

# **Cabinet Agenda**

Date: Thursday 15 February 2024

Time: 6.30 pm

Venue: The Auditorium - Harrow Council Hub,

Kenmore Avenue, Harrow, HA3 8LU

Membership:

Chair: Councillor Paul Osborn (Leader of the Council) and

**Portfolio Holder for Strategy** 

Portfolio Holders: Portfolio:

Councillor Marilyn Ashton Deputy Leader of the Council and Portfolio Holder for

Planning & Regeneration

Councillor David Ashton Finance & Human Resources

Councillor Stephen Greek Performance, Communications & Customer Experience

Councillor Hitesh Karia Children's Services
Councillor Jean Lammiman Community & Culture

Councillor Mina Parmar Housing

Councillor Anjana Patel Highways, Infrastructure and Community Safety

Councillor Pritesh Patel Adult Services & Public Health
Councillor Norman Stevenson Business, Employment & Property

**Non-Executive Members: Role:** 

Councillor Thaya Idaikkadar Councillor Kanti Rabadia

Laboration Name (Napadia

John Higgins

Non-Executive Cabinet Member Non-Executive Cabinet Member

Non-Executive Voluntary Sector Representative

Harrow Youth Parliament Representative

**Quorum 3, including the Leader and/or Deputy Leader)** 

**Contact:** Andrew Seaman, Senior Democratic & Electoral Services Officer Tel: 07928 512790 E-mail: andrew.seaman5@harrow.gov.uk

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## **Useful Information**

# Joining the Meeting virtually

The meeting is open to the public and can be viewed online at <u>London Borough of Harrow</u> webcasts

## **Attending the Meeting in person**

### **Directions by car:**

Go along Kenmore Avenue and head towards the Kenton Recreation Ground. When approaching the end of the Kenmore Avenue turn right before reaching the Kadwa Patidar Centre.

The venue is accessible to people with special needs. If you have specific requirements, please contact the officer listed on the front page of this agenda.

You will be admitted on a first-come-first basis and directed to seats.

### Please:

- (1) Stay seated.
- (2) Access the meeting agenda online at <u>Browse meetings Cabinet</u>
- (3) Put mobile devices on silent.
- (4) Follow instructions of the Security Officers.
- (5) Advise Security on your arrival if you are a registered speaker.

## Filming / recording

This meeting may be recorded or filmed, and if you choose to attend, you will be deemed to have consented to this. Any recording may be published on the Council website.

Agenda publication date: Wednesday 7 February 2024

## Agenda - Part I

## 1. Apologies for Absence

To receive apologies for absence (if any).

### 2. Declarations of Interest

To receive declarations of disclosable pecuniary or non pecuniary interests, arising from business to be transacted at this meeting, from all Members present.

### 3. Petitions

To receive any petitions submitted by members of the public or Councillors.

### 4. Public Questions

To note any public questions received.

Questions will be asked in the order in which they were received. There will be a time limit of 15 minutes for the asking and answering of public questions.

[The deadline for receipt of public questions is 3.00 pm, 12 February 2024. Questions should be sent to <a href="mailto:publicquestions@harrow.gov.uk">publicquestions@harrow.gov.uk</a> No person may submit more than one question].

### 5. Councillor Questions

To receive any Councillor questions.

Questions will be asked in the order agreed with the relevant Group Leader by the deadline for submission and there be a time limit of 15 minutes.

[The deadline for receipt of Councillor questions is 3.00 pm, 12 February 2024.]

- 6. **Key Decision Schedule February 2024 April 2024** (Pages 7 14)
- 7. Progress on Scrutiny Projects (Pages 15 16)

For consideration

## **Place**

### **KEY 8. Energy Procurement Strategy 2024-28** (Pages 17 - 36)

Report of the Corporate Director of Place

KEY 9. New Harrow Local Plan - approval to consult (Regulation 18 version) (Pages 37 - 420)

Report of the Chief Planning Officer and Director of Regeneration and Sustainable Development

**KEY 10. Electric Vehicle Rapid Charging in Harrow** (Pages 421 - 438)

Report of the Corporate Director of Place.

KEY 11. Disposal of a Freehold Council Interest: Vernon Lodge, 654, Kenton Lane, Harrow, Middlesex, HA37LH (Pages 439 - 448)

Report of the Corporate Director of Place

## **Resources and Commercial**

**KEY 12. Final Capital Programme 2024/25 to 2026/27** (Pages 449 - 470)

Report of the Interim Director of Finance and Assurance

KEY 13. Final Revenue Budget 2024/25 and Medium Term Financial Strategy to 2026/27 (Pages 471 - 584)

Report of the Interim Director of Finance and Assurance.

14. Revenue & Capital Budget Monitoring Report Q3 2023-24 (Pages 585 - 636)

Report of the Interim Director of Finance and Assurance

KEY 15. Treasury Management Strategy Statement including Annual Investment Strategy for 2024/25 and Capital Strategy for 2024/25 (Pages 637 - 698)

Report of the Interim Director of Finance and Assurance.

KEY 16. Corporate Plan 2023-26: Review of first year and Flagship Actions 2024/25 (Pages 699 - 726)

Report of the Managing Director

KEY 17. Procurement of Payroll System including potential HR option (Pages 727 - 738)

Report of the Managing Director and Head of Paid Service

18. Any Other Urgent Business

Which cannot otherwise be dealt with.

#### 19. Exclusion of the Press and Public

To resolve that the press and public be excluded from the meeting for the following item of business for the reasons stated.

Agenda Item No	Title	Description of Exempt Information
20	Electric Vehicle Rapid Charging in Harrow, Appendices 1,2 and 3	Information under paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, relating to the financial or business affairs of any particular person (including the authority holding that information).
21	Disposal of a Freehold Council Interest: Vernon Lodge, 654, Kenton Lane, Harrow, Middlesex, HA37LH, Appendix 1	Information under paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, relating to the financial or business affairs of any particular person (including the authority holding that information).
22	Procurement of Payroll System including potential HR option, Appendix 2	Information under paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, relating to the financial or business affairs of any particular person (including the authority holding that information).

# Agenda - Part II

20. Electric Vehicle Rapid Charging in Harrow (Pages 739 - 776)

Appendices 1, 2 and 3 of the report from the Corporate Director of Place

21. Disposal of a Freehold Council Interest: Vernon Lodge, 654, Kenton Lane, Harrow, Middlesex, HA37LH (Pages 777 - 778)

Appendix 1 of the report from the Corporate Director of Place

**22.** Procurement of Payroll System including potential HR option (Pages 779 - 782)

Appendix 2 of the report from the Managing Director and Head of Paid Service

## **Data Protection Act Notice**

The Council will record the meeting and will place the recording on the Council's website.

[Note: The questions and answers will not be reproduced in the minutes.]

Deadline for questions	3.00 pm on 12 February 2024
Publication of decisions	16 February 2024
Deadline for Call in	5.00 pm on 23 February 2024
Decisions implemented if not Called in	24 February 2024



## **London Borough of Harrow**

## **Key Decision Schedule (February 2024 – April 2024)**

## February 2024

This is a list of Key Decisions which the Authority proposes to take at the above Cabinet meeting. The Cabinet agenda containing all the reports being considered will be published 5 clear days before the meeting.

## → A Key Decision is one which is likely to:

- (i) result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to its budget for the service or function to which the decision relates. A decision is significant if it involves expenditure or the making of savings of an amount in excess of £1m of capital or £500,000 of revenue or where savings or expenditure are less than these amounts but they constitute more than 50% of the budget attributable to the service in question; or
- (ii) be significant in terms of its effects on communities living or working in an area of two or more wards of the Borough.

### **Decisions which the Cabinet intends to make in private**

The Cabinet may meet in private to consider reports which contain confidential information. A private meeting of the Cabinet is open only to Members of the Cabinet, other Councillors and Council officers. This Schedule also contains non-Key Decisions which involve Cabinet meeting in private. Any person can make representations to the Cabinet if they believe the decision should instead be made in the public Cabinet meeting by emailing <a href="mailto:democratic.services@harrow.gov.uk">democratic.services@harrow.gov.uk</a>.

## The membership of the Cabinet is:

Councillor Paul Osborn (Leader), (Strategy)

**Councillor Marilyn Ashton** (Deputy Leader, Planning & Regeneration)

Councillor David Ashton (Finance & Human Resources)

Councillor Stephen Greek (Performance, Communications & Customer Experience)

Councillor Hitesh Karia (Children's Services)

Councillor Jean Lammiman (Community & Culture)

Councillor Mina Parmar (Housing)

Councillor Anjana Patel (Highways, Infrastructure and Community Safety)

Councillor Pritesh Patel (Adult Services & Public Health)

Councillor Norman Stevenson (Business, Employment & Property)

	Subject	Nature of Decision	Cabinet Member / Lead officer	Open or Private Meeting	Additional Documents to be submitted and any Consultation to be undertaken				
	FEBRUARY								
9	Revenue & Capital Budget Monitoring Report Q3 2023-24  1. To note the Revenue & Capital Budget for 2023-24 2. To approve amendments to the Capital Programme if applicable		Cllr David Ashton  Sharon Daniels, Interim Director of Finance & Assurance (S151 Officer) Usha Chauhan – Service Accountant Usha.Chauhant@harr ow.gov.uk	Open					
	Final Revenue Budget 2024/25 and Medium Term Financial Strategy to 2026/27	<ol> <li>To approve the Final Budget for 2024/25 and MTFS to 2026/27 and recommend to Full Council.</li> <li>To approve the Council Tax for 2024/25 and recommend to Full Council.</li> </ol>	Cllr David Ashton  Cllr David Ashton  Sharon Daniels, Interim Director of Finance & Assurance (S151 Officer) Sharon.Daniels@harr ow.gov.uk  Sharon.Daniels@harr ow.gov.uk	Open					

	Subject	Nature of Decision	Cabinet Member / Lead officer	Open or Private Meeting	Additional Documents to be submitted and any Consultation to be undertaken
•	Final Capital Programme 2024/25 to 2026/27	To agree the Final Capital Programme 2024/25 to 2026/27 and recommend the Capital Programme to Council.	Cllr David Ashton  Cllr David Ashton  Sharon Daniels, Interim Director of Finance & Assurance (S151 Officer) Jessie Man – Interim Head of Strategic & Technical Finance Jessie.man@harrow.g ov.uk  Jessie Man – Interim Head of Strategic & Technical Finance Jessie.man@harrow.g ov.uk	Open	
	Authority to Dispose of Assets	Decision to delegate approval of a forthcoming disposal with a value of over £250,000 to the Corporate Director, Place, pursuant to Section F6 within the Scheme of Approval and Delegation for Financial Transactions.	Cllr Norman Stevenson Dipti Patel, Corporate Director Place dipti.patel@harrow.go v.uk	Part exempt	

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Subject	Nature of Decision	Cabinet Member / Lead officer	Open or Private Meeting	Additional Documents to be submitted and any Consultation to be undertaken
Treasury Management Strategy Statement including Annual Investment Strategy for 2024/25 and Capital Strategy for 2024/25	To approve the report and recommend to Council that the Treasury Management Strategy Statement for 2024/25 be approved including:  Prudential Indicators for 2024/25; Minimum Revenue Provision Policy Statement for 2024/25; Annual Investment Strategy for 2024/25. Capital Strategy for 2024/25	Cllr David Ashton  Sharon Daniels, Interim Director of Finance & Assurance (S151 Officer) Sharon.Daniels@harr ow.gov.uk	Open	
New Harrow Local Plan - approval to consult (Regulation 18 version)	Cabinet to agree to consult on the draft (Regulation 18 version) of the new Harrow Local Plan.  Delegated authority to be given to the Chief Planning Officer to enable finalisation of the document, following consultation with the Portfolio Holder for Planning and Regeneration.	Cllr Marilyn Ashton  Emma Talbot, Director of Regeneration Programme and Sustainable Development emma.talbot@harrow. gov.uk	Open	

	Subject	Nature of Decision	Cabinet Member / Lead officer	Open or Private Meeting	Additional Documents to be submitted and any Consultation to be undertaken
	Energy Purchasing Strategy 2024-28	To authorise a contract for the provision of the Council's energy supply services from 1 October 2024 for a period of four years.	Councillor Anjana Patel, Councillor David Ashton  Safer and Stronger Communities Performance Lead Member for Scrutiny Saeed.atlas@harrow. gov.uk	Part exempt	
12	Corporate Plan 2023-26: Review of first year and Flagship Actions 2024/25	To endorse the Flagship Actions for 2024/25 and recommend to Council for adoption.	Councillor Paul Osborn Nahreen Matlib, Senior Scrutiny Officer nahreen.matlib@harro w.gov.uk	Open	
	Procurement of Payroll System including potential HR option	To request an aware of contract following G-Cloud Procurement	Councillor Stephen Greek, Councillor David Ashton  Ben Goward, Director of IT Ben.Goward@harrow. gov.uk	Part exempt	

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	Subject	Nature of Decision	Cabinet Member / Lead officer	Open or Private Meeting	Additional Documents to be submitted and any Consultation to be undertaken
	Electric Vehicle Rapid Charging in Harrow	To procure rapid charge points at various council controlled locations in the borough.	Councillor Anjana Patel Mehmet.Mazhar@har row.gov.uk	Part exempt	
7	Arrangements for the Supply of Temporary Staffing Service	Award a contract for the provision of Temporary Staffing, on a Master Vendor basis for 3 years	Cllr David Ashton Sarah Wilson, Principal Lawyer - Litigation Akhil.Wilson@harrow. gov.uk	Open	
	MARCH				
	Harrow Indoor and Outdoor Sports Facilities Strategy, 2023-2037	To seek approval for the adoption of the new Harrow Indoor and Outdoor Sports Facilities Strategy, 2023-2037.	Cllr Jean Lammiman Tim Bryan tim.bryan@harrow.go v.uk	Open	

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Subject	Nature of Decision	Cabinet Member / Lead officer	Open or Private Meeting	Additional Documents to be submitted and any Consultation to be undertaken
Procurement of Revenues and Benefits Resilience Support	To authorise the procurement of a contract for Revenues and Benefits resilience support with a value range between £5m to £8m over 5 years.	Cllr David Ashton  Fern Silverio, Head of Service, Collections & Benefits fernando.silverio@har row.gov.uk	Open	
Changes to Council Tax Long Term empty property Premiums, including furnished empty properties	To approve changes to existing Policy and introduce new Policy	Councillor David Ashton  Fern Silverio, Head of Service, Collections & Benefits fernando.silverio@har row.gov.uk	Open	

## **CABINET – February 2024**

## **PROGRESS ON SCRUTINY PROJECTS**

Review	Methodology	Type of report	Expected date for report to Cabinet	Comments
North West London Joint Overview & Scrutiny Committee (JHOSC)	Joint Committee	Update reports provided to Health & Social Care sub committee (for information)	As required	The North West London (NWL) JHOSC last met on 5th December 2023. Key agenda items included the Integrated Care System (ICS) Workforce Strategy; NWL Winter Resilience Plans; NWL Elective Orthopaedic Centre update and an ICS Update. Among other points raised, Harrow suggested that NWL NHS engages with Harrow's Estates team in relation to the work on the NWL NHS Estates Strategy to ensure alignment on outputs and resident needs. Harrow also requested for monitoring reports to be brought back to the committee for the new Elective Orthopaedic Centre against set targets for improved productivity, quality, and efficiency.  The next JHOSC meeting is on 14th March 2024.  There are regular update reports on the JHOSC to Harrow's Health and Social Care Scrutiny Sub-Committee so that there is a formal feedback loop between regional and local health scrutiny. Councillor Chetna Halai, chair of Health Sub, is Harrow's member on the JHOSC.

Contact: Nahreen Matlib, Senior Policy Officer Email: nahreen.matlib@harrow.gov.uk





Report for: Cabinet

**Date of Meeting:** 15 Feb 2024

**Subject:** Energy Procurement Strategy 2024-28

**Key Decision:** Yes

Responsible Officer: Dipti Patel Corporate Director - Place

Portfolio Holder: Councillor Anjana Patel, Portfolio Holder for

Highways, Infrastructure and Community

Safety

Councillor David Ashton, Portfolio Holder for

Finance & Human Resources

Exempt: No

Decision subject to

Call-in:

Yes

Wards affected: All (all Council service sites and schools)

**Enclosures:** None

## **Section 1 – Summary and Recommendations**

This report sets out the Council's energy procurement options and strategy for the period 2024 to 2028 and seeks approval from Cabinet for a new framework contract.

### Recommendations:

Cabinet is requested to:

- 1. Approve the Council enter into a Framework Agreement with LASER Energy Buying Group (LASER) managed by Kent County Council for the supply of energy to the Council's corporate sites and schools for a period of four years starting on 1st October 2024.
- 2. Delegate authority to the Corporate Director for Place, following consultation with the Portfolio Holder for Highways, Infrastructure and Community Safety and the Portfolio Holder for Finance & Human Resources, to call off contracts from the LASER Energy Buying Group Framework for the provision of gas and electricity supplies on the terms set out in this report.

## Reason: (for recommendations)

- To procure energy at competitive rates for the Council's 571 electricity and gas supply accounts across its corporate buildings and schools through an efficient process, in accordance with the government recommended approach for public bodies.
- The Council's current energy supply contract is due to expire on 30 September 2024 and a new contract is needed to ensure continuity of supply. To guarantee that the Council can participate in future advance purchases of energy beyond the current period of the contract a firm commitment to using a new framework agreement for the period 2024 2028 must be made by 31st March 2024¹. This will enable the Authority to take advantage of wholesale price fluctuations when the wholesale energy market is favourable.

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<sup>1 -</sup> Almost all energy companies buy their energy through a process called hedging, which is buying energy in advance. Hedging is the practice of forecasting future energy prices and buying in bulk at those prices to meet customer demand for a set period.

# **Section 2 – Report**

### 2.1. Introduction

- 2.1.1. The Council's existing energy contract covers energy provision until the end of September 2024. Currently a portion of the Council's energy is purchased in advance of the usage period. To ensure continuity of this advanced purchase approach, the new contract needs to be signed by 31<sup>st</sup> March in order for advance purchases to be placed ready for October 2024.
- 2.1.2. Gas and electricity market prices are highly volatile, and a long purchase window allows effective monitoring of the wholesale energy market prices and procurement at the best possible rates. Early contract agreement enables the energy suppliers to commence purchasing energy on our behalf and respond to market price changes, taking advantage of potential favourable buying opportunities.

## 2.2. Options Considered

## **Background**

- 2.2.1. The total costs of energy for corporate buildings, state schools, academies, street lighting and housing landlord's supplies were £14,521,745 million, for the 2022/23 financial year. School energy bills are paid by the schools from local budgets under the terms of service level agreements, with the Council arranging the supplies centrally.
- 2.2.2. The council procures almost all its energy requirements centrally under a framework agreement managed by LASER Energy, a public sector energy buying group (known as a Central Purchasing Body).
- 2.2.3. Under the current framework agreement gas is supplied by Total Gas and Power (TGP) and electricity for metered and unmetered sites by Npower.
- 2.2.4. The Council's supply contracts cover 118 gas and 453 electricity sites as summarised in the table below.

The Council's current energy contracts include:

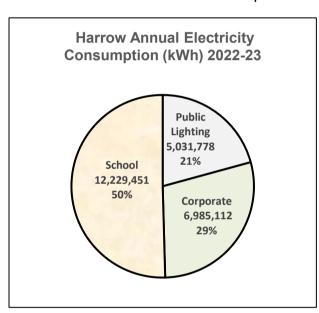
- a. Electricity (Half Hourly, Non-Half Hourly and Unmetered)
- b. Natural Gas
- c. Operation and Management of Meters over 100 KW (MOP) and P272
- d. Automatic meter reading (AMR)
- e. Data Collection services including AMR equipment and smart meters.

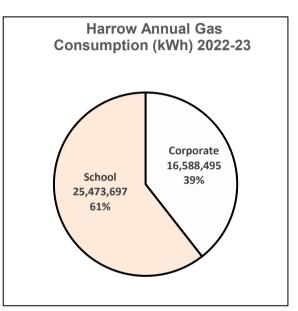
## Harrow's total energy cost, consumption, and CO2 emission 2022-2023

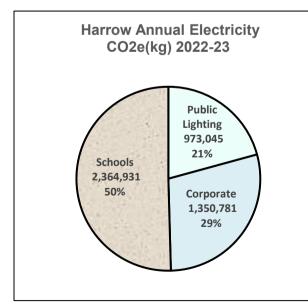
	Gas	Electricity	Street Lighting	Total: Gas + Electricity
Total Annual Cost (£)	£4,398,367	£7,883,861	£2,239,516	£14,521,744
Total Annual Consumption (kWh)	40,795,240	19,214,562	5,031,778	65,041,581
Total CO <sub>2</sub> emissions (kg)	7,446,763	3,715,712	973,045	12,135,521
Total number of sites	119	444	8	571

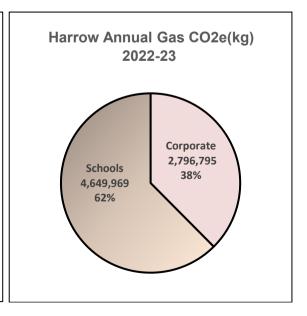
Note 1: 320 of the above sites, including 286 housing landlord and 34 public realms (parks), do not consume gas.

The following chart demonstrates distribution of Harrow's electricity and gas usage and CO2 emissions across the corporate and school sites in 2022-23.









## 2.3. Energy Procurement appraisal

## There are 4 options considered for the future purchase of energy:

- Do nothing
- Procure our own energy by direct tender
- Procure by a private third-party intermediary (TPIs) or an energy broker
- Procure via Central Purchasing Bodies (CPB)

## Option 1 – Do nothing.

The Council and participating schools would be exposed to 'out of contract' unit rates, which normally are higher than pre-agreed prices.

The Council needs to ensure continuation of its energy supply and achieve the best value and most competitive prices. For these reasons this is not a recommended option.

# Option 2 - Procure our energy supplies by direct tender using our own inhouse resource.

This option has not been considered as the Council's existing resources are insufficient to deal directly with the requirements of 571 separate corporate and school supplies requiring management of many energy invoice queries, metering, invoice validation, addressing payment issues, monitoring market trends and new regulations and other relevant support. It is a high-risk strategy that is unlikely to be effective in controlling commodity costs.

Managing a flexible energy framework is a specialist function and should only be performed by market experts.

# Option 3 - To procure through private sector Third-Party Intermediaries (TPIs) to source the Council's energy supply contracts.

TPIs include switching sites, energy brokers and any company that offers support with energy procurement.

TPIs typically sit between the regulated entities in the energy market (typically the supplier) and customers, helping them to engage with the market. TPIs in the energy market are not licensed.

Where a public sector procurement compliant framework is not used there is a regulatory requirement for the Council as a public body to tender for the energy supply contract. This can lead to a time consuming and costly procurement exercise with no guarantee in meeting the government procurement recommendations.

Private TPIs may not have the same level of buying power and full access to the energy market to provide the same level of additional services as public sector focussed 'central purchasing bodies'.

# Option 4 - Procure energy by use of public sector Central Purchasing Bodies (CPBs)<sup>2</sup>

In the public sector, a series of aggregated contracts have been procured through processes compliant with applicable procurement law, which are promoted through specialist agencies referred to as Public Buying Organisations (PBOs). PBOs are viewed as specialists with regard to public sector procurement and relevant ancillary services.

The CPBs (unlike private TPIs energy buying companies) are operated by another public sector contracting authority or by an 'agent' that has been appointed to act on behalf of a public sector contracting authority.

Due to a number of advantages of using a CPB which have been listed below, the vast majority of local authorities and central government departments purchase their energy supplies through CPBs, and this is the government's recommended approach for local authorities.

## The advantages of energy procurement via a CPB:

- The Council can participate in the framework and utilise the flexible supply contracts already tendered and put in place by the CPB without any requirement for the local authority to separately tender to the market.
- Having only one contract negotiation for gas, electricity and associated support contracts at renewal time saves significant management time and administrative burdens.
- The Council can achieve better prices, through bulk purchasing together with other public bodies and taking advantage of the economies of scale this provides, than could be achieved by purchasing energy separately.
- More effective risk management at times of high price volatility.
- Further savings can be expected from lower transaction costs, improved overall management capacity, lower energy supplier management fees, advanced monitoring tools, trading skills and expertise of CPBs.

**<sup>2 -</sup>** The Public Contracts Regulations 2015 define a Central Purchasing Body (CPB) as a contracting authority which provides centralised purchasing activities.

## 2.4. Preferred option for the purchase of energy

With the complexities of the energy market, having a reliable TPI or PBO can make a significant difference in managing costs effectively and receiving sound advice to support decision-making processes.

Due to increased exposure to market volatility within the energy market over recent years, a careful examination of the available procurement strategies is required to ensure the best outcomes for our energy purchasing.

The number of TPIs offering energy services is currently more than 4,000 companies or individuals engaged in sourcing non-domestic energy contracts.

To ensure that best value is obtained, Harrow together with eight other boroughs (including Barnet, Hounslow, Hillingdon, Hammersmith and Fulham, and Waltham Forest) has commissioned an independent review of the energy purchasing market by nationally recognised energy consultants Cornwall Insight.

Cornwall Insight conducted market research to identify a recommended procurement route. A number of TPI and CPB energy purchasing frameworks were investigated by Cornwall Insight in 2023 to assess their capacity, experience of central purchasing, expertise in delivering effective price risk management and value for money consistently over the contract period.

Cornwall Insight's research and evaluation of potential TPIs and CPBs found that the following four options are the most capable energy buying organisations "with good energy purchasing records, supportive customer services and extensive experience in powering public sector":

### A - LASER Energy

LASER is the incumbent supplier the London Borough of Harrow and is a CPB operated by Kent County Council. LASER has considerable buying power purchasing over £1.5 billion of energy per annum and serving over 200 public sector organisations. It offers a comprehensive service to local authorities, including a fully managed service for more complex sites.

### **B – Crown Commercial Services (CCS)**

CCS is a PBO, the UK's largest procurement organisation and principal buyer for the UK Government. Historically dominant for energy purchasing, it however offers a simplified services (purchase only option) compared to LASER's fully managed service.

### C - Inspired Energy

A good performing private TPI in Cornwall Insight's assessment of brokers offering services to large energy consumers (TPI Index). Inspired were undergoing a tender award during the review period, inhibiting some aspects of research, although

substantial deviation from historical approach and performance was not expected to be an outcome.

## D - Inenco Group

Also highly placed in Cornwall Insight's assessment of brokers offering services to large energy consumers (TPI Index), and undergoing a growth focused on public sector bodies.

Of these two CPBs and two TPIs, Cornwall Insight's analysis concluded that 'LASER's service proposition is most closely aligned to the Council's Statement of Requirements". Other providers do not match the Statement of Requirements as well as the LASER package.

## 2.5. Recommended Energy Buying Company (CPB)

Based on the research, analysis, evaluation process, which was conducted by Cornwall Insight, and for the reasons set out below, LASER Energy is recommended as the Council's next CPB for 2024-28.

#### 2.5.1. Reasons for the Recommendation

- a) Cornwall Insight's analysis found that although other high scoring providers with active framework arrangements offer similar services to Laser, however no overall packages were identified that would be likely to offer a material benefit to Local Authorities beyond those already supplied by LASER, who are the existing supplier to Harrow and a number of other local authorities who commissioned the study. Of the four shortlisted providers, only two were CPBs and LASER is the only CPB to offer a fully managed service option for complex sites (see below).
- b) The existing LASER service to the Council has been satisfactory and moving to a new energy partner would require lead time for a change of provider. This would include significant internal resources to manage the transition of a large number of supply points, and new systems and management arrangements to be established, including with School service level agreement customers.
- c) LASER offers added value benefits including energy efficiency, renewable, data collection, metering services, energy price forecasts, Management Information and enhanced KPIs.
- d) Harrow's Energy team has benefited from LASER's support in resolving several complex queries in the areas of invoice management, metering, change of tenancy, renewals, transfers, and consolidated billing in the required format for our accounts system. This support is essential to enable Harrow to provide a high standard energy service in accordance with Service Level Agreements in place with schools across the borough.

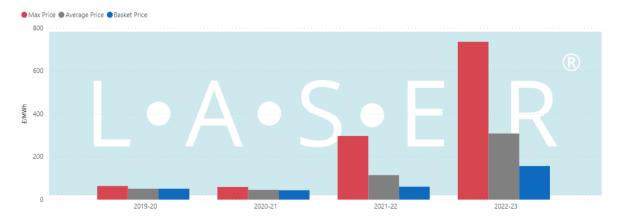
- e) LASER's 'Fully Managed Service' is an additional support service, which deals with complex energy billing and metering queries. In addition, LASER reviews all accounts across the 'fully managed portfolio' to identify opportunities to reduce delivered energy costs for example, through reducing the amount paid in regulated network charges; examining Available Capacity settings across the half hourly portfolio (save KVA charges). These additional services enable Harrow to manage energy usage and costs across large corporate sites and Schools more effectively and efficiently.
- f) Over the course of the Council's current energy supply contracts (2020-23), it is estimated that LASER's flexible frameworks and procurement activities have delivered an average annual cost avoidance of £1,202,800 including £206,200 for their lower supplier management fees (benchmarked against market averages).
- g) LASER as a Local Authority Group has over 30 years of experience of working with a large number of local authorities and as such are well placed to understand the Council's needs and limitations.

The following charts demonstrate, LASER's energy purchasing performance against the energy wholesale market's maximum and average prices, during their current energy Framework contracts.

Annual Gas Basket Performance vs Market Max & Market Average



Annual Electric Basket Performance vs Market Max & Market Average



## 2.6. Determining the most suitable procurement Model

The trading of energy is a complicated field, intersecting with strict financial and energy regulations, and potentially creating significant exposure to a customer.

With the energy market remaining volatile, selecting the right energy purchasing strategy and procurement model is critical and can have a significant impact on our energy expenditure.

Each energy buyer has a range of options to consider on behalf of their customers. The most typical flexible purchasing approaches are Fixed-Price Fixed-Term (FTFP) and Flexible Procurement & Basket Options, which have been considered below.

## Option1- Fixed-Term Fixed-Price (FTFP) contract arrangement.

Fixed energy tariffs provide a locked-in unit price for gas and electricity for a designated term of one year or more. Fixed price contracts, with prices fixed on a given day from the market can lock the council into artificially high prices for designated term of one year or more.

### **Benefits of FTFP:**

- This model of purchasing offers straight forward pricing and provides budgetary certainty throughout the duration of contract.
- Helps to avoid potential market volatility during the contract period.

### **Disadvantages of FTFP:**

- A fixed term contract is a short-term strategy and can be highly risky over an extended period.
- The main risk is volatility beyond the purchasing point when the prices could become relatively high and unfavourable just as the contract renewal date approaches.
- If wholesale energy market prices fall further the buyer could be locked out, thus
  missing the opportunity to benefit from falling prices.

A Fixed-Price Fixed-Term is a short-term strategy and is not recommended.

## **Option 2 - Flexible Procurement & Basket Options**

A wholesale flexible procurement arrangement unlike Fixed Term Fixed Price, enable the buyer to purchase blocks of energy at varying times both before and within the contracted supply period.

Using Flexible procurement options means that energy purchases are hedged over a long period of time and over multiple purchases rather than on one specific day.

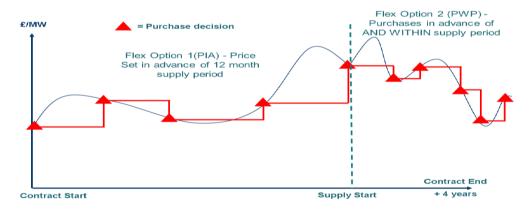
#### **Benefits of Flexible Procurement**

- The main benefits of this purchasing model are the ability to minimise the risk in rising markets and assessing when markets will become stable or remain volatile.
- This arrangement helps the buyers spread market price risk and avoid buying during periods of peak market pricing.
- If energy markets, go down during the contract period then we can expect to be paying less for our energy in response to the market movement.
- It provides a potential to save and track the market movement.

### **Disadvantages of Flexible Procurement:**

- Minimum market rate will never be achieved.
- Length of contract (normally minimum of 4 years<sup>3</sup>)
- Less budgeting consistency as actual energy charges may not be known until after that energy has been used. It sets reference price for delivery period which creates reconciliation (credit or debit).

An overview of typical flexible purchasing options available to Local Authorities is shown below.



Timing of Flexible Purchases (for illustration purposes only - Source Laser)

The following options represent typical Flexible Purchasing approaches, which need to be considered, based on our organisational priorities and in response to the changes in the energy supply market and its volatility.

### a) Flexible Purchase In Advance (PIA)

All required volume purchased in multiple trades in advance for each 12 months' supply period.

**<sup>3</sup>** - The length of time for the contract is very important and presents a balance between stability and value for money

### The key performance of PIA option

- Makes purchases in advance of delivery. Can purchase up to 3 years ahead.
- The contract is effectively run as a fixed price contract, with all exposure fixed prior to the start of the annual contract period.
- PIA protects against any market increases during the delivery period.
- By offering an extended purchase window, more buying opportunities are available compared to more short-term strategies.
- Premiums associated with securing a fixed price are kept to a minimum.
- Laser's 12-month PIA model means we are not tied to suboptimal pricing when markets change.
- Budget Certainty which enables annual budget setting in a comparatively straightforward and transparent manner.
- No benefit seen if wholesale market falls.

### Purchase in Advance (PIA)

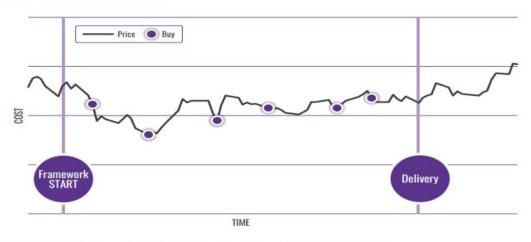


Figure 1 - A visual outline of how Purchase in Advance (PIA) purchasing works

Source: Laser

The Council's energy framework starts on the 1<sup>st</sup> April 2024.

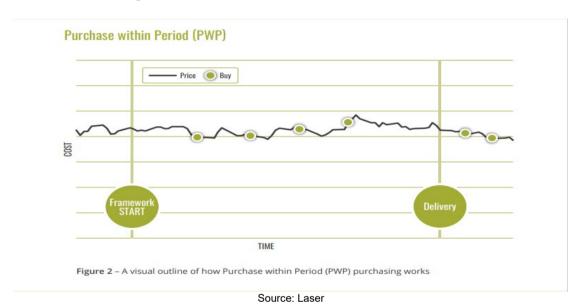
Delivery Starts: 1 October 2024Contract Ends: 30 September 2028

## b) Flexible purchase within period (PWP)

A proportion of the required energy volume is progressively purchased prior to each 6-month supply period and the remainder is purchased within the supply period. A reference price will be set to apply on invoices for each 6 month supply period. At the end of each 6 months, once all energy requirements have been purchased, reconciliation takes place between the reference price applied to invoices and the final (achieved) purchase price, which typically returns a credit figure.

### The key performance of PWP option

- Makes purchases in advance of delivery & within period. It allows to purchase energy up to 2 years ahead.
- PWP provides the chance to reduce costs if markets fall within period.
- By offering an extended purchase window, more buying opportunities (and therefore more opportunities to spread risk) are available compared to more short-term and purchase in advance strategies.
- Premiums associated with securing a fixed price are kept to a minimum.
- Interim budget certainty, but the energy prices are not known until final transactions made (6 months revised winter and summer prices are provided).
- By purchasing partly within period, we aren't tied to suboptimal pricing when markets change.



❖ The Council's energy framework starts on the 1<sup>st</sup> April 2024

Delivery Starts: 1 October 2024

Contract Ends: 30 September 2028

We will be able to switch all or part of our energy portfolio onto the alternative basket options during the term of the new contract by providing LASER with at least 6 months' notice, prior to each 1st October contract anniversary.

## 2.7. Recommended procurement option:

Based on the above analysis, it is recommended to purchase energy using Option 2 Flexible Procurement & Basket Options for the corporate sites and Harrow Schools.

## 2.8. Renewable energy option

Where electricity is purchased on a green tariff, that electricity is matched by generation from renewable sources such as wind and solar. This is evidenced by REGO<sup>4</sup> certificates, which are produced in respect of renewable generation and can then be traded on the energy market.

The production and trading of REGO certificates increases consumer demand for renewable supplies and therefore helps to stimulate the renewable electricity supply market. Whilst it is not a substitute for also investing in local renewable electricity generation and renewable heating solutions, such as solar panels and heat pumps in Council buildings, committing to a green tariff does enable the Council to demonstrate that it is, through its purchasing decisions, supporting renewable generation and ultimately the transition to a fossil free electricity system. This is consistent with the Council's approach to decarbonisation set out in the recently approved Climate & Nature Strategy 2023-30.

The Council's current energy supply contracts provide for the purchase of green electricity for all corporate buildings and street lighting. A strong rise in demand for green backed electricity from renewable sources by businesses, Local Councils and Government departments to meet green targets, has caused prices for green electricity to rise, and these are currently around 3% higher than 'brown' energy from the grid.

In light of the Council's decarbonisation commitments, it is recommended that the purchase of green energy is continued for corporate sites and street lighting under the new contract. This will be reviewed annually in light of changes to the energy market and prices, and any future reform of green energy regulation during the term of the contract.

As Harrow's maintained schools and academies have devolved energy budgets it is not proposed to mandate a green tariff for Schools, although they will each have the option to choose this when the new energy contract goes live from October 2024.

### 2.9. Recommendation:

Based on the above analysis and the council's ongoing commitment to decarbonisation of its energy usage, our recommendation is to continue to purchase green electricity for corporate sites and street lighting in Harrow.

The cost and benefits of purchasing green electricity will be assessed annually as circumstances change with the government policy, legislation, or incentives from year to year.

## 2.10. Ward Councillors' comments

Not applicable.

**<sup>4</sup>**—The Renewable Energy Guarantees of Origin (**REGO**) scheme provides transparency to consumers about the proportion of electricity that suppliers source from renewable generation.

# **Risk Management Implications**

Risks included on corporate or directorate risk register? No

Separate risk registers in place? No

The relevant risks contained in the register are summarised below. Yes

The following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
Energy wholesale market price movements – causing budget pressure for the Council and the Schools.	In this contract we will use a Flexible Procurement model - Unlike the Fixed Term Fixed Price (FTFP) option, the flexible procurement arrangement provides a layered risk approach to the purchase of utilities and protects the Council from market volatility so far as possible.	Amber
Flexible energy procurement can be a complex process and it requires industry experience, skills, and expert market insights.	A recommended CPB company will deliver the Council's energy supply purchasing for the period of 2024-28.	Green
Insufficient information about the energy buying company's pricing mechanism, which is complicated and difficult to trace.	A Governance panel operates to ensure LASER develops and executes appropriate buying and risk management strategies for flexible procurement of its customers' energy requirements. The panel meets quarterly and includes a cross-section of LASER customers.	Green
If the Council do not choose to renew its energy contract after 30 September, we will automatically roll onto the default (standard variable) rate tariff which is more expensive than a non-default deal.	The Council's existing energy contract will be renewed and signed by 31 March 2024 to enable pre-purchase of electricity for the period from 1st October 2024.	Green

Risk Description	Mitigations	RAG Status
Current volatility of the global and UK's energy market.	A periodic enhanced KPIs and energy price prediction plan will be essential. LASER Energy offers these services as part of the Council's Flexible fully managed energy supply contracts.	Amber

## **Procurement Implications**

The organisation carrying out the energy supplier selection and managing overall service delivery is a central purchasing body (CPB) operated by another public sector contracting authority and has been selected in accordance with the Public Contract Regulations 2015 to act in such a capacity.

Cornwall insight used a three-step process to filter and evaluate the options. These steps involved creating a long list, creating a shortlist, and finally assessing and scoring the shortlisted offerings for suitability. A standard approach was developed to meet the overall needs of the Council. No alternative packages were identified that would be likely to offer a material benefit to Local Authorities already being served by LASER.

The proposed call off from the Laser Energy Framework is compliant with the Public Contract Regulations 2015 and the Councils Contract Procedure Rules.

# **Legal Implications**

The Council's Contract Procedure Rules, specifically Table 1, are applicable to this procurement. As the value exceeds £500,000 authorisation must be via a Cabinet Report and the procurement must the recorded on the Key Decisions Forward Plan.

The report seeks approval to recommission the services under the terms of a LASER Energy Buying Group Framework.

The Council's Contract Procedure Rules allows Council Officers to call off services from established framework agreements.

Officers may make reprocure the service using the framework as proposed only if:

- The framework agreement was procured in accordance with Public Contracts Regulations 2015.
- The framework agreement has not expired.

- The Council was named as a contracting authority that may call-off services from the framework agreement.
- The services to be called off fall within the score of the framework agreement.
- The estimated value of the framework agreement as advertised has not been exceeded.

Once the contract has been entered into this will need to be recorded on the Council's contract register.

In relation to Recommendation 2, relating to the delegation to the Corporate Director for Place, this is permissible under section 9E of the Local Government Act 2000.

## **Financial Implications**

The annual expenditure on electricity and gas procured via the current contract in 2022/23 was approximately £14,521,745 for Corporate Buildings, Street lighting, Schools and Academies.

School energy costs are met directly by participating schools. The total electricity and gas costs for Council corporate buildings and street lighting in 2022/23 were £5,009,655 (£2,770,139 and £2,239,516) respectively. These costs include the purchase of green electricity, which it proposed to continue for the new contract for corporate sites and street lighting.

The current wholesale energy market price movement as illustrated in the chart below shows that the commodity<sup>5</sup> element of the energy costs has dropped in the market, but non-commodity<sup>6</sup> costs or third-party charges are going up. In recent months the energy market has seen a dramatic increase in DUoS<sup>7</sup> costs. More price rises are expected in the non-commodity price element of our energy bills in the coming months. Overall electricity and gas price movement is currently anticipated to be neutral over the coming year with some short term volatility.

Due to volatility of the energy wholesale market and managing the risk of energy price rises, developing a periodic enhanced KPIs and energy price prediction plan is essential. LASER covers these services for their customers.

