing Register.
- 17. The issues set out in this report will help address the needs of local workers and their families where the household income is not sufficient to secure market housing. The review of the Housing Strategy may also consider the needs of families or older people who wish to stay near their existing community and who cannot afford market housing.
- 18. The affordable housing needs to be met within the new Garden Communities will continue to change over time, and the strategy for adapting to this will need to be flexible and mesh with the strategy for providing market focussed homes in order to maximise the opportunities present by the delivery of new Garden Communities aiming to achieve the full range of Garden Communities Objectives.

¹ To prevent a needless 2nd move once eldest child reaches 10 years if they are opposite sex. Families would have to meet an affordability check. This provision is subject to current local housing allowance rules changing.

Risk Analysis

19.

Risk	Likelihood	Impact	Mitigating actions
The local housing needs of the district are not met	3	Continued and increasing inward and outbound commuting	Prepare and improve a new policy for the Housing Strategy

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

NOTE OF AFFORDABLE HOUSING MEETING HELD ON 23 MAY 2018

Present:

Chairman: Councillor Dean

Councillors Barker, Felton and Redfern

Stephanie Baxter, Ben Ferguson, Sassi Mannion, Simon Payne, Judith Snares.

1. Updates since Scrutiny Committee – Affordable Housing in the proposed Garden Communities

The Chairman said the purpose of the group was to clarify the issue of affordable housing in the proposed garden communities. He said there was uncertainty over what was meant by 'affordable' and the Council needed to identify its key objectives in terms of an affordable housing policy.

Simon Payne said this was an opportunity for Members to express their priorities in terms of what was needed, and wanted in the District, and to influence the outcome of development through the planning/development process.

Councillor Redfern said there was confusion over the definition of 'affordable' and Members required advice from officers to ensure the full range of housing options were known to them.

The Chairman said it was fundamental that the Council knew what was needed in the District. He said once the need had been identified, then the Council could make plans towards managing housing need.

Members discussed a variety of issues and principles relating to affordable housing:

- The definition of 'Affordable Housing' – affordable for whom?
- The demographics of those who will live in the Garden Communities – commuter towns or homes for local workers?
- The generational issues that are linked to affordability and housing need – under 35's disadvantaged in terms of saving for a deposit and getting on the 'housing ladder'.

- The socio-economic issues linked to affordability and housing need in the District – will low earners working in Uttlesford be able to afford to live in the District?
- Right to Buy – exhausting social housing stock whilst not being able to fully utilise receipts due to central government rules and being extended by government to Housing Association stock. How could the Council protect affordable housing schemes?

2. Verbal Briefing on Strategy and Plan making for the Garden Communities

Stephanie Baxter outlined the importance of 'land value capture', which could release resources to provide affordable homes at reduced cost.

Of particular interest to Members was the idea of using community land trust models for some of the affordable housing to ensure it remained affordable and available for local people in perpetuity. Stephanie Baxter said this would also give more flexibility and options in terms of the range of affordable housing that could be offered, such as Rent to Own, or shared ownership schemes.

Members agreed that prioritising local housing need should be a key objective in the Council's affordable housing policy.

3. Proposed Framework for Report to Scrutiny Committee

Simon Payne said the group would need to meet again before a report could be produced for the Scrutiny Committee. Members concurred and requested further information and evidence on the following:

- To define local housing need in Uttlesford – generation and demographic issues to be outlined.
- Forward projections – what will be needed in the future?
- Employment – how many jobs will be generated by the garden communities?
- Can a balance between commuters and local workers be achieved?
- Public spaces – how will they be shaped? Retail or social spaces?
- What is 'affordable' housing? Affordability fixed to income?
- Land Value Capture and affordable housing trusts.

Members agreed to hold the next meeting in approximately three weeks' time.

NOTE OF AFFORDABLE HOUSING MEETING HELD ON 14 JUNE 2018

Present:

Chairman: Councillor Dean

Councillors Gerard and Redfern

Stephanie Baxter, Ben Ferguson, Lee Heley, Simon Payne, Judith Snares.

1. Notes of Meeting on 23 May 2018

Members approved the note of the meeting held on 23 May 2018.

The Chairman said the aim of the discussion group was to identify affordable housing need in the District and to ascertain the aims of the Council in addressing this need in relation to the proposed Garden Communities.

Simon Payne said a report informed by the discussion group would go to the Scrutiny meeting on 25 September.

2. Supporting Evidence

The Chairman asked Stephanie Baxter to highlight the key evidence in her report to assist Members in identifying housing need in Uttlesford. The following points were discussed:

- **High property prices** – the cheapest homes in Uttlesford had risen by 41% between January 2014 – March 2018. This has particularly affected first time buyers/low earners in the District. Average house prices in Uttlesford are £157,900 higher than the regional average.
- **Income** – the median range of income is £26,374 pa in Uttlesford, with 60% of employees earning £31,740 pa or less. This would make an average priced 2 bed property in Uttlesford (£305,750) out of reach for the majority of residents (a joint household income of £74,241 would be required for a mortgage).
- **Location of residence and employment** - employees who work in the District but live outside of Uttlesford earn £14,918 pa less than employees who live in the District. Employees who work but cannot afford to live in Uttlesford may face longer commutes and spend a disproportionate amount of their wages and time travelling to/from work. The group agreed that the housing need of workers, as well as existing residents, should be taken into account.

- **Key workers** - Members were informed that there was an affordable housing need for key workers, although the term 'key worker' required further definition (e.g. NHS administrative support staff, as well as nurses). Stansted Airport had many employees travelling from outside of the District and members discussed whether there was a need to establish an affordable housing provision for airport staff on low salaries.
- **Definition of affordable** – Members agreed that there had to be more clarity with regards to the definition of 'affordable'. Councillor Redfern said the definition and perception of affordable housing was part of the problem.
- **Percentage of affordable homes** – The current target for affordable homes was 40% for larger developments and there was a consensus that this should continue in the proposed garden communities, although there was some discussion regarding the potential of 'gifting'. If homes were 'gifted' by developers, the number of affordable homes would be reduced but there would be potential to reduce the cost of rent for tenants.
- **Strategies for each site** – Members discussed the potential for directing specific affordable housing strategies to each of the three garden communities e.g. North Uttlesford, provision for workers employed at the science parks; Eastons, provision for workers employed at Stansted Airport.
- **Affordable Housing models** – Various affordable housing models were discussed (shared ownership, help to buy deposit schemes, shared equity models, where no rent is paid on the unsold equity). There was agreement that affordable housing in the proposed garden communities should be transferred to a community land trust/co-operative to ensure homes remained affordable in perpetuity. Right to Buy would not be applicable to these homes.
- **Drivers of the rental market** – There were various drivers of the rental market in the District (Stansted Airport, corporations in Cambridge/London moving employees into the London-Stansted-Cambridge corridor) as well wider causes on a national level (low level interest rates, attractive buy-to-let mortgages). Whilst largely out of the Council's control, such drivers would need to be factored in to the affordable housing policy.
- **Qualification for affordable housing tenants/buyers** – Members were informed that the Council could set the qualification criteria for affordable housing tenants/buyers.
- **New communities** – Members agreed that the demographics of the proposed garden communities needed to be mixed and balanced; the

developments should be 'pepper potted' and homes should be 'tenure blind'.

3. Proposed Framework for Report to Scrutiny Committee

Simon Payne said he would prepare a short report outlining the affordable housing issues discussed, as well as presenting one or two case studies of existing garden communities. He said this would identify affordable housing need in the District, and provide a number of solutions as demonstrated by the case studies.

In response from a Member request, Simon Payne said he would include a summary of current affordable housing practice at UDC and map such information with the issues discussed.

4. AOB

The Chairman requested that the next meeting was held before the end of July.

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NOTE OF AFFORDABLE HOUSING MEETING HELD ON 23 AUGUST 2018

Present:

Chairman: Councillor Dean

Councillor Redfern

Stephanie Baxter, Ben Ferguson, Lee Heley, Sarah Nicholas, Simon Payne and Judith Snares.

1. Notes of Meeting on 14 June 2018

Members approved the note of the meeting held on 14 June 2018.

2. Case Study and Best Practice presentation – Approaches to developing new settlements

Lee Heley gave a presentation on various approaches to developing new settlements. The three case studies used were the eco-towns of Cranbrook, Cambourne and Graven Hill, all of which were similar in scale to the garden community developments proposed in Uttlesford.

The following findings were highlighted:

- **Local planning matters:** As a planning authority, UDC could shape the housing mix in the proposed communities through the master/local plan, outline permission and planning agreements. The percentage of affordable housing was the key metric used to determine the type of homes built.
- **Commercial factors drive the housing mix:** In a boom firms want to build private homes; in a recession, social homes.
- **Delivering social mix:** Pepper potting small numbers of social housing amongst private homes made communities better places to live. Potential residents should be told of the housing mix.
- **Demographics:** The demographics of new settlements have far more children and younger adults than the national average. Growing families need to move and enjoy the green space settlements offer. Most people who move to the new settlements do so from the local area.
- **Land ownership matters:** If the council owns the land, it has control of build out, delivery rate and design of the development. Graven Hill was developed with this approach and Lee Heley said this was the most important issue when it came down to the direction of development.

- **Quality issues with private developers:** Quality issues in Cranbrook and Cambourne were identified which had been delivered by volume house builders. Evaluations highlighted low quality build, homes smaller than social properties, and generic 'anytown' design. Graven Hill followed a custom-build model, with a different look, and was considered the most innovative of the three case studies.
- **Social infrastructure takes time:** Social infrastructure follows homes, which means some early residents feel isolated. Starting with a large number of vulnerable social tenants could increase this problem. Councillor Redfern said the proposed communities needed to address the needs of the elderly, as well as young families. She said there was very little suitable housing for the elderly in the villages, which meant they had to cut ties to their communities when they sought sheltered accommodation, which was only provided in the larger towns.
 - **Action Point** - The Chairman requested further information relating to Cherwell District Council's Local Plan and the Graven Hill development. Stephanie Baxter to ascertain how the council funded the procurement of the land from the MOD.
 - **Action Point** – To arrange a visit to the settlement of Cambourne.

It was agreed to circulate the PowerPoint presentation following the meeting.

3. Discussion Paper – Affordable Housing in the Garden Communities

Simon Payne presented a draft report that would provide the basis of the report to be taken to Scrutiny in September. The paper set out the key considerations in relation to providing affordable housing in the proposed garden communities and suggested the way forward in reviewing the Uttlesford Housing Strategy.

The following points were discussed:

- Regardless of what strategy was adopted by the Council, the outcomes had to be closely monitored to ensure affordable housing objectives were being met.
- The assessment of affordability adopted in the paper was the model of best practice suggested by the Joseph Rowntree Foundation – that housing costs reach no more than 35% of household income.
- Access to mortgages was a problem for local residents with the lowest priced properties in the District selling for over £300,000 in March 2018. A joint income of nearly £100,000 would be required to satisfy a mortgager.

- Stephanie Baxter informed the group of the St. Clements housing development in East London, whereby properties were being kept affordable in perpetuity via a land covenant and community land trust scheme.
- Homes were made available at a cost of 60% of the median income, and a land covenant would ensure they would do so in perpetuity. The Council would be able to decide an eligibility criteria for these properties e.g. local connection to the District.
- The barriers to such affordable housing schemes were identified as access to land and access to finance. As community land trusts were self-financing, the Council would not have a problem accessing finance.
- **Action Point** – Stephanie Baxter to seek further clarification from London CLT on their business case.
- Judith Snares said it was possible to create an appendix to the current allocations policy, which would allow different eligibility criteria to be applied for the proposed garden communities.
- A new 'intermediate' housing register was proposed for low and medium income households, which would accept applications from existing permanent employees working in Uttlesford, providing they can demonstrate that they cannot afford private rented housing within 35% (gross) of their total household income.
- Further criteria for the Intermediate Housing list would include the length of time an applicant had been on the list; and a focus on employees who worked in the immediate vicinity of the proposed garden communities (e.g. North Uttlesford and the Science parks).
- **Action Point** – The Chairman said it was not only future jobs that were of concern but also current employment figures within the District. He had spoken to MAG and was aware of a recent staff survey at Stansted Airport that would be of use; he requested that this staff survey was obtained from Jonathan Oates at MAG.
- Simon Payne said an equalisation agreement was in place with Braintree District Council whereby both authorities would be allocated a proportion of homes regardless of which side of the district border they had been developed.
- Braintree DC had a 30% affordable housing policy in place. With regards to the West of Braintree settlement, Councillor Redfern said the Council should request that this be brought up to 40% in line with UDC affordable housing policy.
- **Action Point** – The proposed North Uttlesford village would have an impact on South Cambridgeshire district and it was necessary to begin a dialogue to understand their housing strategy. Were there any elements of their strategy that would benefit Uttlesford?

- **Action point** – Simon Payne said he would produce a compatible note, comparing the housing strategies of adjacent authorities.
- It was agreed to have high aspirations for the proposed garden communities; not only was the 40% affordable policy to remain in place, but officers were committed to delivering high quality homes, infrastructure and sustainable local communities. Such targets could only be achieved if negotiations with developers were successful.

Councillor Redfern agreed to present the report to Scrutiny in September.

The meeting ended at 1.00pm.

APPENDIX B - SCRUTINY COMMITTEE

AFFORDABLE HOUSING IN GARDEN COMMUNITIES DISCUSSION GROUP

1 What is the Purpose of this Paper?

- 1.1 This paper sets out key considerations in relation to providing affordable housing in the proposed garden communities and suggests a way forward in reviewing the Uttlesford Housing Strategy.

2 What are our Housing Objectives in the new Garden Communities?

- 2.1 The housing objectives that were discussed at the Member Workshop are set out in the appendix 1 .
- 2.2 In summary the affordable housing objectives for the garden communities may be summarised as follows:
- to secure mixed and balanced communities from the start of the development linked with the timely delivery of social and physical infrastructure;
 - to ensure that affordable housing provision not only addresses people on the Uttlesford housing waiting list or those in Council or Housing Association properties, , but also delivers housing at suitable prices for local workers, families and older people wanting to stay near their existing community who cannot afford market housing; and
 - to bring forward homes that meet the needs of those who will have a long term need for affordable housing .