The volatility of energy prices presents a level of ongoing financial risk to the Council and Schools.

However, utilising the flexible energy procurement model as set out in this report has, since its adoption by the Council in 2008, allowed the Council to take advantage of price changes in the volatile wholesale energy market, and therefore minimise the

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**<sup>5</sup>** - refers to the direct costs involved in the generation of the electricity you use.

**<sup>6</sup>** -The wholesale cost of the gas or electricity you use makes up about half of the amount of your overall bill. The rest of your bill is made up of non-commodity costs, also known as non-energy costs. They include network costs, environmental and social costs, supplier operating costs and your supplier's pre-tax margin.

**<sup>7</sup>** - Distribution Use of System (DUoS) is a charge that it added to all business electricity bills to cover the costs of the electricity distribution network. The DUoS charge is based on the amount of electricity consumed by the business.

cost impact of energy inflation. It is proposed that this continues to be the purchasing strategy to protect against future pricing risks so far as possible.



## **Equalities implications / Public Sector Equality Duty**

This report concerns the options for procurement of energy and does not propose any changes to the heating or energy arrangements for publicly owned buildings that will affect users. As such it is not envisaged that there will be any impacts on persons with protected characteristics and an Equality Impact Report is therefore not required.

### **Council Priorities**

Harrow's central energy purchasing policy allows Harrow state schools, operational corporate buildings, street lighting and some housing tenants with communal supplies to benefit from reliable and cost-effective energy supplies. This supports the Council's priorities of A Borough that is Clean and Safe, and A Place where Those in Need are Supported.

# **Section 3 - Statutory Officer Clearance**

**Statutory Officer: Comie Campbell**Signed on behalf of the Chief Financial Officer

Date: 05/01/2024

Statutory Officer: Abdul Elghedafi
Signed on behalf of the Monitoring (Legal) Office

Date: 05/01/2024

**Chief Officer: Dipti Patel** 

Signed off by the Corporate Director

Date: 18/01/2024

**Head of Procurement: Nimesh Mehta** 

Signed by the Head of Procurement.

Date: 20/12/2023

**Head of Internal Audit: Neale Burns**Signed on \*behalf of the Head of Internal Audit

Date: 20/12/2023

Has the Portfolio Holder(s) been consulted? Yes ⊠

# **Mandatory Checks**

Ward Councillors notified: NO, as it impacts on all Wards

**EqIA** carried out: NO

If 'NO' state why an EqIA is not required for Cabinet to take a decision

This is a contract for the Council's energy supplies and does not propose any changes to community service provision

EqIA cleared by: N/A

# **Section 4 - Contact Details and Background Papers**

Saeed Atlas
Energy Services Manager - Energy Management Team
Climate Change & Natural Resources | Place Directorate
07864802008 | saeed.atlas@harrow.gov.uk

**Background Papers:** None

Call-in waived by the Chair of Overview and Scrutiny Committee: No





Report for: Cabinet

Date of Meeting: 15 February 2024

Subject: New Harrow Local Plan – approval to

consult (Regulation 18 version)

**Key Decision:** Yes

Responsible Officer: Viv Evans, Chief Planning Officer

Emma Talbot, Director of Regeneration and

Sustainable Development

Portfolio Holder: Councillor Marilyn Ashton, Deputy Leader of

the Council, Portfolio Holder for Planning &

Regeneration

Yes

Exempt: No

**Decision subject to** 

Call-in:

Wards affected: All Wards

**Enclosures:** Appendix 1 – Draft New Harrow Local Plan

- Regulation 18 version

Appendix 2 – Summary of draft Local Plan Appendix 3 – Draft Interim Integrated Impact Assessment (IIA) advice note Appendix 4 – Recommendation from the Planning Policy Advisory Panel meeting of

22 January 2024

#### **Section 1 – Summary and Recommendations**

This report provides background to the preparation of a new Harrow Local Plan and presents the Draft Plan (Regulation 18 version) to the Cabinet for consideration and approval to consult for eight weeks over February-April 2024. The report also provides an outline of the proposed consultation arrangements.

#### Recommendations:

Cabinet is requested to:

- 1. note the report and Appendices.
- 2. note the feedback from the Planning Policy Advisory Panel (Appendix 4)
- agree to consultation on the draft Local Plan ('Regulation 18' consultation) attached at Appendix 1 and the consultation arrangements outlined in section 8 of the report.
- 4. Delegate authority to the Chief Planning Officer, following consultation with the Planning and Regeneration Portfolio Holder, to make minor modifications to the draft document prior to consultation, including inserting any outstanding process / background elements and presentational / typographical / accuracy amendments (as set out in paragraphs 6.7 and 6.8 below).
- 5. note that the outcomes of the consultation will be reported back to the Planning Policy Advisory Panel in mid-2024 and Cabinet in late-2024 (when it is intended approval will be sought for 'Regulation 19' consultation on the revised Plan).

#### Reason: (for recommendations)

The Harrow Local Plan is one of the key documents in the Council's policy framework. The current plan is considered in many respects to be 'out-of-date' in the context of national and regional planning policy and therefore needs to be updated / replaced. The process of preparing a new Local Plan includes statutory consultation periods. Cabinet's agreement is required to undertake consultation. The new plan is being prepared in the context of Government deadlines and delegated authority to make minor amendments to the Plan prior to consultation is necessary to allow the process to continue in a timely manner.

#### **Section 2 - Report**

#### 1.0 Introduction

- 1.1 This report relates to the new Harrow Local Plan and:
  - (a) introduces the process of preparing a new Local Plan for Harrow and the rationale as to why a new Plan is required.
  - (b) presents the Draft new Harrow Local Plan Regulation 18 version (and accompanying documents) to Cabinet for approval to consult for eight weeks over February-April 2024; and
  - (c) provides an outline of the proposed consultation arrangements.
- 1.2 The plan will cover the period from 2021-2041.

#### 2.0 Options considered

- 2.1 The option of not preparing a new Local Plan for Harrow was considered and dismissed. The current Local Plan is over 10 years old and is therefore (under national and regional planning policy) considered in many respects to be out-of-date. Additionally, the context for the Local Plan has changed significantly since the current plan was adopted and therefore the policies within the plan need to be revised and new policies added where new issues and priorities have emerged. Not preparing a new Plan would risk intervention by the Government given the age of the current Local Plan.
- 2.2 In developing the draft Local Plan, various potential policy options were considered. These are documented in the draft Local Plan, with reasonable alternatives (options) included where appropriate. Where no alternatives are considered appropriate, the reasons for this have been identified (i.e. the need to be in general conformity with the London Plan).

#### 3.0 Background

- 3.1 National planning policy places Local Plans at the heart of the planning system and consequently the Government considers that it is essential that they are in place and kept up to date. Local Plans set out a vision and a framework for the future development of an area, addressing needs and opportunities in relation to housing, the economy, community facilities and infrastructure as well as a basis for safeguarding the environment, mitigating and adapting to climate change and securing good design.
- 3.2 The Local Plan is also a key mechanism in assisting the delivery of many Council services and priorities, such as the securing of affordable housing, achieving high quality of development in the borough, managing the location, quantity and quality of development [including houses in multiple occupancy (HMOs) flat conversions, and

tall buildings] and promoting the vibrancy and vitality of town centres, responding to the climate and nature emergency, planning for infrastructure, and fulfilling the Council's priorities of putting residents first, and creating a borough that residents can be proud of.

- 3.3 Local Plans are also a critical tool in guiding decisions about individual development proposals, as they are the starting point for considering whether applications can be approved.
- 3.4. The Local Plan also has an important role in translating any corporate strategy into a spatial vision for the borough, along with guidance to assist in delivering that vision (see paragraphs 4.6-4.11 below).
- 3.5 Harrow's Local Plan currently comprises the following documents:
  - a. Core Strategy adopted February 2012
  - b. Development Management Policies adopted July 2013
  - c. Harrow and Wealdstone Area Action Plan (AAP) adopted July 2013
  - d. Site Allocations adopted July 2013
- 3.6 The Local Plan is accompanied by an adopted Policies Map that illustrates particular land uses throughout the Borough including areas for protection such as open space and conservation areas, as well as employment and residential activities. It also identifies key sites for development ('site allocations'). The documents listed in paragraph 3.5 above form the Council's statutory development plan, alongside the London Plan [and any future neighbourhood plans prepared by community groups ('neighbourhood forums')]. Planning applications are assessed against the statutory development plan.
- 3.7 At its meeting on 16 February 2023, Cabinet committed to preparing a new Harrow Local Plan (through approving an updated 'Local Development Scheme' that sets out the programme for preparing local plan documents). This was in response to the time that has elapsed since the current Local Plan was adopted (2012 and 2013) and changes in national and regional planning policy since that time, as well as emerging issues and local priorities.
- 3.8 The Local Plan is required to be consistent with national and regional planning policy. Crucially, there have been significant changes in this higher-level policy landscape since the current Harrow Local Plan was adopted. The new National Planning Policy Framework (NPPF) and its associated guidance were first published in July 2018 and revised several times since then, including significant changes published on 19 December 2023.
- 3.9 Furthermore, the current Local Plan was prepared under the London Plan 2011, which was updated in 2015 and 2016 and completely replaced in 2021. The 2021 version of the London Plan includes significantly higher housing targets for Harrow as well as new obligations such as policy around tall buildings. A new Local Plan is

required to respond to the new London Plan and is required to be in 'general conformity' with it.

3.10 As noted above, the plan will cover the period from 2021-2041.

Risk management

3.11. In the absence of an up-to-date Local Plan that aligns with the latest NPPF and London Plan, it will become increasingly difficult to influence and determine development proposals which fail to deliver positive outcomes for Harrow. The National Planning Policy Framework (NPPF, 2023) clearly states, at paragraph 11, that where there are no development plan policies, or the policies which are most important for determining an application are out-of-date, the council must grant planning permission (unless very limited exceptional circumstances apply). By not updating its Local Plan, the council would effectively render a number of policies out-of-date and significantly compromise its ability to make planning decisions based on local circumstances and polices / priorities.

#### 4. Policy context

National Planning Policy Framework (NPPF)

- 4.1. The preparation of a new Local Plan must comply with the National Planning Policy Framework (NPPF) (revised December 2023). The NPPF sets out the Government's planning policies for England and how these are expected to be applied.
- 4.2 Paragraphs 15-16 of the NPPF outlines the expectations and requirements for local authorities in preparing a new Local Plan. Specifically, local authorities need to ensure that new plans are succinct and up-to-date, provide a positive vision for the future, and present a framework for meeting housing needs and addressing other economic, social and environmental priorities. Local authorities also need to ensure that plans are prepared with the objective of contributing to the achievement of sustainable development, and are shaped by early, proportionate and effective engagement between plan-makers and communities, local organisations, businesses, infrastructure providers and operators and statutory consultees.
- 4.3. Paragraphs 24-27 of the NPPF further outline the requirements for local planning authorities to ensure that their plan addresses the relevant strategic matters that have broader spatial implications that cross administrative boundaries ("duty to co-operate"), and that effective and on-going joint working between strategic policy-making authorities and statutory bodies has taken place to inform the relevant strategic policies in the new Plan.
- 4.4. Local plans are also required to be reviewed at least once every five years, and updated as necessary (paragraph 33), and ensure that the existing strategic policies can provide a sufficient supply of new

homes over a minimum five-year period (paragraph 75-78). Given that Harrow's current Core Strategy was published in 2011, and Site Allocations and Harrow and Wealdstone Area Acton Plan published in 2012, many sites allocated for development in these documents have been taken up or built out, Council is obliged at this time to prepare a new Local Plan to meet the requirements of paragraph 33 and 75-78 of the NPPF.

4.5. Further, the new Local Plan needs to comply with the Town and Country Planning (Local Planning) (England) Regulations 2012 ("the Regulations"). Regulation 18 outlines the first steps that must be undertaken in preparing a local plan, including who needs to be notified, and how a local authority should consider feedback received during public consultation when preparing a final draft Plan for submission to the Secretary of State.

#### Harrow's Corporate Plan 2024

- 4.6. The Local Plan sets out the long-term development strategy for the Borough and is one of the Council's most important strategies. It makes provision for new housing, employment and other development needs including infrastructure. It plays a key role in implementing or facilitating many aspects of the Council's Corporate Plan, including flagship actions.
- 4.7 Specifically in relation to planning, the 2023/24 flagship actions included actions around tall buildings and protecting the suburban character of Harrow. This included adopting a Tall Buildings (Building Heights) SPD and agreeing criteria for Local Areas of Special Character, a new heritage designation. The draft Local Plan introduces for the first time a specific tall buildings policy that will build upon and formally incorporate into policy the recently adopted SPD. It also incorporates the concept of Local Areas of Special Character into the Local Plan / planning policy framework.
- 4.8 Progressing the Local Plan forms a flagship action for 2024/25, as well as designating at least two Local Areas of Special Character.
- 4.9 In more general terms, the draft Local Plan will provide a policy framework that will assist in the delivery of flagship actions where these relate to the use of land, development and infrastructure in the borough. Examples of how the draft Local Plan will support the 'A council that puts residents first' priority include facilitating the development of allocated development sites within the borough (including those forming part of the Harrow Strategic Development Partnership) and the provision of affordable housing (including on Council land).
- 4.10 In relation to the 'A borough that is clean and safe' priority, draft policies relating to public realm and employment / workspaces will complement flagship actions such as enhancements to Harrow Town Centre. Draft policies relating to open space, flooding, waste and

recycling, sustainable transport infrastructure, biodiversity, energy efficiency / retrofitting, renewable energy and electric vehicle (EV) charging points will support flagship actions relating to those issues.

4.11 Finally, in relation to the 'A place where those in need are supported', the draft Plan protects the existing infrastructure and facilitates new infrastructure where many of the flagship actions are delivered from (i.e. schools, health, extra care and community facilities, sustainable transport infrastructure and digital infrastructure).

#### 5. How the plan is being prepared

Key stages

5.1. There are a number of stages involved in the preparation of a local plan. In addition, there are procedural requirements that the council is required to comply with throughout. These stages and requirements are prescribed by national policy and legislation. This includes the undertaking of at least two rounds of public consultation before a draft local plan can be submitted to the Secretary of State for independent public examination.

Timetable / Local Development Scheme

5.2. The timetable for preparing the Local Plan is set out in the council's adopted Local Development Scheme (LDS). As noted above, the latest LDS was approved by Cabinet on 16 February 2023. This proposes submission of the Local Plan and representations to the Secretary of State for Independent Examination in early 2025.

Evidence base

5.3. The Local Plan has to be underpinned by a robust evidence base to justify the policy approach. A number of studies and supporting documents have been compiled to help inform the preparation of the new Local Plan. These have been prepared both by the council and other organisations, including government bodies. Collectively, these documents are known as the 'evidence base'. The evidence base helps to ensure that the approaches and policies in the Local Plan are appropriate and justified, taking into account the latest available information. All evidence base documents will be made available in time for the consultation.

Integrated Impact Assessment (Appendix 3)

5.4. An Integrated Impact Assessment (IIA) helps to inform the preparation of the Local Plan. It is a detailed analysis of the potential environmental, social and economic effects of the plan. The IIA brings

different types of assessment together into a single process, including:

- (a) Strategic Environmental Assessment (SEA)
- (b) Sustainability Appraisal (SA)
- (c) Equalities Impact Assessment (EqIA)
- (d) Health Impact Assessment (HIA)
- 5.5 The IIA is undertaken as an iterative process during the plan's preparation. It includes assessments of preferred policy approaches and reasonable alternatives. Reports are published and consulted on at key stages in the plan process, often alongside draft Local Plan documents. The IIA helps to identify potential issues at an early stage so that measures to avoid or mitigate harm, and improve expected outcomes, can be incorporated into the plan.
- 5.6. An interim advice note for the IIA has been prepared for Cabinet and is included within Appendix 3. This focusses on the main spatial alternatives (i.e. the reasonable alternatives) which are required to be considered as part of the plan making process. The alternatives have been assessed and findings used to inform the preparation of the draft Local Plan. The interim advice note also includes headline findings of the overall plan appraisal. The full Interim IIA Report will be finalised and issued as part of the package of Local Plan documents to be consulted on.
- 5.7 In general terms, the interim advice notes concludes that the majority of the preferred policies perform well against the IIA objectives (i.e. the policies either have a neutral or positive effect on the objectives). Very few instances were identified where the preferred policies in the draft Plan were considered to have a negative effect on the IIA objectives. A number of 'reasonable alternatives' identified in the draft Plan had negative effects; this is not unexpected as the alternatives, whilst 'reasonable' are not the preferred policy approach for the reasons identified as having negative effects / performing poorly against the preferred policies.
- The IIA identifies opportunities to enhance positive effects, mitigate negative effects or where the impact is uncertain. These opportunities will be reviewed and consideration given to amending, clarifying or strengthening policies where appropriate.
- 5.9. A separate Habitats Regulations Assessment (HRA) will also be carried out to assess whether protected habitats and species may be adversely impacted by the plan's implementation. This will be undertaken prior to the second round of consultation (Regulation 19) when the policies are future developed and call-for-sites process completed and proposed site allocations identified.

#### Tests of soundness

- 5.10. The Local Plan sets out how the Council intends to sustainably manage growth over the long-term. To realise the plan's vision and to secure the new homes, jobs and infrastructure required for the borough, the plan must be demonstrated to be deliverable. The NPPF (paragraph 35) sets out 'tests of soundness' that help to ensure deliverability. The soundness of the plan is assessed at the examination stage. The tests are that plans must be:
  - (a) **Positively prepared** providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;
  - (b) **Justified** an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;
  - (c) **Effective** deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and
  - (d) Consistent with national policy enabling the delivery of sustainable development in accordance with the policies in this Framework and other statements of national planning policy, where relevant

#### Planning Policy Advisory Panel

- 5.11 The Planning Policy Advisory Panel is an advisory panel to Cabinet. Its terms of reference (with respect to planning policy) is as follows:
  - 1. To provide input into the development of planning policy within the borough by giving detailed consideration to:
    - (a) the Local Development Framework / Local Plan and its Development Plan Documents and matters incidental thereto;
    - (b) representations received to Development Plan Documents and any amendments proposed;
    - (c) monitoring the implementation of the Framework / Local Plan, its review and modification as necessary.
- 5.12 The Panel formally considered the new Harrow Local Plan at six previous meetings:
  - (a) 9 January 2023: the Panel considered a report in relation to the Council's Local Development Scheme (LDS). The LDS is a rolling three-year project plan setting out all the planning documents to be produced by the local authority and the timetable for their preparation. The draft LDS considered by the Panel committed the Council to prepare a new Local Plan, with adoption scheduled for December 2025. The LDS was subsequently agreed by Cabinet on 16 February 2023.

- (b) 6 March 2023: the Panel considered a report that introduced the Local Plan process in more detail and key issues that it will need to address. It sought comments and discussion from the Panel to assist in the scoping of the Local Plan, including its broad vision and objectives, to inform drafting of the new Local Plan.
- (c) 13 July 2023: the Panel considered the revised Statement of Community Involvement (SCI) which sets out how the Council will consult on planning matters, including the draft Local Plan. The revised SCI was adopted under delegated authority on 2 February 2024, after a 21-day period of consultation.
- (d) 18 September 2023: the Panel considered the draft Infrastructure Delivery Plan (IDP) Context Report, which sets the context for the full IDP, which is expected to be completed in the middle of 2024 (in time for the second round of consultation on the draft Harrow Local Plan). The full Infrastructure Delivery Plan is required as part of the Evidence Base for Local Plans
- (e) 2 November 2023: the Panel considered the draft Borough Profile, Spatial Vision and Strategy and Strategic Objectives for the new Local Plan. The Borough Profile sets the context for the plan. Within the plan, the Spatial Vision and Strategy, and Strategic Objectives provide the overarching narrative for the document from which detailed provisions / policies follow. Members raised some queries regarding the draft material, but no changes / alternatives were suggested and therefore the draft Local Plan has been drafted on the basis of the material presented at the 2 November 2023 meeting.
- (f) 22 January 2024: the Panel received an update on the preparation of the new Local Plan and considered the draft Local Plan (Regulation 18 version) (see Appendix 4). Comments received on the draft Plan have been reflected in the version of the Plan included in Appendix 1of this report.

#### Legal review

Kings Counsel (Saira Kabir Sheikh KC) has been appointed to assist the Council during the Local Plan process. To-date this has included the review of the key parameters / issues influencing the Local Plan process and review of the draft Local Plan itself. The version of the policies / Draft Local Plan attached at Appendix 1 (as well as this report) has been updated to reflect feedback from Kings Counsel. Counsel will continue to be involved in reviewing the draft Local Plan / evidence base before key stages such as the revised version of the Local Plan (post first round of consultation), submission to Government and representing the Council at hearings as part of the independent examination of the draft Local Plan by the Planning Inspectorate. Counsel has confirmed that this report and draft Local Plan should be presented to Cabinet for approval to consult on the draft Plan.

#### 6.0 Draft New Harrow Local Plan (Regulation 18 version)

- 6.1 The new Harrow Local Plan will replace the existing adopted Harrow Local Plan that comprises four documents and an accompanying Policies Map (see paragraphs 3.5 and 3.6 above).
- 6.2 Consistent with contemporary national policy, the existing 'framework' of four Local Plan documents will be replaced by a single Local Plan document.
- 6.3 As noted above, the new Local Plan will cover the period from 2021 to 2041.

#### Structure of the Draft Local Plan

- 6.4 For legibility the Local Plan is set out in a series of thematic chapters that cover a number of policy areas however it must be read as a whole, particularly for the purpose of planning and investment decisions.
- 6.5 The Local Plan is organised as follows:
  - (a) Introductory Chapter (Chapter 01): Context and the spatial strategy: provides background information on the Local Plan (including Borough Profile) before setting out the Vision for Harrow and the plan's strategic / spatial objectives. It also establishes the 'spatial strategy' for the Borough, the land-use priorities and overall pattern of development that the plan will seek to deliver.
  - (b) Thematic policy chapters (Chapters 02-10): these cover the policy areas that seek to deliver the spatial vision, objectives and strategy of the Local Plan, and contribute to the overarching objective of sustainable development (consistent with the NPPF and the London Plan's 'Good Growth' objectives). Each chapter includes at least one overarching strategic policy and a series of detailed policies. These chapters represent the development management policies that all planning applications will need to comply with.
  - (c) Appendices: covering glossary, site allocations (to be included in the next version of the draft Local Plan for 'Regulation 19' consultation), delivery and monitoring framework (will include implementation framework for the Local Plan, as well as the arrangements for monitoring and outcomes over the plan period), housing trajectory (at this stage, presented as broad capacity figures, to be refined once site allocations are progressed) and proposed changes to the Policies Map).

#### Summary of draft Local Plan

6.6 Appendix 2 includes a summary of the draft Local Plan, including key policy positions and changes from the current Local Plan. However, the nature of the Local Plan is that it covers a wide range of policy

areas, types of development and different areas / constraints within the borough. It is therefore an extensive document. The draft at Appendix 1 should therefore be reviewed for detailed provisions relating to any specific aspects of interest as the summary below cannot fully reflect the extent and detail of all the policies in the draft Plan:

#### Ongoing refinement of the draft Local Plan

- 6.7 There are a number of outstanding elements of the Plan that will be added as the drafting process moves towards formal consultation on the Plan. These include:
  - (a) Inclusion of graphics and maps within the document to assist in conveying key elements of the Plan and to make it more user friendly and appealing. This will include insertion of a map depicting the Spatial Vision.
  - (b) General formatting of the document for consistency and legibility.
  - (c) Inclusion of the appendices (including an 'atlas of change' to identify proposed changes to the Policy Map that accompanies the current Local Plan).
- Delegated authority (in consultation with the Portfolio Holder for Planning and Regeneration) is sought to make minor amendments to the document and add any outstanding elements ahead of formal consultation (if agreed by Cabinet). Such an approach will enable the Plan to progress to consultation in a timely manner in the context of the challenging timeframes for the process and Government deadlines.

#### 7.0 Next steps

- 7.1 Subject to Cabinet's approval, it is intended to consult on the draft Local Plan (Appendix 1) and accompanying documents for eight weeks (end of February to end-April 2024). The proposed consultation arrangements are summarised in section 8 below.
- 7.2 A summary of the consultation feedback on the version of the draft Plan will be presented to the Planning Policy Advisory Panel mid-2024, along with a revised version of the draft Local Plan.
- 7.3 A second round of consultation on a revised Local Plan (Regulation 19 consultation) is anticipated to occur by the end of 2024; Cabinet approval will be sought for this beforehand.
- 7.4 There has been approximately three months slippage in the Local Plan programme included in the Local Development Scheme (LDS) agreed by Cabinet on 16 February 2023. This is largely due to difficulty in recruiting the additional resources for the Planning Policy Team that were included in the budget agreed by Full Council in

- February 2023. Such difficulty in recruitment is being experienced across London and the country generally.
- 7.5 The LDS will be updated in due course if necessary to reflect actual timeframes closer towards submission of the draft Local Plan to Government for examination.
- 7.6 As the draft Local Plan progresses through the formal process, greater weight can be given to the draft policies when determining planning applications [NPPF paragraph 48 (a)]. In this regard, the draft Plan is still in very early stages (i.e. yet to be consulted on), so limited weight can be given to the draft policies at this point in time. Additionally, the level of objection to the draft policies has not been established [para. 48(b)] (as there has been no formal consultation todate) nor has the degree of consistency with the NPPF nor general conformity with the London Plan been tested [para 48(c)]. These factors further diminish any weight that can be given to the draft Plan.

#### 8.0 Consultation arrangements

- 8.1 Subject to approval by Cabinet, it is proposed to undertake an eightweek consultation period on the draft Local Plan. It is intended that this occurs from the end of February 2024 to the end of April 2024.
- There are minimum statutory requirements for this consultation, as set out in 'Regulation 18' of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) ("the 2012 Regulations"). Such minimum requirements are also reflected in the adopted Statement of Community Involvement (SCI):
- 8.3 As a minimum, the Regulations require the local planning authority to notify and invite representations on the content of the draft plan to:
  - such specific consultation bodies as the local planning authority consider may have an interest in the subject of the proposed local plan;
  - (ii) such of the general consultation bodies as the local planning authority consider appropriate; and
  - (iii) such residents or other persons carrying on business in the local planning authority's area as the local planning authority consider appropriate.
- 8.4 The above will be undertaken using the Council's Local Plan consultation database (email or letter). The draft Plan, supporting documents (i.e. Integrated Impact Assessment) and evidence base will be included on the Council's website. Hard copies of the draft Local Plan will be made available to view at Greenhill Library, and potentially other libraries in the borough. Documents will also be available to view at the Harrow Hub (Council Depot) by appointment.

- 8.5 It is proposed to go beyond the minimum requirements set out in paragraph 8.3 above, with the intention to undertake a range of engagement tasks as follows:
  - (a) Street events at several locations
  - (b) Drop-in sessions at the Conversation Café
  - (c) Online consultation hub
  - (d) E-newsletter/social media
  - (e) Webinar launch event
  - (f) Information displays/leaflets at key sites
  - (g) Email address
  - (h) Attendance at key stakeholder events
- 8.6 It is acknowledged that the second half of the consultation period will be impacted upon by the pre-election period for the Mayor of London / London Assembly elections. Consultation activities will be frontloaded to occur before the pre-election period and any subsequent activities during the pre-election period will be limited to awareness raising / factual reminders regarding consultation arrangements and deadlines in order to comply with any relevant requirements for the pre-election period.
- 8.7 Representations received will be compiled, reviewed and response / actions identified, including any amendments required to the draft Local Plan. A consultation statement will be prepared documenting the outcomes of this process and published online. It will also be reported back to the Panel mid-2024.

**Ward Councillors' comments:** These will be invited as part of any formal consultation process.

#### **Performance Issues**

Monitoring is a key element of the Local Plan 'policy cycle'. An implementation and monitoring framework will be developed and included in the Local Plan. This will include performance indicators / targets. The performance of the plan against these indicators / targets will be reported in the annual Authorities Monitoring Report.

#### **Environmental Implications**

As noted above, sustainable development is at the heart of the Local Plan process, including environmental sustainability. The Plan will therefore have positive environmental implications and is a key mechanism for delivering many aspects of the recently adopted Climate and Nature Strategy.

The interim / draft Integrated Impact Assessment (IIA) that accompanies this report tests the draft Plan against a number of indicators / objectives and concludes the Plan is generally positive with respect to environmental implications (refer to section 5 above).

A Habitats Regulation Assessment will be completed prior to the next round of consultation and will also test the environmental implications of the plan.

#### **Data Protection Implications**

If approved by the Cabinet, the draft Local Plan will be subject to public consultation. Any personal data obtained during this process will be handled in accordance with the General Data Protection Regulations (GDPR).

#### **Risk Management Implications**

Risks included on corporate or directorate risk register? No

Separate risk register in place? Yes

The relevant risks contained in the register are attached/summarised below. **Yes** 

The following key risks should be considered when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
Programme – slippage in the Local Plan programme and potential risk of missing the Government's July 2025 deadline for submission	<ul><li>Weekly programme management meetings</li><li>Additional resources secured</li></ul>	Green
Consultation arrangements – these do not comply with statutory requirements	<ul> <li>Statement of Community Involvement updated</li> <li>Detailed consultation arrangements scoped and documented.</li> <li>Legal / Counsel review of process (prior to Cabinet)</li> </ul>	Green
Draft polies not in general conformity with the London Plan resulting in objections from the Mayor	<ul> <li>Ongoing discussions with Greater London Authority (GLA) officers</li> <li>Counsel review of draft policies (prior to Cabinet)</li> </ul>	Green
Draft policies not consistent with national policy, including recent changes to the NPPF etc.	<ul> <li>Ongoing monitoring of emerging / published Government policies</li> <li>Assessment of implications of recent Government policy announcements / publications.</li> <li>Counsel review of draft policies (prior to Cabinet)</li> </ul>	Green

#### **Procurement Implications**

None – the report seeks approval to consult on the draft Local Plan. Any procurement associated with the draft Local Plan has been undertaken in accordance with the Council's Contract Procedure Rules and have been below the value threshold for consideration by Cabinet.

#### **Legal Implications**

The Planning and Compulsory Purchase 2004 (as amended) ("the 2004 Act") and the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) ("the 2012 Regulations") set out the requirements and the statutory procedure for the preparation of a Local Plan.

Regulation 18 of the 2012 Regulations requires the local planning authority to notify and invite representations on the content of the draft plan to: (i) such specific consultation bodies as the local planning authority consider may have an interest in the subject of the proposed local plan; (ii) such of the general consultation bodies as the local planning authority consider appropriate; and (iii) such residents or other persons carrying on business in the local planning authority's area as the local planning authority consider appropriate. Regulation 18 consultation provides an important opportunity for the gathering of critical information from landowners, developers, and site promoters to support the suitability, capacity and deliverability assessments of potential site allocations. Section 7 above outlines the proposed consultation arrangements to meet these statutory requirements.

The next stage, after this 'Regulation 18' consultation, is for the local planning authority to prepare a submission draft of the local plan. All representations received during this consultation stage must be taken into account when preparing this submission draft. The submission draft will then return to the Planning Policy Advisory Panel (and Cabinet) for further consideration.

#### **Financial Implications**

Preparation of a Local Plan is a significant undertaking, requiring resourcing for officers and revenue budget to undertake evidence base work, consultation, document production and independent examination. The resourcing is required to ensure the draft Plan is found sound as it is based on an evidence base of appropriate coverage and quality, all statutory requirements have been met (preparation of sustainability appraisals etc) and can be undertaken in a timely manner.

The estimated cost of the Local plan for 2023/24 is £399k and a growth budget of £206k is included within the Medium Term Financial Strategy (MTFS) to fund this along with other sources of funding outlined in Table 1 below. Additional resources of £171k over 2024/25 and 2025/26 have been secured within the MTFS process to fund further extra costs required to produce the Harrow Local Plan.

Table 1

Additional costs	23/24 (£)	24/25 (£)	25/26 (£)	Total (23/24- 25/26) (£)
Evidence base / consultancy	212,500	177,500	30,000	420,000
Production / consultation / examination	50,000	40,000	295,000	385,000
Additional officer resource	137,000	278,000	105,000	520,000
Total	399,500	495,500	430,000	1,325,000
Funding sources	23/24 (£)	24/25 (£)	25/26 (£)	Total (23/24- 25/26) (£)
MTFS growth funding bids (22/23 and 23/24)	206,000	303,000	377,000	886,000
Grant funding received	105,000	98,739	0	203,739
Existing revenue budget (consultancy)	25,000	25,000	25,000	75,000
Internal planning resource	63,500	68,761	28,000	160,261
Total	399,500	495,500	430,000	1,325,000

Costs and funding continue to be monitored as part of ongoing budget monitoring process for the Planning Service and any significant variances identified along with mitigation measures to ensure a balanced budget position.

#### **Equalities implications / Public Sector Equality Duty**

The Equality Act 2010 outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies to have due regard to the need to:

- a) Eliminate discrimination, harassment and victimisation and other contact prohibited by the Equality Act 2010.
- b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The broad purpose of this duty is to integrate considerations of equality into day-to-day business and keep them under review in decision making, the design policies and the delivery of services.

The relevant protected characteristics are age, race, disability, gender reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation.

The preparation of the Local Plan is being informed by an Integrated Impact Assessment which includes an Equalities Impact Assessment. An interim Advice Note is included as Appendix 3.

Publishing the draft Local Plan at this stage will allow stakeholder/resident views on the content of the document and any likely adverse impacts of policies and proposals on equality groups to be identified and carefully considered prior to the preparation of the final plan document. The proposed submission version of the plan (at Regulation 19 stage) will be supported by

an updated IIA / EqIA. Consultation arrangements will consider how to best engage with stakeholders having regard to the protected characteristics.

#### **Council Priorities**

Please identify how the decision sought delivers this priority.

- 1. Putting residents first.
- 2. A Borough that is Clean and Safe
- 3. A Place where those in need are supported.

The wide-ranging nature of the spatial plan means that the new Local Plan will contribute to all the delivery of these priorities as well as the objective of Restoring Pride in Harrow.

#### **Section 3 - Statutory Officer Clearance**

**Statutory Officer:** Comie Campbell Signed on behalf of the Chief Financial Officer

Date: 17 January 2024

**Statutory Officer:** Chileme Hayes Signed on behalf of the Monitoring Officer

Date: 19 January 2024

**Head of Procurement:** Nimesh Mehta

Signed by the Head of Procurement

Date: 19 January 2024

**Head of Internal Audit:** Neale Burns Signed on behalf of the Head of Internal Audit

Date: 16 January 2024

**Corporate Director:** Dipti Patel Signed off by the Corporate Director Place

Date: 7 February 2024

Has the Portfolio Holder(s) been consulted? Yes ⊠

#### **Mandatory Checks**

Ward Councillors notified: NO, as it impacts on all Wards

EqIA carried out: YES (initial draft) - see IIA Interim Advice Note

(Appendix 3)

# EqIA cleared by: N/A (initial draft – as Local Plan not at the formal submission stage yet)

# Section 4 - Contact Details and Background Papers

**Contact:** David Hughes, Head of Planning Policy, david.hughes@harrow.gov.uk

#### **Background Papers:**

Adoption of revised Local Development Scheme (LDS) – Cabinet – 16 February 2023 (item 109) - <u>Agenda for Cabinet on Thursday 16 February 2023, 6.30 pm – London Borough of Harrow</u>

New Harrow Local Plan – Way Forward and Strategic Objective – Planning Policy Advisory Panel – 6 March 2023 (item 33) - <u>Agenda for Planning Policy Advisory</u> Panel on Monday 6 March 2023, 6.30 pm – London Borough of Harrow

Statement of Community Involvement – Planning Policy Advisory Panel – 13 July 2023 (item 50) - <u>Agenda for Planning Policy Advisory Panel on Thursday 13 July 2023, 6.30 pm – London Borough of Harrow</u>

Draft Infrastructure Delivery Plan (IDP) Context Report – Planning Policy Advisory Panel – 18 September 2023 (item 58) - <u>Agenda for Planning Policy Advisory Panel</u> on Monday 18 September 2023, 6.30 pm – London Borough of Harrow

New Harrow Local Plan – draft Spatial Vision and Objectives – Planning Policy Advisory Panel – 2 November 2023 (item 66) - <u>Agenda for Planning Policy Advisory</u> Panel on Thursday 2 November 2023, 6.30 pm – London Borough of Harrow

New Harrow Local Plan – Draft Local Plan (Regulation 18 version) – recommendation to Cabinet for approval to consult – 22 January 2024 (item 3) – Agenda for Planning Policy Advisory Panel on Monday 22 January 2024, 6.30 pm – London Borough of Harrow

Current Harrow Local Plan: <a href="https://www.harrow.gov.uk/planning-developments#id-local">https://www.harrow.gov.uk/planning-developments#id-local</a> plan

London Plan (regional spatial strategy) 2021: <a href="https://www.london.gov.uk/sites/default/files/the\_london\_plan\_2021.pdf">https://www.london.gov.uk/sites/default/files/the\_london\_plan\_2021.pdf</a>

National Planning Policy Framework (NPPF) (December 2023) - <a href="https://assets.publishing.service.gov.uk/media/65829e99fc07f3000d8d4529/NPPF">https://assets.publishing.service.gov.uk/media/65829e99fc07f3000d8d4529/NPPF</a> D ecember 2023.pdf

# Call-in waived by the Chair of Overview and Scrutiny Committee: No



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Appendix 5: Changes to Policy Maps – 'Atlas of Change' [to be inserted prior to Regulation 18 consultation]

Appendix 6: Housing Trajectory [to be inserted prior to Regulation 19 consultation]

Appendix 7: Site Allocations [to be inserted prior to Regulation 19 consultation]

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**Chapter 00: Introduction** 

## Introduction

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# **Chapter 01: Borough Profile, Spatial Vision and Objectives**

## **Borough Profile**

People (Census data 2021)	
Population	Harrow has a resident population of approximately 261,200 In the ten years between 2011 and 2021 the borough saw a 9.3% increase in population compared to the London average of 7.7%.
Age profile	Harrow has fewer people in the 20-35 year age brackets than the London average Harrow has slightly more younger people (<19 years) and more older people (60+) than the London average.
Marital Status	Harrow has a higher proportion of people married or in a civil partnership compared to the London average
Country of Birth	There are a significantly higher proportion of Harrow residents born outside the UK compared with London averages, highlighting higher than average levels of diversity.
Ethnic Background	There are a significantly higher proportion of Asian, Asian British or Asian Welsh residents in the borough compared with London averages.
Ethnic Background	Harrow is one of the most culturally diverse local authorities in the UK, with over 60% of residents being Black, Asian, Multi- ethnic or Other ethnic group.
Religion	Of Harrow's resident population 83.5% identify as having some form of religion. The most prominent religion is Christianity (33.9%), followed by Hinduism (25.8%), Islam (15.9%), Judaism (2.8%), and Buddhism (1.1%). Over a tenth of the borough identify as having no religion.
Health	Harrow is a generally healthy borough considering the age profile of residents, many of whom are quite elderly. It should be noted that the 2021 Census was undertaken during the Covid-19 Pandemic which may have influenced how people perceived and rated their health.
Disability	According to Census data, there are slightly lower levels of disability in Harrow compared with London averages.
Proficiency in English	Harrow residents have lower levels of English spoken as a main language, which is likely to be reflective of the ethnic diversity in the borough. As noted in the Harrow Economic Strategy, Black, Asian and Multi-ethnic residents are more likely to experience barriers to employment due to lack of English language, functional and digital skills.
LGBTQIA+	2.03% of Harrow residents aged 16 years and over identify as being part of the LGBTQIA+ community.
Homes (Census Data 2021)	
Household Size	Harrow has significantly larger households than the London average. 32.5% of households have 4 or more people compared to the London average of 24.1%.

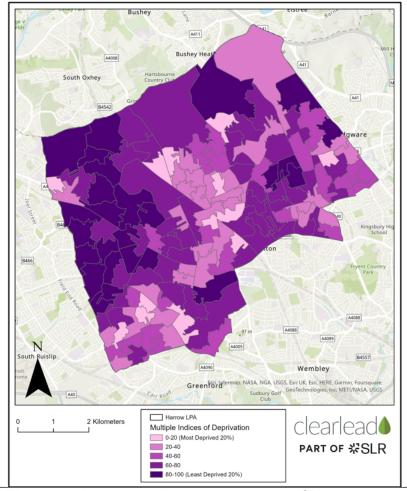
Household Size	Harrow has a significantly lower proportion of lone person households (12.1%) than the London average (20.1%).
Accommodation Type	Harrow is a lower density housing borough. There are a significantly greater proportion of whole house or bungalow homes in the borough than the London Average, this is reflective of a more suburban outer London Borough.
Accommodation Type	There are significantly lower proportion of flats in the borough than the London average.
Occupancy rating for bedrooms	Harrow has slightly fewer spare bedrooms in houses than London averages, and more 2+ occupancy bedrooms in the borough than the London average.
Household Tenure	Harrow is a high home ownership borough. There are higher rates of outright ownership of houses compared to London averages, and higher rates of ownership with a mortgage or loan than the London average.
Household Tenure	There are significantly lower rates of social rented housing in Harrow compared to the London average.
Infrastructure (Census Data 2021)	
Car Ownership	Harrow has significantly higher rates of car ownership (75.2%) compared to the London average (57.9%).
Working from Home	Harrow has lower rates of residents working predominantly from home compared with London averages. It should be noted that this census data is from 2021 during the Covid-19 Pandemic, during which time a higher proportion of people
Distance to work	were working from home.  Harrow workers travel further to get to work, having higher rates of residents travelling 10-30km to get to work than the London average.
Method of travel to work	Harrow has significantly higher rates of car use to get to work compared with the London average, and lower levels of bus and non-underground train usage as a method of transport to work.  Harrow has significantly lower rates of cycling and walking as a method of travel to work compared with the London average.
Sustainable Travel (Living Harrow: The London Borough of Harrow's Climate and Nature Strategy 2023- 2030)	Over the 3-year period from 2017/18 to 2019/20, 23.5% of journeys in Harrow were made by public transport, 28.7% by walking and 0.8% by cycling, to give an overall number of journeys by sustainable means of 53%. This compares to an outer London average of 55.1% and 64.8% for London as a whole.
Waste Management (Living Harrow: The London Borough of	Harrow has the highest residual waste levels in West London, with an average of 619kg of residual waste produced by each household in Harrow. The borough's recycling rates of 35.70% are better than the London average of 32.7%

Harrow's Climate and Nature Strategy 2023- 2030)	
Economy (Harrow Economic Strategy 2023)	
Unemployment	Unemployment in Harrow has almost doubled since the pandemic. In June 2019, 1.8% of working age residents aged 16 to 64 were out of work, this had risen to 3.6% in February 2023
Qualifications	17.4% of Harrow residents have no qualifications and are furthest away from the job market. More support is required for entry level qualifications.
Job Density	Job density measures the number of jobs per working age resident and in 2021 the figure for Harrow was 0.509. This is significantly lower than neighbouring boroughs and is the lowest in the West London Alliance (WLA) region.
Resident Earnings (2022 ONS annual survey of hours and earnings - resident analysis)	Average full-time weekly earnings in 2022 for Harrow residents (£798.8) were higher than the averages in neighbouring boroughs Brent and Ealing, as well as London.
Resident Earnings Wage Gap (2022 ONS annual survey of hours and earnings - resident analysis)	There is a significant gender wage gap in Harrow. Average full-time weekly earnings for men (£882.6) were significantly higher than those recorded for women (£695.0).
Wages in Harrow	Wages paid by Harrow's businesses are below the London average, with all those that are employed in the borough having gross weekly earnings of £514.20, which is 37% less than the London average of £815.90.