3 What is the Local Housing Need in Uttlesford?

- 3.1 Housing need can be classified into two main criteria. One uses the overall definition in the National Planning Policy Framework (NPPF), referring to all households whose needs cannot be met by the market, the other is more specifically focussed on those households who are in the highest need, and likely to be identified on the Uttlesford Housing Register.

3.2 Calculating Affordable Housing Needs assessments

- 3.2.1 The NPPF paragraph 61 and 62 set out how the 'size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes).
- 3.2.2 Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met 'on-site'.
- 3.2.3 The NPPF uses the concept of Objectively Assessed Housing Need. In this context, housing need includes the housing requirements of those with the ability to satisfy those requirements in the housing market, as well those who cannot. This paper adopts the term Affordable Housing Need for those in the latter group.

- 3.2.4 'Affordable Housing need' refers to those households "whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers);" and whose needs should be met by homes which comply with one or more of the definitions of affordable housing.(See Appendix 3)
- 3.2.5 In terms of affordable housing, need and demand are different because demand is really a 'want' and may not be the same as what is needed – i.e. a couple may *want* a two bedroom property but only *need* a one bedroom property. There is a duty on the local authority to meet need. In terms of open market housing, demand and need are driven by what can be afforded and there is a choice about how this need is met – i.e. an individual may only need a one bedroom house but want a four bedroom house. If they can afford it they can buy it.
- 3.2.6 The calculation of affordable housing need is intended to provide a short-term assessment to estimate the level of affordable housing required on an annual basis to meet need across a five year period. When considering the need for affordable housing in the garden communities, it will be important to look over a much longer timeframe, say 15-20 years. The affordable housing need assessment will need to consider:
- **Addressing historical accumulated affordable housing need** (i.e. the '**backlog**'). This backlog can be considered to be made up of a range of types of household in 'need' - from those in urgent need of housing i.e. without a current permanent home, to those who are living in overcrowded or substandard homes, and those who have an aspiration to live in non-market (social) housing but are not in urgent need of re-housing.
 - **Calculating annual net new need**. For the garden communities, this will need to address the principles set out in the Housing Objectives for the garden communities above. As with market housing there is an underlying level of demand as new households form and require a property. In the context of the current economy and the housing market a significant proportion of these newly forming households face significant challenges in gaining entry to market housing therefore driving demand for affordable housing. The household growth in Uttlesford is not primarily coming from new household formation but demographic pressure arising from people wanting to move into the district. As they move in because they can afford to, local house prices are forced up and, as stated, newly forming households face significant challenges generating affordable housing requirements.

In addition to new households, existing households also 'fall into' affordable housing need, as households circumstances change resulting in their current housing situation no longer being appropriate and a requirement for affordable housing arising. This needs to be balanced against the supply of affordable housing available in an area to meet these needs.

A unique circumstance arises when new garden communities are considered, in addition to these two standard considerations for the methodology for assessing affordable housing need:

- **A realistic requirement for affordable housing need** in the new garden communities will need to be predicted over a much longer time horizon, and should adapt to meet the employment needs of the new garden communities in alignment with the garden communities housing objectives as well as accommodating the wider District needs.

- 3.2.7 A key assumption, for plan making purposes, is that if there is an adequate supply of new homes which can be afforded by all households, then housing needs (both Affordable Housing Needs, and market housing needs and demands) will have been met at the end of the plan period, which in Uttlesford's case is 2033. When considering a garden community, this timeframe is considerable longer – 20-40 years.
- 3.2.8 Local Housing Registers are used as a key secondary data source in determining local affordable housing need, as part of the first bullet in 3.2.5 above referred to as 'backlog'. All household applications to register on the Housing Register are assessed and placed in one of five priority bands. This is based on an assessment of housing need, and whether or not the household has a local connection to the area.
- The bands are:
- Band A: Emergency Housing Need
 - Band B: High Housing Need
 - Band C: Medium Housing Need
 - Band D: Low Housing Need
 - Band E: No Housing Need¹
- 3.2.9 Affordable housing needs assessments would usually include Bands A-D within the calculations. Those in Band E are excluded because they have been assessed as adequately housed in their current accommodation.

3.3 Affordable Housing Need resulting from homelessness

- 3.3.1 'Affordable Housing Need'² is also defined in national guidance in regards to homelessness:
- 3.3.2 "Each local housing authority is required to consider housing needs within its area, including the needs of homeless households, to whom local authorities have a statutory duty to provide assistance."
- 3.3.3 The Housing (Homeless Persons) Act 1977, Housing Act 1996, and the Homelessness Act 2002, placed statutory duties on local housing authorities to provide free advice and assistance to households who are homeless or threatened with homelessness.
<https://www.gov.uk/guidance/homelessness-data-notes-and-definitions>.
- 3.3.4 "A 'main homelessness duty' is owed where the authority is satisfied that the applicant is eligible for assistance." Has a local connection and in priority need.
- 3.3.5 The Homeless Reduction Act 2017 places full duties on LA's to prevent homelessness where someone is within 56 days of becoming homeless. The LA must provide each applicant with a personalised housing plan with realistic options to prevent or relieve their homelessness. Where the private rental sector is unaffordable on average incomes

¹ Adequately housed but maybe paying significant amount of income on rent in private sector.

² <https://www.gov.uk/guidance/homelessness-data-notes-and-definitions>

affordable housing is often the only solution. The main cause of homelessness in Uttlesford is the ending of private rented tenancies.

3.3.6 The Council's Housing Register holds the applications for housing from those wanting to live in social housing, including those in most need, and housing is allocated through 'HomeOptions', the Councils Choice Based lettings scheme according to priority.

3.3.7 Households that are in housing need and cannot meet their housing costs based on household income are defined as:-

1. Homeless (not intentional) for individuals, couples or families
2. Need to move due to health needs
3. Unable to live in own home due to abuse or the threat of abuse
4. Overcrowded or under occupying
5. Non decent housing
6. move for employment opportunities

3.4 Meeting the costs of housing for low income households

3.4.1 To assist low income households with housing costs, the housing element of Universal Credit (UC) is awarded up to the Local Housing Allowance (LHA) but does not fully cover all private rental costs, if the household is allocated to a private landlord's accommodation. (see [Table 11](#))

3.5 Assessing affordability when considering affordable housing requirements for garden communities

3.5.1 The existing approach to meeting the housing costs of low income households is through controlling rents - social rents, affordable rents and shared ownership types of tenure (with the construction costs generally subsidised by affordable housing grants), with any 'gap' between the subsequent rent and household incomes being met by housing benefit and the housing element of UC.³

3.5.2 Garden communities offer the opportunity also to explore the opportunities for alternative housing solutions, such as those being delivered by community-led housing groups as well as reducing construction costs and land prices, making the final house prices linked more closely to the cost of production.

3.5.3 To establish the appropriate rents which a household can afford it is necessary to look at the anticipated household incomes, as well as research into typical household costs and acceptable methodologies for assessing minimum income requirements.

³ In the past 8 years direct subsidy has been shifted away from bricks and mortar and on to individuals with low incomes. Over the same period housing costs have increased across all tenures. As a result, and as anticipated at the time, an increasing number of low income households became reliant on housing benefit to 'take the strain'.

https://england.shelter.org.uk/__data/assets/pdf_file/0009/436275/Bricksorbenefitsfullreport.pdf

3.5.4 The assessment of affordability which is adopted in this paper looks at evidence based on the assumption that housing costs reach no more than 35% of income. This is a model of best practice suggested by Joseph Rowntree Foundation (JRF)⁴. Research for the London Housing Strategy⁵ applies a 40% maximum for housing costs for low/middle income households (para 4.14 “Household income caps help set the eligibility criteria for intermediate affordable homes... The draft London Plan includes a further safeguard, stating that expenditure on housing costs should not exceed 40 per cent of net household income.”)

3.5.5 The evidence base for Uttlesford District Council local incomes and housing costs can be found in Appendix 2.

3.6 Household Income Criteria for Affordable Housing Need related to either existing district residents or workers:

3.6.1 At present in Uttlesford, using the Joseph Rowntree Foundation assumptions, in order to be able to genuinely afford the housing costs of renting a 3 bedroom home (costing of market rents of between £242 and £299 per week, depending on the location) a household will be spending between £12,584 and £15,548 per year on their rent, needing a household income of between £35,954 and £44,423 per annum. To put these incomes into context, 60% of residents earn less than £31,740 pa⁶ and the average income in Uttlesford is £36,914⁷. These market rents cannot be genuinely afforded by at least 60% of resident in Uttlesford. [See Appendix 2 for further calculations].

3.6.2 If we consider the cost of buying with a 10% deposit and a mortgage, lowest priced properties (lowest 25%) were selling for £331,666 on average in March 2018. A joint income of nearly £100,000 would be required to satisfy a mortgagor, whilst current annual mortgage payments would be approximately £15,000⁸.

4 Commentary on Existing Affordable Housing Policy in Uttlesford

4.1 Social housing is allocated by Uttlesford District Council to households that are in affordable housing need and cannot meet their housing costs based on household income/eligibility for welfare assistance.

4JRF Minimum Income Standard - <https://www.jrf.org.uk/report/minimum-income-standard-uk-2018>

5 https://www.london.gov.uk/sites/default/files/2018_lhs_london_housing_strategy.pdf and https://www.london.gov.uk/sites/default/files/2018_lhs_easy_read_fa.pdf and Home Housing – Flexi-rent report.

⁶ ONS Table 8 Home Geography

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/placeofresidencebylocalauthorityshetable8>

⁷ Data from earning of people who live in the district

⁸ Assuming annum interest at 5%, on £300,000 = £15,000.

- 4.2 In some cases, such as homelessness, households will be offered homes for which the rent is at “Affordable Rent” levels. [see Appendix 3 for definitions]. Uttlesford policy is to require Registered Providers/ Housing Associations to cap rents at Local Housing Allowance (LHA) levels, which will mean that the residents can claim their full housing costs within Housing Benefit allowances. However, if a resident is living in a privately rented home, their rent can be significantly above the LHA, which means there will be a shortfall. Households may experience financial hardship if they use their own resources to fill the shortfall. This is why the policy is that affordable rents should not exceed LHA levels. (see appendix 2 for calculations)
- 4.3 Financial support is available to assist residents in housing need to meet their housing costs in the private rented sector. The Council has a private rental deposit guarantee scheme⁹ in operation and may provide the deposit for eligible households into the private rented sector.
- 4.4 The Council’s Allocations Policy states that to access the housing register, the local connection criteria used is a connection of no less than 3 years unless they can evidence that they used to live in the district and were forced to move away due to a lack of affordable housing.
- 4.5 The Council has a mix of accommodation including flats, houses and maisonettes suitable for families, couples or singles. Residents of flats or maisonettes, who wish to live in a house may apply for a house after they have lived in the flat or maisonette for 2 years providing they have zero rent arrears and no history of anti-social behaviour.
- 4.6 Low income households ineligible for the Council’s housing register may find their housing need met in the private rental sector. However, due to high property prices, such households may live outside of the district and commute to work. This could add additional travel time and expense. Recruiting staff or retaining them is an issue for existing employers, especially for low skilled, low paid jobs.

The spare bedroom supplement is national policy, requiring same sex children to share until they are 16 and opposite sex until they are 10. This is applied in Uttlesford.

⁹ <https://www.uttlesford.gov.uk/article/1928/The-Rent-Deposit-Guarantee-Scheme> It acts as a guarantee which is repayable if tenants do not keep the terms of the guarantee.

5 What policy response is needed in the Garden Communities?

- 5.1 The National Planning policy Framework, revision was published on 24th July 2018, and Annex 2: Glossary (in Appendix 3) includes revised definitions for affordable housing, which will need to be taken account of in local plan making. These changes will impact on the ways in which affordable housing is considered in the round through housing policy as well.
- 5.2 – The scale of affordable housing in garden communities and other planned new homes growth should enable the different housing requirements of households to be addressed as mixed and balanced communities are created. A garden community housing will need to be delivered to meet all of the housing requirements of different households in order to achieve a mixed and balanced community over the long term.
- 5.3 Consideration is required as to how the council will provide access to this new “affordable garden community housing”. A garden community specific ‘affordable housing and economic assessment’ could be carried out to assess the incomes which are likely to exist in the new garden communities, to ensure that the most appropriate mix of price points for different housing tenures can be delivered.
- 5.4 Examples of other large scale new developments which have carried out demographic and income/employment assessments include Northstowe, in South Cambridgeshire, and North Essex Garden Communities.
- 5.5 Uttlesford’s projected employment analysis has been a part of the research for West Essex and East Hertfordshire, carried out by Hardisty Jones Associates¹⁰. This research and forecasting identifies a requirement for employment land, and further work would be required to forecast from this baseline, the respective incomes and percentages of the population earning at the different income rates, who will be requiring new homes in Uttlesford and specifically homes as part of the garden communities.
- 5.6 For the functioning economic market area of West Essex and East Hertfordshire, this work explores the additional jobs likely to be created during the plan period to 2033 as well as the kinds of employment sectors these jobs will be created in. The work identifies the need for approximately 20,000 additional jobs, for the whole area, to avoid residents having to commute out of the area. [Fig. 3.1].
- 5.7 The work takes account of the significant number of new jobs likely to be created at Stansted Airport. [para 3.4 below]. A further stage of this work would require analysis of the types of salaries which these jobs are likely to attract, in order to inform the forecasting of the price points required to meet the needs of households for affordable housing, so that the housing costs are kept at no more than 35% of household income.