Deprivation (English Indices of Deprivation 2019) Harrow is ranked 207<sup>th</sup> most deprived local authority in England, out of 317, (1 being most deprived and 317 being least deprived).

Harrow is the seventh least deprived London Borough in the Index, although it should be noted that this data was recorded pre-pandemic and unemployment in Harrow has nearly doubled since.

While resident earnings are generally high in comparison to neighbouring boroughs, there are still pockets of deprivation in the borough, these are highlighted in the map below.



**Businesses** 

There has been a decline in the number of Harrow businesses surviving beyond five years which fell from 44% in 2020 to 40.9% in 2021. This is likely reflective of a business base dominated by micro-businesses who are likely to have struggled to stay open after the pandemic and face barriers to accessing finance.

Environment Living Harrow: The London Borough of Harrow's Climate and Nature Strategy 2023-2030	
Open Space	Approximately 20% of the borough's land by area is identified as open space. These open spaces comprise more than 80 areas, including parks, allotments, nature reserves and cemeteries.
Biodiversity	Harrow has 44 designated Sites of Importance for Nature Conservation (SINCs), which includes Bentley Priory Nature Reserve, the borough's only Site of Special Scientific Interest (SSSI).

## Spatial Vision and Strategy, and Strategic Objectives

#### **Spatial Vision**

In the year 2041 Harrow will continue to be a thriving outer London Borough, helping London to grow sustainably while maintaining its own identity. There will be a resounding sense of pride in Harrow, it is a place that people want to live, work and visit.

Development will respect the character of the borough and its capacity to evolve over time.

The diverse Harrow community will benefit from an ever-improving quality of life, having a well-connected borough that provides excellent local access to a range of facilities, services, housing, employment, and nature.

Harrow will be a clean and safe borough where residents can settle in homes that suit the needs of their household and lifestyle.

Residents and businesses will benefit from the creation of sustainable neighbourhoods where housing, local services, employment, and facilities are within walking and cycling distance. Residents will be healthier and happier due to localised provision of goods and services.

Town centres will be revitalised through innovative measures adapting to their changing roles as places of leisure, arts and culture, in addition to work and retail hubs. Town centres will be exciting places for people to live should they choose.

The borough has continued to respond to the climate emergency and realising the benefits of taking early action to improve our environment. New developments have been energy efficient and carbon neutral. Retrofit of older building stock has been encouraged and facilitated to minimise emissions and ensure residents benefit from clean energy and reduced energy consumption.

Air quality will have significantly improved through shifts to sustainable transport and electric cars. Active transport and EV infrastructure has been bolstered to facilitate the transition. Recycling rates will be some of the best in London.

The borough will see increased rates of biodiversity through the protection and enhancement of existing green spaces, and the provision of additional spaces alongside development. The green belt and metropolitan open land will continue to be the lungs of the borough through enhancement projects.

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Spatial Strategy: (note, quantum of development subject to ongoing evidence base work)

By 2041, new development and economic growth will provide a minimum 16,040 (net) new low-carbon homes, create over 1,000 additional new jobs and fund significant local infrastructure improvements that benefit Harrow's diverse community.

The high-quality carbon neutral design of new development will contribute to local distinctiveness, creating clean, green and healthy spaces that foster community pride, whilst also delivering on the council's climate and nature objectives.

Comprehensive and coordinated regeneration activity will continue to positively transform the Harrow & Wealdstone Opportunity Area, delivering a minimum of 7,500 additional new homes, and 1,000 additional new jobs.

Harrow town centre will continue to be a vibrant and attractive Metropolitan Centre having benefited from additional arts, leisure, and culture facilities. Adaptable mixeduse and residential development will ensure that there is continued vibrancy in the centre. Employment uses will be bolstered attracting and retaining an array of adaptable businesses and workers to the area. The centre will be the primary location for central public services ensuring high-quality services and facilities are accessible to all. The town centre will benefit from increased connectivity with other parts of the borough, and beyond through sustainable transport linkages.

Wealdstone will strive to become a vibrant centre, with its own distinctive identity. The centre will be a vibrant hub supported by local residents and a strong business community, whose presence has been transformed by the intensification of employment and carefully managed redevelopment of surrounding industrial estates.

The Station Road corridor will have benefited from redevelopment and environmental improvement linking the Wealdstone and Harrow town centres together.

Harrow-on-the-Hill Station, Harrow Bus Station and Harrow & Wealdstone Station will be accessible major public transport nodes with step free access. Harrow-on-the-Hill station and surrounding area will benefit from a comprehensive redevelopment providing a new focal point for the Harrow Town Centre comprising retail, leisure, office and residential uses. This redevelopment will have contributed to a vibrant new character achieving high standards of sustainability, public realm and residential quality.

Improved pedestrian connectivity and wayfinding between Harrow town centre and Harrow-on-the-Hill will increase legibility in both locations.

The borough's other town centres will accommodate development opportunities commensurate to their character, role, and function.

The Borough's Metropolitan Open Land, Green Belt and other open space will be maintained and enhanced as an interconnected network of green infrastructure and open watercourses supporting biodiversity and healthy lifestyles. Access to green infrastructure will be enhanced.

The quality and accessibility of open space will be maintained, and better provision for children's and teenagers' accessible recreation and play space will have been made.

Harrow's identified heritage assets and historic environment -will continue to be valued, conserved, enhanced and celebrated. Areas of special character and architectural significance will be protected.

North Harrow District Centre will be restored as a vibrant local shopping and service centre meeting the needs of residents and supporting local business.

The vitality and character of Pinner High Street will have been preserved and enhanced.

In Stanmore, mixed use retail and residential development will have strengthened its function as a District Centre, access to natural green space will be maintained and accessible to residents and visitors.

Partnership working with the neighbouring boroughs of Barnet and Brent will have secured co-ordinated public realm enhancements to Edgware, Burnt Oak, Kingsbury and Kenton centres, and will have provided improved connectivity between Kenton Station and Northwick Park Station.

Appropriate development will occur on small, brownfield sites in sustainable locations close to town centres, and train and underground stations.

The leafy, suburban character of the Borough's residential Metroland areas, outside sustainable locations, will have been safeguarded as areas of low density, family housing.

Optimising development opportunities on sites across the Borough will provide high quality housing to suit the needs of a range of residents, while respecting the appearance of residential character areas.

Employment land will be directed to appropriate locations remaining flexible and adaptable to meet current and future needs. A sufficient supply of industrial land will be provided and maintained to meet current and future needs.

Harrow will maintain or increase its market share of retail expenditure to secure the vitality and viability of the Borough's town centre network and meet local needs.

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#### **Reasonable Alternatives**

**Retain existing spatial strategy** – the proposed spatial strategy is considered an evolution of the existing strategy in that it directs the majority of growth to the Harrow and Wealdstone Opportunity Area. It is however considered that the current strategy needs updating to respond to increased housing targets in the London Plan and changes in the economy and broader society since the current the Core Strategy was adopted in 2012. It also needs to respond to environmental issues such as climate change and biodiversity.

Seek to go beyond the level of development identified in the proposed strategy - such an approach would go beyond the minimum housing targets set for Harrow in the London Plan, and beyond the objectively assessed need for employment, retail and cultural / leisure floorspace. Such an approach would meet a greater proportion of the Borough's Objectively Assessed Housing Need (as calculated by the Government's Standard Methodology) for housing. To do so however would require developing green field / Green Belt / Metropolitan Open Land sites, employment land, sites in less sustainable locations within the boroughs, or at densities and heights significantly above the predominantly suburban nature of most of the borough. Such an approach would risk being contrary to the evidence base informing the Local Plan (such as the need to retain open space and employment land, the Characterisation study of the borough, or NPPF / London Plan requirements relating to Green Belt / Metropolitan Open Land). It would however contribute to closing the gap between minimum London Plan housing targets for the borough and actual objectively assessed need and is considered a reasonable alternative, but not the Council's preferred option when the NPPF and London Plan are considered in their entirety.

Other options / alternatives relating to level of housing and non-housing development are covered in their respective Chapters / strategic policies.

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# **Strategic Objectives:**

Our Local Identity	Retain, reinvigorate and reinforce the local distinctive character of Harrow's communities by ensuring new development responds positively to the special attributes of its local context.
	Respecting the cultural, historic, built and natural environments
	Ensuring new development is designed, constructed and maintained to a high standard.
	Conserve and enhance the historic and cultural environment, promoting understanding and appreciation of it. Working with stakeholders to sustain the value of local heritage assets including the international value of Harrow School.
Infrastructure	Harrow's infrastructure will continue to meet current and future demand through high quality and timely provision.  Development contributions will be used to ensure that the community continue to enjoy access to all forms of social and physical infrastructure, including education, health care, recreation and cultural facilities.
Transport	Sustainable transport infrastructure will be delivered to ensure there are healthy and safe alternatives to private vehicles. The council will facilitate modal shift away from fossil fuel car use.
Air quality	Air quality improvements will continue to be made through high quality design, spatial planning and sustainable infrastructure improvements.
Open Space	The quality of existing open space will be improved, and new open space provision will be facilitated. Public access to open space will be increased.
Biodiversity	The borough's biodiversity will be protected and enhanced, with greenbelt and MOL land becoming a thriving example of biodiversity uplift.
Climate Emergency	Harrow will reduce its contribution to climate change through facilitating net zero development where possible, minimising our reliance on fossil fuels, promoting retrofitting and energy efficiency, and utilising sustainable design methods. Harrow will improve its resilience to climate change through adaptation.
Waste and Recycling	Harrow will continue to minimise waste and increase recycling rates in line with circular economy principles.

Housing	Harrow will facilitate the delivery of new housing from a range of sources to meet the diverse range of housing needs of a growing population and demographic changes. This will be located within the most sustainable locations of the Borough such as the opportunity area, town centres and sustainable locations to protect, enhance and positively evolve the character of the suburbs.
Affordable Housing	Maximise delivery of genuinely affordable housing to meet the needs of residents.
Mixed and Inclusive Communities	Promote inclusive, mixed sustainable communities, through ensuring high standards in new housing and opportunities to build social interaction, to create cohesive, healthy communities enabling the older population to remain independent and active for longer, as well as providing specialised housing options to meet the needs of vulnerable residents.
Housing Types	Promote a range of well-designed housing types and sizes, to cater for the needs of an ageing population, younger households with children, and multigenerational families.
Local Economy	Harrow will continue to play an important role in the wider London economy, including cultural, creative and digital industries.  Employment opportunities will be retained and promoted in appropriate employment locations.
Town Centres	Town centres (including Metropolitan, District and Local centres) will continue to be attractive, vibrant hubs for investment containing appropriate town centre uses, including thriving evening and night-time economies.

# **Chapter 02: High Quality Growth**

# **Strategic Policy 01: High Quality Growth**

Linkages:

NPPF Chapter 11: Making effective use of land

NPPF Chapter 12: Achieving well-designed and beautiful places

London Plan Chapter: Planning London's Future - Good Growth

London Plan Chapter 3: Design

London Plan Chapter 7: Heritage and Culture

### Strategic Policy 01: High Quality Growth

Development in Harrow must be of a high quality to ensure proposals relate well to the existing character of the Borough, whilst ensuring new development makes effective use of land and provides necessary uses for Harrow residents.

- A.a Harrow has a range of unique character areas. The Harrow & Wealdstone Opportunity Area can accommodate growth and higher density development due to its existing character, whilst the smaller centres and the strong suburban Metroland character areas are much more sensitive to change. The Council will support design-led developments which respond positively to the character and context of the location within which they are proposed. By following a design-led approach, development will make optimal use of land in accordance with the requirements of the development plan. The Council will support contemporary architecture where appropriate, providing it does not harm or detract from an existing context or architectural character. This is particularly important in relation to heritage assets across the borough.
- b. New development and growth will predominantly be directed into the Harrow & Wealdstone Opportunity Area. New development within the Opportunity Area will by its nature be more intensive than elsewhere in the borough, due to the character of the area and its proximity to public transport and infrastructure. The Opportunity Area contains the two town centres of Harrow (Metropolitan) and Wealdstone (District). The design of development and uses in these areas must be appropriate, improving the vitality and vibrancy of the centres and ensuring development remains at a human scale.
- c. As set out in the London Plan (2021) tall buildings can play a role in the delivery of growth within the borough, particularly to assist in meeting the required housing target. The Council will support appropriate tall building developments that are located within designated tall building zones, and are of a high-quality design, appropriate height, and that provide for a mix of homes or employment opportunities for Harrow residents. Proposals should demonstrate compliance with Policy GR4 (Tall Buildings) of the Local Plan.
- d. Suburban Harrow has a strong character predominantly made up of 2 to 3 storey properties. Whilst it is acknowledged that character will evolve over time, new development within the suburban areas should respond positively to the existing character, ensuring that the Metroland and Village characteristics are respected and retained. Larger scale development opportunities may arise within the suburban area, but must respect the

- suburban context, and tie in satisfactorily to the wider character context and fabric.
- e. Across the Borough there are areas of special character, which provide strategic landscapes and distinctiveness to the Borough. The Council will manage development within these locations to ensure that they are not harmed.
- f. The Council will allocate sites and set out design parameters to assist applicants in understanding the intended scale of development to ensure a site is fully optimised whilst respecting the character of the area it is located in.
- g. Development proposals should demonstrate a level of effective public engagement commensurate to the scale of development.
- h. The design of new development must consider wider policy objectives as set out within the development plan.

# **Supporting Text:**

Land is a finite resource and therefore development must optimise land to ensure that the spatial strategy is achieved. To meet the ambitious targets set by the London Plan and local evidence base requirements, new development must be delivered to accommodate these growth requirements. Design-led schemes will result in land being used optimally, whilst ensuring that the prevailing pattern of development of the area is safeguarded. Whilst the character of an area will evolve over time, a comprehensive design led development, that follows relevant guidance, will ensure that changes are gradual and sensitive to the prevailing pattern of development. High quality development should not appear at odds with the character and context of the site and surrounds, and must ensure the build quality allows it to remain a good example of design for the lifetime of the development.

Much of Harrow is comprised of suburban residential areas which were formed by the expansion of the railways north out of London. A strong suburban character still exists, with marginally taller town centres punctuated across the borough. The Harrow Metropolitan Town Centre and Wealdstone District Centre form part of the Harrow & Wealdstone Opportunity Area (as defined in the London Plan (2021)), which provides a notable difference in character. Over the previous Local Plan period, the Harrow & Wealdstone Intensification Area (later renamed the Opportunity Area) has been the focus for development in the borough, given the town centre locations and highly sustainable nature of the defined area. A number of allocated sites within the Opportunity Area have been delivered, delivering a higher quantum of development than initially envisioned through larger scale height and density.

Across the plan period, the Harrow & Wealdstone Opportunity Area will remain a focal point for development. New development must respond to the different character areas within it, which comprise suburban residential, large scale development opportunities and town centre locations.

Outside of the Harrow & Wealdstone Opportunity Area there is a noticeable suburban character predominately made of 2 to 3 storey buildings.

Almost two-thirds of Harrow's housing stock dates from the inter-war period. Significant neighbourhoods of semi-detached and short terraces appeared rapidly as fields became homes, gardens, streets, parades and recreation grounds. This 'Metroland' housing continues to be one of the principal characteristics of Harrow's suburbs, particularly to the southeast and southwest of the borough. The characteristics of the developments that shaped Harrow over that time, are still prevalent across suburban Harrow today. New development therefore should be brought forward in a manner that ensures the unique characteristics of Metroland are maintained across suburban Harrow, and not eroded overtime by inappropriate development. To assist with new development in the suburban areas of Harrow, developments should take consideration of the guidance set out within the Harrow Tall Buildings (Building Heights) Supplementary Planning Document (2023) and the wider development plan policies.

The Harrow Characterisation and Tall Building Study (2021) provides a borough wide analysis of the character of Harrow. It sets out general building heights, plot sizes, building typologies, land uses, and identifies the distinction between the urban, suburban and semi-rural parts of the Borough. It forms a useful starting for proposals to assist in understanding the character and context in which a development seeks to occur, and therefore how a proposal is able to evolve to ensure a high-quality design appropriate for its context is achieved. This study should be the starting point for any design led development. New development proposals should address this evidence base document as a starting point, then provide a more localised context analysis to support any application.

New development must consider the policies of the wider development plan, ensuring that proposals deliver on all relevant requirements for a successful development. The delivery of high-quality design is not limited solely to the external appearance of a building, as the wider site and context must also be addressed. Where public realm is required to be delivered, this must be of a high-quality finish and address secure by design principles and be supported by appropriate infrastructure. High quality design also includes ensuring that where a residential use is proposed, the amenity, space and access requirements, of future occupiers meet the policy requirements set out in the development plan.

New development will result in change to an area, and the potential impacts will vary depending on the scale of development and the context within which development is located within. The impacts of such development are felt by communities that live in these areas, and they should have an influence on the final development scheme that is submitted for planning permission. Major applications should ensure that early and effective engagement has been undertaken with the local community. They should demonstrate the level of engagement and how feedback has been positively incorporated into the final submission to the Council.

The Council recommend that applicants take advantage of the pre-application service prior to submission of any planning application. This service provides applicants the opportunity to ensure proposals are able to be brought forward with the best opportunity to be policy compliant and therefore receive a positive outcome. Major applications and those that are contentious are also able to take advantage of Planning Performance Agreements to provide continual dialogue between applicants and the Council to look to address multiple issues over what can be a lengthy design evolution process. As part of this, applicants should engage with the Council's design

review process. This process engages external professionals who can review and provide advice to applicants to assist in evolving a scheme to ensure it meets the exemplary design that best optimises the site and achieves a scheme that is appropriate for its context.

## **Reasonable Alternatives:**

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national policy or the London Plan.

# Policy GR1: Achieving a High Standard of **Development**

Linkages:

NPPF Chapter 11: Making effective use of land

NPPF Chapter 12: Achieving well-designed and beautiful places

London Plan Chapter 3: Design

# Policy GR1: Achieving a High Standard of Development **Design and Layout Considerations**

- A. All development proposals must achieve a high standard of design and layout that respects the character and context of the locality that it is proposed in. Proposals which fail to achieve a high standard of design and layout, or which are detrimental to local character and appearance, will be resisted.
- B. To ensure the most efficient and optimal use of land, proposals must take a design led approach by:
  - a. Responding appropriately to the local context in terms of building height, bulk, massing, footprint, building line, scale and existing design characteristics;
  - b. Incorporating durable high-quality materials that reflect local character and ensure a high-quality appearance is maintained over the lifetime of the development;
  - c. Providing high quality (hard & soft) landscaping, amenity space and play space to support the overall quality of a successful development. Proposals should seek to retain or enhance existing landscaping, biodiversity or other natural features of merit;
  - d. Include appropriate sustainability measures and contribute where feasible to the circular economy;
  - e. Residential development must comply with National Prescribed Space Standards & London Plan Minimum Internal Space Standards for New Dwellings:
  - f. Ensuring designs are human in scale at ground floor;
  - g. Secure by Design principles should be considered at an early design stage, including ensuring that development (including proposals for redevelopment, refurbishment or change of use) deters and is resilient to terrorism and emergencies. This includes development relating to the public realm; and
  - h. Ensure that development complies with the standards set out in the London Plan, and this Local Plan.

#### Residential Amenity

- C. Proposals should ensure amenity for existing and future occupiers would be safeguarded, in relation to:
  - a. Adequate daylight, sunlight, privacy and outlook for adjoining and future occupiers and users within its context;

- b. The adequacy of the internal layout of buildings in relation to the needs of future occupiers and any impact on neighbouring occupiers;
- c. Appropriate levels of amenity space in terms of both quantum and quality for future occupiers;
- d. Applying the Council's 45-degree code where relevant to ensure appropriate relationship between buildings, primary facing windows to habitable rooms and outdoor private amenity space; and
- e. The impact of the proposed use and activity on noise, including hours of operation, vibration, dust, air quality and light pollution on future and existing occupiers.
- D. Proposals that conflict with B and C above will be resisted.
- E. In addition to B and C above, proposals seeking to extend homes and / or convert into multiple homes should address further guidance published by the Council on such matters.
- F. Development which would prejudice the future development of other parts of a site, adjoining land, or which would impede the delivery of adopted plans and allocated sites, will be resisted.

# **Supporting Text:**

The spatial strategy / vision sets out the overarching strategy for ensuring new developments are of a high-quality design and do not impact on residents' amenity.

This Policy provides details on the key elements of good design, layout and amenity that need to be considered for all scales of development ranging from major development schemes to residential extensions and conversions. New development and changes of use proposals offer the potential to strengthen the valuable components of the Borough's existing built environment whilst realising the opportunity of previously developed land to meet future housing and economic needs without loss of open space.

The massing, bulk, scale and height of buildings are significant components of an area's character, and help to convey the distinction between urban, suburban and semi-rural parts of the Borough.

Quality of execution is key to the realisation of design success, and in this regard the materials, colour, entrance and window details, external services and telecommunications equipment can significantly detract from a building's finished appearance, particularly in mixed use and multi-occupancy developments.

The design of the spaces between buildings, both private and public, are key to the quality of the environment and the experience of those who use them. This includes hard and soft landscaping, natural features, boundary treatments, waste and cycling enclosures. The provision of appropriate space around buildings will frequently be informed by the character and pattern of development in the area, which will in turn be relevant to the appropriate gaps and distances needed to safeguard the privacy and amenity of neighbouring occupiers. Space around buildings is important not only as a setting for the building in its context, but also for reasons of functionality. It enables the implementation and successful growth of landscaping schemes, biodiversity net gain,

provides an outdoor amenity for occupiers and space for refuse storage, car parking etc. It may also be an important element of a site's plan for the sustainable management of flood risk and surface water drainage. Proposals should optimise the use of a site to ensure that there are no 'left over' spaces that are neither functional nor visually beneficial.

Landscaping should be included as an integral part of the overall design of a development proposal, in line with Policy GI4 Urban Greening, Landscaping and Trees. The landscape and buildings need to be considered together from the start of the design process and careful consideration given to the existing character of the site including its typology and existing trees and landscape.

The risk of terrorism and other emergencies is ever present, and the nature of the risk and potential consequences will change during the plan period. In this context, all new development, as well as proposals for redevelopment, refurbishment or change of use, should be resilient to terrorism and other emergencies. It should consider secure by design principles, and design responses should be proportionate to the potential risk commensurate to the proposal and its location. This includes development relating to the public realm. Relevant developments should engage with Metropolitan Police (Counter Terrorism Security Advisors) to ensure appropriate design solutions are incorporated to deter terrorism whilst maintaining a high quality of development.

The prevailing building height in Harrow's suburban areas is two storeys, whilst the Borough's district and local centres have prevailing heights of two and three storeys. Development within these character areas should be considered against the Tall Building (Buildings Heights) Supplementary Planning Document, which provides guidance on context analysis and design.

The standard of privacy and amenity achieved by development will be closely related to the application of design and layout considerations set out above. Protecting privacy and amenity helps to protect the well-being of the Borough's residents. This concerns the need to protect both future occupiers of new development, as well as the living conditions of neighbouring occupiers or (for mixed use development) the viability of business premises.

Sunlight, daylight and outlook are highly valued components of residential quality that need to be considered early within the scheme design, especially where they add to the sustainability and attractiveness of the development. In addition to impacts on neighbouring development, the consideration of satisfactory sunlight, daylight and outlook applies equally to the proposed building(s) on site.

Outdoor spaces provide a valuable amenity for occupiers and should have a configuration and relationship with buildings which secure a high level of functionality and environmental quality. The provision of amenity space should consider access for all and provide children's play space in accordance with Policy S4 (Play and informal recreation) of the London plan (2021).

The Council applies the 45-degree code which is a tool used to help to ensure that visual impacts are appropriately contained, and that reasonable levels of light and outlook are maintained. The Code should not simply be applied on a mechanical basis but as part of an assessment of the site considerations listed above. No part of any new extension should interrupt a 45° splay drawn on plan from the nearest first floor or two storey front or rear corner of any adjacent dwelling, or from a single storey rear

corner if that rear elevation has a 'protected' window. This would include projecting roof eaves, but not shallow facias or guttering.

Privacy and amenity considerations do not stop at the external relationship of buildings and spaces. Noise transfer between dwellings can be as critical to privacy as overlooking, whilst lack of provision for domestic storage space can lead to the use of features which are meant to provide amenity, such as balconies and garages, for this purpose. Whilst the quality of sound insulation is a matter for Building Regulations, the internal layout of rooms can help to mitigate transfer of unwanted noise between homes. The provision of built-in storage is a requirement as set out within the London Plan (2021), along with other policy requirements to ensure high quality living accommodation is delivered. The Mayor of London's Housing Design Standards LPG (2023) provides further guidance to assist new development achieve address matters in relation privacy and amenity.

The London Plan (2021) has introduced the Agent of Change principle (Policy D13), which places the responsibility for mitigating impacts from existing noise and other nuisance-generating activities or uses on the proposed new noise-sensitive development. New residential development must therefore mitigate against nearby lawful noise generating activities, to ensure satisfactory living conditions for residents, whilst ensuring lawful noise generating activities are able to continue to operate without undue pressure from noise sensitive uses.

Major applications will be subject to a greater level of scrutiny where the scale and intensity is likely to have greater impacts on the character of an area and potential harm to residential amenity.

#### Reasonable Alternatives:

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national policy or the London Plan.

# **Policy GR2: Inclusive Neighbourhoods**

Linkages:

NPPF Chapter 8: Promoting healthy and safe communities

NPPF Chapter 12: Achieving well-designed and beautiful places

London Plan Chapter 3: Design

# **Policy GR2 Inclusive Neighbourhoods**

- A. The location, design and layout of development, and any associated improvements to the public realm, transport and other infrastructure, will be required to contribute to the creation of inclusive neighbourhoods. In particular:
  - a. Non-residential development and change of use proposals must be appropriately located to sustain town centres, neighbourhood parades and local employment opportunities;
  - b. Non-residential development and change of use proposals must be accessible to all and with dignity;
  - New residential development and conversion proposals must provide accessible homes, ensuring good access to services and facilities, and;
  - d. All proposals must be safe and secure for Harrow's diverse population in line with Secured by Design principles.
- B. Major proposals will be expected to demonstrate how they contribute to the creation of inclusive neighbourhoods within and beyond the site boundary. Where appropriate this must include public realm improvements to enhance permeability and useability for walking & cycling and compliance with Local Plan Policy GR3 (Public realm and connecting places) and Policy M1 (Sustainable Transport).
- C. Major development within town centres including proposals for public buildings, visitor attractions and tourist accommodation, and Green Grid projects, should make appropriate provision for the comfort and convenience of all users, including those with special mobility requirements.
- D. Sensitive adaptations of heritage assets which contribute to the creation of lifetime neighbourhoods will be supported, taking into consideration other relevant development plan policies.

# **Supporting Text:**

A high quality, inclusive and accessible environment benefits the quality of life for visitors and residents alike. It allows everyone to move around more easily and enables residents at all stages of the life cycle to remain in situ as part of the local

community, including families with small children, older people and those with mobility impairment. New development must provide inclusive design in line with London Plan standards, that ensures the creation of neighbourhoods that respond to the diverse population of both Harrow and London.

This policy also applies both to new development and to secure adaptations to existing buildings through changes of use, conversions, alterations to non-residential buildings and proposals for new shopfronts. Recognising that adaptations to existing buildings are often more challenging, this policy does not apply to householder applications where it might be disproportionate, but it can be followed voluntarily where substantial extensions are proposed.

The design and layout of all proposals can help reduce crime through providing for increased activity, natural surveillance, access control and creating a sense of ownership. New development should consider Secure by Design principles at an early design stage, including early liaison with the Metropolitan Police to identify site (and wider) issues that currently exist<sup>1</sup>.

While the design and layout of all development should achieve full integration into the area within which the site is located, major development proposals provide an opportunity to extend inclusive design principles beyond the site boundary to achieve, for example: enhancements to the pedestrian environment and cycle routes between the site and local destinations; the creation of an accessible and integrated public transport network and public realm; and the implementation of appropriate Green Grid projects. All new public realm should be in accordance with Policy GR3 (Public Realm and connecting places).

Likewise, inclusive access to publicly accessible historic buildings and environments will enable residents and visitors to appreciate the Borough's rich heritage irrespective of personal mobility. By placing people at the heart of the design process, and ensuring new development and its wider context are inclusive to all, this will enhance the quality of the place and the spaces within it, ensuring their continued relevance and minimising the need for awkward, often costly and unsightly alterations in the future.

### Reasonable Alternatives:

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national policy or the London Plan.

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<sup>&</sup>lt;sup>1</sup> http://www.securedbydesign.com/

# Policy GR3: Public Realm and Connecting Places

Linkages:

NPPF Chapter 8: Promoting healthy and safe communities

NPPF Chapter 12: Achieving well-designed and beautiful places

London Plan Chapter 3: Design

# **Policy GR3 Public Realm and Connecting Places**

- A. New public realm development will be supported where appropriate. It should:
  - a. Respond to the context in which it is proposed to be located within;
  - b. Be designed to achieve the Mayor's Healthy Streets for London indicators to promote non-vehicular travel in a safe, effective, and efficient manner;
  - c. Incorporate careful implementation of electric car charging points, wayfinding signs and infrastructure for cyclists and walking, where these do not add to street clutter. Wayfinding must be done in a consistent manner;
  - d. Demonstrate flexibility to adapt to its locality during both daytime and night-time;
  - e. Provide an appropriate balance of high quality soft and hard landscaping, to enable areas of rest including seating, shade, and shelter;
  - f. Where appropriate, provide for free drinking water and public art; and
  - g. Where appropriate, be adaptable for performance / cultural uses.
- B. Public realm developments will be resisted where they do not comply with the above.
- C. Where development delivers new public realm, or joins existing public realm, it must be designed in accordance with (A.) above, and demonstrate how it could be tied into existing public realm satisfactorily and relate to the new built environment successfully.
- D. Where appropriate, public realm improvement and its future maintenance and management will be secured through the use of Planning Obligations.
- E. The Council will seek to produce a masterplan for the Harrow Metropolitan Town Centre. New and enhanced public realm must be delivered where it is consistent with the design principles in the Masterplan.

## **Supporting Text:**

Public realm constitutes all areas of a development or area that are available for the public to visit, such as a neighbourhood or town centre. The quality of public realm plays a significant role in how people feel about an area, and their willingness to engage with it. It is important that the public realm is designed to be accessible to all within the community, where people are able to feel safe passing through as part of a journey or choosing to rest or dwell.

The design of the public realm cannot be a one size fits all approach, it must provide a high-quality space suitable for the surrounding area and its users. All new or enhanced public realm should be based on the guidance as set out Historic England's Streets for All – London (2018), and the Mayor's Healthy Streets Approach.

Following this guidance, public realm should ensure that there is not an over reliance on the private motor vehicle. The layout and wayfinding of public spaces should be intuitive and allow people to confidently walk or cycle through the space as part of a wider journey. This approach activates the space, allows for pedestrian priority and positively impacts air quality.

Sustainable infrastructure will be encouraged, facilities such as electric vehicle charging points will be supported where these are located in optimal locations across the borough.

The public realm must be carefully designed to account for different conditions. Specifically, it must be successful during the daytime and also must ensure that during dark hours, the security and safety of users is considered. Appropriate lighting should be provided, whilst ensuring that light and glare does not become a nuisance to nearby residential occupiers or harmful to biodiversity in line with Policy GR7 (External Lighting). Appropriate hard and soft landscaping, and street furniture ensures that areas across the public realm afford opportunities for areas to rest, specifically to provide shade during the heat of the day, or shelter in wetter weather. Landscaping should take the opportunity to install sustainable urban drainage systems to reduce surface water run-off in line with Policy CN4 (Sustainable Drainage).

Where appropriate, free potable water should be made available to reduce single use plastic.

Groups of people congregating can lead to health, safety, and antisocial behaviour concerns. To mitigate this, new public realm should be designed in a manner that allows safe access and exit for a high volume of people across a short period of time. Applicants should utilise the Secured by Design Resilient Design Tool.

Where development does not enhance the public realm (due to site constraints), a financial contribution to enhancing the nearby public realm may be sought.

A Harrow Town Centre Masterplan is proposed to guide development across the Metropolitan Centre, setting out the Councils vision for this area and giving confidence to residents and developers as to what the expectations for development are. New development within this area must follow the guidance set out in the Masterplan. Whilst the Harrow Town Centre Master Plan provides detailed guidance for the area, the policies within the local plan and wider development plan will take precedence.

### **Reasonable Alternatives:**

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national policy or the London Plan.

# **Policy GR4: Building Heights**

Linkages:

NPPF Chapter 11: Making effective use of land

NPPF Chapter 12: Achieving well-designed and beautiful places

London Plan Chapter 1: Planning for London's Future – Good Growth

London Plan Chapter 3: Design

# **Policy GR4 Building heights**

- A. Tall buildings are directed to designated tall building zones within the Harrow & Wealdstone Opportunity Area. Within the Opportunity Area, a tall building is any building that is 7 storeys or 21m from the ground level to the highest point of the building (excluding necessary plant and roof infrastructure).
- B. Proposals shall not exceed the maximum appropriate heights as set out within the designated tall buildings zones shown within the Policies Maps.
- C. The Council will restrict proposals for tall buildings outside the identified tall building zones.
- D. Outside of the Harrow & Wealdstone Opportunity Area, there are no designated tall building zones. A tall building is any building that is 7 storeys or 21m from the ground level to the highest point of the building.

## **Design Considerations**

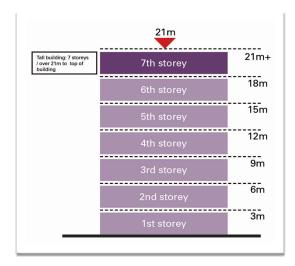
- E. Developments must demonstrate compliance with the design criteria in relation to visual, functional, environmental and cumulative impacts as set out in Policy D9C (Tall buildings) of the London Plan (2021), and shall also address how the proposal:
  - a. Would be appropriate for both the application site and the wider context, especially where a proposal may impact areas of significantly lower density and height;
  - b. The protection and preservation of local heritage views, vistas and landmarks, having regard to Policy GR5 (Views Management), and RAF Northolt Safeguarding Zones (set out on Policies Maps); and
  - c. Address matters in relation to the safety of occupiers and any mitigation required.
- F. Proposals that do not meet the definition of a tall building as set out under Part A will not automatically be considered acceptable, and compliance with the remainder of the development plan is still required.

## **Supporting Text:**

Land is a finite resource and therefore it is paramount to ensure its use is as efficient as possible. Tall buildings provide the opportunity to make efficient use of land, and deliver against the requirements for a growing population, in terms of new homes, places to work and places for leisure and community. However, it is recognised that tall buildings can be divisive by their very nature, and can significantly impact an area and the people who visit, live and work in them. The London Plan (2021) through Policy D9 (Tall buildings) requires boroughs to identify locations that are appropriate for tall buildings, and to outline what would constitute maximum appropriate heights within those designated zones. These should be delineated on planning policy maps.

The Harrow Characterisation & Tall Building Study (2021) informs the Harrow Local Plan, by providing a detailed contextual analysis of the character of the borough. This has been supplemented by a Tall Building Study (2024) for the Harrow & Wealdstone Opportunity Area, which is the most sustainable location within the borough, and the location able to accommodate the most growth and change. By applying a suitability and sensitivity sifting process, the Tall Building Study (2024) has identified zones within the Harrow & Wealdstone Opportunity Area where tall buildings may be appropriate, and what maximum appropriate heights would be within these zones. Within designated zones, care must be taken to arrange elements of height appropriately, as not all parts of a designated zone will be appropriate for height. Where a new development does not meet the height threshold of a tall building as set out within this policy, this does not automatically make it acceptable. All new development must be considered against the relevant policies of the development plan.

Across the Harrow & Wealdstone Opportunity Area / Borough, a tall building is one that is equal to or greater than 7 storeys or 21 meters from the ground level to the top of the building. Necessary paraphernalia such as plant and machinery typically located on the roof of a building is not included as part of this definition. The provision of such rooftop paraphernalia will be assessed within the context of relevant criteria within this policy and relevant polices within the development plan.



The Tall Building Study (2024) has undertaken a suitability and sensitivity analysis across the Harrow & Wealdstone Opportunity Area, which has enabled designated tall buildings zones to be identified, along with maximum appropriate building heights. These are set out on the Policies Maps. Whilst a maximum appropriate height has

been identified within designated buildings zones, this does not mean that the entire or all parts of the designated area are appropriate for buildings of this height. Proposals for tall buildings within designated areas will need to demonstrate how they are appropriate to both the site and the wider context. Whilst the Harrow & Wealdstone Opportunity Area is an area capable of accommodating tall buildings (within the designated tall building zones), it is adjacent to low-rise suburban areas and this proximity is often abrupt. By reason of this, care needs to be taken to ensure that even within designated tall building zones, stitching into the wider and often much less dense / tall character areas must be satisfactorily demonstrated.

Within the remainder of the Harrow & Wealdstone Opportunity Area that is not designated as a tall building zone, there is no presumption in favour of tall building development, by reason of the greater sensitivity within these areas.

Outside of the Harrow & Wealdstone Opportunity Area, Harrow as a borough is comprised largely of a suburban character, which consists of generally two-storey residential buildings. Interspersed are predominantly local or district centres, which are also characterised with modest heights. The Harrow Characterisation & Tall Building Study (2021) clearly sets out that much of the character is comprised of residential areas of two storeys in height, and identifies that buildings that would meet the tall building thresholds as set out in the London Plan are unlikely to be acceptable across much of suburban Harrow.

Notwithstanding this, developments that propose further height within suburban Harrow, but is less than the London Plan definition, can still cause harm to the character of the suburban context. Development within the suburban context of Harrow should refer to the Tall Buildings ('Building Heights') Supplementary Planning Document (2023). This does not provide an alternative tall building definition, rather it seeks to provide guidance for applicants to understand what a contextually tall building across different parts of suburban Harrow would be.

### **Tall Building Design Considerations**

All new development that meets the tall building threshold within this policy, must be of an exemplary design. Proposals should address all parts of Policy D9 of the London Plan (2021), specifically the design considerations set out under Policy D9C.

Proposals should refer to the current evidence base suitability / sensitivity criteria to assist in developing tall buildings, and to determine their successful arrangement across a site. When considering the height of buildings within a development, it is assumed that the floor to ceiling height is 3.0m from floor to ceiling.

Whilst from a townscape perspective, areas have been identified as appropriate for tall buildings, new development must consider all relevant policies and constraints for a site and beyond. Particular to LB Harrow, constraints such as protected viewing corridors such as to St Mary's Church may impact on the height arrangement across a site. Policy GR5 (View Management) provides further detail and protected viewing corridors are published on the planning policies map.

Located to the west of LB Harrow is RAF Northolt, whose operations rely on aircraft flying over Harrow Town Centre. As part of operations, safeguarding zones cover the borough and provide a threshold or circumstances as to when to consult with the Ministry of Defence (statutory consultee). The safeguarding thresholds are available on the Council's website.

Tall buildings by their very nature can result in a density of living that can mean that a significant number of people occupy a single building. Means of escape from events such as fire must be factored into the early design stages of development, to ensure the protection of human life, a fundamental design and duty of care consideration. In addressing means of escape for fire, this must include two staircases and be of a capacity to ensure users, including maximum occupiers at anyone time of a communal area, are able to evacuate in a safe manner. A fire safety assessment must support any tall building application. This will be assessed by an independent / suitably qualified fire assessor at the applicants' expense.

New development that proposes tall buildings as set out within this policy, are expected to progress through a relevant Design Review Panel, managed by the Local Planning Authority. This should be undertaken to assist in pre-application discussions and to gain independent, expert insight and engagement. Applicants are strongly advised to take advantage of this paid-for service to ensure robust design scrutiny of a new development is undertaken, which will assist in ensuring a high-quality development is delivered.