¹⁰ West Essex and East Hertfordshire Assessment of Employment Needs (Hardisty Jones Associates, October 2017): <http://www.uttlesford.gov.uk/CHttpHandler.ashx?id=7277&p=0>

Figure 3.1 Balancing Labour Supply and Demand in the FEMA 2011-33 (Moderated Baseline)

Labour Supply	
Additional economically active population (2011-33) [A]	57,200
Allowance for frictional unemployment (3.8% ¹¹) [B]	2,200
Additional resident workers (2011-33) [C = A - B]	55,000
Excess labour supply at 2011 ¹² [D]	6,300
Total additional resident workers requiring jobs [E = C + D]	61,300
Out commuting (38.2%) [F]	23,400
Total change in residents requiring jobs within the FEMA [G = E - F]	37,900
Labour Demand	
Total additional jobs (Moderated Baseline) [H]	33,100
Filled by in commuters (28.7%) [I]	9,500
Total available jobs for local residents [J = H - I]	23,600
Excess workers [K = G - J]	14,300
Additional job requirement [L = K / (1 - in-commuting rate)]	20,000

¹¹ The rate of frictional unemployment is set at 3.8%. This is based on analysis of ONS Annual Population Survey data for the FEMA for the period 2004-2016. Over this period unemployment (ILO measure) has averaged 4.8%. When considering only the years before the economic downturn (2004-2007) and since recovery has been well established (2015-2016) the average is 3.8%. This is set as an assumption for unemployment in times of strong labour market performance.

¹² Unemployment in the FEMA was high at 2011 as a result of the economic downturn. If unemployment stood at a frictional rate of 3.8% an additional 6,200 residents would have been in employment at 2011.

3.4 Stansted Airport

There are well defined growth plans for Stansted Airport¹⁴. These have been subject to detailed econometric research¹⁵ which formed the basis for the Stansted scenario within the HJA 2015 report. Planning permission has been awarded for expansion at Stansted to accommodate up to 35 million passengers per annum (mppa). Current passenger numbers are understood to be above the anticipated growth profile. The Sustainable Development Plan sets out an increase in passenger numbers to 35 mppa by 2025 and 45 mppa by 2030. The related increase in jobs is estimated to be around 10,000 jobs at the airport by 2030. Research by Oxford Economics identified a series of likely displacement effects in the wider FEMA, resulting in a net increase of some 8,750 jobs at FEMA level.

HJA analysis of the moderated EEFM baseline indicates some 2,000 additional jobs at Stansted are already included. The overall FEMA level uplift over the moderated baseline is therefore 6,750. This is again exceptional and outside the pattern of normal econometric forecasting. The increase will be spread over an extended period to 2030.

- 5.8 New affordable homes will be provided by Registered Providers (HA's) at LHA levels, and this may mean that existing residents in affordable housing need will move from existing settlements to new Garden Communities.
- 5.9 Affordable housing provision in the garden communities is able to focus on the 'bricks and mortar' subsidy. *"By definition, supply subsidises help increase the supply of available accommodation, including that at sub-market rents. This lowers costs and reduces the need for an additional, usually means-tested benefit, and in doing so avoids the work disincentives associated with housing allowances and reduces the cost of housing benefit."*¹¹

¹¹ Shelter report 2012,

https://england.shelter.org.uk/_data/assets/pdf_file/0009/436275/Bricksorbenefitsfullreport.pdf

- 5.10 Access to the quantum of affordable housing which will become available through the garden communities is unprecedented in Uttlesford , and will need to be managed. However, as quoted above, once constructed, and offered for low rent, in perpetuity, there should be no additional welfare benefits required for the individual household.
- 5.11 A new system to assess eligibility for access to the new types of rented homes, kept at rents no more than 35% of incomes, will require consideration of some of the following issues:
- Mechanisms to demonstrate that each households' needs cannot be met by the open market, whilst working in permanent employment in the district. Generally, these are households with combined incomes below 'entry income' level for market rent for the appropriate household type.
 - Based on the calculations in appendix 2, examples of employees with permanent employment within the District would fall within this category in the following work fields:
 - Administrator/receptionist
 - Baggage Handler at airport
 - Care assistant at residential care home.
 - Age and size of household, may lead to consideration of family/single status and a minimum age for support.
 - Specific housing for people in permanent employment within Uttlesford district
 - Specific housing for older people could include more shared space, addressing issues of loneliness as well as meeting needs which are currently not met by the market.
- 5.12 Under the existing housing allocations policy, workers seeking to move closer to their place of work if they have a lower connection to the district than 3 years would be unable to benefit from the rented housing delivered in the Garden Communities. This may be a barrier to local employers' ability to attract new staff.
- 5.13 The Garden Communities have the potential to meet the affordable housing needs of current applicants on the housing register. There are approximately 1,000 applicants, who in theory could be housed within three years (with the Garden Communities being delivered at the full rate) However, affordable housing need continues to rise for three reasons. Firstly, because of the disparity between rents and incomes, secondly, due to population growth and demographics, family breakdowns and newly forming households and thirdly, the rise in the number no fault evictions from applicants living in the private sector.
- 5.14 An active approach to advertising the availability of new homes to be let as affordable and social housing, will be required over many months before they become completed, to avoid the risk of insufficient tenants applying for affordable rented homes. If they occur, these voids would affect cash-flow, but also prevent the settlements from achieving a balanced population in terms of incomes, ages, household types and diversity the Council wishes to support.

- 5.15 An active approach to encourage existing households who are under-occupying (wishing to down-size/'right-size') or over-crowded, to move to new homes in the new Garden Communities, may be useful as a District-wide strategy to release existing properties to others on the Housing Register, for example freeing up flatted accommodation for families new to affordable housing tenancies.
- 5.16 The spare bedroom supplement is national policy, requiring same sex children to share until they are 16 and opposite sex until they are 10. A specific design space standard requirement as part of the Garden Communities policy could require larger bedroom sizes to incorporate sufficient space for storage and space for homework.

6 Proposed New Policy for the Housing Strategy in relation to Garden Communities

- 6.1 In the light of the consideration set out in this report it is recommended that the Housing Strategy is revised, in relation to the new Garden Communities, as follows:
- 6.1.1 Change the eligibility criteria of the allocations policy and to create a new 'Intermediate' Housing Register, which accepts applications from all existing employees within Uttlesford District on permanent contracts for the Councils' 'Intermediate' Housing Register and associated affordable housing, providing the household can evidence that they cannot afford private rented housing within 35% (gross) of their total weekly household income (with welfare support if they are eligible) but can afford the weekly rental at LHA rates. In the case of the two Garden Communities that adjoin the district boundary, then consideration should be given to enable permanent employees within the immediate vicinity access to the affordable housing provision.
- 6.1.2 Allowing over occupation for families with opposite sex children below the age of 10.¹²
- 6.1.3 Investigate alternative intermediate home ownership products not delivered by HA partners. For example, models that link housing costs to local median income with a resale covenant in place to permanently be delivered in this way and therefore, affordable in perpetuity.

7 Conclusions

¹² To prevent a needless 2nd move once eldest child reaches 10 years if they are opposite sex. Families would have to meet an affordability check.

- 7.1 There is a strong case for planning over a longer time horizon in garden communities for a mix of homes which will be made available for households “whose needs are not met by the market”.
- 7.2 Some of these homes can be offered on the ability to pay, and a new form of Intermediate Housing Type Register should be created, whilst some will need to be allocated by the Council on the basis of the existing Allocations Policy and restricted through the Housing Register.
- 7.3 The affordable housing needs to be met within the new Garden Communities will continue to change over time, and the strategy for adapting to this will need to be flexible and mesh with the strategy for providing market focussed homes in order to maximise the opportunities present by the delivery of new Garden Communities aiming to achieve the full range of Garden Communities Objectives.

Appendix 1

Objectives of Garden Communities

- Mixed and balanced Communities
- (including mixed tenures, ages, ethnicity and income)
- Provision to support Vulnerable People;
- (including people with learning difficulties, people with mental health issues and people with physical disabilities)
- The opportunity for health lifestyles;
- Good access to work
- Good leisure, recreation and community facilities
- Places where people live out of choice rather than necessity
- Housing for local workers
- (especially workers who cannot afford to live in the district)
- Houses and places that are well managed in the long term
- Phasing and programming designed to meet these objectives throughout the delivery period
- Full engagement by the community in the planning, delivery and management of the place
- Improved quality in housing design and construction
- High environmental sustainability
- Future proofing for changes in lifestyle
- An approach that takes account of the needs of the whole district

Appendix 2 – evidence base

Private Rented Sector

The current open market rent levels in the district are given below. These figures are compared for Uttlesford district and the three main towns of Saffron Walden, Great Dunmow and Stansted. Prices are highest in Stansted, this may be due to the proximity to the airport or A120/M11 junction.

Table 1 Entry level private rental sector homes by main settlements.

Property Size	Uttlesford	Saffron Walden	Great Dunmow	Stansted
1 Bed	£155	£149	£150	£172
2 Bed	£190	£189	£173	£205
3 Bed	£242	£238	£251	£299
4 Bed	£323	£337	£311	£367

Source: Hometrack June 2018

Best practice highlighted by JRF suggests that housing costs can be afforded by households on low incomes when the rents are no more than 35% of their income (excluding benefits). For middle income households, their requirements for non-housing costs (e.g. transport, food, clothing) can be met if their housing costs are no more than 40% of their income.

Table 2 below provides data for the entry level¹³ private rented housing with the annual rent charged and the incomes of low skilled jobs, based on current (June 2018) job adverts that are reflective of the local economy of Uttlesford. Roles include unskilled workers such as baggage handlers, care assistants and warehouse and distribution workers. In addition, skilled workers include a nursery nurse and qualified nurse.

The data in shows the percentage of income spent by a single person seeking to meet their housing need in an entry level, one bedroom flat within the private rented sector. An annual rent of £8,088 would be 40% of a baggage handlers' income compared to a care assistant who would need to spend 54% of their income. A worker in the warehouse and distribution sector would spend 50% of their income on the same property.

Table 2 Income compared to rental costs

Job Title	Income PA.	RPS Rent pw	Annual PRS Rent	% of income
Care assistant*	£15,114	£155	£8,088	54
Warehouse assistant	£16,224	£155	£8,088	50
Nursery Nurse	£18,000	£155	£8,088	45
Baggage Handler	£20,020	£155	£8,088	40

*not qualified

¹³

Data is the lowest 30% of open market rents

The residual income after rent is also given. Costs such as council tax, utilities, insurance, transport, heating, food and clothing would need to be deducted from this figure. A care assistant would have the lowest residual amount left after housing costs amounting to £135 pw, followed by the warehouse assistant (£156) and the baggage handler with £230. Given the rural location of Uttlesford, it is likely that such roles would need access to their own private transport.

Table 3 Low skilled jobs compared to average Uttlesford RPS rents

Job Title	Income PA.	RPS Rent pw	Annual PRS Rent	% of income	Weekly Residual income after rent
Care assistant	£15,114	£155	£8,088	54	£135
Warehouse assistant	£16,224	£155	£8,088	50	£156
Baggage Handler	£20,020	£155	£8,088	40	£230

Skilled jobs in the caring and education sector are given below. A qualified nurse with one year's experience would attract an income of £22,128. This would still require 37% of their income to pay for a one bed flat in the private rented sector. A qualified nursery nurse would spend 45% of their income on housing costs.

Table 4 Skilled jobs compared to Uttlesford PRS rents

Job Title	Income PA.	RPS Rent pw	Annual PRS Rent	% of income	Weekly residual income after rent £
Nursery Nurse	£18,000	£155	£8,088	45	191
Nurse#	£22,128	£155	£8,088	37	270

#RGN +1 years experience

Evidence in this paper has used the calculation of housing costs being no more than 35% of a households' income. Data in **Error! Reference source not found.** shows the levels of income required for households to meet their housing costs based on the number of bedrooms needed.

For housing costs to be no more than 35%, a household would need to earn £26,867, rising to £55,987 for a 4 bed property. Although it is assumed that there would be 2 incomes for family sized properties, these incomes may be based on one full time income and one part time income.

It should be remembered that these figures are based on entry level rents in the private sector and it should not be assumed that such properties are available when need arises.

Table 5 Private sector rents and the household income needed to meet housing costs for Uttlesford District.

Property Size	Uttlesford Entry level (30th percentile) open market rents (pw)	lowest private rents per annum	Income needed if housing costs no more than 35% of income
1 Bed	£155	£8,060	£23,029
2 Bed	£190	£9,880	£28,229
3 Bed	£242	£12,584	£35,954
4 Bed	£323	£16,796	£47,989

Source: Hometrack June 2018

The following tables, provide data on entry level open market rents with incomes required for the main settlements of Saffron Walden, Great Dunmow and Stansted.

Rents range from 7,800 to £19,058 whilst households would need to earn £25,796 for a one bed property, rising to £58,471 for a 4 bed property. It is acknowledged that couples and families may have two incomes, but it is assumed these incomes may be based on one full time income and one part time income.

The level entry rents in the private rented sector for Stansted are higher than for Saffron Walden or Great Dunmow. This may be due to the demand for properties from workers associated with the airport or the M11/A120 corridor.

Table 6 Private sector rents and the household income needed to meet housing costs - Saffron Walden

Property Size	Entry level open market rents (pw) - Saffron Walden	lowest private rents per annum	Income needed if housing costs no more than 35% of income
1 Bed	155	£8,060	£23,029
2 Bed	190	£9,880	£28,229
3 Bed	238	£12,359	£35,310
4 Bed	337	£17,541	£50,118

Source: Hometrack June 2018

Table 7 Private sector rents and the household income needed to meet housing costs - Great Dunmow

Property Size	Entry Level open market rents (pw) - Great Dunmow	lowest private rents per annum	Income needed if housing costs no more than 35% of income
1 Bed	£150	£7,800	£22,286
2 Bed	£173	£8,996	£25,703
3 Bed	£251	£13,052	£37,291
4 Bed	£311	£16,172	£46,206

Source: June 2018

Table 8 Private sector rents and the household income needed to meet housing costs - Stansted

Property Size	Entry Level (30%) PRS Rents pw - Stansted	Rents per annum	income needed if housing costs no more than 35% of income
1 bed	172	£8,944	£25,554
2 bed	205	£10,660	£30,457
3 bed	299	£15,548	£44,423
4 bed	367	£19,058	£54,451

Source: June 2018

Residents in need of housing assistance

The following table compares the range of Local Housing Allowance¹⁴ levels with the private rents and the short fall between the two figures. The shortfall for a 2 bed property is up to £36 per week or £156 per calendar month.

Table 9 Comparison of Local Housing Allowance (UDC wide) with private sector rents.