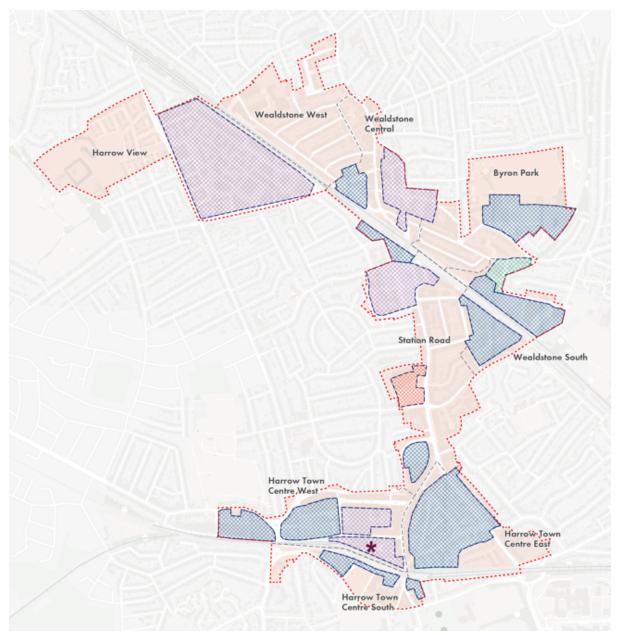
The Council uses the digital 3D modelling platform VU.CITY in the planning process for assessing the design of major applications, including tall building proposals. In preparing an application for a tall building(s), the use of digital 3D modelling should be utilised. This is an essential step in delivering good growth and high-quality design across the borough and is required for all major applications. Assessing digital models of proposals allows for a better understanding of the impact of new development on the local context. It also helps to assess the massing, scale and design of development and its impacts, both in terms of existing and consented developments.

#### Reasonable Alternative:

It is considered that there are no reasonable alternatives to this policy. London Plan requires a Local Plan policy and for this to include three elements (definition, locations, appropriate heights), so no policy is not a reasonable alternative as it would not be in general conformity with the London Plan.

The definition, locations and appropriate heights in the draft policy have been informed by the evidence base informing the Local Plan and as the Local Plan needs to be justified (by evidence) in order to be considered 'sound' under the NPPF, alternative definitions / locations / heights are not reasonable.

# **Designated Tall Building Zones Map [Provisional]**



- Harrow and Wealdstone OA
- Areas appropriate for tall buildings

Maximum appropriate heights for tall buildings

- up to 8 storeys\*
- up to 8 storeys\*
   up to 12 storeys\*
- up to 15 storeys\*
  up to 18 storeys\*
- \* 20 storeys (already in situ/as built)

Areas not appropriate for tall buildings

<sup>\*</sup>Some, but not all, buildings could be tall in these areas. Of these tall buildings, only a minority should reach the maximum appropriate height. All new development will be subject to consideration against the wider development plan.

# **Policy GR5: View Management**

Linkages:

NPPF Chapter 12: Achieving well-designed and beautiful places

NPPF Chapter 16: Conserving and enhancing the historic environment.

London Plan Chapter 3: Design

London Plan Chapter 7: Heritage and Culture

### **Policy GR5 View Management**

- A. The protected views identified in Appendix 3 will be safeguarded in accordance with the Harrow Views Assessment (2012) and Policy HC4 (London Views Management Framework) of the London Plan (2021).
- B. Where there is a protected view:
  - a. Development within a Protected Views Restricted Corridor (shown in red) that exceeds the specified threshold height will be refused; and
  - b. Development in the Protected Views Setting Corridor (shown in yellow) should form an attractive element in its own right and preserve or enhance the viewers' ability to recognise and to appreciate the landmark.
- C. Development should not harm and, where possible, should make a positive contribution to the characteristics and composition of the protected views and their landmark elements. It should also preserve or enhance viewers' ability to recognise and to appreciate important landmarks, in particular St. Mary's Church and Harrow on the Hill, and the Harrow Weald Ridge as seen from designated viewing locations.
- D. Development in the foreground and middle ground of a protected view should not be overly intrusive or unsightly to the detriment of the view, or detract from the prominence of the landmark.
- E. Development proposals in the background of a view should give context to landmarks and not harm the composition of the view as a whole.
- F. Viewing places should be accessible and managed so that they enhance people's experience of the view.
- G. Opportunities to create new local views and vistas should be exploited through the design and layout of new development.

Developments outside of the Opportunity Area, but within a designated landmark viewing corridor (or wider setting consultation corridor) must take into consideration the guidance in the Harrow Tall Building (Building Heights) Supplementary Planning Document (2023).

## **Supporting Text:**

The landscape backdrop provided by the Green Belt, to the north of the Borough, and the profile of Harrow Hill with St. Mary's Church to the south of the Borough, are significant components of local identity and sense of place. The topography of the Borough and the prevailing building heights across Harrow's suburban districts are such that views and glimpses of these features can be enjoyed as part of the experience of moving through, or living within, the Borough. Views towards the Green Belt are a reminder of the proximity of Harrow's suburbs to the countryside, and appreciation of the changing seasons, whilst views towards Harrow on the Hill and St. Mary's Church reinforce the historical and cultural importance of that place.

The Council has commissioned a views assessment to assess the 11 local views and vistas within the Harrow Development Management Policies Local Plan (2013), to consider if over the previous plan period these views continue to warrant protection across the new plan period. Findings and outcomes of this evidence base work will be published as part of the Formal Regulation 19 consultation process.

Poorly located and designed buildings, and those of inappropriate height, could significantly detract from these views. However, visibility should not be conflated with harm. A truly outstanding design that is well located and designed to inspire the viewer may enhance a protected views setting corridor. Viewpoints should be maintained, and where possible enhanced. Harrow's attractive skyline ridges and landscape features can be enjoyed from vantage points throughout the Borough. New development may provide opportunities to open up new local views and vistas, or to create new landmarks in the townscape; where such opportunities exist, they should be fully exploited through the design and layout of buildings and spaces.

Proposals that are located within a Protected Views Setting Corridor and breach the height thresholds, must utilise appropriate 3D modelling software to accurately demonstrate how a new development would respond to its immediate context and to its wider character setting. Following preparation of appropriate plans (including 3D modelling), applicants are required to engage with the Harrow Design Review process. Meaningful engagement with this process will assist in ensuring new development achieves exemplary design as required by the policy, and mitigating harm to the assets sought to be protected by the protected viewing corridors.

#### **Reasonable Alternative:**

This policy has been drafted to be in general conformity with the London Plan. It is considered there are no reasonable alternatives under the London Plan, with respect to the inclusion of a policy and its approach.

The current local plan (Policy DM3: Protected Views & Vistas) sets out 11 protected views across the Borough. The London Plan (2021) requires boroughs to review their protected views, to ensure that they are still worthy of being protected. The Council is in the process of undertaking this work, and any views confirmed worthy of being protected, must be to ensure general conformity with the London Plan (2021). This updated evidence base may result in changes in the views that are protected. Once complete, further consideration will be given as to whether the outcomes of the study mean that there are reasonable alternatives to the preferred policy and continuation of the currently identified 11 protected views.

# **Policy GR6: Areas of Special Character**

Linkages:

NPPF Chapter 11: Making effective use of land

NPPF Chapter 12: Achieving well-designed and beautiful places

NPPF Chapter 16: Conserving and enhancing the historic environment

London Plan Chapter 3: Design

### **Policy GR6 Areas of Special Character**

- A. Proposals affecting an area of special character will be assessed regarding:
  - a. The impact of the proposal upon the strategic value of the area of special character;
  - b. The desirability of preserving or enhancing the environmental, architectural, historic and landscape features that contribute to the area of special character; and
  - c. The protected views to and from areas of special character.
- B. Proposals that would realise sustainable opportunities for increased appreciation of, or public access to, areas of special character will be supported.
- C. Proposals that would substantially harm an area of special character, or its setting, will be refused.

### **Supporting Text:**

Rising above the predominantly two storey, suburban development of the central lowland areas, Harrow's areas of high ground are of strategic importance to the character and distinctiveness of the Borough. Pinner Hill and Harrow Weald Ridge provide an elevated horizon of tree cover and open countryside which spans across the north of the Borough and acts as a visual reminder that Harrow is an outer-London borough, a transition between the highly urbanised characteristics of central & inner London and the more rural character of the counties beyond. Harrow Hill is a topographical feature with an identifiable profile to the south of the Borough, forming the verdant 'shoulders' upon which sits St. Mary's Church and supplemented by a substantial body of open space around the Hill's lower slopes. Harrow Weald Ridge, Pinner Hill and Harrow on the Hill contain a significant number of the Borough's heritage assets. Harrow on the Hill is also of cultural importance as the Borough's principal historic settlement and as the location of Harrow School.

Reflecting the strategic importance of these parts of the Borough, the Local Plan retains their designation as areas of special character and undertakes to manage development to maintain their special character. The extent of the areas of special character is delineated on the Harrow adopted Policies Map.

The strategic value of the Harrow Weald Ridge and Pinner Hill area of special character is as a significant landscape backdrop that comprises extensive tree cover, including the cumulative contribution of small groups and individual trees, and major open areas.

The strategic value of the Harrow on the Hill area of special character is the prominence that the Hill provides to the historic hilltop settlement, particularly St. Mary's Church and historic Harrow School buildings, and the setting created by the major open areas, including the cumulative contribution of groups and individual trees. The boundaries of the Harrow on the Hill area of special character take in playing fields and other spaces which form Metropolitan Open Land around the hilltop settlement.

As described above, parts of Harrow Weald Ridge, Pinner Hill and Harrow on the Hill provide substantial tree cover and extensive tracts of open and natural land. These areas make a positive contribution to the borough through their relatively low light, air and noise pollution, as well as places for undisturbed habitat formation and wildlife movement.

Heritage assets feature in each of the areas of special character. The townscape of Harrow on the Hill is a crucial component of its heritage as the principal, historic settlement in the modern Borough. At Pinner Hill and Harrow Weald Ridge historic farm complexes, cottages, villas and lodges, among other heritage assets, are valuable components of the areas' countryside and rural character.

The value of protecting the Borough's areas of special character, and their features, is diminished if they cannot be seen and appreciated from within the urban and suburban environment.

There are already many opportunities for residents and visitors to access and enjoy areas of special character. The London Loop strategic walking route passes through Pinner Hill and Harrow Weald Ridge, whilst the Capital Ring is routed through Harrow on the Hill. Bentley Priory Open Space, Stanmore Country Park and Stanmore Common all provide opportunities for the appreciation of the natural environment in Harrow Weald. The extension to Stanmore Country Park, known as Wood Farm, has been delivered over the previous plan period. This asset both increases public access to land within the Harrow Weald area of special character and provides a new, public viewpoint towards Harrow on the Hill and central London.

Policy HE1 (Heritage Assets) includes requirements relating to Local Areas of Special Character. These are distinct from Areas of Special Character by virtue of their scale and character. Areas of Special Character reflect the overall structure of the borough with respect to the distinction between suburban / urban built up areas and the elevated, more rural and / or historic landscapes and the views they offer to and from them. Local Areas of Special Character on the other hand are more modest in scale, being areas of heritage, architectural, townscape and landscape value at a local, more internalised level.

#### Reasonable Alternative:

**No Policy Option:** The draft policy seeks to protect the contribution that the elevated parts of the borough make to the distinctive local character of the borough. There is however no formal obligation under the NPPF nor the London Plan to include such a policy nor designate such areas on the Policies Map. It would therefore be a reasonable alternative not to include a policy / designation. Such an alternative would however impact on the Council's ability to set out expectations for development and protect the areas that have been identified within the borough as having special character, and by reason of their elevated nature, harm by new development is likely to be exacerbated over a wider area. Such an option is therefore not the Council's preferred option.

# **Policy GR7: External Lighting**

Linkages:

NPPF Chapter 12: Achieving well-designed and beautiful places

London Plan Chapter 3: Design

London Plan Chapter 5: Social infrastructure

# **Policy GR7 External Lighting**

- A. New development should incorporate appropriate external lighting and be designed to mitigate wider harm. Lighting should be:
  - a. Appropriate for its purpose and its setting;
  - b. demonstrated to minimise the level of illumination required, glare, angle and light trespass, particularly to mitigate any harm to sensitive receptors such as residential properties, natural habitats and biodiversity; and
  - c. Assists in achieving a high standard of secure by design.
- B. Proposals for floodlighting will be supported where it would enhance sporting facilities and would not be detrimental to the character of the open land, the amenity of neighbouring occupiers nor harmful to biodiversity.

# **Supporting Text:**

External lighting can be an important element of new development, depending on its scale and purpose. However, poorly thought out, designed and manged external lighting can result in light nuisance. A lighting strategy for new development should be prepared, which details the requirements of the proposed use and any impacts on the wider area. External lighting that utilises illumination that is significantly brighter than need be for its use, in conjunction with height and angle can lead to light trespass and nuisance to adjoining properties. Specifically, sensitive receiving environments such as residential properties can have their amenity harmed by light trespass due to insufficient cowling or poor angling of lights.

Biodiversity and natural habitats can often be sensitive to external lighting where it is poorly designed, in terms of its illumination, siting and angle of lighting. New development must consider any impacts on existing biodiversity within the site, and specifically to lighting, biodiversity that is located adjacent and nearby to the site.

The council will consider the use of appropriate conditions post permission to restrict additional lighting to developments, where this is considered appropriate and necessary to protect amenity and biodiversity.

External lighting plays a crucial role in ensuring Secure by Design for new developments, specifically where large-scale developments are delivered with larger areas of public realm. Appropriate levels of external lighting, in conjunction with high quality design, assist in ensuring that people feel safe. Appropriate lighting strategies will ensure that developments are satisfactorily lit to provide clear lines of sight and that there are no darkened locations which may give rise to safety concerns.

Policy S5 Sports and recreation facilities of the London Plan provides support for floodlighting within reasonable hours, where there is an identified need for sport facilities, and lighting is required to increase their potential usage, unless it would give rise to demonstrable harm to the local community or biodiversity. Proposals within or close proximity to Green Belt, Metropolitan Open Land, and Open space must consider these as areas of less light source, and that proposals would not harm this context or areas of biodiversity interest.

In determining the appropriateness of external lighting, the Council's Environmental Health Department will appraise lighting strategies submitted with planning applications to determine their appropriateness. Applicants should refer to the Institution of Lighting Professionals; Guidance Note 01/21 (The Reduction of Obtrusive Light) or any subsequent iteration.

#### Reasonable Alternative:

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national policy or the London Plan.

# **Policy GR8: Shopfronts & Forecourts**

Linkages:

NPPF Chapter 7: Ensuring the vitality of town centres

NPPF Chapter 12: Achieving well-designed and beautiful places

London Plan Chapter 3: Design

# **Policy GR8 Shopfronts & Forecourts**

- A. Proposals for shopfronts including blinds, canopies, front extensions and development on forecourts will be supported where:
  - a. They provide an active frontage and are of a scale and proportion appropriate to the host building, architectural character and the wider character of the area in which it is located;
  - b. They do not obstruct or adversely affect pedestrian or highway safety, particularly for users with visual impairment or impaired mobility;
  - c. They would preserve or enhance heritage assets;
  - d. The shopfront would provide all-abilities inclusive access;
  - e. The illumination of shopfronts and forecourts would not detrimentally affect the amenity of neighbouring occupiers, or the character or appearance of a conservation area;
  - f. The proposal involves the installation of a new or replacement shopfront, the use of toughened glass will be required; and
  - g. Awnings or canopies are retractable and fold away discreetly when not required outside of operational hours.
- B. Where security shutters are proposed they should be of an open mesh design and, wherever possible, should be located internally.
- C. Tables, chairs and other ancillary paraphernalia on forecourts will be considered on a case-by-case basis and must;
  - a. Ensure the frontage does not appear cluttered within the streetscene;
  - b. Ensure the pedestrian thoroughfare is not obstructed, allowing for the free flow of pedestrians, including those with disabilities.
  - c. Ensure that highway safety is not compromised; and
  - d. Only be used during hours that are appropriate for the centre within which they are located.

## **Supporting Text:**

For many pedestrians and shoppers, the ground floor frontages of buildings provide the principal perception of the quality of the built environment in town centres and neighbourhood parades. Well designed, practical shopfronts can make a positive contribution to the townscape and success of the Borough's shopping areas. Both individually and cumulatively, minor development such as shopfronts, security shutters and canopies can influence perceptions of the accessibility and security of an area and visually impact the street scene. A proliferation of solid security shutters create a fortress-like atmosphere in town centres and neighbourhood parades when premises are closed, perpetuating fear of crime and personal safety. Shutters with a transparent 'open mesh' design help to maintain visual interest and, along with a mix of appropriate town centre uses, help to enliven town centres during the evening.

Outdoor dining provides an opportunity for small businesses to increase their turnover and assists in enlivening a streetscene whether in a town centre or a small parade.

The installation of new shopfronts, including those that replace existing shopfronts, provides the opportunity not only to improve the appearance of the streetscene but to design-in safety and security features including toughened glass in preference to shutters to improve the safety and security of ground floor units.

#### Reasonable Alternative:

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national policy or the London Plan.

# Policy GR9: Outdoor Advertisements, digital displays and hoardings

Linkages:

NPPF Chapter 12: Achieving well-designed and beautiful places

London Plan Chapter 3: Design

London Plan Chapter 10: Transport

# Policy GR9 Outdoor Advertisements, digital displays and hoardings

- A. Proposals for advertisements on buildings and freestanding units will be supported where:
  - a. They do not adversely affect the visual amenity of the area;
  - b. They do not adversely affect the amenity of residential occupiers by reason of siting, illumination or noise;
  - c. They are appropriate in scale and illumination to the location and, in the case of advertisements on buildings, the host building;
  - d. They contribute to rationalising street clutter and help to achieve an inclusive, legible environment;
  - e. They contribute to the safety of the environment for pedestrians, cyclists and drivers;
  - f. They do not impede any existing or proposed surveillance equipment, and contribute positively to public perceptions of security;
  - g. They do not adversely affect the amenity of any residential or sensitive area;
  - h. Advertisements associated with Wifi or telecommunication infrastructure must be proportionate to the overall structure, and must not lead to an over proliferation within the locality;
  - i. Advertisements associated with electric car charging stations must be proportionate to the to the overall structure, and should only relate to the charging station service provider. Where advertisements vary from the service provider, proposals must comply with a g above.
- B. Advertisement hoardings will be appropriate in non-residential areas where they screen vacant or derelict sites, or sites where development is imminent.
- C. Proposals for advertisement resulting in a cluster of hoardings will be resisted where there would be a cumulative impact upon amenity.
- D. Proposals for advertisements that advertise temporary events and markets in centres will be supported.

## **Supporting Text:**

Well designed and considerately located, commercial advertisements add to the interest and vibrancy of town centres and other commercial areas. Advertisements can also be used to identify uses and occupiers within a building or area and can contribute positively to the legibility of the urban environment. However, over-sized, insensitively sited and inappropriately illuminated advertisements can be unsightly, detract from the character of an area and run counter to the creation of safe, accessible environments. Applicants should consider guidance set out by the Advertising Standards Authority in the context of the imagery or text that they wish to advertise.

Advertisements within residential areas or at the interface of commercial and residential areas can adversely affect the amenity of the residential area. Advertisements which are illuminated or emit noise, such as those which provide a moving display, have considerable potential to cause nuisance to residential occupiers. In the more commercial context of town centres, illuminated and moving display units are to be expected, but can nevertheless adversely impact residential premises above ground level.

In determining the appropriateness of any illumination, the Council's Environmental Health Department will appraise lighting strategies submitted with planning applications to determine their appropriateness. Applicants should refer to the Institution of Lighting Professionals; Guidance Note 01/21 (The Reduction of Obtrusive Light) or any subsequent iteration.

Freestanding advertisements frequently add to street clutter and obstructions in the public realm. The Council's preference is for such advertisements to be integrated with the provision of required street furniture, like bus stops or telephone boxes. Free standing Wifi and USB charging docking may be located in town centres and parades. These developments often appear secondary to the internally illuminated advertisement component associated with them, and can appear as incongruous additions to the locality. Care must be taken to ensure an appropriate balance between the primary infrastructure and the ancillary advertisement element. Furthermore, there should not an over proliferation of such developments, specifically in the context of all other street furniture, which can lead to excessive street clutter.

Electric vehicle charging stations are becoming more frequent in the public realm. Care must be taken to ensure that the opportunity to use individual charging stations to host advertisements, does not lead to an over proliferation of advertising. Proposals for advertisements should be proportionate to the charging station and advertise the service provider only.

Areas that are sensitive to advertisements include the Green Belt, Metropolitan Open Land, other open space, Areas of Special Character, conservation areas, and local areas of special character. Listed buildings (including locally listed buildings) are also sensitive to advertisements, and the act of fixing the advertisement may require listed building consent.

Occasional street markets and other temporary events help to enliven and support the Borough's town centres. By their nature, such activities require local advertising to raise awareness of the time, location and nature of the market or event, and therefore to ensure that they are successful. Certain forms of advertising for temporary events benefit from 'deemed consent' as defined in the Town and Country Planning (Control

of Advertisements) (England) Regulations (2007) and do not, therefore, require an application for advertisement consent.

## Reasonable Alternative:

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national policy or the London Plan.

# Policy GR10: Infill and backland sites, back gardens and amenity areas

Linkages:

NPPF Chapter 5: Delivering a sufficient supply of homes

NPPF Chapter 11: Making effective use of land

NPPF Chapter 12: Achieving well-designed and beautiful places

London Plan Chapter 3: Design London Plan Chapter 4: Housing

# Policy GR10 Infill and backland sites, back gardens and amenity areas General

- A. Proposals on Infill, backland sites, [non-designated] open space, garden land and garage sites will only be acceptable where;
  - The proposal would be a high-quality design of a scale and intensity appropriate within the context it is located in:
  - Proposals assist in the delivery of homes as demonstrably needed b. [Strategic Housing Policy 03].
  - Neighbouring amenity is protected in terms of access to daylight, C. sunlight and actual or perceived privacy, in accordance with Policy GR1
  - d. Ensure a satisfactory quantum and quality of landscaping to provide for amenity space and biodiversity enhancements.
  - Appropriate levels of car parking is provided commensurate to the e. scale of development, with servicing and refuse collection adequately addressed.
  - The proposal is accessible to all; and f.
  - Addresses any relevant supplementary guidance. g.

#### Infill Sites

- B. Proposals for gap sites located in an established street scene will be supported where they:
  - a. Demonstrate compliance with A (a-g) above;
  - Ensure sufficient private garden / amenity space is provided for both b. the proposal site and any donor property; and
  - Satisfactory servicing, waste and cycle storage is provided. C.

### Backland Development

- C. Proposals that are located on backland sites will be supported where they;
  - Demonstrate compliance with A (a-g) above; a.
  - Provide satisfactory access to the development; b.
  - Ensure appropriate waste servicing can be provided; and C.
  - Ensure secure by design measures have been addressed.

### Non-designated open space

- D. Proposals for new housing on non-designated open space will be supported where they;
  - a. Demonstrate compliance with A (a-g) above;
  - b. Ensure highway safety is maintained; and
  - c. Address any relevant supplementary guidance.

#### Garden land

- E. Proposals for new housing on rear gardens will be resisted unless they;
  - a. Demonstrate compliance with A (a-g) above; and
  - b. Form part of the comprehensive development of a number of plots.
- E.1 Housing on individual rear gardens will not be supported.

### Garage sites

- F. Proposals that seek to redevelop garage sites within a development will be supported where they:
  - a. Demonstrate compliance with A (a-g) above; and
  - b. Satisfactorily demonstrate the loss of garages will not cause or exacerbate parking pressure within the surrounding network.

## **Supporting Text:**

Across outer London there are numerous opportunities to deliver appropriate small site housing developments, which are able to contribute to delivering housing needs for the borough. Development opportunities can exist on sites that constitute infill, back land sites, [non-designated] open space, garden land and garage sites. Much of the suburban area in Harrow is made up of 2-storey residential homes with rear gardens that provide amenity space for residents and biodiversity habitat.

Residential gardens are a strong element of suburban character and are an important component of the quality of life enjoyed by many Harrow residents. Development in these areas requires careful management to ensure this character is respected. However, character across the borough will continue to evolve over time, which will include the gentle densification of suburbia. Furthermore, the borough will continue to face pressure to deliver against its housing target set for it in the London Plan, but also to deliver the right type of homes that Harrow residents need.

The National Planning Policy Framework (2023) (paragraph 70) states that small and medium sized sites can make an important contribution to meeting the housing requirement of an area, and such developments are able to often be built-out relatively quickly. The London Plan (2021) Policy H2 (Small sites) sets out that boroughs should recognise that character evolves over time, and that small sites can provide a valuable contribution to meeting housing targets. The Plan sets a small site housing target of 375 homes per year for Harrow; this forms a component of the overall target of 802 homes per year.

The Council will seek to encourage appropriate opportunities to achieve the requirements as set out in Policy H2 (Small sites) of the London Plan (2021) which encourages development in locations well serviced by public transport and amenities. Small sites development must comply with policy H03 (Optimising the use of small housing sites) of the Local Plan.

Small site development outside of the sustainable areas identified in policy HO3, will be less acceptable.

The prevalence of detached, semi-detached and terrace style housing provides a character of family homes across the borough from both a visual and use perspective. This character must be considered in any development application. Local Plan Policy GR1 (Delivering high quality design in Harrow) must also be addressed as any new development.

Infill, back land sites, [non-designated] open space, garden land and garage sites are often constrained sites and in close proximity to existing residential properties. Proposals must be creatively designed to ensure that whilst new development respects the character of a location's context, is also ensures that window placements protect the amenity of existing and future occupiers. New development should also ensure that new homes and their respective amenity outdoor amenity space is accessible for a range of users. Amenity space must be useable and functionable appropriate for future occupiers.

Local Plan Policy GR1 (Achieving a High Standard of Development Design and Layout Considerations) must also be addressed as any new development.

Infill sites are often represented by a gap within a strong pattern of development, where housing fronting a road appears very uniform. However, within a uniform street scene, vacant sites within the row can appear as an anomaly. These gap sites may occur where houses were never built, or the street was impacted by historical bomb damage. Other gaps may arise from irregular plot shapes or very large gardens. These sites represent an opportunity to infill a logical gap within the streetscene.

Backland sites are generally vacant plots of land that are located between rear property boundaries or properties facing away from each other onto opposing street frontages. These sites are often accessed through a single access lane running down the flank elevation of two properties facing onto a street, which can cause access issues for construction, servicing and private vehicles. Applications must set out how access and servicing will be undertaken in a satisfactory manner, ensuring secure by design and pedestrian accessibly is also safeguarded.

Residential properties with individual rear gardens are a predominant characteristic, where any built development is of a single storey and ancillary in use to the main residential dwelling on the site. Individually, new development that exceeds this height and / or is independent use of the principal residential use of the site, has a detrimental impact on the use of the property and the character of the area. The Council discourages ad hoc planning applications to individual rear gardens, which can lead to incremental erosion of suburban character.

Where site assembly has been secured and a number of rear gardens propose a comprehensive development, subject to compliance with any subsequent Small Sites Design Code / SPD and this policy, they may be supported. What constitutes a

comprehensive development in terms of the number of sites, will be determined on a case-by-case basis. This will be assessed by the scale of development (number of units) and the overall site size, as this will determine the impact that a development is likely to have on the wider area and the planning benefits it would have.

Numerous housing estates and flatted departments have communal garages within their wider site. These sites are often dated with garage sites no longer fit for purpose. In many circumstances, garages are now used for general storage for the residential properties. Applications for demolition of garage sites and new residential development must satisfactorily demonstrate that the garages are not in use as car parking spaces, and that their loss would not exacerbate parking pressures in the area. Numerous garage sites within housing starts, are often set within designated open space, for which there is presumption against any net loss. New development within housing estates where the open space is designated, should also refer to Local Plan Policy HO5 (Housing estate maintenance, renewal and regeneration).

Non-designated sites are often publicly accessible, and form what appears to be a leftover piece of land at the end of a row of houses, which was never initially built on as part of a development. Such sites are not prevalent across Harrow, but often appear between the end of row and the back kerb of a highway. New development in close proximity to the highway, must demonstrate that highway safety is maintained in terms of access to and from the highway and appropriate site lines are maintained.

Site Typology	Definition
Infill	Derelict sites or unattended sites. The scale of these sites tends
	to align with the urban grain and surrounding developments.
	Many of these sites are situated in residential suburban streets.
Backland	Vacant open sites that are located in suburban areas behind
	regularly arranged residential properties
Garden land	Garden land means any land within the curtilage of a building
	the principal use of which is residential, in particular to the rear
	of the site.
Garage	Buildings with a narrow massing which are designed to house
	vehicles. Typically, these garages are located in residential
	areas and estates. Many of these garages include hardstanding
	for turning vehicles.
Non-designated	Open pockets of land which are located within residential areas
open space	(particularly in estates). Many such spaces consist of
	underutilised grassed areas serving little or no purpose.

### **Reasonable Alternative:**

**No Policy Option:** This would impact on the Council's ability to set out expectations for development and protect the character and amenity of the Borough, particularly in the predominately suburban areas that are a key characteristic of the borough. Consequently, this alternative is not the Council's preferred option.

**More permissive policy:** The Strategic Housing Policy 03 identifies the amount of housing required, and where this is being strategically directed to, which is within the Harrow & Wealdstone Opportunity Area (a minimum of 7,500 dwellings). By

strategically directing growth to the most sustainable location within the borough, there would be less requirement to deliver housing within suburban Harrow which would contribute to retaining its low-density, suburban character. A reasonable alternative would however be to include a more permissive policy. This however is not the Council's preferred option as such a policy could result in an inconsistency with overarching approach to direct growth to the most sustainable location within the borough (the Opportunity Area), and areas capable to accommodate the most change in the borough having regard to matters such as prevailing character and building heights, and site availability). Furthermore, a more permissive policy may result in a level of change that the suburban areas of Harrow are not able to comfortably adapt to a significant amount of change that an overly permissive policy may result in.

## **Policy GR11: Planning Obligations**

Linkages:

NPPF Chapter 4: Decision making

London Plan Chapter 11: Funding the London Plan

#### **Policy GR11 Planning Obligations**

- A. Planning obligations will be sought on a scheme-by-scheme basis to secure the provision of affordable housing in relation to residential development schemes, and to ensure that all relevant development proposals provide or fund improvements to mitigate site specific impacts made necessary by the proposal.
- B. Applications that fail to secure an appropriate Planning Obligation to make the proposal acceptable will be refused.

#### **Supporting Text:**

The Harrow Community Infrastructure Levy (CIL) will ensure that new development helps to fund the cost of new or enhanced strategic infrastructure to support the cumulative impacts of development across the borough. The list of the types of infrastructure to be funded by CIL is set out in the annual infrastructure funding statement available on the Council's website, such as schools, libraries and healthcare.

A proportion of total Harrow CIL receipts is allocated to fund projects that reflect the priorities within the area in which Harrow CIL was received ('Neighbourhood CIL'). The Council will work with relevant stakeholders to identify local priorities for the spending of NCIL.

The Council has produced an Infrastructure Delivery Plan as part of the Local Plan review, and this evolving document will form the basis for infrastructure and funding priorities across the plan period (2021 to 2041).

Where new development requires a bespoke mitigation to make a scheme acceptable in planning terms, the Council may enter into a legal agreement with a developer. A legal agreement would take the form of a S.106 agreement, where an obligation will be secured on a specific matter. However, the nature of site-specific impacts means they vary widely depending on the site, its local context, and the development proposed. Therefore, beyond the requirements for affordable housing, it is not possible to ascribe a set of circumstances under which certain types of obligations will be sought as a norm. Obligations can take the form of monetary contributions or non-monetary contributions (such as those relating to employment and training provision, travel plans, design quality, biodiversity net gain monitoring etc).

The Council will produce guidance to set out how any monetary obligations would be calculated and the form of non-monetary obligations, which will be published on the Council website. This will be updated on a regular basis to reflect up to date charging appropriate for each monetary contribution type. Consistent with the NPPF, the

cumulative impact of planning obligations will be set at a level that does not render development unviable within the borough.

All new development must consider the obligations as set out in the local plan, including relevant policies, CIL and S.106 obligations when developing a scheme. Any financial contributions must be considered at an early stage by developers, and form part of a scheme viability consideration.

#### Reasonable Alternative:

This policy has been drafted to be consistent with relevant legislation, national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national legislation, national policy or the London Plan.

# **Chapter 03: Heritage**

## **Strategic Policy 02: Harrow Heritage Assets**

Linkages:

NPPF Chapter 16: Conserving and enhancing the historic environment

London Plan Chapter 3: Design

London Plan Chapter 7: Heritage and Culture

#### Strategic Policy 02: Harrow Heritage Assets

- A. The Council will manage heritage assets to ensure that development proposals preserve or enhance the significance of heritage assets (both designated or non-designated) and other historic environment assets. The Council will ensure that its heritage assets play a role in place making by:
  - a. Determining applications in accordance with the National Planning Policy Framework the London Plan, and Local Plan policies HE1 (Heritage Assets) and HE2 (Enabling Development) where proposals affect heritage assets.
  - b. Promoting the significance of the main heritage assets within the borough which provide important wider social, cultural economic and environmental benefits, including assets such as the international value of Harrow School, and other assets such as Headstone Manor, St Mary's Church, and conservation areas.
  - c. Where necessary, support restoration schemes and changes of use where they comply with (a) above, and secure the long-term future of the asset whilst providing an appropriate use and scale of development for the asset and its setting. The Council will work with Historic England and relevant stakeholders to include any assets on the At Risk Register where appropriate.
  - d. Continuing to review undesignated heritage assets for potential formal designation e.g. as listed buildings, conservation areas, historic parks and gardens, and local areas of special character.
  - e. Ensuring that new development within the local strategic views (as set out within the policies map) do not harm views to St Mary's Church spire on Harrow on the Hill and other identified assets.
  - f. Supporting developments that improve access to, and the appreciation of, a heritage asset;
- B. Where evidenced, neglect of, or damage to, a heritage asset, the deteriorated state of the heritage asset should not be taken into account in any decision
- C. Support measures to heritage assets to mitigate and adapt to climate change where appropriate, where these are able to be undertaken sensitively, whilst not harming the significance of the heritage asset.

#### **Supporting Text:**

Harrow's built heritage is principally found in clusters around its medieval town centres and historic landscapes. Early settlements such as Edgware, Pinner, Stanmore and Harrow on the Hill are protected by Conservation Areas and with many Statutory Listed Buildings, forming networks of assets along on key routes into and out of central London. Landscape is intrinsic to Harrow's strategic character with protected views to and from St Mary's Church in the south and Harrow Weald in the north. It is also important at the local scale, with the mature landscape of woodland and vegetation shaping a strong sense of place in Hatch End, Clamp Hill and Bentley. 20th century Modernist and Art Deco assets also preserve and enhance local character, often acting as a counterpoint to the typical Metroland vernacular. These are typically civic and leisure uses such as London Underground stations, libraries and cinemas that are nestled into neighbourhoods.

Harrow's identified heritage assets and historic environment will continue to be valued, conserved and enhanced.

New development should consider the unique heritage assets within the London Borough of Harrow, and where appropriate, draw on the contribution of such assets to inform the character of a place and new development within it.

The National Planning Policy Framework and the London Plan (2021) both provide further policy and guidance on heritage assets and the important contribution they make to place and people. Planning applications that have an impact on heritage assets (including designated, non-designated, and archaeological sites) must demonstrate compliance with wider development plan policies.

The Council will support the restoration of heritage assets to ensure a viable use and the securement of the long-term future of the asset. This must be to a use and scale of intensity that is appropriate for the property, and any proposal must also demonstrate.

Heritage assets that fall into disrepair through lack of maintenance can lead to significant degradation of an asset. Where appropriate, the Council will work with partners to list these on the Heritage at Risk Register. Similarly, where appropriate and in the public interest, the Council will pursue enforcement action in relation to the condition of heritage assets. However, the Council will also work to bring these assets back into a viable use, restoring the significance of the asset.

All new development should seek to address climate change. Applications that propose climate change mitigation measures (such as renewable energy technology), should seek to ensure the significance of the asset is preserved. Applications for climate change mitigation measures must provide detailed analysis of the significance of the heritage asset to provide a clear understanding of the significance and any potential harm, an assessment of the proposed measures on the significance of the asset (and any options to mitigate any harm) and what level of efficiency improvements, renewable energy provision or climate adaptation would be delivered.

Enabling development provides an opportunity for alternative uses to be introduced to a site, which may enable a heritage asset to be restored. The Council will support enabling development schemes where the bare minimum of enabling development is delivered to secure the long-term future of the heritage asset and the significance of

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the heritage asset would be preserved. Developments seeking to progress an enabling development scheme, must also take into consideration national policy and advice set out by Historic England.

#### Reasonable Alternatives:

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national policy or the London Plan.

## **Policy HE1: Heritage Assets**

Linkages:

NPPF Chapter 16: Conserving and enhancing the historic environment

London Plan Chapter 3: Design

London Plan Chapter 7: Heritage and Culture

#### Policy HE1: Heritage Assets

- A Proposals that secure the preservation, conservation or enhancement of a heritage asset and its setting, or which secure opportunities for sustainable enjoyment of the historic environment, will be supported.
- B Proposals should describe the significance of any heritage assets affected by development including any contribution made by the setting. The impact of proposals on heritage assets will be assessed having regard to:
  - a. Emerging or adopted supplementary planning documents, including character appraisals, management plans or other relevant documents;
  - b. Consideration of design, appearance and character including proportion, scale, height, massing, bulk, alignment, materials, historic fabric, use, features, location, relationship with adjacent assets, setting, layout, plan form and landscaping;
  - c. The proposals ability to conserve and sustain heritage assets, and their setting;
  - d. Sustainable economic benefits;
  - e. Climate change mitigation and adaption; and
  - f. The desirability of increasing understanding and interpretation of heritage assets; and
  - g. The ability to reverse any change.
- C The Council will use planning conditions and planning obligations where necessary to secure the exploitation of opportunities for sustainable public access to the historic environment.

#### **Conservation Areas**

- D. In addition to (A) and (B) above, when considering proposals within conservation areas, the Council will:
  - a. Support the redevelopment of sites that detract from the character or appearance of the conservation area; and
  - b. Exploit opportunities to restore lost features or introduce new ones that would enhance the character and appearance of the conservation area.

#### **Listed Buildings (including Locally Listed Buildings)**

E. In addition to (A) and (B) above, when considering proposals affecting listed buildings and their setting, the Council will:

- a. Pay special attention to the building's character and any features of special architectural or historic interest which it possesses, and the role of the building's setting in these regards; and
- b. Exploit all opportunities to secure the future of listed buildings particularly those on the 'heritage at risk' register.

#### **Scheduled Ancient Monuments**

- F. In addition to (A) and (B) above, when considering proposals affecting scheduled ancient monuments, the Council will have regard to:
  - a. The relationship of the monument with other archaeology and the wider landscape in which it should be interpreted;
  - b. The condition and management of the monument; and
  - c. The existing and future security of the monument.
- G Major development and change of use proposals affecting a scheduled ancient monument will be required to provide and implement an action plan for the management of the monument.

#### **Archaeology**

- H. In addition to (A) and (B) above, when considering proposals affecting an archaeological priority area, the Council will have regard to:
  - a. The known or anticipated significance of the archaeology;
  - b. The likely implications of the proposal upon the archaeology; and
  - c. The need to preserve the archaeology in situ; or
  - d. The adequacy of arrangements for the investigation, recording, archiving and (where appropriate) curation of archaeology not requiring preservation in situ.

#### **Local Areas of Special Character**

- Proposals within identified Local Areas of Special Character (LASCs) shall;
  - a. Pay particular attention to the areas special character and the role of the area's setting in this regard; and
  - b. Exploit all opportunities to secure the future of the LASC; and
- The effect of an application on the significance of the LASC should be taken into account in determining the application. In weighing applications that directly or indirectly affect the LASC, a balanced judgement will be required having regard to the scale of any harm or loss and the significance of the heritage asset.

#### **Supporting Text**

Collectively and individually heritage assets are a unique, irreplaceable resource to be sustained for the present and future generations to understand and enjoy. When assessing proposals affecting heritage assets, including non-designated heritage assets, priority over other policies in the Local Plan will be afforded to the conservation of the assets affected and their setting as appropriate to the significance of the assets.

Many aspects of the historic environment, such as listed buildings and conservation areas, are 'living' places and need to be sustained through development, adaptation and active use. Public access to other aspects of the historic environment, such as archaeology or historic parks and gardens, can support tourism, education and the wellbeing of residents. The Council therefore recognises that change within the historic environment need not be at odds with heritage protection objectives.

The National Planning Policy Framework (2023) is clear that justification for substantial harm to (or total loss of) the significance of a designated heritage assets should be exceptional, and wholly exceptional in respect of those of higher grading, and that permission should be refused unless certain criteria are met. Proposals involving less than substantial harm to the significance of a designated heritage assets are required to be weighed against any public benefits, whilst proposals affecting non designated heritage assets should be subject to balanced judgements concerning the scale of harm and the significance of the asset.

Supplementary planning documents (SPDs) together with accompanying character appraisals and management plans have been published for the Borough's conservation areas. English Heritage also produce documents providing guidance on the conservation of heritage assets. The detailed policies and guidance set out in these documents, and further information relating to the significance of these assets such as historic Ordnance Survey maps, can provide further material considerations.

Regard should be given to any relevant guidance in relation to the identification and assessment of impacts of development on heritage assets and their setting<sup>2</sup>.

#### Design & Character

Issues of design, appearance and character are the main considerations for additions and alterations to heritage assets, and new development affecting heritage assets. Replicating a particular style may be less important, though there are circumstances where it would be appropriate. Design should take account of the significance of nearby assets, topography, general character of the area, diversity or uniformity in style of the building and area, construction, materials, detailing, decoration and period of existing buildings and spaces; urban grain; current and historic uses; landscaping; and views (public and private).

The existing or original location and layout of heritage assets can make a significant contribution to their historical context and meaning. Similarly, the original use of a heritage asset will often be the most compatible with its character and fabric. Securing the appropriate and viable use of a heritage asset that is compatible with its character and fabric in the long term is an important part of its conservation. Proposals for belowground (subterranean) development and modification of internal layouts can also impact upon the significance of heritage assets.

The survival of heritage assets is usually best achieved by ensuring that they are supported by viable economic uses compatible with the character and fabric of the asset which secure their repair and on-going maintenance needs in the long term.

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<sup>&</sup>lt;sup>2</sup> See for example, the GLA Practice Note: Heritage Impact Assessments and the Setting of Heritage Assets: <a href="https://www.london.gov.uk/programmes-strategies/planning/implementing-london-plan-london-plan-guidance">https://www.london.gov.uk/programmes-strategies/planning/implementing-london-plan-london-plan-guidance</a>

Appropriate uses can breathe new life into listed buildings and conservation areas, and support opportunities for people to enjoy historic parks and gardens.