Property size	LHA £ pw	Private Rental pw	Difference pw.	
1 Bed	£127-£137	£149-£172	£22 -	£35
2 Bed	£141-£169	£189-£205	£36 -	£48
3 Bed	£173-£204	£238-£299	£65-	£95
4 Bed	£231 -£288	£337-£367	£79 -	£106

To show demand for affordable housing, the number of households rehoused using local housing allowance rents is given below. The figures have risen each year amounting to a total of 1,600. If the number of new homes had not been delivered, the additional 1,600 households would have been added to the councils' housing register.

Table 10 Number of households housed using local allowance rents

	Housing Association	Local Authority	Totals
2014/15	104	178	282
2015/16	150	191	341
2016/17	208	230	438
2017/18	223	247	470
2018 (April to July)	69	0	69
Total	754	846	1600

¹⁴ Government welfare payment to assist with housing costs

Table 11 below shows a comparison of open market rents against 80% (OMV) and open market rents compared to the local housing allowance. These figures are based on averages of Uttlesford Open Market Rents and Local Housing Allowance.

A two bedroom property is £190 per week from the private rental sector. 80% of that property (the amount affordable rent can be set at) is £152. The difference between the private rent charged and the LHA to pay it, is £38 per week.

The same property would have a short fall of £30 if a resident was reliant on welfare benefits to meet their housing costs.

Table 11 Comparison of Open Market Rents with 80% OMV and Local Housing Allowance

Difference of OMR and 80% OMR and OMR and LHA rates. -Uttlesford (avg)			
Property Size	Open Market Rents	80% of Open Market Rents	Difference pw.
1 Bed	£155	£124	£31
2 Bed	£190	£152	£38
3 Bed	£242	£194	£48
4 Bed	£323	£258	£65
Property Size	Open Market Rents	LHA Rates	Difference pw.
1 Bed	£155	132	£23
2 Bed	£190	160	£30
3 Bed	£242	192	£50
4 Bed	£323	258	£65

Examples of alternative, intermediate rent approaches and justification of the need for rents to be capped at approx. 35% for low and middle income households:

Vancouver example - Co-operative Housing Federation of BC (CHF BC) and the Community Land Trust. Use 30% of income - <https://www.vancouverisawesome.com/2018/07/11/coop-pricing-vancouver/> or <https://www.chf.bc.ca/faqs/>

London School Economics presentation on PRS and affordability - <http://www.lse.ac.uk/International-Inequalities/Assets/Documents/Slides/Private-Renting-Presentation-III-Seminar-14-11-17.pdf>

English Housing Survey - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/627683/Housing_Cost_and_Affordability_Report_2015-16.pdf

mehr als wohnen example - <https://psh.urbamonde.org/#/en/community/2> and http://premiobaffarivolta.ordinearchitetti.mi.it/portfolio_page/18_hunziker-areal-housing-cooperative-mehr-als-wohnen/

Appendix 3 – extract from the National Planning Policy Framework, defining ‘Affordable Housing’

Annex 2: Glossary

Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

a) **Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government’s rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

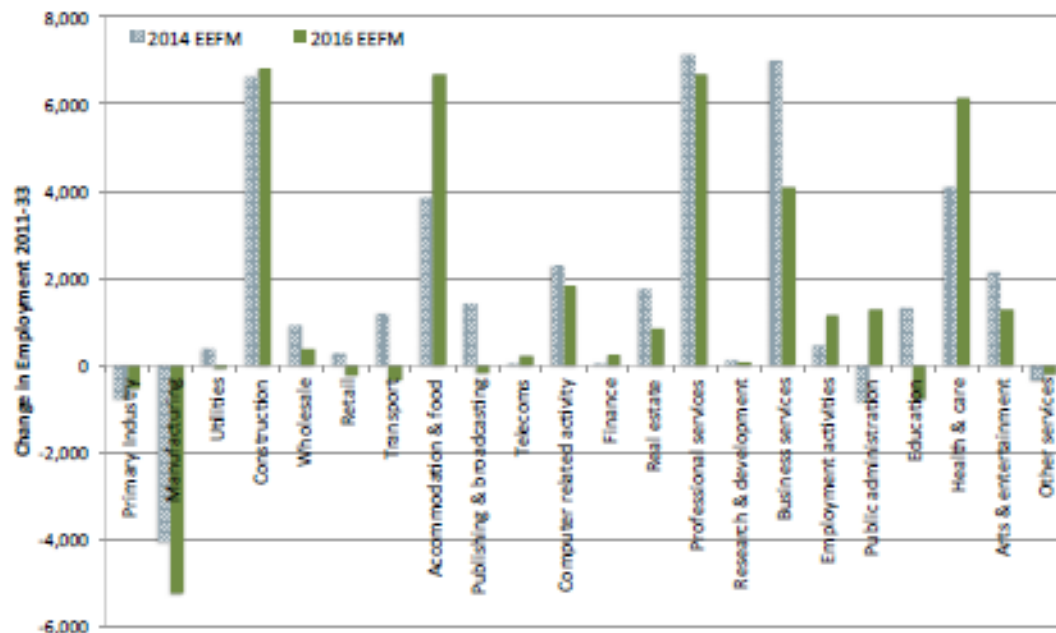
b) **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household’s eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

c) **Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

d) **Other affordable routes to home ownership:** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

Appendix 4 – Sectoral employment analysis from the October 2017 ‘West Essex and East Hertfordshire Assessment of Employment Needs. Final Report’ by Hardisty Jones Associates

Figure 2.8 Comparing FEMA Level Forecast Sectoral Employment Change in the 2014 and 2016 EEFM



Source: HJA based on EEFM

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Committee: Scrutiny Committee

Date:

Title: Investment Strategy

Tuesday, 25
September 2018

Report Author: Adrian Webb, Director - Finance and
Corporate Services
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Summary

1. This report provides Members with the opportunity to discuss the current Investment Strategy and to help guide the 2019/20 strategy.

Recommendations

2. That Members note the current report and provide thoughts on improvements for the 2019/20 plan.

Financial Implications

3. None from this report

Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

Impact

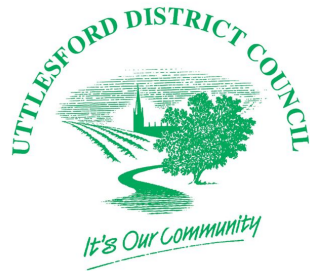
- 5.

Communication/Consultation	This plan is communicated to all councillors at the budget setting meeting in February each year
Community Safety	No impact
Equalities	No impact
Health and Safety	No impact
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None it covers investment in any or all

	areas
Workforce/Workplace	None

Situation

6. In February 2018 the council adopted its first Investment Strategy document which is attached.
7. For the 2018/19 financial year to date Officers have received, from various agents, a number of possible acquisitions. However none have met all of the requirements which include, but are not limited to
 - a. Must be located within the Uttlesford district boundary
 - b. Overall viability of the business model
 - c. Cost of financing
 - d. Return versus reward
 - e. Covenant of potential tenants
8. In addition to the requirements set out above there are a multitude of external risks ie not specifically related to the investment, that are also considered before any potential investment is put before Members. Examples of these include
 - a. Likelihood of downturn in the specific sector
 - b. Change in Government rules in investment
 - c. Diversity of our asset portfolio
 - d. Available funds
 - e. National and International effects on the local economy, for example Brexit
9. Further investments are being considered and it is possible that some or all these will come to Full Council during the Autumn.



Uttlesford District Council

General Fund Investment Strategy

2018/19



Prepared by:
Adrian Webb
Uttlesford District Council
January 2018

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Introduction

The Council recognises that as a consequence of reducing government funding there is an increased requirement to generate additional income to underpin the core services provided by the Council to its residents. By way of illustration, a 1% rise in Council Tax is equivalent to about £50,000 in additional income. An emerging funding gap means that other solutions need to be identified.

In 2016 the Council took the decision to make strategic investments. At present only strategic investments that are within the district boundary are being considered. There are four main types of investment that the Council could make:

- Commercial Property - acquisition or purchase of land on which to build

This is the preferred investment route for the Council. In May 2017 the Council, through its wholly owned subsidiary Aspire (CRP) Ltd, acquired a 50% share in Chesterford Research Park. As part of the Cambridge Life Science cluster the Park is world renowned, having been in existence for 18 years, with available space to significantly increase the commercial floorspace, plus expand the Park into other areas of research to diversify and reduce the investment risk.

In March 2017 the Council agreed to purchase 5 acres of land, subject to planning permission being granted, in Little Canfield. Whilst the primary purpose of the site is to co-locate the existing three Council depots there will be sufficient space for the building of two commercial units to rent.

During 2018/19 the Council will be taking on a 10 year lease of four office units at the new housing development at Walpole Farm, Stansted.

- Commercial Property - build on land owned by the Council

The Council has no land suitable for commercial development

- Residential Property - build on land owned by the Council

The Council has a limited amount of General Fund land on which houses could potentially be built. The Council has taken the view that developing land, other than for HRA use, should be left to developers and therefore suitable land will be sold with outline planning permission. Capital receipts received will be used to finance other investment opportunities.

- Residential Property - acquisition or purchase of land on which to build

This would be non-HRA properties let at market rents. Property prices in the District are higher than the UK average and as such the yield arising on pre-built properties to rent at market value, is uneconomic. The option to purchase land for development may arise in the medium-term as the Council develops the Garden Community model of housing delivery.

Contribution

It is expected that for 2017/18 (part year) the net contribution to the Council budget from these investments will be circa £1,500,000

The Council recognises that, to support the budget ongoing and to ensure the continued delivery of services at the level currently provided, further investment in the expansion of Chesterford Research Park and potentially an additional large scale investment will be necessary.

Indicators

Chesterford Research Park (£47.25m) debt funded by

Financial Institutions - £37m for 40 years on a repayment basis @ 2.86% fixed. The drawdown of this funding is as follows

1 July 2017 - £10m
1 July 2021 - £12m
1 July 2022 - £15m

Whilst this loan is being drawn down the balance will be funded by a mix of local authority and internal borrowing – The amount of each varies during the year dependant on the level of UDC balances available. Average interest rate, interest only, is 0.45%

Loans to Aspire are made at an interest only basis @ 4%. For Chesterford Research Park, in addition to loan income received there is also repayment of staff time and potential for dividends.

For 2017/18 (part year) the income from Chesterford Research Park is £1,800,000 with the cost of borrowing being £300,000.

Security, Liquidity and Yield

As the Council only has a small amount of money of its own to invest, any further expansion of the investment strategy will necessarily be funded from a mix of external borrowing, from financial institutions, Public Works Loan Board (PWLB) and other local authorities. The Council will not invest in high yield, high risk opportunities. This will be reflected in yield expectations which are currently 4 – 7%.

Asset investments will, where possible, be based on a 40 year life span which is in accordance with current DCLG guidance. Financial models, both income and expenditure will be prepared based on this time period. If the business case does not work on a 40 year financial basis, the investment will not be recommended to Council for approval.

Should the Council require the funds (either the reserves invested or to repay the loans taken out) to be available for other uses there are options depending upon the purchase route. For Aspire (CRP) Ltd the request goes to the Board who will decide whether to seek external funding or to invoke the sale of the Park.

Where the investment vehicle is Council only, for example at the new depot site, the options to liquidate funds are either by selling the investment (or part thereof) or by refinancing the debt.

Loans to wholly owned subsidiaries

In May 2017 the Council loaned to its wholly owned subsidiary Aspire (CRP) Ltd the sum of £47.25m to purchase a 50% share in Chesterford Research Park. The loan is at a commercial rate of 4% interest only basis for 50 years. The Council funded this through a mix of reserves and a £37m loan from Phoenix Life on a full repayment basis over 40 years.

The Council will continue to assist Aspire (CRP) Ltd with additional loans as new buildings are required or existing ones refurbished. In July 2017 the Council authorised a loan of up to £2.7m on the same terms for the refurbishment of Building 60. This loan will be funded from a mix of local authority borrowing and funds from the PWLB or commercial lenders.

It is the Council's expectation that over the next 15 years the Council will invest a further £50m in building out the rest of Chesterford Research Park with most of the funding required being obtained through borrowing from PWLB or commercial lenders.

Risks

Each investment must be considered independently and only those viewed as having a positive expected yield and an acceptable risk profile will be taken forward for consideration by the Council.

The Council takes advice from its professional advisers at all times. For example, with the purchase of the 50% share at Chesterford Research Park the Council engaged

- Arlingclose as its financial advisers who project managed the funding tender
- Cushman and Wakefield who undertook all of the purchase negotiations and due diligence
- Hogan Lovells for Legal due diligence

For Aspire (CRP) Ltd the Council has appointed two non-executive directors to serve on the Board and bring independent challenge and support.

Use of specialists will vary between investments which will ensure the continued professionalism and sector knowledge.

Proportionality

The aim of the Investment Strategy is to generate income to underpin the Council's core budget. The Medium Term Financial Strategy Reserve will be maintained at a level that as a minimum covers the cumulative annual interest amount for the General Fund investment loans. This ensures that if there is a material downturn or variance against budget in one or more investment the Council has sufficient reserves to cover the cost of the loan.

The Council's main investment at Chesterford Research Park comprises eleven core buildings and circa twenty tenants. For the income to be below the interest repayment amount three of the seven largest tenants would be required to default on their tenancy agreement at the same time. Even with this relatively low risk it is important to attract different types of research business to the Park.

The Council's MTFs currently identifies that the income received from the investments will be used to underpin the core services, to invest in other income generating opportunities and also good causes for the district.

Capacity, skills and culture

Each investment opportunity is fully evaluated prior to presentation to Full Council for a decision. Large scale investments, such as Chesterford Research Park, would include several Member briefings prior to the Full Council decision. Where appropriate, delegation is given to the Leader, Finance Portfolio Holder and S151 Officer (or Assistant Director of Resources for Aspire investments) to conclude investments and loans that have been approved by Full Council.

The Council employs experts in the fields of funding, negotiations, property due diligence and legal due diligence to support the councillors and statutory officers in their decision.

The Treasury Management Strategy sets out the Council's borrowing limits and these are reported as part of investment opportunity evaluations.

The wholly owned subsidiaries (the Aspire companies) all have the Cabinet as the shareholder board with funding requests being approved by Full Council. From 2018/19 the Aspire companies will use the Council's external auditors as their audit advisors. The companies also use one of the other major audit firms as tax advisors.