#### Climate Change Mitigation and Adaptation

Proposals involving heritage assets can often provide opportunities to reduce their contribution to climate change and to increase their resilience to the anticipated consequences of climate change. Examples include funding of public realm improvements to encourage walking and cycling; sustainable drainage techniques to reduce flooding; the reuse of heritage assets to retain embodied carbon and to minimise the need for new building materials, energy and generation of construction waste. Where appropriate, heritage assets can also be modified to reduce carbon dioxide emissions for example by allowing greater use of renewable energy and options for insulation. Intrusive interventions, such as external mounting of microgeneration technology, can harm significance. The creative adaptation of heritage assets can dramatically reduce the whole-life energy costs and waste impacts that would result from demolition and replacement.

Development and uses affecting heritage assets may provide opportunities to better reveal the significance of an asset or for people to enjoy it. Investigation of an asset and documentation of the findings may increase understanding of the history and significance of the asset. It is therefore an exercise of public benefit and so recording may be a requirement for a development, using planning obligations or conditions. Accessibility enhancements and the provision of interpretation facilities could improve levels of local appreciation of 'hidden' assets such as below-ground archaeology.

#### Public Access to Heritage Assets

Policy HC1 of the London Plan encourages boroughs to include policies for improving access to the historic environment and heritage assets and their settings. Permanent public access, such as that at Bentley Priory Museum, Harrow Museum and Headstone Manor, provide opportunities for residents and visitors to value the architectural and historic value of the Borough's heritage assets. Public access agreements or other provisions, as part of Planning Obligations or conditions for proposals associated with significant heritage assets, can provide opportunities to increase participation in such events - particularly where participation would widen appreciation of the Borough's heritage assets within their Greater London context - or secure more permanent public access to the historically or architecturally significant components of the heritage asset.

#### Redevelopment of Conservation Assets

The redevelopment of some sites within conservation areas may offer the opportunity to remove buildings or other features that detract from the character or appearance of the conservation area. Harrow's Conservation Area Supplementary Planning Documents (and their associated character appraisals and management plans) include provisions for redundant buildings, under-utilised sites and other structures/buildings that detract from the character and appearance of the areas concerned.

Some proposals may offer the opportunity to restore lost layouts, views/vistas, landscaping, boundary treatment or other features of significance to the conservation area. Similarly, opportunities may exist through new development to introduce new

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features. Again, Harrow's Conservation Area Supplementary Planning Documents (and their associated character appraisals and management plans) identify specific opportunities to restore specific features and it is recognised that development may bring unforeseen opportunities for the restoration or creation of new features.

#### Non-Designated Heritage Assets

Across the borough there are areas of notable value, but do not necessarily achieve Conservation Area status. Notwithstanding this, the contribution they make to the local environment warrants recognition and protection. This is due to their heritage significance as well as their townscape /architecture that is of locally cohesive and well-preserved quality and/or landscape that is of locally distinctive and well-preserved quality.

#### Listed Buildings

There are over 300 statutorily listed buildings and over 700 locally listed buildings in Harrow. In numerical terms, therefore, listed buildings constitute the largest component of the Borough's historic environment. Particular care is needed to ensure that alterations, extensions and any other development affecting listed buildings does not prejudice their architectural or historic integrity, including that associated with their setting.

The Council endeavours to ensure that listed building owners are aware of their responsibilities. Statutory powers allow the Council to step in when listed buildings are seriously neglected. However, positive solutions that provides a viable, long-term future for listed buildings and which prevents them becoming 'at risk' are invariably preferable to the use of legal interventions, particularly in respect of buildings on the heritage at risk register (see paragraph 3.25 below).

Buildings of local interest in Harrow make a special contribution to the architectural and historic identity of the Borough. By inclusion on the Harrow list, the Council is highlighting their local significance to be taken into consideration when making planning decisions which affect them. Within conservation areas, local listing indicates that the building (or group of buildings) is of some significance to the character and appearance of the area. Outside of conservation areas, a building's (or group of buildings') inclusion on the local list demonstrates special local architectural or historical significance meriting retention.

#### <u>Archaeology</u>

Harrow has a rich archaeological heritage. This reflects the geology and topography of the land which attracted early settlers and the Borough's proximity to London, which has dominated trade and governance in Britain since Roman times. The benign nature of the environment and landscape processes in the area has resulted in a legacy of well-preserved archaeological features. However, the greatest threat to archaeological resource has been, and remains, human activity particularly development.

Scheduled Ancient Monuments are a statutory designation for remains that are recognised as having national importance and are, therefore, safeguarded for their intrinsic value for the benefit of current and future generations. Scheduled Ancient Monuments in Harrow make a significant contribution to the Borough's heritage and are the most important sites of archaeological interest. However, Harrow's archaeological heritage includes some sites of more local significance as well as areas

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where insufficient evidence exists to justify formal scheduling. Locations within Harrow which are suspected to contain below ground archaeology, as advised by English Heritage, are designated as Archaeological Priority Areas.

The Council is committed to securing the conservation and understanding of all historic assets including those of archaeological interest. The Borough's Scheduled Ancient Monuments and Archaeological Priority Areas are shown on the Harrow Policies Map and further information about them is available via the Council's website. The desirability of preserving a scheduled ancient monument and its setting is a material consideration in the determination of planning applications. The National Planning Policy Framework (2023) establishes a clear presumption against the loss of, or substantial harm to, a scheduled ancient monument and states that any harm to a designated heritage asset, which is less than substantial, must be weighed against the public benefits of the proposal. London Plan Policy HC.1 provides further planning decisions criteria relating to archaeological assets. Locations within Harrow which are suspected to contain below ground archaeology, upon the advice of English Heritage, are identified on Harrow's proposal map as archaeological priority areas. A number of these are related to features the subject of formal designation as Scheduled Ancient Monuments.

Developments where heritage assets of archaeological interest have been identified may be subject to mitigation measures in order to understand the asset. This might include field investigation or excavation and analysis, dissemination and archiving of results. The Council will also encourage community engagement and involvement in any programme of archaeological work.

#### Reasonable Alternatives:

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national policy or the London Plan.

### **Policy HE2 Enabling Development**

Linkages:

NPPF Chapter 16: Conserving and enhancing the historic environment

London Plan Chapter 3: Design

London Plan Chapter 7: Heritage and Culture

#### **Policy HE2 Enabling Development**

- A. Enabling development will only be supported where;
- a. It is the only viably means of securing the long-term future of the heritage assets affected; and
- b. The enabling development is the minimum necessary, as demonstrated by robust evidence, to secure the long-term future of the heritage assets affected.

#### **Supporting Text**

The national context for enabling development is set out at paragraph 214 of the National Planning Policy Framework (2021). By definition, enabling development should be a tool of last resort after all other reasonable avenues that would secure the asset's survival have been exhausted.

There are 15 of the Borough's heritage assets on the English Heritage London Heritage at Risk Register (2012). These comprise 10 buildings/structures, 1 registered park and garden, and 4 scheduled ancient monuments. The Council takes its responsibility to help secure the conservation of heritage assets for future generations' enjoyment seriously, and to this end has been working positively with owners and other partners to ensure the survival of assets on the register and to avoid others being added to the register. In a number of instances, sensitive enabling development has been approved (or agreed in principle) to secure the restoration and conservation of heritage assets.

Where enabling development has been proposed as the last resort to secure a heritage assets survival, applications must be supported with comprehensive evidence to demonstrate that the enabling development is the absolute minimum required.

Proposals should follow the guidance (including required documentation) set out in the Historic England guidance note; Enabling Development and Heritage Assets (Historic Environment Good Practice Advice in Planning Note 4 (and any superseding guidance).

The Council understands that higher revenue uses (such as residential) may be required to enable the long-term future of a heritage asset to be secured. However, a programme of works to set out when each of the components of a development are expected to be delivered must support any planning applications. The Council will expect the heritage asset to be delivered before the enabling development is fully

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occupied. The level of occupancy will vary from scheme to scheme, but will be agreed by the Council and secured through a S.106 legal agreement.

#### **Reasonable Alternatives:**

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national policy or the London Plan.

# **Chapter 04: Housing**

# Strategic Policy 03: Meeting Harrow's Housing Needs

Linkages:

NPPF Chapter 5: Delivering a sufficient supply of homes

NPPF Chapter 11: Making effective use of land

London Plan Chapter 3: Design
London Plan Chapter 4: Housing

#### Strategic Policy 03: Meeting Harrow's Housing Needs

#### **Housing delivery:**

- The Council will optimise opportunities to deliver a minimum of 16,040 (net) homes during the Plan period (2021/22 2040/41), of which at least 8,020 new homes (net) will be delivered between 2019 2029 (Policy H1, London Plan), to address the future needs within the most sustainable locations of Borough. Based on current estimates of the Borough housing capacity from all sources, the 10-year housing delivery target will be met.
- The London Plan (2021) includes a target to deliver a minimum of 3,750<sup>3</sup> (net) homes on small sites (below 0.25ha) across the Borough between 2019 -2029.
- The Council will support the delivery of new housing on a range of suitable sized sites, prioritising previously developed land, within the following locations;
  - A. Harrow and Wealdstone Opportunity Area: A minimum of 7,500 will be delivered through extant permissions and on allocated sites within the opportunity area.
  - B. **Rest of the Borough:** A minimum of 2,500 will be delivered through extant permissions and on allocated sites across the rest of the Borough.
  - C. **Small Sites**: A minimum of 4,125 new homes on small sites (below 0.25ha) will be supported on allocated sites within the Plan and windfalls sites, in locations with good public transport accessibility (PTAL 3-6) and on sites within 800m of a tube, rail stations or a Metropolitan, Major, District town centre boundary, providing they are sensitively designed to protect and enhance the character of the Borough, particularly suburban areas.
  - D. **Windfall sites**: Development of new housing on suitable sites (above 0.25ha), not identified within the Local Plan will be supported, provided it does not adversely impact the character of area, the existing and planned capacity of infrastructure and complies with other policies of the development Plan.
- 4 New development will be directed towards the locations where infrastructure has the most capacity to accommodate new homes, whilst respecting their local distinctiveness, local character and protecting the borough's physical, natural, historic environment, as well as recognising the most accessible locations (PTAL 3-6) of the Borough will change over time. Development within suburban areas that have a low public transport accessibility and limited

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<sup>&</sup>lt;sup>3</sup> NB This is a component of the London Plan 10-year housing delivery target of 8020 homes and not addition to this.

infrastructure capacity will be of a modest scale and will be required to protect, enhance and re-enforce the unique character of these locations.

#### **Housing Choice**

- Development will be expected to provide a choice of housing and deliver inclusive, mixed and sustainable communities to address local and strategic housing needs, across the Borough. This will be achieved through;
  - A. **Genuinely Affordable housing:** Over the plan period the Council seek to ensure; at least 50% (8,000) of all new dwellings delivered from all sources of housing supply across the Borough will be affordable to low-income groups. At least 70% of all these will be low cost rented housing and the remainder will be Intermediate products which will be genuinely affordable based on lower quartile/median housing costs and incomes of Harrow residents.
  - B. **Mix of Housing by size:** A strategic target has been set to ensure a minimum 25% (4,000) of all new dwellings delivered are three bed (or more) family sized dwellings across the Borough over the plan period.
  - C. Specialist older people housing:
    - a) The housing needs of older people will be met through:
      - i) Prioritising the delivery of new conventional residential accommodation in C3 use class, designed to be adaptable to the varying needs of users over their lifetime, as well as via retrofitting the existing stock.
      - ii) The delivery of specialist older persons accommodation (C3) with different levels of support, and care home accommodation (C2). These should play a supplementary role to conventional C3 housing that are adaptable to the changing needs over time.
      - iii) The delivery of low-cost rented housing within older person accommodation schemes.
    - b) The Council will work positively with providers, to support the delivery of a minimum 980 units of specialist older person accommodation, comprising retirement housing units extra care housing units between 2022- 32, to address the future needs of an ageing population. A total of 200 bed spaces for nursing care will be delivered, to address the needs of the elderly population or those who have serious health issues that require specialist care, between 2022-32.
- D. Supported and specialist Accommodation: The Council will work positively with the relevant authorities such as the NHS and charities, to ensure additional well designed supported and specialist accommodation is delivered, to address the requirements of specific users or groups (particularly marginalised, vulnerable individuals or groups) providing the applicant can demonstrate a need for the proposal. The Council will seek to resist the loss of existing accommodation to other uses, unless the proposal is for re-purposed, enhanced or for re-location of the use and it would comply with other policies in the Plan.
- E. **Non-self-contained accommodation:** The Council will support the provision of non-self-contained housing such as Houses in multiple occupancy (HMOs), Hostels, Large Scale Purpose-Built Shared Living (LSPBSL) or Purpose-Built Student Accommodation (PBSA). This is providing;

- A need is demonstrated for PBSA, LSPBSL products and the proposal is not situated on a site that has extant permission or is allocated for selfcontained housing
- b. Proposals make a positive contribution to housing choice and create mixed and balanced communities.
- c. The level of non-self-contained housing provided does not result in an over concentration of such uses, result in harmful amenity impacts and compromise the delivery of additional self-contained housing to meet the future Borough needs and support mixed inclusive communities.
- F. **Self-build and custom build housing:** The Council will support proposals, for self-build and Custom build housing, particularly community led schemes, to diversify sources of housing supply, speed up housing delivery, encourage innovate design and further housing choice to address local needs. Such developments will need to demonstrate compliance with relevant policies of the Development Plan, particularly in relation to the provision of affordable and family sized housing.
- G. **Build to rent:** Built to rent proposals will be supported within the Opportunity Area provided they comply with definition and requirements of London Plan Policy H11 and Strategic Policy 05: Harrow and Wealdstone Opportunity Area.
- H. **Gypsy and Traveller accommodation:** The Council will maintain the existing provision of Gypsy and Traveller pitches. A total of three additional pitches will be delivered between 2016 41. The existing identified needs, and if any additional needs arise, will be addressed within an existing site.<sup>4</sup>

#### **Estate regeneration**

- 6. The Council will positively work with local communities, existing residents, and other stakeholders to support opportunities that arise for estate renewal and regeneration during the Plan period. This will play an important role to:
  - a. Increase the provision of the right type., size, tenure of housing to address local needs and meet the strategic targets
  - b. Ensure residents have access to additional high quality affordable and family sized dwellings to adequately address the needs of existing and future residents
  - c. Address the causes and impacts of multiple deprivation within them and wider areas (where relevant to the proposed scheme)
  - d. Ensure neighbourhoods and communities benefit from living within high quality environments, with access to communal and other facilities within the estates (if necessary) or wider area, as well as are well designed, safe, inclusive and promote the health and well- being of communities.
  - e. Ensure existing and new residential units achieve high quality design standards
  - f. Promote social interaction, cohesion between the residents to support mixed and inclusive communities.
  - g. Ensure residential accommodation and other facilities are maintained at a decent high-quality standard throughout their life

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<sup>&</sup>lt;sup>4</sup> NB. This figure based on the West London Alliance Gypsy and Traveller Needs Assessment (2018). This will be updated based on the findings of the GLA London wide GTANA that is being undertaken. The findings of this are expected to be published during 2024.

7. The Council will work with a range of stakeholders to support the delivery of phases 2 and 3 of the Grange Farm Estate regeneration scheme during the life of the Plan. This will deliver an exemplary mixed tenure community, with new residential accommodation built to high quality design and Development Plan housing standards, with a range of housing types and tenures, sizes to address the needs of existing and future residents, particularly for families and local income households who require social rented housing.

#### Safeguarding the existing housing stock

- 8. Existing self-contained C3 housing will be safeguarded in accordance with London Plan policy. Exceptionally, the net loss of self-contained residential accommodation may be acceptable where:
  - A. Sub-standard dwellings would be brought in line with London Plan space standards:
  - B. The proposal is for specialist non-self-contained accommodation (use class C2) to meet an identified local need in accordance with the requirements of Local Plan policy H8;
  - C. De-conversion of flats would create a family size home (3 bed or more)
  - D. Providing social or physical infrastructure to meet an identified local need which could otherwise not be met elsewhere.
  - E. The net loss of existing affordable housing units and floorspace overall and in terms of social rented housing will be resisted.
  - F. A change of use from housing to short-stay holiday rental accommodation to be used for more than 90 days a year will be resisted.

#### Implementation:

9. The Council will monitor the implementation of the Plan against the above targets, including through the use of the housing trajectory (Appendix 6) and the monitoring implementation framework (Appendix 2), to address future housing needs and maintain a five-land supply of deliverable sites.

#### **Supporting Text:**

#### Housing needs and requirement

The Council has undertaken a Draft Local Housing Needs Assessment (LHNA, 2022), to gain an understanding of the number of homes, the type, size and tenure that may be required to address the future needs of the Borough over the Plan period (2021-41). However, it should be noted that the London Plan States "The housing targets set out for each London Borough are the basis for planning for housing in London. Therefore, boroughs do not need to revisit these figures as part of their Local Plan development unless they have additional evidence that suggests they can achieve delivery of housing above these figures whilst remaining in line with the strategic policies established in this Plan". This view is also supported by the National Planning Practice Guidance (para 0.0.21).

The Draft LHNA (2022) utilises two approaches to estimate the minimum number of additional homes that may need to be delivered, the type, size to address the future housing needs of the area, over the life of the Local Plan (15-20 years).

The first approach of the Draft LHNA utilised the ONS 2018 population and household projections to estimate the level of future housing need between 2021-41. This considers factors such as changes to the level of migration, household sizes, fertility and household sizes. This estimates the number of households are expected to increase by 15,200 (2021-41), and takes account of vacant/second homes, older people in C2 homes who were not included in statistics. Further, it indicated an uplift to the need figure is required, by applying a 2001 household formation rate to all those below 45, to account of the issue that household sizes may have unsustainably increased since 2001, as young people were unable to move out /afford suitably sized housing that addressed their needs and delayed forming families until later in life. Therefore, this approach assumed an additional 8400 dwellings are required, to address pent up demand for housing, which results in a total need of 24,266 homes required between 2020-41.

The second approach of the Draft LHNA assumes the London Plan 10-year housing delivery target of 802 per annum (2019-29) is rolled over for another 10 years to cover the life of the Plan. This suggests an overall housing need figure of 16,040 homes between 2021 and 41. The London Plan Policy H1 of the London Plan sets the Borough a ten-year housing delivery target of 8020 units (including 3750 units on small sites) between 2019- 29, which is related to the needs of the Borough and wider London. This figure also reflects the identified capacity for homes of sites that the GLA considered will become available, based on the 2017 SHLAA. The supporting text of the policy states that "If a target is needed beyond the 10 year period (2019/20 to 2028/29), boroughs should draw on the 2017 SHLAA findings (which cover the plan period to 2041) and any local evidence of identified capacity, in consultation with the GLA, and should take into account any additional capacity that could be delivered as a result of any committed transport infrastructure improvements, and roll forward the housing capacity assumptions applied in the London Plan for small sites."

It should be noted that the NPPF requires Local Plans to cover a period of 15 years from the date of adoption. It is good practice to produce a Plan covering more than 10 years, as there can be time lag in the delivery of large strategic sites and their supporting infrastructure due to factors such as gaining planning permission, market conditions, access to finance and viability. Therefore, as the Plan is expected to be adopted in 2025, the Plan is proposed to cover a period between 2021-41 (i.e. 15/16 years upon adoption).

The Council's proposed preferred approach is to adopt a housing requirement/target of 16,040 homes between 2021-41 (being the annualised London Plan target of 802 homes per year over the 20-year plan period), in compliance with the London Plan. The proposed target includes self-contained residential units and non-self-contained residential accommodation, including specialist housing for students and older people in use classes C2, C3 and C4 or sui generis.

Table H1: Indicative Borough housing supply relative to requirement

	Totals
Local Plan Housing requirement (2021-41)	16,040
Housing supply:	
Total capacity of sites under construction (at end of 31/03/23)	3,086
Total capacity of sites with permissions (at end of 31/03/23)	2,043
Estimated indicative capacity of existing unimplemented site allocations (2012/13) and pre-applications	3,874
Capacity of small sites windfall allowance (SSWA) (London Plan H2 target). <sup>5</sup>	4,125 <sup>6</sup>
Capacity of housing sites completed between financial years 2021/22 and 2022/23 <sup>7</sup>	1,180
Surplus housing delivered between financial years 2019/20 and 2020/21 (relative to London Plan target of 1,604)	454 <sup>8</sup>
Supply Total:	14,762
Indicative shortfall in supply relative to 20-year housing requirement; subject to call for sites and site allocations <sup>9</sup> .	1,278 (shortfall)

The table above shows a snapshot in time (as at 31/03/23) of the potential housing supply and capacity from a range of sources, such as existing permissions, sites under construction, completions (within proposed plan period), and indicative capacity of existing unimplemented site allocations. Additionally, in accordance with the London Plan a small sites windfall allowance (SSWA) is included for Plan period, as such sites / windfalls can contribute to the anticipated future supply of housing to meet future needs. The SSWA of 4,125 (375 \*11 years) uses a SSWA of 375 homes per annum is based on the target included within Policy H2 of the London Plan (2021).

The table indicates that currently identified supply totals 14,762 homes for the plan period; this represents a modest shortfall of 1,278 homes compared to the housing requirement of 16,040 homes over the plan period.

In terms of the London Plan ten-year housing target of 8,020 homes (between 2019 and 2029), since 2019, the Council has delivered a total of 3,238 homes during this four-year period at an average of 809 homes per annum. Sites currently under construction or with permission total 5,129 homes (comprising 3,086 and 2,043 respectively). Adding this to the 3,238 homes already completed gives a total of 8,367

<sup>&</sup>lt;sup>5</sup> The SSWA is applied from the date the Plan is expected to be adopted (2025) less 5 years (11 years)

<sup>&</sup>lt;sup>6</sup> This applies a SSWA of 375 homes per annum (x11 years) based on the target included within the London Plan Policy H2

<sup>&</sup>lt;sup>7</sup> Comprising 537 homes and 643 homes that were completed over these two years

<sup>&</sup>lt;sup>8</sup> A total of 2,058 homes (1256 and 802 homes respectively) were delivered in the first two years of the London Plan 10 year housing target but before the Local Plan period. The London Plan target for these two years was 1,604, resulting in an overprovision of 454 homes to be carried forward into the Local Plan period.

<sup>&</sup>lt;sup>9</sup> Current identified supply is 14,762 dwellings compared to requirement of 16,040, resulting in a shortfall of circa 1,278

dwellings, which is in excess of the London Plan ten-year target (2019-2029) of 8,020 homes.

Furthermore, initial estimates of capacity from existing but unimplemented site allocations and pre-applications discussions suggest an indicative capacity of circa 3,900 homes. Any potential shortfall over the plan is therefore likely to be in the later periods of the Plan. The NPPF (2023, para 22), requires Local Plans to look ahead for 15 years (from the date of adoption), and the requirement for specific, deliverable sites is focused on years 1 to 5 of the plan period. At this stage of the Plan making process, the above table indicates that the Council is making progress towards meeting the proposed housing requirement/target of 16,040 (2021-41), based on current data of capacity from all sources of supply and there may be a modest shortfall homes towards the end of the Plan period. Estimates of future supply (unimplemented site allocations and active pre-applications discussions) are indicative and will be refined as the Council undertakes a formal call for sites process (to identify additional capacity) and progresses detailed site allocations work to firm up indicative capacity numbers used in the table above; this will form part of next version (Regulation 19 version) of the draft Plan. and will be subject to a statutory stakeholder consultation.

The Council will undertake a further review of the evidence base to assess whether capacity from all sources of housing supply will satisfy the future needs of the borough. For example, a formal Call for Sites consultation will be undertaken during the same time as the Draft Local Plan (Regulation 18) consultation to enable stakeholders to submit potential development sites for new housing (and other uses) to the Council to consider for potential allocation in the Plan. This process will assess the availability, suitability, development capacity of site submissions, existing unimplemented allocations and their delivery timescales. A design led capacity assessment will be undertaken to determine the optimum number of homes that may be delivered on the potential allocations, in accordance with the London Plan. The findings of this and other evidence-based studies such as Infrastructure Delivery Plan and Integrated Impact Assessment, the London Plan and national policy will help the Council determine which sites should be taken forward during the next stage of the Plan making process and drafting policies for assessing applications. More details of the proposed housing site allocations, their locations and their potential capacity will be included in the Draft Local Plan that will be produced during the next stage of the Plan making process and will published (Regulations 19) consultation with all stakeholders.

National Policy requires the Council to annually monitor the potential to deliver the housing target and actual delivery against this. The Council is required to demonstrate a five-year supply of deliverable housing sites. Further, the housing delivery test requires the council to monitor actual housing delivery and ensure it does not fall below 75% against the housing target over a three-year period. If the Council fail to meet either of these, this could have potentially significant consequences for the Council, as the presumption in favour of sustainable development included in national policy could apply and local plan policies could have less weight or be overridden by national policy, when determining planning applications. This means that it may be more difficult for the Council to refuse housing applications that may poorly designed, located or the wrong type of housing, via local decision making and appeal process. This could lead to outcomes which neither the Council nor residents/ businesses support. As such the council will endeavour to undertake the necessary actions to ensure that it can achieve the required number of homes, ensure they are deliverable,

including supporting delivery of homes on its own land portfolio and estates if options are identified during the life of the Plan.

The Housing Delivery Test results 2022 indicates the Council achieved a housing delivery rate of 128% against a target of 802 dwellings per annum, covering the period between 2019/20 to 2021/22. Furthermore, the latest housing monitoring data (2022/23), indicates, the Council currently has a supply of deliverable housing sites of more than 6 years (6.9 years) relative to the London Plan target, therefore demonstrating the Council has a solid 5-year housing supply.

#### Reasonable Alternatives:

#### **Option 1: High housing growth**

This would result in the inclusion of a housing requirement of 24,266 dwellings (1213 units per annum) between 2020-41 based on the demographic led approach utilised by the Draft Local Housing Needs Assessment. This is based on 2018 household and population projections and considers factors such as household sizes, mortality, migration, and past suppressed household formation rates of those under 45 years of age.

This approach is not considered the preferred option due to a number of factors. The London Plan (2021) sets a Borough ten-year target of 8,020 homes (2019-29) and indicates a target beyond this period should be based on evidence of capacity. Housing monitoring data indicates a total of 8,410 homes were delivered between 2009/10- 2020/21 (i.e. average of 841), which means it is likely to be difficult for the Borough to increase delivery of housing on previously developed sites to meet this within the existing urban area, beyond the London Plan target. This option is likely to require the release of greenfield sites, including within the Green Belt or Metropolitan Open Land (or the potential loss of employment land) and the Local Plan evidence does not demonstrate that any exceptional circumstances exist to justify this approach. This may impact the Council's ability to maintain a five-year land supply of deliverable sites and meet the housing delivery test. This may result in the national policy of presumption in favour of sustainable development applying when considering applications. This may undermine the plan led system and the promotion of sustainable development of the Borough.

#### Option 2 Low housing growth: Stepped trajectory over a fifteen-year plan period

This would be based on the London Plan ten-year housing deliver target of 8020 homes (2019-29) and the need beyond this period would be based on the 2017 London SHLAA. This would comprise of the indicative capacity of large sites of 921 homes (phases 4: 2029-34) and 138 homes (phases 5:2034 -41), plus the London Plan small sites allowance of 3750 homes (10 years), all of which would total 4809 homes. Therefore, this approach results in a total housing requirement of 12,829 homes over a 20-year period (2021 -41). This assumes a higher housing requirement/need of 802 homes per annum over the first ten years (2019-29) and a lower need of 481 homes per annum during the final phases of the Plan. It should be noted the NPPF requires Plans to cover a 15-year period from the date of adoption.

At present, this approach is not considered the preferred option as further evidence base is being undertaken to identify additional housing capacity (namely through the call-for-sites process running parallel with the Regulation 18 consultation). The London

Plan (2021) states that any capacity beyond 2029 "should draw on the London 2017 SHLAA findings and any local evidence of identified capacity". Therefore, the housing requirement/target will need to be based on updated local evidence of the housing capacity of the Borough.

## Policy HO1: Dwelling size mix

Linkages:

NPPF Chapter 5: Delivering a sufficient supply of homes

NPPF Chapter 11: Making effective use of land

London Plan Chapter 3: Design
London Plan Chapter 4: Housing

#### Policy HO1: Dwelling size mix

#### A. Dwelling size mix priorities

- All developments for conventional residential must provide a good mix of unit sizes, to adequately address the Borough's housing needs, particularly for families, as well as contribute to and support the creation of inclusive and mixed communities. To achieve this, proposals must apply the following sequential approach to housing priorities:
  - i) Ensure a minimum of 25% of all units within a scheme are family sized dwellings (three bedrooms or more) and a higher proportion will be required on suitable sites;
  - ii) the remaining dwelling size mix will be determined on a case-by-case basis having regard to:
    - Need to provide an appropriate mix of dwelling types reflecting the most up to date evidence as set out in the Local Housing Needs Assessment (or successor documents) and local housing register;
    - b. Site size and its physical characteristics (including any identified constraints on the preferred housing mix);
    - c. Location of the site, the surrounding context, character (including town centre location) and the Public Transport Accessibility Levels;
    - d. Need to optimise housing output on previously developed land;
    - e. The range of tenures and the extent to which flexibility around the mix of market units could secure the delivery of additional affordable dwellings; and
    - f. Potential for custom-build and community led schemes.
- Development that fails to adequately accord with the delivery of the above requirements will be resisted, unless robust evidence demonstrates it would be unsuitable due to site/design considerations or be financially unviable.
- The smallest 2-bedroom dwellings for both market and affordable homes provide a minimum of 4 bed spaces in accordance with the minimum internal space standards for new dwellings set out in London Plan Policy D6, to ensure flexibility to the changing circumstances of households and avoid overcrowding.

#### B. Flatted developments

4 Flatted developments will be required to give the highest priority to the provision of accommodation for families, on the lower floors of the scheme, with direct access to a private garden or communal amenity space. These should be well designed to address the needs of family

members who may be disabled and elderly. Proposals that fail to meet this requirement will be resisted, unless it can be demonstrated that the scheme would result in a poor-quality living environment for families; based on the above criteria.

#### C. Housing schemes solely comprising of smaller units

- Development proposals comprising solely of studios and/or 1 bedroom, 1 person units, or those that will result in an overconcentration of 1- or 2-bedroom units on an individual site, will be resisted unless it can be suitably demonstrated that the housing provision:
  - a. Is in an area with higher Public Transport Access Levels (i.e. PTAL 3-6); and
  - b. Forms part of a larger development, or is located within an area for which a masterplan has been adopted or endorsed by the Council, which includes provision for a mix of unit sizes, including a reasonable number of family-sized dwellings (3+ bedrooms); or
  - c. Provides for a balance in the mix of unit sizes in the area; or
  - d. Is the only housing format deliverable by reason of site size, site configuration or other development constraints, and where a studio unit is proposed.
- An exception to the above (5) will apply to proposals for older person accommodation/other types of occupants with specific needs and it can be demonstrated 1-bedroom units is the most appropriate form of accommodation.

#### D. Monitoring

The Council's dwelling size priorities will be subject to periodic review and updated when new assessments of housing need are commissioned. Through the Annual Monitoring Report (AMR) the Council will set out progress on delivering these priorities and building the right homes for the next generation. The AMR will assist in informing the Council's consideration of dwelling mix on a site-by-site basis.

#### **Supporting Text:**

Development proposals for new housing will need to demonstrate the proposed size and mix of housing will meet the diverse needs of existing and future households, as well as contribute to and support inclusive and mixed communities. This policy seeks to increase the delivery of new housing through optimising the capacity of previously developed sites, whilst ensuring the right size, tenure and type of housing is delivered in the most appropriate locations. This will help address the needs of the anticipated increase in the population, households and the corresponding demographic changes during the plan period (2021-41). The strategic priority of the Local Plan is to increase the delivery of family accommodation to adequately address local needs. The London Plan (2021) defines family housing as "a dwelling that by virtue of its size, layout and design is suitable for a family to live in and generally having three, four, five or more bedrooms".

The key challenge for the Plan is to increase the delivery of family housing that generally tends to be developed at a lower density, whilst balancing this with the requirement to meet London Plan housing targets where a significant proportion of dwellings are assumed to be smaller dwellings. In terms of smaller sized units, the priority is to provide a higher proportion of two bed units, capable of accommodating four bed spaces, to provide more affordable housing options for other households (e.g. young and retired couples, families with young children and smaller sized households) that are more flexible to their changing circumstances within the most accessible locations of the Borough. These will also help reduce overcrowding issues within the existing stock of one bed units and help release under occupied family housing.

The 2021 census indicates the number of households increased by 6.3% (circa 5332) to a total of 89,600 units between 2011-21. During this period, larger sized households of 4 or more persons (i.e. 40% of total increase), families with children (58% of total increase) experienced significant growth and other households (including multi generation) increased by 10%. Further, 7 person (52%/430) and 8 person households (156%/912) experienced a significant level of growth, which means there has been a rise in multi generation households residing in a single unit or over-crowded housing (i.e. 14.4% of households) due to affordability of housing or the lack of availability of suitable family sized accommodation. In contrast, the Census indicates that the stock of terraced, detached and semi-detached housing declined by 3% (1541 units) between 2011-21, whilst purpose-built flats (including bedsits) increased by 17% (4495 units). Due to this, the number of one bed and two bed units have significantly increased (i.e. 17%, 6% or 1727, 1259 units, retrospectively) and three bed dwellings have declined by 7% (2631) units. Therefore, there is currently an imbalance between the demand/need and the supply for family sized housing (3 bedrooms or more).

The Mayor's Strategic Housing Market Assessment (2017) highlights that one bed units are the largest requirement for market and affordable housing in London (i.e. third of need between 2016-41), based on a model that assumed that any single person or couple aged over 25 years who wish to occupy their own property will do so, irrespective of whether they can afford to do so or not (Draft LHNA, 2022). In contrast, the Council has undertaken a Draft Local Housing Needs Assessment (LHNA, 2022) to gain an understanding of the required future housing and tenure mix to meet future needs. The key findings are; families with children are expected to experience the greatest increase from all household types and account for circa 25% (3600) of the growth in households between 2021-41. Other households which include multi person households are expected to increase by 36% (2800), which is largely driven by multi generation households with older persons living with their family. Couples without children are likely to see significant growth (31%,9300), but this is largely driven by older (55-64 age group +24% of increase, 2270) and the retirement age (65-85. Age group, +7400), whilst the working age groups (25-54) will see an overall net decline of 400 people. Whilst single person households between the 15-64 age groups are expected to see an overall decline of 23% (2000) and the only groups in this category that experience an increase 75-84 and 85+ retirement ages households.

The LHNA estimated the future housing size mix by tenure to address future needs, which will be updated periodically when new LHNA's are commissioned. This will be used to inform a residential development's size mix particularly in terms of affordable homes provision. Where developments are providing affordable housing however, the

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council encourages early engagement as there may be specific needs in that area that are a greater priority to address. The LHNA indicates there is a significant level of need to increase the delivery of family sized housing (i.e. 3 bed or more), as part of any housing mix. For market housing, there is a high priority to increase the delivery of family sized housing, medium priority to delivery two bed units and a lower priority to deliver smaller sized units (1 bed or studio units).

The LHNA indicates the future need for the size mix for affordable housing is more varied (than market housing) to ensure this addresses the needs and remains affordable for households with a range of incomes. Within social rented and London living rented housing there is a lack of need for one bed units due to the significant over- crowding in the existing stock, a high priority to deliver 3 bed social rented and a medium priority to deliver two bed housing as they provide more flexibility to changing circumstances of households. Within Affordable home ownership accommodation, there is a high level of priority to deliver two bed units, followed by one bed units and a low priority to deliver larger three bed or more units due to affordable family housing, a range of factors will be considered to determine an appropriate size mix of affordable housing products on a site-by-site basis. This includes; the site size, location, character of the area the need to maximise the delivery of affordable housing on site, viability as well as level of local need for specific sized housing based on the housing register.

Given the significant need for family housing in the affordable and market tenures, the policy requires developers to ensure 25% of all dwellings delivered on site are three bed (or more) units and a higher proportion than this are delivered on suitable sites, to address the housing needs of families. The dwelling size mix of the remaining units within the scheme will be determined on a case-by-case basis, based on consideration of a range of factors such as the site size, physical characteristics, location, the need to optimise housing output and deliver affordable housing. Proposals that fail to comply with the requirements of this policy in relation to delivering an appropriate dwelling size mix will be resisted, unless this supported by robust evidence.

The above approach will help ensure an appropriate balance is achieved between a competing set of factors, such as; increasing the delivery of housing to fully address the future housing needs of the area (particularly families) by optimising the housing output of sites, the need to take account of the site size, constraints, location, character of the area and viability. In addition, there is a low priority to deliver one bed and two bed market housing because the number of single person households of working age are expected to decline, couple households without are not expected to increase and the overcrowding of the existing stock.

To help secure inclusive and mixed communities, there is a need to promote a more varied size mix in future housing developments, to avoid the oversupply and concentration of smaller housing units, overcrowded housing, increasing flexibility of housing for the changing circumstances of households, as well as increase the potential to deliver three bed or more units on suitable sites and locations. The key measures that are proposed to help achieve this are outlined below.

The Council will resist development proposals that comprise solely of studios and 1 bedroom, 1 person units or developments that will result in an overconcentration of 1-or 2-bedroom units on a site or local area. London Plan policy H10 (Housing size mix)

makes clear that developments with a higher proportion of 1- and 2-bedroom units are generally more appropriate in locations which are closer to a town centre or station or with higher public transport access and connectivity. This policy is considered to provide sufficient flexibility to respond to individual site circumstances. For example, in situations where there are site development constraints or where proposals for such provision would demonstrably enhance the mix and balance of housing unit types within a larger development site or local area. In addition, it acknowledges that there may be instances where 1 bedroom unit schemes may be required to address the needs for older people. Studio units and 1 bed/1 person units intended for single person occupation are not considered to provide a long-term, sustainable solution to meeting local housing need.

The Council will require well designed two-bedroom properties to be capable of accommodating 4 bedspaces (in line with the London Plan Internal Space standards), to ensure flexibility to changing circumstances of households, reduce overcrowding and help address the needs of families who are unable to access or afford suitable three bed units. Further, applicants will be required to demonstrate the proposed design, layout and sizes of rooms ensures flexibility to the changing circumstances of households, particularly for families. Therefore, proposals will be required to ensure the living area for a two-bedroom property can potentially be used for a third bedroom and the kitchen area for both preparing food and a living /lounging room area, if household circumstances change, in line with the internal space standards of the London Plan. The benefits of this are; it will reduce the risk of overcrowded housing and the demand pressure on the existing stock of family housing, encourage the efficient use of resources, reduce waste, promote the circular economy and help achieve the net zero carbon target.

Flatted schemes will be required to provide family accommodation on the lower floors, with access to private gardens or communal outdoor amenity space. In addition, these should be well designed for the use of family members who may be elderly or have a physical disability, sensory health issues (i.e. light, noise) or suffer from autism.

#### Reasonable Alternatives:

#### Option 1: Continue with existing policy DM 24 Housing mix

This is highly permissive. It seeks to ensure mixed and inclusive communities. The size mix is determined by target mix for affordable housing, the need to increase delivery of affordable housing, site location, character of surroundings and the need to optimise housing output on previously developed land site. This policy provides no specific requirements for the size of units required for market housing that will form a significant proportion of future housing delivery and would reduce the scope of the Council to secure a higher proportion of larger dwellings or medium sized accommodation that are suitable for addressing the needs of families. This policy is not considered the preferred option, as it is likely to result in the delivery of a larger level of smaller units that will not assist in delivering against the evidenced needs of the borough as set out in the Draft LHNA.

# Option 2: Do not include a target to that seeks to ensure 25% of housing delivered on a scheme are family sized dwellings (i.e. three bed or more)

This approach is not considered the preferred option, as it is likely to reduce the level of family sized dwellings delivered. Key reasons are, it would reduce Council's scope to require a higher proportion of family or medium sized dwellings that are suitable for families, as well require applicants to provide evidence they have considered this. This is likely to encourage developers to build at higher densities and increase the number of smaller units, to maximise development value. Further, this would be contrary to the good planning practice of assessing the effectiveness of policy via the plan, monitor and manage approach.

# Option 3: include a target in excess of 25% for the proportion of housing on a scheme that should be for family housing

The Draft LHNA indicates there is a significant need to increase the delivery of family housing. This indicates 70% of all future housing delivered should be three bed (or more) family dwellings, based on a requirement/target of 16,040 homes during the Plan period. This approach to set a target to deliver family housing in excess of 25% is not considered the preferred option, as there is need to achieve a balance between a set of competing factors such as; the type of sites that are likely to come forward for development, their locations; the need to optimise output of sites to increase the delivery of housing to meet future needs; as well as ensure the deliverability of sites. The preferred policy expresses the 25% target as a minimum, which provides scope for more than 25% of housing to be family housing to be secured on a site specific basis.

#### Option 4: Do not apply 25% family housing target to minor development

This is approach is not considered the preferred option, as the London Plan anticipates that 47% of the Borough's future housing supply will come forward from small sites (below 0.25h). Therefore, this will reduce the Council's scope to increase provision of family housing from all the sites that come forward for development and address local needs.

## Policy HO2: Conversion and redevelopment of dwellings

Linkages:

NPPF Chapter 5: Delivering a sufficient supply of homes

NPPF Chapter 11: Making effective use of land

London Plan Chapter 3: Design London Plan Chapter 4: Housing

#### Policy HO2: Conversion and redevelopment of larger dwellings

- 1. To effectively manage housing growth and ensure that residential conversions into multiple homes do not have a detrimental impact on the character, stock of family sized housing and amenity of local areas; permission will only be granted for proposals for the conversion of family sized homes into smaller self-contained residential units (C3) where the criteria below are met:
  - The internal floor area of the existing dwelling should exceed 130m<sup>2</sup> (as originally built) or could be accepted to be extended to this size; where 2 self-contained residential units or more are proposed.
  - The conversion should provide at least one family sized home with a b. gross internal floor area of at least 74 m<sup>2</sup> and be capable of providing a 3-bedroom, 4-person dwelling on the ground floor or if this is not possible on the upper floor(s); with access to a dedicated rear garden of the converted home.
  - The site is within an area of PTAL 3-6.
- 2. Proposals will be required to:
  - Comply with the minimum internal space standards of the London Plan
  - b. Ensure the converted flat on the ground floor is well designed to adequately meet the needs of a range of future residents, particularly older persons and those with physical disabilities.
  - Achieve configurations that are practical and fit for purpose, having C. regard to circulation, storage space, room size and shape and relationship with other homes;
  - Ensure homes are dual aspect and that all habitable rooms have a e. satisfactory environment in terms of privacy, daylight, sunlight, outlook and exposure to external noise;
  - f. Make adequate arrangements for the provision of amenity space for future occupiers of the development; via the subdivision of this, to enable satisfactory access to a private space for each unit. In exceptional circumstances, the provisional of high quality well designed communal amenity space may be acceptable, if it is demonstrated; (i) the subdivision of amenity space would be unsuitable due to site constraints; (ii) there will be adequate privacy safeguards for ground floor occupants and (ii) robust arrangements for long term their management and maintenance.
  - Make adequate arrangements for the storage and collection of waste and g. recycling material generated by future occupiers of the development

- which does not give rise to harm to; the character, amenity of the area; and for future and neighbouring occupiers;
- h. Ensure that the design of any external alterations does not detract from the appearance of the property or the street scene and, wherever possible, retain a single door to the front elevation of dwellings in residential areas;
- Demonstrate adequate measures are taken to increase the level of and enhance soft landscaping on the forecourt (including forecourts that are already substantially hard surfaced) and limit the need for hard landscaping areas, to ensure proposals do not detract from the appearance of the property or the street scene, as well as support urban greening and net gains in biodiversity;
- j. Make adequate provision for parking and safe access to and within the site and not lead to any material increase in substandard vehicular access;
- k. Make sufficient provision for well-designed cycle storage, within a safe, accessible location. This should not result in the visual clutter of the frontage of the property or street scene and an adverse impact on the areas character
- I. Ensure that levels of external activity would not be detrimental to residential amenity and character.
- m. Demonstrates compliance with any relevant supporting guidance
- 3. Proposals for extensions and alterations to converted houses and other residential premises will be supported having regard to the above criteria.
- 4. Proposals that would lead to an over intensive conversion, redevelopment or which would compromise any component of this policy, will be refused.
- 5. The Council will also apply the above criteria to any proposals for the demolition and redevelopment of a home to provide 2 flats and the housing mix policy will apply to proposals will result in three (or more) residential units

#### **Supporting Text:**

The Draft Local Housing needs assessment indicates there is a high priority to increase the provision of family housing (3 bedroom or more) to address the needs of existing and future households in the area (i.e. families with children, multi generation families), reduce overcrowding, and provide housing options that are affordable and suitable for younger families and lower income households. Further, the area is anticipated to experience an ageing population and this policy will help address the potential increase in the under occupation of existing dwellings, as well as enable families to live within proximity to one another and take care of elderly or younger members. A significant proportion of proposed housing growth is anticipated to be accommodated within the Harrow & Wealdstone Opportunity Area and close to/within town centres, stations which may impact the scope to deliver additional family sized dwellings and replace the loss of the existing stock. In addition, it is also important policies encourage the delivery of high quality and well-designed dwellings.

This policy sets out an approach to determine proposals to convert large family housing into multiple flats and seeks to restrict the loss of them via the re-provision of a minimum three bed flats. It sets the considerations for assessing proposals and aims

to address the multiple issues facing the area (noted above), whilst achieving a balance between the need to maintain the existing stock of family dwellings, increase the delivery of additional housing to meet future needs and affordable housing options via new flats. It also must balance this with concerns from existing residents in relation to the potential issues that can arise from a high concentration of flats from conversion of housing; such as the potential detrimental impact on the character and amenity of a neighbourhood.

To manage the existing stock of family size homes better, the Council seeks to require the conversion of family accommodation into smaller self-contained dwellings to reprovide at least one family size dwelling. On this basis a threshold of above 130m<sup>2</sup> gross internal floor area (as originally built) has been set as the smallest floorspace allowance that could successfully incorporate two self-contained units respectively. This can consider its potential to extend not yet implemented, or potential extensions which will be consistent with the Councils Residential Design Guide SPD (2010) or its subsequent replacement. A key added advantage of maintaining a stock of smaller family housing (below 130m2) is that this will provide a form of starter units for those on lower income, younger households who experience affordability issues accessing housing in the open market. To mitigate the further erosion of family accommodation the policy requires that a family sized home (of at least 74m<sup>2</sup> gross internal floor area providing 3 bedrooms) is included within any proposed conversion of a house to selfcontained flats. The re-provided family sized flat should preferably be on located on the ground floor (or if this is not possible on upper floors), with direct and inclusive access to a rear garden. Further, this policy will also apply to the demolition and redevelopment of dwellings into two flats to ensure there is no net loss in stock of family housing. The housing mix policy will apply to demolition proposals that will result in three (or more) residential dwellings, to ensure an appropriate housing size range is provided and avoid a large number of schemes being permitted with a 3-bed dwelling and 2 or more smaller 1 bed units. This approach is considered consistent with the London Plan (2021) that states "Where existing houses are redeveloped or subdivided, boroughs may require the provision of family-sized units (3 bed + units) providing sufficient design flexibility is provided to allow the existing footprint of a house to be enlarged in order to meet this requirement". (para 4.2.8)

The term 'as originally built' refers to the floor area of the property prior to any extensions being carried out. Extensions carried out pre-1948 can be included in the original floor area. Parts of the dwelling that were not originally habitable rooms (for example lofts and cellars) would not be included for the purposes of calculating original floor area.

Nevertheless experience shows that, working within the fabric of buildings designed to provide traditional family housing and (typically) constructed in the inter-war period or earlier, conversion proposals pose challenges in respect of internal layout, external appearance, the resulting relationship with neighbouring property and the potential to adversely impact upon the character of residential areas. Within the context of Policy GR1, which seeks to achieve a high standard of design, layout, privacy and amenity, this conversion policy provides bespoke criteria for conversions to ensure that these challenges are addressed in a manner that results in development with a high quality of design of a standard and residential amenity that is consistent with policy objectives for new build residential development. Further guidance is provided in the Council's Residential Design Guide supplementary planning document.

Over-intensive conversions of existing dwellings and other residential premises, such as maisonettes above shops, lead to poor living conditions for future occupiers of the development, excessive internal noise transference and external activity for neighbouring occupiers, and frequently to a poor external environment that detracts from the appearance of the property and the character of the area. Appropriate application of design, layout, privacy and amenity considerations to conversion proposals, including the London Plan minimum space standards, Part M of the building regulations (i.e. accessible, adaptable and wheelchair dwellings), will assist in ensuring new homes will provide a satisfactory standard of accommodation that are appropriate within the existing character of the area.

The open, green quality of the suburban environment is part of Harrow's historical appeal. This has been impacted by hard landscaping to mainly accommodate cars in front gardens and to a lesser extent to manage/store waste, as part of the intensification of existing premises. This has reduced the level of incidental green infrastructure, which has affected the visual quality of the environment, biodiversity and surface water run-off. Therefore, the design of proposals should seek to increase and enhance the level of soft landscaping on forecourts (including those that are include hard landscaping) and seek to limit the need for hard landscaping areas. This will ensure proposals do not detract the appearance of the property or the street scene, as well as support urban greening and net gains in biodiversity, reduce surface water run-off.

As with new-build residential development, the Council expects conversion and redevelopment proposals to make adequate amenity space provision for future occupiers of the dwellings being created. Amenity space must be useable and functionable for future occupiers in terms of layout, size and access to sunlight. Where an existing garden is available, proposals must make this available for all future occupiers of the development, preferably through subdivision to form private amenity spaces for each home and accessible within the site boundary. Where, exceptionally, amenity space is to be provided communally, the Council will wish to be satisfied that there would be adequate privacy safeguards for the ground floor occupiers and that there will be robust, sustainable arrangements in place for managing the on-going maintenance responsibilities.

As part of the subdivision of rear gardens to form private amenity spaces for future occupiers, proposals must make provision for bin storage within those amenity areas and a suitable access for them to be wheeled to the forecourt for collection. Existing and new homes in the Borough are supplied with separate bins for general waste. recycling and composting, which allows the segregation of waste by residents and recycling of it. However conversions increase the number of bins to be accommodated within the curtilage of an existing dwelling, and where left on the forecourt they can be unsightly and cause obstruction. The accommodation of bins within the site therefore requires careful attention as part of design and layout of conversion proposals. The provision of bins within private amenity spaces with suitable access for them to be wheeled to the forecourt for collection, usually offers the best solution in terms of householder responsibility for use, maintenance and waste segregation, and helps to avoid the excessive accumulation of bins on forecourts. Where such storage cannot be achieved (for example, terraced houses) there must be adequate space on the forecourt to accommodate the bins and provide suitable storage (if necessary) and screening in conjunction with other forecourt uses. Applicants should also review the

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Councils future Waste Strategy and ensure compliance with the requirements of this, particularly in relation to ensuring waste vehicles can access the property and the waste area being kept clean and clear.

Cycle storage should be well designed, located within a safe, accessible location. This should not be provided within the forecourts/front gardens of properties and be provided within rear of gardens (or side of properties), to reduce visual clutter and harmful impacts on the street scene and character of the area. In exceptional circumstances, cycle storage may on forecourts/front gardens, providing it is well designed in terms of its location, materials and includes an appropriate level of soft landscaping to adequately screen it.

#### Reasonable Alternatives:

# Option 1: Continue with the approach of the existing development management policy DM26 (i.e. no locational, minimum size requirements or replacement family-size dwelling requirements).

The existing policy generally permits proposals for the conversion of houses to multiple flats, provided they are well designed. The advantages of this are; it may increase the delivery of housing and help meet both the London Plan small sites and Local Plan housing target, as well as help demonstrate a five-year land supply of deliverable sites. Further, the potential impact on the character of the Borough is uncertain, as it could potentially spread them across the area or result in impacts being concentrated to a specific area. However to date this has not been identified as a significant problem.

The disadvantages of this approach are; it may result in the continued loss of family housing, which are required to address the future housing needs of the Borough. It is more difficult to re-provide any family housing that is lost via conversions through new development elsewhere than to retain existing family housing, as new residential developments may consist of high-density schemes close to/within town centres/stations. Further disadvantages are it may result in the loss of smaller sized, housing (i.e. below 130 sqm) that are more affordable and may result in the delivery of poorly designed flats. This approach is not considered the preferred option.

## Option 2: Policy should not include a minimum 130m2 size threshold for the conversion/redevelopment of homes into flats.

The advantages of this are; it may increase the delivery of a higher level of residential units, to help meet housing targets (including small sites) and ensure a five-year land supply of deliverable housing sites.

The disadvantages are; it may result in; a higher level of loss of family homes, specifically smaller, more affordable stock poorly designed homes, if smaller units below 130m2 are converted. It may result in the delivery of a higher level of smaller 1/2 bed flats, even though there is a higher need to deliver family housing of 3 beds or more. It may potentially have a greater negative impact on the character of the area In terms of smaller original homes not being able to accommodate all the ancillary infrastructure (bins / cycle etc). This approach is not considered the preferred option.

# Option 3: Policy should not require the re-provision of a family sized flat with a ground/upper floor area of 74m2 capable of providing a three-bed unit

The potential effects of this policy may be similar to option 1. This approach is not considered the preferred option.

# Option 4: Policy should not include any reference to locations with a Public Transport Accessibility Level of 3-6

The potential advantages of this are; it has the potential of increasing the amount of housing units delivered on, to meet the housing target and demonstrate a deliverable supply of housing sites to meet the five-year land supply.

The potential disadvantages of this are; it may result in the increased loss of family housing (i.e. policy not only apply in PTAL 3-6) and as it may result in conversions in more locations of the Borough. This may have an uncertain impact on the character of the Borough, depending on whether more conversions are implemented within certain locations or not. This approach is not considered the preferred option.

## Option 5: The proposed housing conversions policy should not apply to demolitions of a larger family sized home.

The points raised for option 2 above apply to this option. Overall, this is likely to result in the net loss of family housing. This approach is not considered the preferred option.

## Option 6: Restrict the application of the conversions policy to certain areas and exclude it from others, via defining the boundaries of these on a map

The potential positive impacts of this approach are; it could provide clarity for all stakeholders in relation to which areas of the Borough are appropriate for housing conversions to flats; identify, assess the potential adverse impacts and sets out policy measures to address these.

The potential negative impacts of this are; it may be difficult to clearly identify, assess the areas where the conversion policy should apply (or not) and formulating evidence to support this may be a time-consuming exercise. There is a risk that this approach may be contrary to the London Plan Small Sites Policy that supports the incremental intensification of existing residential areas of existing residential areas. This approach is not considered the preferred option.

# Policy HO3: Optimising the use of small housing sites

Linkages:

NPPF Chapter 5: Delivering a sufficient supply of homes

NPPF Chapter 11: Making effective use of land

London Plan Chapter 3: Design
London Plan Chapter 4: Housing

#### Policy HO3: Optimising the use of small housing sites

- Small housing developments (any site below 0.25 hectares) delivering a net addition of self-contained dwellings through the optimal and efficient use of land, and in accordance with other relevant the Development Plan Policies, will be supported where located in the following areas:
  - a. Sites with good public transport accessibility (PTAL 3-6)
  - b. Sites within 800m of tube or rail stations
  - c. Sites within 800m of a Metropolitan, Major and District Town Centre boundary
- 2. Any incremental change in character arising from the development of small sites in locations set out under Part 1 should reflect the opportunities identified in the Harrow Characterisation Study and Tall Building (2021) or subsequent versions.
- 3. Proposals on small sites (including those outside of the locations set out under Part 1) shall: shall:
  - Demonstrate a character- and design-led approach by setting out how the proposed development considers the existing context, assessing the site and surrounds for the sensitivity to change,
  - b. Ensure compliance with the requirements of Policy GR1 in terms of its design and layout, residential amenity and hard/soft landscaping, etc
  - c. Protect and enhance biodiversity and green infrastructure, and further maximise opportunities for urban greening;
  - d. Ensure sufficient parking is provided on site to avoid the risk of harm to safe operation of the surrounding highway network and safety of other road users.
  - e. Sites involving residential conversions must be consistent with Policy HO2: Conversion and redevelopment of dwellings.
- 4. Developments that fail to optimise potential housing delivery on a site or prejudice more comprehensive development, particularly that of a site allocation, will be refused.
- 5. The Council will monitor the effectiveness this policy through the Annual Monitoring Report. Contingency measures may be undertaken (if necessary). to address any under delivery during the plan period or through a future review of the Local Plan

#### **Supporting Text:**

The London Plan (Policy H2: Small Sites) sets a strategic priority to increase the rate of housing delivery from small sites (below 0.25ha in size), particularly within outer London. For Harrow it sets small sites target of delivering 3750 additional homes (or 375 units per annum) over a ten year (2019/20 – 2028/29), which is a component of the overall housing target. This figure comprises circa 47% of the London Plan tenyear housing delivery target of 8020 for Harrow. The London Plan and NPPF (2021), require Local Plans to include measures to boost the supply of housing on small and medium sized sites to diversify the sources of housing supply and increase the delivery of housing to address local needs.

The London Plan expects the incremental intensification of existing residential areas within PTALs 3-6 or within 800m distance of a station (tube or rail) or town centre boundary<sup>10</sup>, to play an important role in contributing towards the housing targets for small sites. Within these geographical areas incremental intensification is facilitated by Policy H2, providing a design and character led approach is taken, in line with the criteria above, to deliver additional high-quality homes. Proposals outside of these locations are less likely to be considered as sustainable and have more potential to cause harm within such locations. However, proposals may still be found acceptable provided they are sensitively designed to protect, enhance and reflect the character of the area and result in no unacceptable impact(s) identified when assessed criteria above and against other policies in this Plan. Specifically, care must be taken to protect the often much lower density suburban form and potential impact to carparking provision required for a site or the wider highway network.

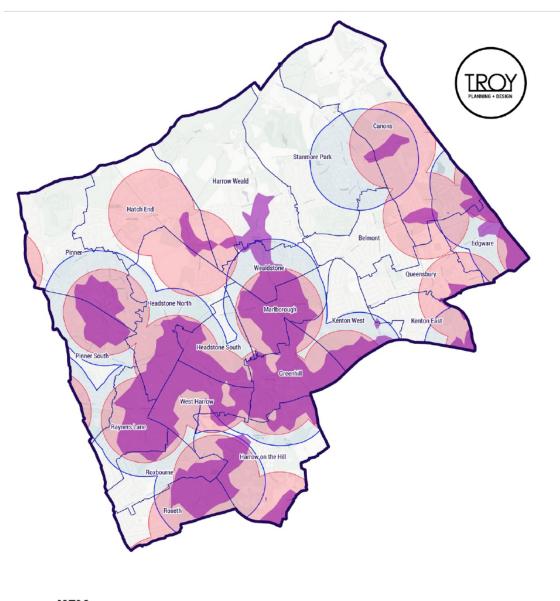
This type of intensification can take a number of forms (as identified in the supporting text to Policy H2), such as: new build, infill development, conversions, redevelopment or extension of existing buildings, including non-residential buildings and residential garages, where this results in net additional housing provision. Proposals will need demonstrate consideration of Policy GR10: Infill and Backland sites, back gardens and amenity areas and ensure compliance with requirements of this. Specifically in relation to residential conversion, policy HO2 Conversion and redevelopment of larger dwellings will apply, which is an approach considered consistent with para 4.2.8 of the London Plan (2021). A map of the locations that meet the criteria of the small sites policy are shown in the diagram<sup>11</sup> below.

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<sup>&</sup>lt;sup>10</sup> Metropolitan, Major and district centres

<sup>&</sup>lt;sup>11</sup> NB: This diagram is based on the old ward boundaries and will be showing the new boundaries in the future Draft Local Plan



## KEY

LB Harrow Ward Boundaries

PTAL 3-6

Areas within 800m of a Railway Station

Areas within 800m of a Town Centre

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The supply of new homes from large and medium sites can fluctuate and increase in some years due to longer lead in and built out rates, associated with gaining planning permission and completing more complex strategic sites. This policy seeks to encourage the development of small sites, to provide a range of different sized housing sites in different locations, diversify the sources of housing supply and ensure a steadier supply of housing of sites to address local needs, as well as maintain a five-year supply of deliverable sites. It also seeks to facilitate a wider range of development companies active within Harrow so that development is not contingent on a small number of larger companies progressing a limited number of small sites.

The London Plan expects this Plan to recognise that local character evolves over time. Small sites provide the opportunity for communities to grow organically while maintaining their original character or evolving it incrementally based on a consensual approach. The Harrow Characterisation and Tall building Study (2021) has assessed the potential for growth across the borough, considering the sensitivity to change, to understand the potential development capacity of individual character areas across the borough to both tall and mid-rise buildings and small sites. This provides design guidance for small site developments concerning the context, massing, materials, heritage, frontage, and detailing. This is alongside specific design guidance for each character area, which sets out the relevant strategy, an analysis of existing features and where there are opportunities to improve character. Whilst each individual proposal will be assessed on its merits, the study provides a framework for understanding the character of the borough and its capacity for change.

The open, green quality of the suburban environment was part of Harrow's historical appeal. Over time, intensification of building coverage and hard landscaping, principally to accommodate cars, has reduced incidental green infrastructure. This has not only affected the visual quality of the environment, but has also biodiversity, urban temperatures, air quality, and the volume and speed of surface water run-off, together with water quality. Small site development without some form of safeguards could well intensify these matters. Therefore, the design of proposals should consider urban greening to protect and enhance biodiversity, in line with Policy GI3

Proposals should seek to optimise the housing output on small sites, to address local needs, whilst ensuring compliance with other development plan policies relating to high quality design, the protection and enhancement of the local character, minimising any potential amenity impacts on the surrounding area, etc. Further, proposals should ensure the design, layout of their site does not prejudice the comprehensive delivery of adjacent sites or wider area.

The London Plan (2021) indicates the small site target can be considered as a reliable source of windfall housing sites and can contribute towards anticipated future housing supply towards meeting the Local Plan housing requirement/target, as well as demonstrating a five-year land supply of deliverable housing sites. Whilst the NPPF 2021 (para 71), emphasises this approach should be supported by compelling evidence to demonstrate that a windfall allowance is a reliable source of housing supply.

The Draft Small Sites Capacity Study (2021) indicates an average of 298 homes per annum were delivered on small sites between 2010-19 within the Borough. This study sought to identify potential development sites below 0.25ha, assess their suitability, availability and their potential capacity for providing new housing, to meet the small sites target. The study concluded the small sites identified as suitable may have a potential capacity to provide between 380 (design led capacity work) and 478 (London Plan Density matrix) additional homes per annum.

Strategic Policy 3 set outs the level of housing anticipated from various sources of supply during the plan period, including a small sites windfall allowance (SSWA) of 375 homes per annum (based on the London Plan small sites target), to assess whether the housing capacity of all sources of potential sources of supply will meet the proposed housing requirement/target.

This policy presents a new strategic approach to meeting housing need locally. We will monitor progress towards the small site housing target through the Annual Monitoring Report and consider this policy's effectiveness through the Local Plan review process. Monitoring will also provide the Council with information to understand the spatial distribution of new small housing development and consider whether interventions are necessary. For example, to ensure those areas where this type of development is concentrated are appropriately supported by community facilities and other strategic infrastructure.

#### **Reasonable Alternatives:**

#### No alterative approach due to requirements of NPPF/London Plan

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national policy or the London Plan.

## **Policy HO4: Genuinely Affordable Housing**

Linkages:

NPPF: Chapter 4: Decision-making

NPPF Chapter 5: Delivering a sufficient supply of homes

NPPF Chapter 11: Making effective use of land

London Plan Chapter 3: Design London Plan Chapter 4: Housing

#### Policy HO4: Genuinely Affordable housing

#### **Targets**

- A. Affordable housing will be required to be delivered on site (except for LSPBSL), to promote mixed and inclusive communities, unless exceptional circumstances can be demonstrated (refer to (E) below).
- B. Proposals for major residential and mixed-use development (10 units or more gross units) must demonstrate they have sought to optimise the housing output on a site and apply the threshold approach included within Policy H5 of the London Plan, to increase the delivery of genuinely affordable housing, as well as demonstrate all options have been explored to achieve the Boroughwide target of 50% affordable housing, based on habitable rooms or floor space. Public sector land, Strategic Industrial Locations, Locally Significant Industrial Sites and Non-Designated Industrial Sites will all be required to deliver the threshold level of at least 50 per cent affordable housing on each site.
- C. The following will be considered when assessing the maximum level of genuinely affordable housing that could be delivered: Review mechanisms will be utilised to maximise the delivery of affordable housing on major developments.
  - a. The contribution to the Borough's strategic affordable housing target, subject to viability and application of the threshold approach.
  - b. The need to make the most efficient use of land to facilitate and optimise the delivery of affordable housing.
  - c. The proposed tenure mix of the scheme and the need to prioritise the delivery of social rented and affordable family housing, in line with the table below.
- D. Development proposals will carry greater planning benefit, where they demonstrably deliver the maximum viable amount of genuinely affordable housing whilst meeting the minimum threshold level of affordable housing without public subsidy, (Policy H5 of the London Plan),
- E. Applicants will then be expected to make all reasonable efforts to secure grant funding to deliver an increase in affordable housing beyond the level that would otherwise be achievable. The Council will work positively with development industry partners to help identify opportunities to secure grant funding to deliver more genuinely affordable housing in Harrow.
- F. The affordable housing requirements for major developments will apply in circumstances where development has already been permitted (or is under

construction) and 10 or more gross dwellings will be delivered taking into account of the following:

- a. New residential units that are proposed which would result in an uplift in the overall number of units on the site;
- b. Development that is proposed on an adjacent site which by virtue of its layout, design and use is functionally related to the extant permission and would result in an uplift in the overall number of units across the sites; and
- c. Exception to the above applies, if the applicant demonstrates ownership has changed and no relations with the original landowner/developer.

#### **Tenure mix (see tenure products definitions in Appendix 1)**

G. Major residential development will be required to provide a tenure split of 70 per cent low cost rented homes (social rent or as per London Plan Policy H6) and 30 per cent intermediate product homes (London Living Rent or shared ownership), in line with the Local Housing Needs Assessment (or any subsequent updated evidence). The intermediate products should meet the definition of genuinely affordable housing. These must be for households within the most up to date income caps identified in the range for different local income brackets/dwellings within the London Plan Annual Monitoring Report.

Table XXY: Identified needs by affordable housing tenure

Tenure of housing	% required
Low cost rented (Social rented or as per London Plan)	70%
Intermediate: Affordable home ownership and / or London Living Rent	30%
Total	100%

- H. The Council will prioritise the delivery of social rented housing over other affordable housing products as these are most appropriate to address local needs, when negotiating the tenure mix of schemes. The factors below will be considered, when assessing an appropriate tenure mix:
  - a. The need to prioritise the delivery of a higher proportion of social rented housing in the mix of affordable housing;
  - b. Evidence to demonstrate that the proposed tenure mix will deliver mixed inclusive communities within the locality;
  - Compliance with the requirements of Policy HO1: Dwelling size mix.
     Proposals should ensure they meet the full range of housing needs, particularly those of low-income households who require family housing;
  - d. Evidence of meaningful discussions with Registered Providers which have informed a different tenure, size of units and design to address local priorities and explored funding opportunities and informed the capital value of the affordable housing; and
  - e. Evidence to demonstrate a different tenure mix will lead to a higher quantity of affordable housing and provide products that are genuinely affordable for a range of household incomes to address local needs.

- I. The affordable housing provision within Build to Rent developments will be expected to be 100 per cent at Discounted Market Rents at an equivalent rent to London Living Rent or lower. The applicant will need to demonstrate the rents are set at a genuinely affordable rent levels and allocated to those on the waiting list in accordance with a local eligibility criteria.
- J. The affordable housing Community-led housing scheme products within community-led housing schemes, may be provided in a different tenure (via prior discussions with the Council), providing it is genuinely affordable and meets identified housing needs.

#### Viability tested route

- K. Site-specific viability information will need to be justified by the applicant and the Council will determine the weight that should be given to this in decisions, taking account of any exceptional circumstances. Any proposals where site-specific viability evidence is justified must provide the maximum amount of affordable housing. This should be based on the methodology and assumptions set out London Plan, and the Affordable Housing and Viability LPG. The cost of any independent review must be covered by the applicant.
- L. To maximise affordable housing delivery and address economic uncertainties that may arise over the lifetime of a development proposal, the use of 'review mechanisms' will be required, where appropriate, and implemented; in accordance with the London Plan and any associated guidance.

#### Offsite contributions

- M. To promote inclusive and mixed communities all new affordable housing provision should be delivered on-site. Off-site provision or payment in lieu for major development proposals will only be considered in exceptional circumstances, where it can be demonstrated to the satisfaction of the Council that:
  - a. It is not practical or feasible to provide affordable housing on-site due to site development constraints; and
  - b. where off-site provision is proposed:
    - i. A higher level of affordable housing can be secured through provision on an alternative site:
    - ii. Off-site provision is necessary to better meet priority housing need, such as for affordable family housing; and
    - iii. The provision will better support inclusive and mixed communities.

#### **Vacant building Credit**

- N. The application of the Vacant Building Credit (VBC) is not appropriate in Harrow. The use of VBC will only be considered in limited circumstances, where applicants address the criteria below:
  - a. The building is not in use at the time the application is submitted;
  - b. The building is not covered by an extant or recently expired permission;
  - c. The site is not protected for an alternative land use; and
  - d. The building has not been made vacant for the sole purpose of redevelopment, as demonstrated by evidence showing that the building

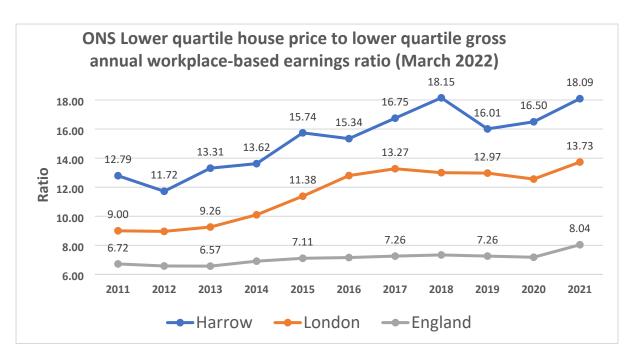
- has been vacant for a minimum continuous period of five years and has been actively marketed for at least two years therein, at realistic local area prices.
- O. The affordable housing policy will apply to any net increase in the floor space of the vacant building.

#### Mixed and inclusive communities.

- P. To secure inclusive and mixed neighbourhoods and communities the Council may seek to alter the tenure and/or mix of affordable housing provision on a case-by-case basis. In establishing the most appropriate level of provision for a site, development proposals will be considered having regard to the existing levels of housing tenure and mix in the area (including extant permissions).
- Q. All new affordable housing developments must be of a high-quality design having regard to other Local Plan policies. The design of the units should be 'tenure neutral' in line with the National Design Guide, so that affordable units are indistinguishable from market units in terms of quality of design and materials, space standards, access and amenity. Where mixed tenure schemes are proposed these must ensure all residents of the development have access to amenities and communal spaces including play spaces.

#### **Supporting Text:**

Similar to the rest of London and England, the housing crisis is having a significant negative social and economic effects on t Harrow resident's standard of living and wellbeing, particularly for the low-income younger households and families. This is demonstrated by the affordability issues households face to buy and rent suitable housing to adequately address their needs. For example, ONS data indicates lower quartile house prices increased from £230k to £427.5k between 2011 – 21 (86 %) and the annual lower quartile work placed earnings increased from £17,888 - £23,635 (32%) in Harrow. Due to this the lower quartile house prices to annual earnings ratio, which is an important indicator for housing affordability, increased from 12.79 to 18.09 (41%) during this period. This means housing affordability has worsened as lower income groups typically spend 18 times their work based annual earnings on purchasing a home.



In contrast, the lower quartile weekly rents thresholds for; a room increased by 22.5% from £400 to £490, one bedroom home increased by 33% from £750 to £1000, two bedrooms increased by 34% from £930 to £1,250, three bedrooms increased by 29% from £1,200 to £1550, four bedrooms (or more) by 20% from £1500 – £1800 between 2011/12 - 2021/22 (fig 17 , Draft LHNA). Hence, the cost of renting a home is largely unaffordable to lower quartile earning residents, particularly family housing (3b+) within the Borough, without housing benefit, more than on earner or reliance on renting a bedroom within a house or HMO property and availability of affordable housing.

The Draft Local Housing Needs Assessment (LHNA 2022) utilised a model to assess the future number of households who will not be able afford to own or rent suitable market housing, the quantity of affordable housing, size, tenure of affordable housing; that may be required to address their needs. This indicates an overall housing need to deliver a total of 7,714 affordable homes (or 386 dwelling per annum) between 2021 41, which is equivalent of circa 50% of the future Borough housing requirement/target (16,040). This is made of 6549 (85%) homes for those households who are unable to afford to rent or own market housing and 1164 (15%) homes needed for those who aspire to home ownership but cannot afford it. A further breakdown is provided of the tenure products (6549) that may be required to address the future affordable housing needs. This indicates 66% of affordable housing should be social rented (i.e. 3728 +1386), 2% affordable rented housing (164), 16% London Living Rent (1272) and 15% (1164) low-cost home ownership products. In line with London Plan Policy H6, this means circa 70% of affordable housing should be low cost rented products (i.e. social rented/ affordable rented products) and the remainder 30% intermediate housing products.

This LHNA includes an analysis of the weekly housing cost of different 1-4 bed affordable housing products. This indicated that the weekly cost of social rented (e.g. 2b = £126 pw) and affordable rented housing (e.g. 2b = £207) was significantly less than First Homes (e.g. 2b = £271) and shared ownership (e.g. 2b = £305) products for all sized units. Further, it included an analysis of the potential income required for 1-4 bed affordable housing products. This indicated a lower income was required for socially rented housing (e.g. 2b = less than £36k) and London living rented housing

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(e.g. 2b = £36k - £68k) than shared ownership (e.g. £68k -£90k) and First Homes (£53-90k) products for all sized units. This demonstrates social rented housing and London Living rented housing is genuinely more affordable based on local incomes and costs, compared to First homes and shared ownership products. Proposals will need to demonstrate that intermediate housing products are genuinely affordable to local residents based on an assessment of lower quartiles/median incomes and cost of owning/renting dwellings in the Borough.

A significant number of homes are needed to meet Harrow's affordable housing needs of the Borough. The needs outweigh the number of genuinely affordable homes within the necessary tenures (predominantly social rent) that can realistically be delivered over the lifetime of the Plan. This is the case when taking into account both the planning enabling and affordable housing provider funding mechanisms available. National policy requires the council to set affordable housing targets that are realistic, particularly in relation to development viability.

London Plan Policy H5 sets a threshold approach to affordable housing provision to remove the need for viability assessment. The affordable target is set and assessed on the basis of the percentage of the development's habitable rooms, or if there is a disparity between affordable and private room sizes, the habitable floorspace. Applications that exceed (or meet) the thresholds level of affordable housing on gross units within the scheme will follow the fast-track route and those that fall below this will follow the viability tested route, as set out within Policy H5. To maximise affordable housing delivery and address economic uncertainties that may arise over the lifetime of a development proposal the use of 'review mechanisms' will be required, where appropriate, and implemented in line with the Mayor's Affordable Housing and Viability SPG. To ensure applicants fully intends to build out the planning consent an earlystage review will be triggered for fast-track schemes if an agreed level of progress is not made within 24 months of gaining permission (or any other period agreed as part of the planning application). Whilst schemes under the viability tested route will be subject to an early-stage review and late-stage review triggered at the point that 75% of homes are sold, or at a point agreed by the Council. In addition, one or more midterm reviews may be required for larger schemes.

Policy H6 sets out the Mayor's minimum requirements in terms of tenure for 60% of the affordable housing sought. It then requires borough local plans to provide further detail on what the remaining 40% should comprise. Harrow's needs are predominantly for social rent/ London Affordable Rent levels. These are more difficult to deliver as they require the highest amounts of subsidy, either from the public purse or via cross subsidy from market homes for sale/ rent.

The Council is very supportive of the Mayor's long term 50% affordable housing target and the fast-track approach as set out in policy H5 as a tool towards achieving the 50% on all sites in the longer term. The council recognises that its historic target set out in the previous Local Plan of 40% of all news homes being affordable with a 60% social rent/ 40% intermediate tenure split was challenging to achieve. The Draft London Affordable housing Supplementary Planning Guidance (2023) indicates the Mayors strong preference is for the delivery of Social Rent homes, which are best placed to address current housing needs and are eligible for grant funding under the London Affordable Homes Programme (AHP) 2021-26. In relation to its local element of the London Plan tenure split over which it has discretion, the Council will seek to maximise the amount of social rented units that can be delivered on site in non-build

to rent schemes. The Council will undertake a Local Plan Viability Assessment, to provide an indication of the amount, size, tenure of affordable housing that may be achievable on different scale and types of residential or mixed-use schemes and the locations. It should be noted the actual level of affordable housing contributions from schemes will be determined on a site-by-site basis, by applying the Threshold approach of London Plan Policy H6.

Consistent with London Plan policy H6, any deviation from the minimum affordable percentage of habitable rooms not consistent with the required tenure mix and other policy requirements consistent with the fast-track approach will need to be fully justified through a policy compliant viability assessment.

Where viability impacts are so great that a reduction in percentage of affordable housing that can be achieved on site is below that required for the fast-track approach, the council will seek to pursue the preferred tenure split set out in policy. It views the delivery of more affordable tenures that would meet needs (social rent and London Affordable Rent) as a greater priority than achieving a potentially higher percentage of affordable housing on site that places greater emphasis on intermediate tenures. Some developers nevertheless seek to increase the overall headline affordable homes percentage delivered on their site above the London Plan threshold levels through the provision of more intermediate tenure dwellings. In these cases, the council will seek a scheme which greater prioritises genuinely affordable rents, even if this results in the overall headline percentage of affordable justifiably reducing.

London Plan Policy H11 sets out a requirement for 30% of the affordable dwellings within a build to rent scheme to be at London Living Rent levels. The other 70% is for boroughs to identify, taking account of needs and viability. The Council will seek to achieve 100% London Living Rent equivalents, or lower. Similar to affordable housing delivered from qualifying mainstream housing developments, it will prioritise affordable housing that meets priority needs (cheaper forms of rent) where the fast-track approach is not being pursued. For schemes where affordable is below threshold levels it will as a minimum seek 70% of the affordable provided as London Living Rent equivalent. The Local Plan Viability Study will be undertaken to assess the achievability of this approach.

In relation to intermediate housing tenures, the Council would welcome affordable solutions, such as community led housing or self-build/custom build housing, which can offer a genuine alternative mechanism for delivering new affordable homes. Where these types of solutions however potentially undermine the delivery of its preferred tenure mix, it should not automatically be assumed that this will be acceptable. Promoters of such schemes should seek to engage early on with the Council.

In accordance with national policy and London Plan Policy H4, on major residential developments affordable housing should be provided on site, as part of the emphasis on creating mixed and balanced communities. Nevertheless, it might be that in exceptional circumstances financial contributions in lieu of provision of affordable housing on site will be acceptable. More detail on when contributions in lieu of on-site provision will be acceptable and how they are calculated is set out in the Mayor's Housing SPG. The acceptability of contributions in lieu will be determined on a case-by-case basis in early discussion with the Council.

#### Reasonable Alternatives:

**Option 1: To put a greater emphasis on intermediate products.** The current split seeks to meet priority affordable needs as identified in the Draft Local Housing Needs Assessment (LHNA), but also allows for mixed communities by encouraging the provision of some intermediate products. The LHNA shows that intermediate products are essentially the least affordable of all the affordable housing tenures to address the housing needs of local residents. Intermediate products are more likely to be occupied by people who have a choice within the market for alternative accommodation, e.g. market rent. Given the number of people who are homeless/ in temporary accommodation, living in overcrowded housing, an increase in intermediate proportions is not considered the preferred option.

# Policy HO5: Housing estate renewal and regeneration

Linkages:

NPPF Chapter 5: Delivering a sufficient supply of homes

NPPF Chapter 11: Making effective use of land

London Plan Chapter 3: Design
London Plan Chapter 4: Housing

#### Policy HO5: Housing estate renewal and regeneration

- 1. Development proposals involving the renewal and regeneration of the Borough's Housing Estates, including any enabling market housing, must be carried out in consultation with existing residents, the local community and other relevant key stakeholders, in line with the London Mayor's Good Practice Guide to Estate Regeneration. Proposals must ensure;
  - A. There is no net loss of affordable housing floorspace, and
    - a) replaces like for like tenure and size; or
    - b) meets the needs of returning residents (subject to a decant strategy); or
    - c) complies with the Council's latest housing needs assessment; and
    - d) the demolition, replacement of affordable housing follows the viability tested route and seeks to provide an uplift in additional affordable housing, in accordance with Policy H8 of the London Plan
    - e) where developments seek to introduce market sale housing to enable the estate regeneration, any further uplift in genuinely affordable housing provision should be made. This should be delivered in accordance with Policy HO4: Genuinely Affordable Housing and Policy H5: Threshold Approach of the London Plan.
  - B. Any affordable housing that is replacing social rent housing must be provided as social rent housing where it is facilitating a right of return for existing tenants. Where affordable housing that is replacing social rent housing is not facilitating a right of return, it may be provided as low cost rented homes (social rent or as per London Plan Policy H6).
  - C. The tenure of additional affordable housing (other than the replacement provision) should comply with Policy HO4: Genuinely: Affordable housing; prioritising the need to deliver additional social rented housing.
  - D. The size of both market and affordable accommodation provided through estate regeneration schemes should be based on the particular needs of both the existing, and prospective future residents. It must consider the requirements of Policy HO1: Dwelling size mix that prioritises the delivery of additional family sized housing.
  - E. All affordable housing products are integrated into the development to ensure mixed, balanced and inclusive communities.
  - F. Ensure a design led approach is undertaken; to achieve the most optimal and efficient use of land.

- G. A satisfactory quantum of accessible hard and soft landscaping is provided in line with other policies within the Development Plan.
- H. Where a net loss of external amenity space is proposed, on a case by basis, consideration will be given in relation to;
  - a) The existing quantum/quality of external amenity space
  - b) Proposed quantum/quality of external amenity space
  - c) Other planning benefits arising as a result of the loss of external amenity space
  - d) A sufficient level of play and informal recreation space is provided in line with the approach set out in London Plan policy S4 and Local Plan policies
- I. Estate regeneration schemes increase permeability and integration into the existing urban built form; improve safety and access for walking, cycling and public transport use to local amenities for residents; improve the public realm within the estate; and create new walking and cycling routes through estates as appropriate.
- J. Spaces and facilities are provided to enhance opportunities for social interaction, integration to support strong and inclusive communities that encourage physical activity and healthy living
- K. Compliance with parking standards set out in Policy M2 should apply, unless exceptional local circumstances are demonstrated
- 2. Proposals for estate renewal, regeneration schemes should be supported by a statement setting out its overall social, economic, environmental, health benefits.
- 3. Estate regeneration proposals should form comprehensive development schemes, rather than piecemeal proposals. Where only part of an estate is brought forward, it must form part of a wider masterplan.
- 4. The Council will consider the use of Compulsory Purchase Order powers to facilitate the delivery of a comprehensive regeneration scheme, where appropriate.
- 5. The Council will support proposals for Estate Renewal and Regeneration that demonstrate compliance with above requirements and Policy SP03, including those relating to undertaking a master plan led approach, identifying and addressing location specific issues, and bringing forward a comprehensive scheme.

#### **Supporting Text:**

The Council is committed to ensuring all of Harrow's residents have access to a decent home that is secure and affordable. This will require that significantly more new genuinely affordable housing is made available in the Borough.. In addition, it is vital for the safety and security of residents and the wider community that homes are well integrated into their neighbourhoods, with plentiful opportunities for social interaction, and that high quality living environments benefit the health and well-being of local residents.

Harrow's council homes were mainly built between 1950 and 1970, as the area was a focus of efforts to tackle shortages of good quality housing following the Second World War, and are concentrated in the Harrow Weald, Roxbourne, Pinner and Stanmore Park wards. There are numerous social housing estates across the Borough. This includes the larger estates at Grange Farm, Mill farm, Rayners Lane and the smaller estates at Woodlands, Cottesmore (Stanmore Park Ward), Headstone and Headstone Lane (Hatch End), Vaughan Road/Butler Avenue and the Honeybun (West Harrow ward), Northolt Road Estates (Harrow on the Hill ward) and Pinner Hill.

In line with the previous Core Strategy, the comprehensive renewal and regeneration schemes for Mill farm and Rayners Lane estates has been completed. Whilst the permitted scheme to encourage the regeneration, renewal of the Grange Farm estate is currently being implemented. Grange Farm estate is approximately 4.1ha and consisted of varied housing across the site. However, the predominant housing on site was a known as Restiform housing, which built in the 1990s as temporary accommodation. The building construction typology was of poor quality and was only intended to have a lifespan of 30 years. Through the passage of time, the homes on the site had deteriorated and were extremely inefficient and not fit for purpose. The remainder of the stie comprised of a poorly utilised community centre and the designated open space was of poor quality and not used effectively or efficiently.

The Council have commenced the regeneration of the Grange Farm Estate. A hybrid planning application was granted planning permission in 2018, which resulted in approximately 574 new homes being approved on the site, and importantly, affordable homes for the borough including re-providing homes for existing residents of the estate. Works are underway on site currently, with 89 affordable homes in phase 1 being delivered.

Phases 2 and 3 will follow and will deliver more housing including affordable homes. All new homes will meet current guidance and requirements in terms of internal space standards, accessibility and energy efficiency. Along with the delivery of new housing on the site a new, larger, fit for purpose community centre will also be provided, set within a much higher quality open space for the benefit of residents and the wider community.

The indices of Multiple Deprivation (2019), indicate there is high levels of deprivation within the Borough estates, particularly Stanmore Park ward that covers the areas of Woodlands and Cottesmore Estates; followed by the Hatch End Ward that covers the Headstone and Headstone Lane Estates. This is related to factors; such as poor standard of housing (i.e. lack central heating or housing that fails to meet decent homes standards relating health, safety), barriers to accessing housing (i.e. affordability), and services (geographic barriers/physical proximity, overcrowded housing, low incomes effecting children and older people; low levels of employment, health issues (physical/mental) of residents; lack of education attainment/skills,. Other key issues that all or some of the estates may be experiencing are;

- > the housing stock has reached the end of its life and is physically decaying
- families are residing within overcrowded housing
- the stock of social housing is being lost via the Government's right to buy scheme, whilst the opportunities to replenish it are limited in contrast to increasing needs for genuinely affordable housing.

- Some of housing stock does not meet decent homes standards,
- The housing stock has poor energy efficiency resulting in higher energy bill and "fuel stress"
- Some of the estate housing stock may be unsuitable for residents with physical disabilities, older residents and wheelchair users
- The estates suffer from poor quality external space and urban planning such large areas of hard standing areas with no natural surveillance, raising safety concerns. There are areas of left over space between development that are an inefficient use of land
- Lack of /fragmented designated and non-designated open space that is poorly used, accessed and maintained.
- Presence of garage courts that are no longer used for their original purpose
- Large areas of hard standing for car parking that are inefficiently used
- Lack of or poor access to community facilities and other facilities (i.e. health) that are important for the wellbeing of residents and supporting healthy, sustainable communities
- Lack of or poor access to public transport (such as buses) serving estates, even though lower income groups are highly dependent on it due to a lack of alternative

The conditions of housing estates and challenges they face varies and the programme required for these will differ. Some of the older estates may have physical constraints that may limit site or area wide enhancements. For example, their layout, design may make it difficult to introduce new access points and through routes, provide more usable open space. Also fragmented/multiple land ownership may be an issue for bringing sites forward. In other circumstances, options may arise to deliver more affordable housing units on estates, either through incremental infill or comprehensive redevelopment. Accordingly, strategic approaches to estate renewal and regeneration may be necessary in certain circumstances.

All development proposals for estate renewal and regeneration must ensure that there is no net loss of affordable housing floorspace, in accordance with other Development Plan policies. Loss of existing affordable housing will only be permitted where it is replaced by equivalent or better-quality accommodation, providing at least an equivalent level of affordable housing floorspace, on an identical or equivalent basis 12. The use of floorspace (i.e. based on habitable rooms) as the measure for replacement provision provides flexibility for the Council and its partners to better address acute housing needs, such as for more family sized social housing, where redevelopment is undertaken. To achieve no net loss, higher density, including the introduction of market housing may be necessary to increase the viability of schemes and achieve a more mixed and balanced community. This approach is consistent with the London Plan.

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<sup>&</sup>lt;sup>12</sup> Affordable housing floorspace must be replaced on an identical basis where a tenant has a right to return. Where there is no right of return affordable housing must be replaced on an identical or equivalent basis, i.e. social rented floorspace may be replaced with social rented floorspace or by general needs rented accommodation with rents at levels based on that which has been lost.

Replacement and additional affordable housing should reflect the housing needs of existing and future tenants of the estate, as well as consider the requirements of Policy HO1: Dwelling size mix that prioritise the delivery of additional family sized housing. Schemes should make provision to re-house existing residents, after which the mix of all additional units should reflect the wider housing needs of the borough in all but exceptional cases where a variation can be robustly justified. Existing residents should be rehoused in advance of occupation of new market housing.

Proposals for the renewal and regeneration of the Borough's estates should provide satisfactory levels of hard and landscaping areas within appropriate locations of the scheme. These should comply with other policies relating to satisfactory provision of external amenity/open space, walking, cycling and parking, as well as include measures to reduce surface water run off issues (via SUDS) and support urban greening and net gains in biodiversity.

The Development Plan sets out the quantity and quality of open space (amenity space) that is required to ensure these are accessible and address the future needs of the Borough. However, it may not be always possible to apply these standards, as there is a deficiency in accessible open space provision in certain parts of the Borough. Many of the Borough's estates include designated open space and any proposals for the renewal and regeneration of these should seek to ensure there is no net loss in open space provision, for which there is a presumption against within this Local Plan.

To justify the potential net loss of open space provision, in exceptional cases, applicants would need to submit a robust assessment of the existing quantity, quality of open space provision in contrast to the proposed provision and the rationale for the proposed net loss of open space, including other overriding planning benefits of the proposal. This should set out an understanding of the function, quality, benefits, and disadvantages of the existing provision, as well as options that were taken to limit any quantitative loss and why these were not appropriate. Any quantitative loss of open space should result in the delivery of a higher quality open space provision with a range of recreational facilities for children, as well as suitable measures for landscaping and urban greening to support biodiversity.

Proposals regeneration, renewal of estate should be bought forward via a master plan led approach covering all of the estate and should be developed in partnership with other stakeholders including other landowners. This will ensure a comprehensive redevelopment proposal comes forward for the estate, rather than piece meal redevelopment. This should investigate, in partnership and effective consultation with other stakeholders (including residents), the considerations below;

- > the physical, social, environmental, economic issues facing it, including health, equality issues facing residents, opportunities for addressing these.
- The needs/aspirations of existing/future residents in relation to the type, size, tenure of future housing; the level type of social infrastructure (including private/communal amenity spaces, community facilities, leisure and recreational facilities, parking)
- > The assessment of the physical, environmental, heritage and other development constraints and appropriate measures to address these

- Sustainable transport measures including the improvement of pedestrian links, cycle paths, public transport initiatives within the site and linking to surrounding areas
- Measures to promote active lifestyles and healthy living
- > Satisfactory access, layout, massing of blocks and design of the schemes
- Appropriate levels of hard/soft landscaping, urban greening to achieve a net gain in biodiversity
- Measures to promote the efficient use of resources, minimise energy usage and explore options for the use of low carbon or renewable energy sources

It should be noted the above list of consideration is not an exhaustive list, as these are likely to vary between different estates and other issues may emerge when proposals come forward or via consultation processes. The Council recognises that proposals permitted for the renewal, regeneration of the estates may need to be implemented in phases in line with its masterplan, whilst seeking to minimise any harmful amenity impacts and conveniences to existing residents still residing in the estates. Applicants will be required to submit a Decant Strategy that demonstrates; the necessity of moving existing residents to alternative temporary/permanent accommodation, the process is fair and efficient, adequately considers the needs of households (e.g. access to schools, health issues) in order to facilitate the regeneration and redevelopment of all/parts of the estate. It will also be necessary to include measures to minimise any disruptions to the lives of existing residents during construction and the need for relocating them, after they have settled in accommodation within a given location. This should be based on discussions with the relevant Council teams such as housing, adult and social care and education, as well as comply with any relevant regulatory requirements and established good practices.

National Policy requires planning decisions to consider the social, economic and environmental benefits of estate regeneration. In Harrow's view, health benefits are equally important to address the objectives of sustainable development. Applicants for estate regeneration schemes should set out in a supporting statement the overall social, health, economic, environmental benefits of their proposal to enable consideration of these in the decision-making process and promote sustainable development.

During the Plan period, the Council will monitor the issues, challenges facing the Borough's Estates and those who reside within them, as well as potential public funding for estate renewal, regeneration and proposals that come forward via planning processes. Based on this, the Council may decide whether any direct intervention such as the use of. Compulsory Purchase Powers is required (if appropriate), or indirectly with Registered Social landlords, site owners, to implement a comprehensive regeneration, renewal or maintenance scheme for the Boroughs estates, either via Planning processes or other mechanisms.

#### **Reasonable Alternatives:**

#### Option 1: Alternative approach would be no policy

The NPPF / London Plan is silent on the some or all of the matters covered by the proposed Local Plan policy, meaning there would be limited guidance to determine

planning applications against, impacting upon the effectiveness of the Plan. This approach is not considered the preferred option.

# Option 2: Require proposals to re-provide of external open space (amenity space) at an equivalent quantity of the original space (i.e. no net loss).

There is a deficiency in accessible open space (external amenity space) within certain parts of the Borough. Many of the Borough estates include designated open space and proposals should seek to ensure, there is no net loss in existing open space provision and where possible seek to meet any standards in relation to the quantity and quantity of provisions. But the potential policy option of ensuring no net loss in existing open space provision (i.e. no flexibility based on compliance with a criteria) may have adverse impact on the delivery of a higher quality provision, with a range of recreational facilities and the delivery of other planning benefits (e.g. addressing priority housing needs, community needs), as well as may have some impact on the design quality of the scheme and in rare instances the potential deliverability of schemes (e.g. lower housing output). Due to these factors, option 2 was not considered the preferred option.

### Policy HO6: Accommodation for older people

Linkages:

NPPF Chapter 5: Delivering a sufficient supply of homes

NPPF Chapter 11: Making effective use of land

London Plan Chapter 3: Design
London Plan Chapter 4: Housing

#### Policy HO6: Accommodation for older people

- 1. Proposals for specialist C3 and non-C3 older peoples residential accommodation such as care homes and extra care facilities will only be suitable where:
- a) It is demonstrated they would meet an identified local need, particularly to enable older people to live independently
- b) It would deliver specialist older people accommodation that would contribute to meeting the Local Plan strategic target for specialist older person accommodation
- c) Affordable housing is provided in line with Policy HO5
- d) it has adequately considered and addressed all design issues in Part 3 or Part 4 to ensure the accommodation is suitable for the intended occupiers;
- e) it provides the necessary level of supervision, management and care/support for the intended occupants, which will be secured in a legal agreement;
- f) it is easily accessible to public transport (PTAL 3-6), shops, services, community facilities (including health) appropriate to the needs of the intended occupiers
- g) it contributes to mixed and balanced communities.
- h) Proposals consider and respond positively to the objectives, priorities of the Councils housing and commissioning strategies
- 2. Extra care proposals will be usually classed as a C3 use. Such proposals must demonstrate that the following design issues have been considered and addressed to ensure the accommodation is suitable for the intended occupiers:
- a) The proposal is for provision of self-contained units which address requirements for private internal space;
- b) There should be an appropriate balance between private residential accommodation and communal space for ancillary uses to the primary use of the site.
- c) Good quality guest and/or staff accommodation (where appropriate) is provided in line with minimum space standards, with sufficient storage space and facilities for visitors and staff;
- d) There is appropriate privacy of internal spaces in the building for relevant groups, namely residents and any staff accommodation/rooms;
- e) Appropriate bathrooms, kitchen/laundry facilities and appropriate rooms for activities/therapy/community use are provided;
- f) Appropriate wheelchair accessibility is provided. At least 10 per cent of dwellings meet Building Regulation requirement to 'Wheelchair Adaptable Category M4(3)(2)(a)' standard or, where Harrow Council are responsible for allocating or nominating a person to live in that dwelling, Wheelchair Accessible Category

- M4(3)(2)(b) as set out in the Approved Document M of the Building Regulations. All other dwellings meet Building Regulation requirement M4(2) 'accessible and adaptable dwellings'
- g) Proposals make provisions for a sufficient level, type of private, communal and public amenity spaces and facilities.
- h) The layout and design of communal spaces/facilities should be designed to encourage incidental meeting, interaction and to develop a sense of community
- i) Demonstrate how the range of type of units and their design will address the needs of people with dementia and other long-term health conditions, and be informed by discussions with providers and demonstrate accordance with the Council's commissioning and housing strategies
- j) Adequate access, parking and servicing access arrangements are demonstrated, with a safe drop off point within 50m of the main entrance in line with policy M2. This must be appropriate for emergency vehicles
- Provision of suitable charging points for mobility scooters is included on-site with a minimum standard of secure scooter storage and charging facilities equivalent to 25% of dwellings<sup>13</sup>
- 3. Care homes must demonstrate the following design issues have been considered and addressed to ensure the accommodation is suitable for the intended occupiers:
- a) There is an appropriate balance of private residential space and ancillary space associated with the care required for the use
- b) There is appropriate privacy of internal spaces in the building for relevant groups, namely residents and staff;
- c) 100% of all habitable rooms are wheelchair accessible;
- d) Accommodation is provided in line with relevant design guidance and best practice standards; such as set out by the Care Quality Commission;
- e) Adequate access, parking and servicing access arrangements are demonstrated, with a safe drop off within 50m of the main entrance. This must be appropriate for ambulance/mini bus drop-off;
- f) Provision of accessible communal outdoor space for use by residents, staff and visitors which is well designed in terms of its function, layout within development proposals to ensure a good level of amenity with regard to daylight and sunlight, noise, enclosure, overlooking, privacy and security.
- g) Adequate level and range of care facilities and support, communal areas/facilities (i.e. dining areas, lounging area, kitchen meal preparation) offered to address the individuals needs of residents on site
- 4. The Council will resist development proposals which involves the loss of floorspace in specialist older peoples and care home accommodation unless:
- a) It can robustly demonstrate that there is a surplus over a long-term of this housing type in Harrow.; or
- b) adequate replacement on-site accommodation will be provided that satisfies Part 3 or Part 4 or
- c) adequate replacement accommodation is provided elsewhere in the borough that satisfies Part 3 or Part 4; or

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<sup>&</sup>lt;sup>13</sup> Accessible design features in specialist older persons housing (london.gov.uk)

d) It can be demonstrated the existing accommodation is unsatisfactory for modern standards or cannot be adopted to meet these to re-provide the use and/or is not fit purpose

#### **Supporting Text:**

Harrow is expected to experience an ageing population with a significant growth in the older population during the Plan period. The Draft Local Housing Needs Assessment (2022) indicates that households aged 65 + plus are expected to increase by 28% and households aged 75+ are expected by 64% between 2021-41 (table 8). Whilst the ONS 2018 households' projections indicate that the Boroughs, 65+ household population is expected to increase by 21% and 75+ household population 25% between 2022-23. However, it should be emphasised the growth in the older population will not necessarily increase the need for accommodation that is suitable for older people, as most older people will most likely continue to remain within their house throughout their lives, whilst others may down/right size and it common cultural practice for multigeneration households to reside and care for one another in a single dwelling, particularly amongst the ethnic minority groups that form a large part of the Borough population. The Plan seeks to ensure a wide range of high quality and affordable housing options are available to older people. This includes accommodation for those seeking to remain in their homes, downsize from larger homes whilst remaining in the area, or people requiring more tailored, specialist accommodation with elements of support or care.

Local needs for older persons accommodation should be met principally through conventional housing. Where this is a good level of this type of provision available in the Borough there will be less reliance on specialist forms of accommodation (with varying levels of care). All new residential development in the C3 Use Class must therefore be designed to be adaptable to the varying needs of users at all stages of life, in accordance with Local Plan policies The Council will also encourage the retrofitting of existing residential buildings and units to better suit the day-today needs of older people, including by making them wheelchair adaptable or accessible. All proposals for retrofitting (via internal external alterations) must ensure compliance with other Local Plan policies such as those that relate to the protection of the historic environment, heritage assets and character of an area.

Specialist older person housing is a term used to describe a range of types of housing (i.e. use class C3) that suit and meet the needs of older people and does not apply to residential and nursing care homes. This provides housing that enables an older person to live independently in their self-contained living space, with communal facilities and varying levels of support (if needed). This can include age restricted housing for people aged 55 years or above, such as key products like retirement living or sheltered housing for older people aged 60 and above (usually with on-site support and some communal facilities), extra care housing (with on-site care services) and care villages or continuing care retirement communities (with higher levels of care). it should be noted the market for older people accommodation is diverse and evolving and other products may fall within the definition of specialist housing<sup>14</sup>. The benefits

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<sup>&</sup>lt;sup>14</sup> See Appendix X: glossary for a definition of the different types of older people accommodation.

of specialist housing are; they enable older people to live independently for longer, with positive health and wellbeing outcomes, whilst allowing access to care staff (if needed). They can result in savings for the NHS (i.e. reduce admissions and long stays) and adult social care, prevent/delay more costly moves into care homes; provide dementia-friendly accommodation; free up under-occupied homes (often with gardens) to meet the needs for family sized housing.

Further, residential or nursing care homes address the accommodation needs (i.e. use class C2), usually of those who are aged 75+ or have serious health issues or needs that requires specialist care staff or professional nursing staff. These are non-self-contained accommodation, comprising of a residential setting where a number of older people live, usually in single rooms, and have access to on-site care services and other facilities.

The London Plan (2021) Policy H13 sets the Borough an annual benchmark target to provide 165 units per annum (or total of 1980) of accommodation for older people between 2017-29 (12 years). This equivalent of 2300 units older people units over a 15-year period and 3,300 units over 20 years (2021-41). However, the Draft Local Housing Needs Assessment (LHNA) indicates this benchmark figure does not take account of the anticipated lower rate of forecasted increase in the older population, after 2029 and may have been overstated the level of need. The Council will monitor need, supply, pipeline of older people accommodation during the Plan period, and will consider updating the evidence (if necessary).

The Councill commissioned Housing Learning Improvement Network (LIN) to undertake an assessment (2022) of the future need, for housing and supported accommodation for older people and adults who have care/support needs, including those eligible for care from Harrow Council adult social care, covering a period between 2022 -32. The aim of this was to inform the Councils future housing planning, investment and delivery programmes. This indicates a total need to provide 980 units of specialist accommodation for older people between 2022-32 (10 years), comprising of circa 660 units of retirement housing; 320 units of extra care housing. In addition, it noted 30 bed spaces for residential care and 200 bed spaces for nursing care are required to address local needs. Therefore, a large proportion of housing needs of older people would be addressed via the delivery of a higher level of specialist older people housing such as extra care, retirement housing and there is small need to deliver nursing care homes and limited/no need for care homes.

The Councils Housing Strategy (2019) seeks to move away from the traditional model of providing care homes (with support staff) toward providing specialist older people housing with an appropriate level of support and ensuring existing/new stock of housing meets accessible and adaptable standards, to enable older people to remain independent within their accommodation. More general levels of accessibility in the wider public realm are also an issue and can also help enable people to remain in their homes for longer; policies which make streets more liveable can help to remedy this. The strategy indicates the overarching need is for affordable extra care housing for rent. It also seeks to increase the supply of extra care housing for older people in Harrow with frailty, mild to moderate dementia, physical disabilities and mild learning disabilities who can continue to live independently with appropriate support in place as an alternative to residential care. Further, it recognises a need to develop specialist housing solutions for people with dementia, through an approach that integrates housing, adult social care and health.

The Council's Adult Social Care Services Team have produced a Market Position Statement<sup>15</sup>. This sets out the Council's current commissioning approach and market opportunities for providers. it sets out the current understanding of social care needs, forecasts and demand projections. Further, its sets out Adult Social Care's commissioning intentions for Housing, including Extra Care and Supported Living, as well as areas such as Older People, People with Dementia, Learning Disabilities and Autism, Equipment Services and Assistive Technology etc. This will be updated, when necessary throughout the Plan period

Applicant will be required to demonstrate how their proposal has considered the finding of the above evidence-based documents (or any subsequent updates to these) and how this has informed the type of product they are proposing. Further, applicants are encouraged to have early discussions with the Councils Housing, Adult Social Care teams and other stakeholders, in relation to ensuring their proposal is addressing a specific local need, consisting with Councils strategies, programmes any design considerations, as part of the application process.

The Councils affordable housing policy will apply to specialist older people housing falling within a C3 use class. In addition, the affordable housing policy may also apply to C2 proposals that include self-contained units with a greater level of support floor space and there may be potential for residents to purchase them and choose their support/care provider. In relation to tenure of affordable housing within a scheme, the Council may accept a different split if robust evidence is provided by the applicant to justify this, as well as may consider a lower contribution if the units are 100% low cost rented products.

Specialist older persons and care home accommodation must be sensitively integrated into neighbourhoods at locations that are well-connected by public transport, and within easy reach of community facilities and services. Residents, carers and visitors should benefit from safe and convenient access to and from the site as well as the surrounding area. Developments should include accessible pathways and gradients to enable residents to move with relative ease whether by walking or with the use of aids, such as wheelchairs or mobility scooters. Accessibility is vital to ensuring the development adequately responds to the mobility needs of occupiers. It is also important to promote independence and facilitate social interaction, which in turn can help to address isolation and loneliness, which is a key public health issue.

There are a range of specialist older housing products that are designed for older people. Supported housing for other vulnerable groups is covered under Policy HO7. The Council will consider which use class a proposal falls into on a case-by-case basis, although extra care facilities will generally be considered to be C3 use unless they include a significant element of care. This will consider the supporting text of London Plan Policy H13 that provides guidance on the factors that should be considered, to clearly distinguish whether a scheme should be classed specialist older people homes or care home accommodation. Where a development proposal does not meet the attributes of specialist older persons accommodation or care home accommodation set out in the London Plan, then the general housing policies in the London Plan and Local Plan will apply. Regardless of whether extra care facilities are determined to be a C2 or C3 use (or Sui Generis use which could also be justified in principle), relevant

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<sup>&</sup>lt;sup>15</sup> https://www.harrow.gov.uk/downloads/file/31688/MPS Accessible New Logo 130723.pdf

policy requirements including affordable housing will apply. Development proposals must provide details of care aspects (including qualifying age), entry criteria, minimum expected numbers of care hours per week and the proportion of residents expected to need different levels of care; and how the facilities are to be funded and managed.

To ensure high quality accommodation is provided, the design of specialist residential accommodation for older people (including new build, conversions and extensions) must demonstrate it has considered and addressed a number of key design aspects. To ensure appropriate privacy for residents, elements of a building should be ranked on a scale of ascending privacy, with the most public spaces close to either main entrances or centrally located, and the private dwellings the farthest away from the main entrance. There should be separation between areas just for residents, staff and visitors with a distinction between shared spaces. Provision of communal spaces must be proportionate to the scale of the accommodation and not excessive, optimising the accommodation for residents whilst maintaining the usability of the communal spaces.

Suitable bathrooms, storage space for equipment and appropriate rooms for activities must be provided. Providing and retaining storage space is important for mobility scooters, hoists and other equipment both in existing accommodation and new provision. In particular, extra care should provide sufficient charging points for scooters, equivalent to 25% of dwellings. Likewise, conversions involving loss of activity rooms/amenity rooms would also need to be justified.

Developments must also make adequate provision for access, parking and servicing for vehicles, with drop-off points for taxis, mini-buses and ambulances located near the building's principal entrance.

When determining applications for specialist forms of older people's accommodation, the Council may take account of detailed standards and design guidance including (but not limited to) the following documents or any appropriate successor documents:

- The design and build of successful extra care housing Housing LIN17<sup>16</sup>
- Building better care homes for adults Care Inspectorate 1718; and
- Extra Care Housing Development planning, control and management RTPI Good Practice Note<sup>18</sup>

#### **Reasonable Alternatives:**

#### Option 1: Continue existing Local Plan policy approach (DM 29)

The current Local Plan Policy DM29: Sheltered housing, care homes and extra care housing is highly permissive. It supports proposals if they are located within accessible locations and only allows the loss of such uses if there is no demand. Applying this option is not considered the preferred option, as it is open to wide interpretation. This will make it difficult to ensure right type, size, tenure older person accommodation,

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<sup>&</sup>lt;sup>16</sup> Design principles A4 doc 08\_02\_11.indd (housinglin.org.uk)

https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwj\_s8H81aWCAxVgWEEAHe7uAyEQFnoECBMQAQ&url=https%3A%2F%2Fwww.careinspectorate.com%2Fimages%2Fdocuments%2F2279%2Fbuilding\_better\_care\_homes-040414.pdf&usg=AOvVaw0rMbCi\_MrjtPuHHN6YWbBe&opi=89978449

<sup>18</sup> GPN8:GPN1 New (housinglin.org.uk)

with a sufficient level of care/support, is delivered to address local needs. It will not provide a strong basis to ensure proposals are well designed, located to promote independent living and guidance to distinguish between C2 and C3 use class orders.

# Option 2: Support proposals within/edge of town centres (excluding neighbourhood centres)

This approach is not considered the preferred option, as some of the town centres have a low public transport accessibility rating score, particularly those located to the north of the Borough. Therefore, although older residents may be able to access local services facilities, there is a potential risk this option may result in poor access to public transport and result in social isolation of older people from friends, families or experience difficulties accessing essential services like health care.

# Option 3: Include a higher target to provide 165 units/total of 1980 of accommodation for older people between 2017-29 (12 years) or 2300 units over a 15-year period

This approach is not considered the preferred option, as the Draft Local Housing Needs Assessment indicates that the rate of older people population growth is likely to reduce after 2029 and Policy H13 indicates Plans should take account of any local needs information, in addition to the indicative benchmark figure for older people accommodation (within C3 use) included within the former policy. Further, the Plan seeks address older people accommodation needs primarily via the delivery of conventional C3 housing that are well designed to meet the changing needs of the occupants throughout the lives. There is a risk that the potential inclusion of a higher target for older people accommodation may undermine the Council's ability to meet other priority housing needs such as family housing and affordable housing.

### Policy H07: Supported and Sheltered Housing

Linkages:

NPPF Chapter 5: Delivering a sufficient supply of homes

NPPF Chapter 11: Making effective use of land

London Plan Chapter 3: Design
London Plan Chapter 4: Housing

#### Policy H07: Supported and Sheltered Housing

- 1. The Council will support proposals for the provision of specialist and sheltered accommodation for vulnerable, disadvantaged individuals or groups of the population, providing;
  - a. It is demonstrated the scheme will adequately address a specific local need
  - b. it is suitable for the intended occupiers in terms of the standard of facilities and the level of independence,
  - c. It provides the necessary level of supervision, management and care/support, security and community safety (where necessary)
  - d. it is appropriately located in areas that there is easy access to public transport, shops, services and community facilities appropriate to the needs of the intended occupiers
  - e. Regard must be had to any best practice standards that the Council considers relevant, and which are related to the specific type of accommodation and the people/groups it is targeted to
  - f. Proposals must consider and respond positively to the objectives, priorities of the Councils housing and commissioning strategies
  - g. It contributes to creation of balanced, mixed and inclusive communities and would not result in the over concentration of supported and sheltered housing within a neighbourhood that would result in a harmful impact on the amenities of neighbouring properties and surrounding area.
  - h. . It complies with other relevant policies within the Development Plan
- 2. The Council will resist the loss of supported and sheltered housing unless:
  - (i) adequate replacement accommodation of the same quality and quantity
  - (ii) will be provided for the particular group; or
  - (ii) it can be demonstrated that the accommodation is no longer needed for the particular group or other relevant groups in need of supported/sheltered housing; and
  - (iii) it can be demonstrated that the accommodation is not suitable for the care of the intended occupants (or other relevant occupants of supported/sheltered accommodation) in its current condition and format and/or is incapable of being maintained at an acceptable standard

#### **Supporting Text:**

The Council seeks to ensure everyone has access to a decent and secure home. Supported and sheltered accommodation provide an essential place of residence for the most vulnerable and disadvantaged individuals or groups of society, as well as can include a certain level of support or care to address their distinct needs. The overall aim of this type of accommodation is to enable individuals with specific needs to live as independently as possible within the community, with an overall focus of promoting social inclusion.

The provision of a wide range of supported and sheltered housing is likely to be necessary during the Plan period, including permanent, long terms and shorter-term accommodation that meets temporary needs. This can include foyer accommodation for young people, refuges, and long-term accommodation for people with ongoing support needs. The wide range of supported housing types may also include accommodation referred to as hostels (which may or may not have an element of care, but are distinct from visitor accommodation hostels). In planning use class terms, supported housing may be considered Sui Generis, C2 or C3 and would usually be considered exempt from (or be provided instead of) affordable housing requirements.

The Council commissioned Housing LIN to undertake an assessment the future need, over the next ten years (2022 - 32), for adults who have care/support needs, including those eligible for care from Harrow Council adult social care. A summary of the key findings of this are include below

- 1. Adults with mental health needs: This indicates there were a circa total of 400 individuals, aged between 18-64 living with a mental health related need living in Harrow in 2022. A significant proportion of this population lived in mainstream housing (48%), followed by supported housing (26%), residential care (21%) and a smaller amount in nursing care (5%) and shared lives placements (1%). It projects that there will be a 100% increase in the number of adults who have mental health issues by 2032 (increase of 400 individuals). But in terms of type of future accommodation needs, their research indicates there will be a gradual shift towards supported accommodation (36%) with significant level of support, to enable recovery and independence, a 50% decline in in people living in nursing and residential care homes and half of needs will be accommodated in mainstream housing with a certain level of support if needed.
- 2. Adults with learning disability: This indicates there were a circa total of 644 individuals, aged between 18-64 living with a learning disability living in Harrow in 2022 A significant proportion of this population were living with family/friends or informal carers (33%), followed by mainstream housing with care/support (23%), residential care (23%). Whilst a smaller proportion were living within supported housing/living either self-contained or shared (18%) and nursing care (2%). The number of adults with learning difficulties is expected to increase to 675 (5%) individuals by 2033. Further, in relation to type of accommodation required to address this need, it suggests there will be a higher need for

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<sup>&</sup>lt;sup>19</sup> This is a type of secure accommodation that includes support for the personal development and encourages the independent living of its disadvantaged, vulnerable individuals

supported housing/ living in a self-contained environment (i.e. 25%), a rise in shared lives adult placements (5%), as well as 50% decline in adults living in residential care (11%), a decline in nursing care and a decline in individuals living with family/friends (25%).

3. Adults with learning difficulties/autism: It is estimated that there will be an increase in 155 people with leading difficulties/autism by 2032. It suggests this need should be addressed via rented supported housing (120) and shared lives accommodation (

The Council's Housing Strategy 2019 indicates there is a continuing need for supported housing to meet the needs of groups such as people with learning disabilities, people with physical disabilities, individuals and families at risk of or recovering from homelessness and rough sleeping, people recovering from drug or alcohol dependency, people with mental ill health, vulnerable young people (such as care leavers and teenage parents) and people fleeing domestic abuse. The Council will continue to work with a range of stakeholders, partners (e.g. registered providers) to deliver additional supported, sheltered accommodation products to address the future needs.

The Council have developed a Market Position Statement (MPS) for Adult Social Care Services in Harrow, which sets out the current commissioning approach and market opportunities for providers, the current understanding of social care needs, forecasts and demand projections. It will set out Adult Social Care's commissioning intentions for Housing, including Extra Care and Supported Living, as well as areas such as Older People, People with Dementia, Learning Disabilities and Autism, Equipment Services and Assistive Technology etc.

Applications should clearly set out how the development will assist in meeting an identified need for the use proposed. It is vital that the accommodation is appropriate for the use and group(s) for which it is intended, so that the specific type of managed care or supervision required can be delivered effectively. Applicant will be required to set out how their proposal has considered and responded to the finding of the above evidence-based documents (or any subsequent updates to these) and how this has informed the need, type of supported or sheltered housing product they are proposing. Further, applicants are encouraged to have early discussions with the Councils Housing, Adult Social Care teams and other stakeholders when developing their proposals for supported and sheltered housing schemes, in relation to the type of product being proposed and specific level of care / management requirements.

Supported housing may be acceptable as part of a mixed-use development, although where a proposal involves more sensitive types of supported housing, this may not be appropriate.

The Council consider supported housing to be any housing scheme where housing, support and (where relevant) care services are provided (or are capable of being provided) as an integrated package. Some schemes are long-term, designed for people who need ongoing support to live independently. Other, semi-independent living options are designed to help people develop the emotional and practical skills needed to move into more mainstream housing and provide varying levels of support. Support can include help with health needs, including mental health, drug and alcohol use, managing benefits and debt, developing daily living skills and accessing education, training and employment. Supported housing provision may be necessary

for a range of people/groups<sup>20</sup>. Policy H12 of the London Plan includes a detailed list of groups for whom supported and sheltered accommodation may be suited for. Applicants will be required to submit a satisfactory management plan, detailing the level, type, duration of support/care that will be provided to the intended occupants. Measures required for the security and safety of the user (if necessary) shall be set out within the management plan.

In order to secure mixed and inclusive neighbourhoods and communities, development proposals should not result in a harmful overconcentration of similar uses within an area.

Existing supported housing and sheltered accommodation will be protected where need exists and the accommodation remains suitable, unless it is adequately replaced. The replacement can occur on-site or off-site and will be considered in terms of both the quality and quantity of accommodation replaced, in line with relevant best practice standards and the ability/need to provide continuation of a service. Off-site replacement may be acceptable but will depend on the quality of accommodation as set out within Part 1 of the policy.

Proposals must demonstrate the supported and sheltered accommodation is no longer needed for particular groups, to justify a loss of these. This should be considered at a local level to ensure that varying changes in provision at a wider scale are considered. Changes in service delivery can render accommodation outdated and no longer fit for purpose. Where loss of such accommodation is proposed, this must be evidenced including information which shows that refurbishment is not possible. Accommodation must be proven to be not fit for purpose for the existing specific supported housing and for other relevant types of supported housing which could reasonably occupy the accommodation. In some cases, a replacement development may provide units meeting different supported housing needs which fall within different use classes.

Proposals involving the loss of existing supported housing must take every opportunity to accommodate unmet need(s) for other relevant types of supported housing. There are a range of supported housing need(s) which will need to be considered, with differing design considerations which need to be considered to assess the feasibility of utilising existing provision. Consultation with the Councils Housing department, Adult Social Care department and/or Children's Services department must occur as part of evidencing meeting unmet need.

#### **Reasonable Alternatives:**

#### Option 1: Continue existing Local Plan policy approach (DM 29)

The current Local Plan Policy DM29: Sheltered housing, care homes and extra care housing is highly permissive. It supports proposals if they are located within accessible locations and only allows the loss of such uses if there is no demand. This approach is not considered the preferred option, as it is open to wide interpretation. This will make it difficult to ensure right type, size, accommodation, is delivered to address local needs. It will not provide a strong basis to ensure proposals are well designed, with adequate level of care/support to cater for the needs of vulnerable individuals/groups

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<sup>&</sup>lt;sup>20</sup> The relevant policy for accommodation related to older people, which may include housing which could be referred to as supported housing, is Policy HO6 Accommodation for older people

and are well located to promote independent living and guidance to distinguish between C2 and C3 use class orders.

## Policy HO8: Purpose-built student accommodation

Linkages:

NPPF Chapter 5: Delivering a sufficient supply of homes

NPPF Chapter 11: Making effective use of land

London Plan Chapter 3: Design London Plan Chapter 4: Housing

#### Policy HO8: Purpose built student accommodation

- 1. Proposals involving the development, redevelopment and/or intensification of purpose-built student accommodation (PBSA) will be supported providing:
  - a. It is demonstrated there is a local or strategic need for the proposal
  - b. Proposals for PBSA must be appropriately located:
  - i. on well-connected sites that are easy to access by walking, cycling and public transport;
  - ii. Within or at the edge (300m) of town centres, which benefit from good provision of shops, services, leisure and community facilities appropriate to the student population,
  - iii. Priority is given to sites located in proximity to the education facility the development is intended to serve, or other higher education institutions
  - c. The majority of the bedrooms in the accommodation are secured for use by students over the lifetime of the PBSA, via a nomination agreement with one or more specific higher education provider (HEP). This evidence must include confirmation the proposed rental levels for PBSA are supported by the linked
  - d. A range of accommodation types, including cluster flats with shared kitchen and bathroom facilities, unless it is demonstrated this would be inappropriate
  - e. It is well-designed, providing appropriate space standards and facilities and it is sustainable by virtue of being adaptable to alternative residential use or other appropriate town centre uses
  - f. A satisfactory site management and maintenance plan (secured by planning condition) covering the lifetime of the accommodation is agreed by the Council, to demonstrate an acceptable level of amenity and access to facilities for its occupiers and not give rise to unacceptable impacts on the amenities of the occupants of the accommodations and existing residents, neighbouring uses in the surrounding areas.
  - g. The level of PBSA proposals (individually or cumulatively) in a location should
  - result in the harmful overconcentration of PBSA within a given location and undermine mixed and inclusive neighbourhoods. This will have regard to the character of the area, mix of uses, potential impacts on neighbouring properties and residents within the surrounding area.
  - ii) compromise the delivery of conventional self-contained housing, particularly family and affordable housing to meet the Borough needs, in line with Strategic Policy HO3:
  - h. The maximum level of accommodation is secured as affordable student accommodation on-site in line with London Plan Policy H15.

- 2. Proposals for any potential ancillary or temporary use of the accommodation during vacation periods should be designed at the outset of the scheme and should ensure:
  - i. There are no adverse impacts or risks to the safety, welfare and amenities of the existing students and staff occupying the student accommodation, in compliance with any FE or Council policy/regulations
  - ii. There are adequate design measures to limit/restrict the movement of occupants of the PBSA, temporary /ancillary uses and distinguish between the permanent use
  - iii. There is not an over concentration of similar uses, which can impact the balance and mix of uses and result in potential harmful amenity impacts
- 3. The loss of existing PBSA will be resisted unless it is demonstrated:
  - (a) It no longer caters for current or future needs,
  - (b) It is unsuitable and unviable for operating within the existing use;
  - (c) the floorspace is replaced by another form of residential accommodation that meets other priority Local Plan housing requirements
  - (d) Exception to the above is if the scheme is proposing to replace existing accommodation with equivalent floor space that meets modern standards.

#### **Supporting Text:**

London's higher education providers make a significant contribution to its economy and labour market. The Harrow campus of Westminster University is located on the southern edge of the borough boundary, within the administrative area of Brent. It is located within the southern edge of the Harrow and Wealdstone Opportunity area (cira180m), as well as within proximity to Harrow Metropolitan Centre (circa 500m) and Kenton District Centre (circa 500m). There are several further education institutions; such as Harrow College; situated within the Borough which attract students from both within the Borough and the greater London area, who generally tend to commute rather than reside in student accommodation within the Borough.

The London Plan includes a policy (H15) to consider the need for Purpose-built student accommodation (PBSA). This identified an annual need to provide 3,500 bed spaces of PBSA but does not allocate borough benchmarks or targets. The key reasons are; needs will vary with changes in higher education provider estates, Government policy, and site availability. Further, it clearly emphasises that "meeting the requirements of PBSA should not undermine policy to secure mixed and inclusive neighbourhoods". To date the Council has received a limited level of interest for PBSA, but it is very likely the Borough's student population are residing within the existing stock of rental housing products, such as HMO's, flat/house shares or living with parents or family.

The Draft Local Housing Needs Assessment (LHNA) indicates the Borough does not have a high student population compared to other areas within London and it is common for students to attend a University in one Borough and reside in another. Therefore, the LHNA did not undertake a detailed assessment of the housing need for this group. But the households' projections within this show a limited rise in younger sharing households; no significant increase in single person households and couple households without children; who may be in student age groups (i.e. 15-24 and 25-25-34) during the Plan period (i.e. 2021-41). The projected rise in other households is

explained by the increase in multi generations households as opposed to sharing households (e.g. HMO, house shares). Although the evidence does not indicate a need for student accommodation, guidance is needed for consideration of applications that may come forward for a HEP located within another borough.

This policy seeks to steer new PBSA within existing town centres (excluding neighbourhood centres) or 300m from the edge of them. These locations are likely to be more; accessible to HEP; conveniently located within proximity to local facilities, services and public transport, including good walking and cycling infrastructure. The key benefits of this are; it will enable students to easily address their daily needs for retail, leisure facilities, local facilities via sustainable modes of transport (without private car use), reduce the cost of living; as well as support the vitality, viability, and the regeneration of the Borough's Town Centres. Further, it will help avoid the risk of the potential adverse impacts of the potential high cluster of various types of student accommodation in residential areas of the Borough that are characterised by dwellings predominately occupied by family housing (i.e. on street car parking, displacement of family households, affordability of housing, amenity issues). Applicants will be required to demonstrate the site selection process has given priority to locations that are within proximity to HEP that the PBSA is intended to serve. PBSA that is intended to meet a need from outside of the Borough should be supported by sufficient justification in relation to the site location, both locally and in the individual site context.

To avoid speculative student accommodation, new PBSA schemes proposed by private providers must be developed and secured (via a nomination agreement) for occupation by students of one or more specific HEP. This ensures proposals will genuinely address an identified need. In line with Policy H15 of the London Plan (2021), applications will only be permitted if they provide evidence of an end user affiliated with a HEP and demonstrate appropriate management arrangements are in place, so that rooms will be rented solely to students over the lifetime of the development, including an identified landlord, agent or management company. Further tenancies should have regard to the likely level of financial support/income of the intended occupiers and the proposals rental levels should be submitted, with evidence the HEP support this.

Site management and maintenance plans are important to delivering successful PBSA schemes, as well as avoiding potential harmful amenity impact on its occupants and the surrounding neighbourhood. These plans will be required for all new PBSA and will normally be secured as a planning condition. The plans will be expected to cover matters like site management and maintenance, on-site wardens, communal facilities, safety and security for occupants and the elimination of potential amenity issues.

Student accommodation can benefit the Borough's neighbourhoods and communities, by attracting a population that can boost the level of expenditure within the Borough's town centres, provide more skilled flexible labour for local businesses and services, addressing the potential impacts of an ageing population, retaining a highly skilled/knowledgeable workforce to make the area attractive for new investment, creating additional jobs and businesses locating within the area. But an overconcentration of student accommodation within a local area can have a harmful impact on the amenity of existing residents and uses, as well as undermine objectives for delivering mixed and balanced communities. Further, this issue can compromise the delivery of conventional housing that is of higher priority to address the Borough's future housing needs and overconcentration of PBSA may not always result in the

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optimal use of the land<sup>21</sup>. In instances where there is a potential risk of an over concentration of student accommodation within a given location, the Council will resist proposals.

The Council will expect proposals to consider the specific requirements of HEP and take these into account wherever possible.-Schemes will be expected to include a range of accommodation, including clustered study bedrooms with shared facilities, double units, and single and studio units. Cluster flats with shared facilities are likely to be more affordable than en-suite single rooms and self-contained studio units. Student unit sizes and layouts should be varied, particularly to cater to the needs of wheelchair users, mature students with families, students who want to live alone and for groups of students using shared facilities. The provision of a variety of layouts will allow for greater flexibility for conversion to permanent self-contained housing or other appropriate town centre uses if in future the building is no longer needed as student accommodation, thus ensuring its sustainability. If it has been demonstrated that it would be inappropriate to include a range of accommodation within the scheme. applicants will be required to demonstrate they have considered different layouts at the design stage for a scheme, to enable it to easily be converted to a C3 residential use or other appropriate town centre uses (e.g. C1 hotel) in the future if the shared living scheme is unsuccessful. This will help to ensure the sustainable use of scarce resources.

Although most students require accommodation during term time only, some residents may need a permanent home throughout their studies and development therefore should make provision of units for year-round occupation. To help ensure the viability of PBSA, the Council will provide flexibility to allow for the temporary or ancillary use of accommodation during vacation periods or term breaks. Proposals will be considered on a case-by-case basis. Planning conditions or legal agreements will be used to ensure that any temporary or ancillary uses do not result in a material change of use of the building.

The London Plan requires that at least 35% of PBSA should be secured as affordable housing. This is to ensure that students with an income equivalent to that provided to fulltime UK students by state funded sources of financial support for living costs can afford to stay in PBSA. The definition of affordable student accommodation as set in the London Plan and its supplementary guidance will be applied. London Plan Policy H15 (PBSA) sets out the requirements regarding the delivery of affordable student units and should be referred for further information. Affordable rent levels may be subject to periodic review over plan period, considering any significant changes to the Government's student maintenance loan regime.

The Council will seek to prevent the loss of existing student accommodation, to ensure it does not adversely impact on existing capacity or existing residents, whose displacement could create additional pressure on the conventional housing market. However, flexibility will be applied where it can be suitably demonstrated that demand for the provision in question no longer exists. We will encourage the refurbishment of buildings to ensure student accommodation is brought up to an acceptable modern

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 $<sup>^{21}</sup>$  e.g. For Monitoring housing purposes the London Plan indicates that 2.5 beds within PBSA = 1 C3 dwelling V C3 self-contained housing = 1 dwelling

standard. Proposals will be supported where there is adequate re-provision of accommodation and compliance with other policies.

### Reasonable Alternatives:

**Option 1: No Policy.** This approach is not considered the preferred option. This would result in a policy void and make the Council highly reliant on national and London Plan policy for determining proposals. This will give the Council less control to promote good design, ensure development is located within the most accessible locations, prevent an over concentration of such uses and minimise their potential harmful amenity impacts. It will also make it difficult for the Council to ensure development is addressing priority housing needs of the area, such as conventional self-contained C3 housing, family and affordable housing.

### Option 2: Allow PBSA schemes within accessible locations with PTAL 3-6

This approach is not considered the preferred option, as PBSA tend to be large scale and may adversely impact the character of residential areas. It may result in the loss of family sized housing areas, if clusters of student accommodation occur in areas where PBSA scheme is located/close to it and may result in other harmful amenity impacts on neighbouring properties.

## Policy HO9: Large scale purpose built and conversions for shared living

Linkages:

NPPF Chapter 5: Delivering a sufficient supply of homes

NPPF Chapter 11: Making effective use of land

London Plan Chapter 3: Design London Plan Chapter 4: Housing

### Policy HO9: Large scale purpose built and conversion for shared living

- A. Proposals for large-scale purpose-built shared living (LSPBSL) and the conversion (or change use) of existing buildings for shared living<sup>22</sup>will be supported where they comply with London Plan Policy H16 and the following requirements:
  - Proposals will be required to demonstrate how they are meeting an a) identified local housing need based on local incomes, rent levels and existing/future demographics of the Borough
  - Applicants will be required to demonstrate the affordability of the b) proposed LSPBSL products within their scheme compared with the alternative products within the Harrow private rental sector,
  - Proposals should be located within the boundaries of Harrow c) Metropolitan Centre and Wealdstone District Centre (with a PTAL of 5-6) that form part of the Opportunity Area
  - There must not be two LSPBSL schemes within a 250m walking distance d) of each other to avoid an over-concentration of similar uses. To justify a departure from this requirement, applicants will be required to demonstrate exceptional circumstances. Robust evidence will be required to demonstrate:
    - There is no appropriate alternative town centre use such as offices, and C1 hotels or mixed-use schemes (where relevant) that would be suitable and viable on the application site
    - ii) There is no appropriate alternative use for the site that would be suitable and viable (including C3 residential or a mixed-use scheme), and
    - iii) It would be unviable, unsuitable to have a LSPBSL scheme developed at a lower scale via multiple uses (preferably in two separate blocks of development) that incorporates part of a site/development for LSPBSL the remainder for alternative uses in line with criteria (i) and (ii) above
- e) The LSPBSL scheme should not have a detrimental impact to;
  - i) Residential amenity of the neighbouring properties and surrounding area
  - ii) The character of the area
  - iii) The need to support and maintain mixed and inclusive communities
  - f) Proposals on sites with extant permission or allocated for self-contained dwellings will not be supported to avoid compromising the delivery of

<sup>&</sup>lt;sup>22</sup> NB: Any references to the acronym LSPBSL within the policy and the supporting text will also apply to proposals for change of use/conversion of a building for large scale shared living

- conventional housing to address future needs and targets, unless adequate evidence is submitted to demonstrate viability issues
- g) The ground floor of the scheme should be designed and located to be active street frontage or public realm. It must include:
  - i) Flexible workspaces,
  - ii) Public amenities (e.g. restaurants, cafes, leisure facilities) that are accessible to the wider public, to integrated it into the surroundings area, as well as develop inclusive and sustainable communities.
- h) To support a circular economy, proposals must demonstrate a flexible design and layout to allow the LSPBSL scheme to be converted/retrofitted to an C1 hotel or C3 self-contained residential uses, or other town centre uses without the need for demolition and rebuild
- i) Proposals must demonstrate satisfactory servicing arrangements are in place for deliveries, waste management and emergency vehicles and no adverse impact on the safe operations of the highway network, in line with other Local Plan Policies
- j) The applicant must provide a management plan, to the satisfaction of the Council, to address the requirements of the Policy H16 of the London Plan and the Mayors London Plan Guidance on LPBSHL. This will be secured by way of a S106 agreement.
- B. The design and layout of LSPBSL schemes in terms of their layout, functional living spaces, level and type of communal facilities must be in compliance with the LSPBSL London planning guidance (LPG)
- C. Affordable housing contributions will be required, in accordance with London Plan Policy H16
- D. The Council will resist any proposals that seek to reduce the quantity, type or restrict access to amenity provisions included within LSPBSL, after permission has been granted.

### **Supporting Text:**

Large-scale purpose-built shared living (LSPBSL) housing is a purpose-built managed rental development, with non-self-contained units comprising of functional private living areas with extensive communal spaces and facilities, under single professional management. They include a wide range of amenities to support a diverse community of residents and their needs. They provide a housing option for households who cannot or choose not to live in self-contained homes, flat shares or HMOs and are often targeted at younger, single, high skilled professional individuals who may use this product on a transition basis until they find suitable long-term housing, as well as for those working within London part of the week or on a temporary basis. They can help add to the stock of rooms available for rent in the borough but are different from other rental products (such as HMO's, hostels) and LSPBLS can be less affordable than the alternatives. But they differ from other products in terms of the general size of rooms, the level/type of communal facilities and the arrangements for management/maintenance of the scheme. They could play some potential role to help free up the stock of other forms of accommodation, particularly family sized housing

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(three bed or more) that are highly required to address local housing needs during the Plan period. However, further research is required in this relation to the extent of this relationship, as LSPBSL products are a relatively new product in the private rented sector of the London housing market.

LSPBSL housing is a unique new form of development that seeks to address the demands of a niche subset of the housing market that do not fall within conventional C3 residential use, so policies are required to shape the delivery of these. This helps ensure LSPBSL are well designed, with adequately sized rooms, a sufficient quantity and quality internal/external communal areas and facilities; to enable future residents to fulfil their daily needs, interact with one another; and develop sustainable, cohesive communities, as well as promote their health and well-being. They may provide residents with increased security via a medium - long term tenancy agreement, to enable them to establish themselves, feel more connected to a locality, and be part of a community. Assuming LSPBSL schemes are well managed, maintained, they may avoid generic issues related to HMO properties, hostels, flat shares; such as a lack of/poor quality shared communal facilities and amenity facilities, insufficient parking spaces, lack of long-term tenancy security and transitory living, as well as the poor management/maintenance of properties. Policy can also seek to ensure future schemes are located within the most accessible locations to local facilities, services and avoid the potential loss of residential uses/permissions via speculative applications and an over concentration of LSPBSL and other similar uses.

The London Plan Policy H16 and Policy HO9 will apply to all proposals developments for LSPBSL and the change of use/conversions of buildings for shared living on, schemes that consist of at least 50 non-self-contained units.

The Draft Local Housing Needs Assessment did not identify any requirement to provide LPBSL accommodation to address any specific local housing needs, as a younger population (aged 25-44) and single households are not projected to increase during the Plan period and the Borough lacks a significant student population. Further, a significant level of future housing need is for larger family sized dwellings (three bed or more) or medium sized units that could potentially be occupied by families, as well as providing accommodation that is suitable for an ageing population. Further it states "Whilst LSPBSL provides an additional housing option for some people, due to the unique offer of this type of accommodation, it does not meet minimum housing standards and is not therefore considered to meet the ongoing needs of most single person households in London".

Therefore, applicants will need to demonstrate their LSPBSL proposals will address local housing needs. This should include an assessment of the local rental rates, incomes of residents who are likely to reside within LSPBSL, current/future demographic trends, and any other relevant market factors (if necessary). Further, applicants will be required to demonstrate how the affordability of their proposed LSPBSL products compares with alternative products within the private rental sector of the housing market. This evidence will enable the Council to determine if there is a local need for LSPBSL product and if these products are the most appropriate way to address this need, as well as meeting other policies / objectives in the Local Plan, such as the retention of family size housing rather than these being converted to HMOs. Further, it is important for policy to ensure LSPBSL does not compromise the delivery of conventional housing (i.e. sites with extant permission, allocations,) to

address future housing needs and meet targets<sup>23</sup>. This approach prioritises the delivery of conventional self-contained housing to address the needs of families and low-income groups who require affordable housing, as well as avoids any potential harmful effects of any over concentration of LSPBSL on residential amenity or the mix of uses and balance of population in a neighbourhood.

In compliance with the London Plan, proposals for LSPBSL will be supported within the boundaries of the Harrow Metropolitan Town Centre and Wealdstone District Centre, which have a high public transport accessibility rating (5 -6 in line with Policy T6.1 of the London Plan). These centres form part of the Harrow & Wealdstone Opportunity Area and are considered the most sustainable locations for accessing public transport, local services, facilities and pursuing employment opportunities. The Plan anticipates the Harrow & Wealdstone Opportunity Area will accommodate a significant level of housing and employment growth. The town centres are the most suitable locations for accommodating 50 or more units LSPBSL schemes and the supporting communal facilities required to deliver functional living spaces, whilst minimising any potential harmful effects on the character areas of the Borough and ensuring viability. It should be emphasised that LSPBSL schemes tend be built at high densities and are likely to require 4 or more storeys development. In contrast, the predominate character of the Borough is two -three storeys in suburban locations and three to four storeys with the town centres and near transport hubs. This means such schemes are unlikely to be suitable or viable in locations outside of the above town centres, as developers would need to deliver a higher level of units to benefit from economies of scale required in order to fund the cost of providing/servicing communal facilities and managing the development to a satisfactory level.

This policy requires that two or more LSPBSL schemes should not be located within a 250m distance of each other (i.e. existing permissions, constructions, completions) in order to avoid an over-concentration of such uses that could have a detrimental impact on residential amenities, the character of the surrounding area, the diversity and mix of uses as well as the objective of promoting mixed and inclusive communities. Further, the potential over-delivery of LSPBSL products will compromise the delivery of conventional self-contained residential accommodation which would fully address local housing needs, particularly for increasing the delivery of family sized and affordable housing. However, the policy includes some flexibility for this requirement, to enable the Council to consider applications that may be contrary to this. Applicants must submit robust evidence to demonstrate that no alternative uses would be suitable and viable on their site (e.g. town centre uses, mixed uses). This evidence should also consider whether the scheme could include a LSPBSL use at a lower scale and include multiple uses on the remaining site/development, preferably in separate blocks; as it can sometimes be difficult to distinguish/limit uses (after permission is implemented) and its potential impacts in a single block via planning processes. This also helps avoid a potential oversupply of LSPBSL accommodation that could have adverse economic and social impacts for the Borough, and allows the Council to monitor the locations and potential impacts of this new product during the Plan period.

Applicants will be required to submit a satisfactory Management Plan in line with Policy H16 of the London Plan and the Mayor London Planning guidance, which will be secured via a S106 agreement. This will cover matters such as the need to

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<sup>&</sup>lt;sup>23</sup> .e.g. 1.8 beds of non-self-contained housing such as LSPBSL= 1 C3 unit for monitoring purposes

demonstrate adequate operational arrangements, how spaces will be maintained, and how the scheme will function as a high quality LSPBSL, as well as measures to mitigate any potential harm to the amenities of future residents and neighbouring properties.

Applicants must refer to and ensure consistency with the London Plan Guidance for LSPBSL in relation to the design and space requirements, rooms sizes (including accessible units), the level/type of communal areas/facilities required and layouts. The private rooms must provide a satisfactory personal functional living space and environment for the health and well-being of residents. Each personal room should include a window with an adequate level of natural sunlight and ventilation. The units within the scheme should not be used or be capable of being used as self-contained residential accommodation.

Proposals must ensure a sufficient level and type of internal communal space is provided for the number of private units proposed within a LSPBSL scheme, given the relatively small size of private space and potentially a high number of residents residing and using these. An adequate quantity of kitchen facilities, dining and lounge areas are an important component of shared living. These should be well designed and highly accessible, to meet the needs of all users. They should enable residents to fulfil their day to day needs, interact, socialise with their neighbours, develop healthy relationships and build a diverse, inclusive and cohesive community. Communal spaces should provide a range of amenities that facilitate health and wellbeing, supporting a diverse community and address their daily needs. Applicants must provide evidence to demonstrate how communal areas/facilities are designed to enable incidental meetings, socialising and interaction between residents, fostering positive friendships, relationships and a sense of community.

Applicants will be required to provide some flexible workspace within the ground floor a scheme, as the opportunity to provide commercial floor space are limited due to the constrained nature of the Borough. This will provide some workspace for the internal and external residents, particularly for SME's, as well as help to create commercial networks, attract investment, create additional jobs, boost economic growth and help achieve the Borough's economic objectives. Further, public amenities (i.e. café, restaurant and leisure facilities such as a gym) should be provided that are accessible to the wider public with active frontages on the ground floor of the scheme, to avoid creating closed communities and integrate the scheme into the wider area.

LSPBSL schemes fall within a sui generis non-self-contained market housing use. Both the functional private living areas and communal areas/facilities should be designed and planned to be used integrally by future residents at the outset. These schemes should not be used to provide a mass quantity of poor-quality mini self-contained living units as an alternative to providing well designed, high quality C3 residential dwellings. Any applications for change of use to convert these schemes to C3 residential use at a later date can be very challenging. To effectively achieve this, applicants will be required to demonstrate they have considered different layouts at the design stage for a scheme, to enable it to easily be converted to conversion to a C1 hotel or C3 residential use (or an appropriate town centre use) in the future, if any unforeseen adverse market conditions arise (.e.g. lack of demand for the product, development viability), as well as help encourage the efficient use of resources, reduce waste, promote the circular economy and work towards the achievement of net zero carbon target, in line with Local Plan Policies 08 and CN10.

#### Reasonable Alternatives:

**Option 1: No Policy.** This approach is not considered the preferred option. This would result in a policy void and make the Council highly reliant on national and London Plan policies for determining proposals. This will give the Council less control to promote development within the most accessible locations, prevent an over concentration of such uses and minimise their potential harmful amenity impacts. It will also make it difficult for the Council to ensure development is addressing priority housing needs of the area, such as conventional self-contained C3 housing, family and affordable housing.

### Option 2: Do not require applicants to demonstrate a need for LSPBSL

Although this approach may provide developers with more scope to determine the type of housing products that should be provided on their site to address a perceived demand in the local housing market, it will provide less of an incentive to ensure a local housing need is being addressed. Conversely, it will make it more difficult for the Council to require developers to ensure their scheme is addressing the priority needs of the area, which are conventional self-contained C3 housing, particularly affordable housing and family sized dwellings. Further, LSPBSL products tend to be less affordable than other products in the private rental sector and there is uncertainty on the extent to which it may help other issues such as overcrowded housing, under-occupation and freeing up the stock of family sized housing (e.g. properties in HMOs). The NPPF requires Plans to boost the supply of housing of the right, types, size, tenure in order to address the needs of groups with specific housing requirements (para 60, 62). This approach is not considered the preferred option.

# Option 3: Allow LSPBSL within Metropolitan and Major Town Centres and all areas of PTAL 5 – 6 (car free developments) in line with Policy T6 of the London Plan or PTAL 3-6

This approach is not considered the preferred option, even though there are small parts of other town centres within the Borough fall within PTAL 5-6 and Edgeware is a Major Town centre. The key reasons are LSPBSL schemes need to be built at a high density, with more than four to five storey height, in order to provide a sufficient quantity of communal facilities, manage/maintain the property at a satisfactory level and maintain viability of it. However, the character of the Borough comprises of two-three storeys in suburban locations and three to four storeys with the town centres and near transport hubs. This means significant parts of the Borough are unlikely to be suitable for LSPBSL schemes due to the potential impact on the character of the area and the need for economies of scale to apply to ensure viability.

## Option 4: Do not include distance test for assessing over concentration of LSPBSL

This approach is not considered the preferred option, as it will make it more difficult to assess, prevent the potential over-concentration of the LSPBSL schemes within a given locality, as well as minimise any potential related impacts on residential amenities, the diversity and mixed of uses and the objective of promoting mixed and inclusive communities. A related issue is that this option may undermine the delivery of conventional self-contained residential accommodation that addresses the priority local housing needs (i.e. family sized dwellings, affordable housing). However, the

policy includes some flexibility to consider proposals that may be contrary to this requirement in exceptional circumstances.

## Policy HO10: Housing with shared facilities (Houses in Multiple Occupation)

Linkages:

NPPF Chapter 5: Delivering a sufficient supply of homes

NPPF Chapter 11: Making effective use of land

London Plan Chapter 3: Design London Plan Chapter 4: Housing

### Policy HO10: Housing with shared facilities (Houses in Multiple Occupation)

Development proposal for Houses in Multiple Occupation (HMO)<sup>24</sup>/ and Hostels with shared facilities in the Sui Generis Use Class will only be permitted, providing they comply with the criteria below:

- (1) It is located within an area that has a PTAL rating of 4-6 with good access to public transport, local services and facilities.
- (2) It does not result in the loss housing suitable for accommodation by families based on following:
  - a): Internal floor area should exceed 130m2 (as originally built) and
  - b): It should not be located within a residential street or area that is characterised by family housing
- (3) There should be no harmful impact on the amenity of occupiers of neighbouring properties and the character of the area.
- (4) Adequate arrangements are made for the provision of amenity space for future occupiers in terms of access to gardens and communal facilities and areas.
- (5) It is well-designed, high quality accommodation with rooms of an adequate size for their purpose, having regard to internal space standards (set out in the London Plan and supporting guidance) with adequate functional living spaces and layout.
- (6) Ensure an adequate level and type of ancillary facilities such as kitchen areas, WC's, storage space and communal areas for lounging, dining are provided to address the daily needs for the proposed number of occupants
- (7) Adequate arrangements are made for the storage and collection of waste and recycling material generated by future occupiers of the development, which does not give rise to nuisance to future occupiers and neighbouring properties or a detrimental impact upon the streetscape.
- (8) It should ensure all habitable rooms have a satisfactory environment in terms of privacy, daylight, sunlight, outlook and exposure to external noise.
- (9) It ensures a balance of hard and soft landscaping on the forecourt (including forecourts that are already substantially hard surfaced) that does not detract from the appearance of the property or the street scene.
- (10) Adequate provision is made for car parking and safe access to property and does not result in a harmful cumulative increase on street parking (in compliance with policy M2 Parking) or the safety of other road users.

<sup>&</sup>lt;sup>24</sup> NB: This Policy will also apply land use class C4 (and any subsequent updates to use class orders), if the Council introduce an article 4 during the Plan period (.i.e. a small HMO housing 3-6 people)

- (11) It contributes to creating an inclusive community and would not result in the over concentration of HMOs/Hostels within a neighbourhood that would harm the mix, balance and well-being of communities. For HMOs, an over concentration is defined as an instance where three or more of the nearest ten properties are HMOs,(i.e. 5 on each side of an application site, on the same side of the highway).
- (12) The Council will resist proposals that result in the loss of good quality hostel accommodation that address a specific local need for vulnerable members of the community, unless
  - a. It is demonstrated there is no local need for the type of accommodation.
  - b. it is for a for a replacement provision at an equivalent or better standard
  - c. It is demonstrated to be unviable or unsuitable for addressing the needs of its users.
  - d. The replacement provision is addressing a more acute local need (e.g. affordable housing)

### Large Purpose-built HMO developments

- (13) The Council will resist proposals for new large purpose-built HMO developments, as these are not considered the most appropriate approach to meeting housing needs in the borough and can result in a poor-quality living environment for the occupants and potentially significant harmful amenity impacts on the surrounding area. On sites where the Council considers that large purpose-built HMO developments may be an acceptable form of housing in principle, proposals must:
  - a) Be located within an accessible location to local facilities, services, transport in accordance with criteria 1
  - b) Not result in the loss of housing that is suitable for accommodation by families, in accordance with criteria 2 above.
  - c) Prevent any harmful amenity impact(s) on the surrounding neighbourhood and the character of the area (in accordance with criteria 3). Sufficient evidence including a detailed management plan must be provided demonstrate this.
  - d) Result in a well-designed and satisfactory living environment for its occupants in line with criteria 4-10 above
  - e) A sufficient level and type, of communal facilities and spaces should be provided to adequately address the needs of the expected number of occupants. Communal facilities and spaces should not be located in too few locations, should be conveniently accessed and be designed to encourage incidental meetings, socialising, lounging and recreation between residents to foster friendships and a sense of community.
  - f) Not result in an over concentration of similar uses and the achievement of mixed, inclusive communities in line with criteria 11

### **Supporting Text:**

A house in multiple occupation (HMO) is a form of residential accommodation that is occupied by unrelated persons who share amenities such a kitchen, bathroom, etc and form two or more households. A household is generally a family (or people with

relationships similar to a family), including single persons and co-habiting couples. There are two main planning use classes for housing with shared facilities: a Use Class C4 HMO that is a 'small' HMO used by 3 to 6 unrelated people, and a 'large' HMO shared by more than 6 unrelated people is a Sui Generis use<sup>25</sup> (i.e. does not have a specific use class). For the purposes of this policy a hostel includes a building providing temporary non-self-contained residential accommodation with an element of supervision, but with no significant degree of care. Hostels are a sui generis use.

A permitted development right exists to convert/change the use of residential accommodation (C3 use) into a 'small' HMO (use class C4). In contrast, planning permission is required for the use/development of land and buildings for large HMOs in a Sui Generis use. This allows the council to consider issues such as access, design, parking, location and impacts on the character and amenity of surrounding area and neighbouring properties. All HMOs require a mandatory licence from the Council, which is outside of planning controls. This ensures HMOs are built and maintained / operated to a certain standard (e.g. room sizes, number/type of communal facilities, health and safety) and well managed but mandatory licencing does not allow the Council to assess potential amenity impacts on the neighbouring properties and surrounding area, as well as location factors.

HMOs can provide a valued source of affordable accommodation in the stock of housing providing they are of high-quality design and provide good quality living standards and adequate space for people to live in. They are particularly important addressing the housing needs of:

- (1). young and transient groups of the population, who have not reached a stage where they can or want to buy;
- (2) Vulnerable people and those on lower incomes who are unable to gain access to other forms of housing (e.g. self-contained accommodation)
- (3) People who would otherwise be homeless without bedsit types of accommodation, as they cannot afford to rent or buy a property as a single household.

The London Plan (2021) acknowledges the role that HMOs play as a strategically important part of the Capital's housing offer, with a provision that helps to meet distinct needs and reduces pressure on other elements of the housing stock.

The Draft Local Housing Needs Assessment (2022) indicates that the size of the private rented sector has significantly increased since 1991 and HMOs have been particularly important for addressing the needs of the younger population due to the increased pressure on the stock of social housing and rising levels of rents. Further, it indicates that the number of sharing households aged between 25-44 years and single person households are not projected to experience any significant growth during the Plan period. Despite this, large-scale purpose-built shared living (LSPBSL) (see Policy HO9) may have the potential to play a role in reducing the pressure for family size housing to be converted to HMOs (subject to further evidence). The policy above reflects these two factors by seeking to resist the conversion of family-size housing to

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<sup>&</sup>lt;sup>25</sup> The above provides a summary of HMOs and the full legal definitions should be referred as appropriate, as set out in the Town and Country Planning (Use Classes) Order 1987 (as amended). There are separate definitions in respect of the legal licencing of HMOs as set out in the Housing Act 2004 and related secondary legislation.

HMOs. It however also recognises that HMOs offer a more affordable form of shared living for those who cannot afford any other alternative and are unlikely to be offered accommodation in affordable housing (i.e. single persons).

There are concerns that a high concentration of HMOs can have a cumulative harmful impact on neighbouring properties and the surrounding area. The key reasons include the potential negative impact of the potential loss of family housing and the increased number of families having to reside in unsuitable accommodation (i.e. smaller overcrowded dwelling with a lack of satisfactory amenities, poor location), a transient population replacing settled family occupants, reduction in environmental quality, loss of character, waste management, overcrowding, increased anti-social behaviour and noise/disturbances, changes in supporting infrastructure such as shops, pressure on parking, and sustaining balanced, mixed and inclusive communities. HMOs can also push up rents or inflate the price of properties for sale that would otherwise accommodate families. Therefore, it is important for future policy to seek to address and minimise these potential harmful impacts.

In general accordance with the London Plan (2021), this policy seeks to facilitate HMO conversions, which intensify the use of existing premises, within the most appropriate locations that have good access to public transport, local; services and facilities (i.e. PTAL 4-6). This in turn promotes the use of sustainable modes of transport, reduces the need to travel by private car. It also reduces the potential risks of harmful effects such as the need for higher levels of hard standing areas for car parking that can result in the loss of biodiversity/soft landscaping in front gardens and increased surface water run-off. Managing the locations of HMO's also assists in mitigating negative impacts on the character of the Borough and the potential loss of larger housing in areas that are characterised by family housing.

To ensure that HMOs are built, maintained and managed at an acceptable standard, the Council operates mandatory and additional licencing schemes, in accordance with housing legislation. Through this regime the Council has published the Harrow Standards for Licensable HMOs<sup>26</sup>. All development proposals for HMOs must be well designed in terms of their layout and functional living areas. An adequate level of rooms must be provided of appropriate sizes in line with the internal space standards included within the London Plan. A sufficient level ancillary facilities (W/C, kitchen and storage areas) facility; as well as a range/level of communal areas/facilities; should be provided in order to address the needs of the proposed number of occupants. Applicants should also consider any standards and requirements of the Council licencing regime.

As the other sections of the Plan (e.g. housing size mix, conversion policies) have emphasised, the Draft LHNA indicates there is a high priority to increase the delivery of family sized housing to address the future local housing need. The Local Plan evidence indicates that the potential scope to achieve this may be constrained by the size, type and location of sites that may come forward during the Plan period. These factors have resulted in housing affordability issues for young and low-income households. Therefore, this policy seeks to protect smaller sized family housing (below 130m2) as conversion of this housing to HMOs is likely to result in poorly designed accommodation and living environment for HMO tenants and the loss of the lower cost

<sup>&</sup>lt;sup>26</sup> Applicant should refer to the HMO standards in the link below or any subsequent equivalents to this. https://www.harrow.gov.uk/downloads/file/23800/hmo-standards-and-regulations.pdf

family housing stock. This poicly will allow the potential conversion of dwellings into HMOs providing the applicants demonstrate the location of the application site is not characterised by family housing. In relation to this, a recent legal judgement for a challenge to a decision clarifies that the assessment of whether a location/street is characterised by family housing should not be limited to the physical appearance of the built environment/premises and can also consider factors like occupancy and uses.

The open, green quality of the suburban environment is part of Harrow's historical appeal. This has been impacted by hard landscaping to mainly accommodate cars in front gardens and to a lesser extent manage and store waste. This has reduced the level of incidental green infrastructure, which has affected the visual quality of the environment, biodiversity and surface water run-off. Therefore, the design of proposals should consider appropriate levels of well-designed soft landscaping and urban greening to protect and enhance biodiversity, in line with Local Plan policies. In addition, the accommodation of bins within the site requires careful attention. The provision of bins within private amenity spaces usually offers the best solution in terms of householder responsibility for use, maintenance and waste segregation, and helps to avoid the excessive accumulation of bins on forecourts. Any alternative solution may be acceptable in exceptional circumstances such as a storage shed on the forecourt/front garden of a property, providing it is well designed in terms of its location and materials and includes an appropriate level of soft landscaping to adequately screen it from the street and protect the character of the area. Applicants should also review the Council's future Waste Strategy and ensure compliance with the requirements of this, particularly in relation to ensuring waste vehicles can access the property and the waste area being kept clean and clear.

Applicants will be required to demonstrate adequate consideration of design, layout, privacy and amenity issues, to ensure a satisfactory living environment for the occupants and minimise risks of any harmful effects on neighbouring properties. Proposals must ensure all occupants have an obstruction free, convenient access to communal amenity areas and facilities; such as kitchens, bathrooms, WC's and gardens. In relation to addressing issues such as waste management, car parking and hard/soft landscaping proposals must ensure measures to address these issues do not result in any harmful impacts on the occupants of the premises, neighbouring properties and the character of the area.

New HMOs should contribute positively to their local area and an appropriate distribution of different types of housing provision across the Borough, along with the protection of the character and amenity of immediate and neighbouring properties. To assess the potential for over-concentration HMOs within a location, a simple policy approach will be applied that seeks to allow no further HMOs where three already exist in the ten nearest adjacent properties to the application property. This is measured taking the nearest front entrances when walking from the front door of the application property on the same side of the highway (i.e. 5 properties on either side of application site). Landlords will be expected to register properties in conformity with the council's licensing scheme.

Certain types of hostels providing accommodation are important and necessary uses for increasing housing choice and to meet specific forms of housing need. Therefore, the policy seeks to prevent the unnecessary loss of these hostels to other uses, unless proposals comply with the criteria.

The Council will resist proposals for large purpose-built HMO developments, as the Local Housing Needs Assessment did not indicate any significant growth in the younger population (25-44) or single households, and the priority is to increase the delivery of conventional self-contained C3 family sized housing and affordable housing. Large purpose-built HMO developments can result in a poor-quality living environment with inadequately sized rooms; insufficient quantity and type of communal facilities; and a lack of secure tenancy, which can have a negative effect on the health and well-being of residents. They also encourage a transient population and the poor maintenance and management of the scheme, along with a potential over concentration of HMO's within a given locality, can have significant harmful impact on HMO occupants and residents in the wider neighbourhood.

Large purpose-built HMO developments may be acceptable if they do not result in the loss of accommodation suitable for families, there are no harmful amenity impacts on the neighbouring properties and they can demonstrate compliance with the criteria included in the above and other relevant policies. A sufficient level of evidence – including a detailed management plan - must be provided to demonstrate adequate operational arrangements, how spaces will be maintained, and that the scheme will function as a high-quality development, as well as the measures to mitigate any potential harm to the amenities of future residents and neighbouring properties.

During the plan period the Council will monitor the locations where new HMO properties are delivered (via the licenced and application route), the potential impacts of these on specific locations of the Borough and their implications for addressing local housing needs. Depending on the outcome of this, the Council may consider whether an Article 4 direction should be introduced to remove the permitted development right that allows residential dwellings to be converted to small HMO uses without the submission of a planning application. It should be emphasised that National Policy has strengthened the test for introducing an article 4 direction and limits its geographic scope. It indicates this should "be limited to situations where an Article 4 direction is necessary to protect local amenity or the well-being of the area; be based on robust evidence, and apply to the smallest geographical area possible" (Para 52, NPPF 2023).

### **Reasonable Alternatives:**

### Option 1: Continue to apply existing policy (DM30)

The adopted Local Plan Development Management (2013) Policy DM 30 is considered highly permissive for HMO/hostel proposals. It includes a generic criterion requiring proposals to demonstrate good accessibility to local facilities, compliance with accessible homes standards and satisfactory living conditions, and no adverse amenity impacts. Although this option may help in providing a relatively affordable stock of accommodation the continued use of this is considered inappropriate. The key reasons are that it is open to wide interpretation by all stakeholders and does not reflect the most up to date evidence of need. Further, the use of this will make it difficult for the Council to prevent the overconcentration of HMOs and the potential harmful amenity impacts of these, encourage well designed living environments for residents, prevent the loss of family housing and ensure HMOs are located within the most accessible locations. This approach is not considered the preferred option.

## Option 2: Allow conversion of family houses to HMOs (i.e. no consideration of the houses internal floor area (130m2) and the character of the area)

This approach is not considered the preferred option, as it will result in the potential loss of housing that is suitable for families, including the stock of smaller housing that may be more affordable for low income or younger households. It is difficult to replace the loss of family sized housing due to the type, location of sites that are likely to come forward for development. Further, the change of use of smaller housing (below 130m2) may result in a poorly designed living environment for HMO occupants.

### Option 3: Allow HMOS within accessible locations with a PTAL 3-6

This approach is not considered the preferred option, as it may have an adverse impact on the character of and harm the amenity of areas characterised by family housing, as well as increase the potential loss of family housing.

## Option 4: Do not include a specific measure to assess the over concentration of HMO's

This approach is not considered the preferred option, as it would not allow the Council to assess or prevent the potential over-concentration of HMO schemes within an area, minimise any potential cumulative related impacts on residential amenities, or achieve mixed and inclusive communities. A related issue is that this may reduce the stock of family sized housing accommodation, which is difficult to provide via new development, which tends to be high density due to location of previously developed sites (i.e. close to town centres) and their high land values. This may result in families residing in unsuitable, overcrowded accommodation or in poor locations that are at a distance from their social networks and local services/facilities (i.e. schools).

### Policy HO11: Self-build and Custom build housing

Linkages:

NPPF Chapter 5: Delivering a sufficient supply of homes

NPPF Chapter 11: Making effective use of land

London Plan Chapter 3: Design
London Plan Chapter 4: Housing

### Policy HO11: Self-build and Custom build housing

- 1.The Council will keep a register of those seeking to acquire serviced plots in the Borough for their own self-build and custom-build house building. It will also work with stakeholders to explore potential options to identify and bring forward suitable serviced plots to help meet the needs of self-build and custom-build housing, particularly where this will help increase the delivery of affordable housing and family housing.
- 2. Development proposals for self-build or custom-build housing will only be supported, providing:
- a) It meets an identified need for self-build or custom housebuilding as identified on the Harrow self-build and custom housebuilding register
- b) The size mix of units should consider Policy HO1 Dwelling size mix and the high priority for increasing the delivery of family sized housing (three beds or more) to address local needs
- c) The scale of proposed development and locations on a site below 0.25ha must comply with the small sites policy (HO3)
- d) It is in accordance with policies relating to matters such as optimising housing output, high quality design, amenity space, car parking, affordable housing and other relevant Development Plan Policies
- 3. Proposals for community-led housing will be supported, (via the self-build and custom build housing or other delivery models), in appropriate locations where:
- a) A local need for this type of provision is clearly established;
- b) Optimal use is made of the site, contributing to the delivery of the strategic housing target (including in relation to the mix of unit sizes), with a development density that is appropriate to the site and character of the area, having regard to other policies in the plan;
- c) Provision is made for affordable housing; and
- d) The scheme is designed to a high standard (including sustainable design principles), integrates adequate amenity space, and makes a positive contribution to the local neighbourhood.

### **Supporting Text:**

Self-build and custom-build housing is built or commissioned by individuals, or associations of individuals, for their own occupation. This type of development can provide a more affordable route to home ownership than other options available, such

as 'built for sale' market housing. Self-build generally refers to people who apply their own skills in the design and construction process or hire professionals for this purpose and manage this. Custom-build involves the outsourcing of industry professionals, often for bespoke or innovative schemes. For a scheme to be categorised as a self-build or custom build housing, the Council must be satisfied that the initial owner(s) of the home has had primary input into its final design, the layout of the house and that the completed house will be occupied by the initial owner. Self-build and custom-build housing units provide an additional source of supply of conventional housing and further housing choice and will therefore be considered as housing in the C3 Use Class for policy implementation.

The Council has a duty under the Self-Build and Custom Housebuilding Act 2015 and Custom Housebuilding (Register) Regulations 2016 to keep a register of those seeking to acquire plots for self-build and custom-build housing in the Borough and to have regard to this register in its planning and housing functions. The register forms part of the Local Plan evidence base. It provides an indication of the demand for serviced plots from individuals or groups who meet specific eligibility criteria. Harrow's self-build and custom housebuilding register is divided into two parts:

- Part 1 keeps track of local demand for self-build and custom housebuilding (i.e. those who meet the local connection test) which must be met via the grant of sufficient development permissions for serviced plots of land over a given period.
- Part 2 keeps track of general demand for self-build and custom build, with no requirement to grant sufficient development permissions for serviced plots of land to meet this demand.

Recent amendments to the Self-build and Custom Housebuilding Act 2015 indicates that Local planning authorities must give sufficient permissions for self-build and custom housebuilding on serviced plots to meet the demand for such development in their area over a given period. This means planning permissions only qualify towards meeting demand for self-build and custom build housing, if it was designed for this purpose.

Identifying suitable sites for self-build and custom-build housing in Harrow will remain a challenge as a result of the limited (and often constrained) supply of land to meet the needs of a growing population. To date, there has been limited interest for selfbuild and custom build housing plots in terms of the number of individuals or association of individuals who have registered an interest in these types of housing delivery. The CIL relief claims data indicates 64 units of self-build housing units were completed between 2016 -24 and no serviced plots for self-build/custom build housing have come forward for development. Key reasons are that the Borough is a high land value area with a high level of demand from other house builders, which makes it more difficult to secure funding and less viable to build at lower densities to provide small plots for housing. Further, a large proportion of past supply of new housing has been derived from high density flatted development from the redevelopment of previously developed sites within close proximity to town centres or stations, rather than low density housing plots that are more suitable for serviced plots for self-build/custom building housing schemes. As self and custom build homes are regarded by mortgage lenders as non-standard homes, obtaining a mortgage for these can be challenging and therefore this type of development is more reliant on self-financing.

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Development proposals for self-build and custom-build housing must use the design-led approach to ensure high quality development that responds positively to the locality, optimises the capacity of sites, and supports the delivery of the spatial strategy for the Borough. Applicants should clearly identify whether any elements of the design may require adaptation or alterations, based on owners' input. This will help the Council to work with applicants to respond to the unique challenges facing self-builders and to ensure schemes are policy compliant. Provision for affordable housing will be required for major development (i.e. 10 or above units) in line with other Local Plan policies.

Community led housing is a growing trend in London, both being driven by Community Groups supported by the Mayor of London (Community Led Housing Hub) and by the Council that has been working to bring two community led projects forward. Community led housing can take several forms including housing co-operatives, Community Land Trusts (CLTs), cohousing, and self/custom build housing. These approaches are not mutually exclusive, and in many cases a mixture of approaches may be employed in the setup and running of community led homes to suit specific circumstances. This type of development demonstrates our commitment to seek to meet demand within the borough, and we will continue to monitor our register in line with the relevant statutory requirements.

Community led housing can provide a more affordable route to home ownership and has the potential to build more cohesive communities and allow for specific uses to be explored. There is a demonstrable demand in Harrow to go beyond what the market or the council can deliver in terms of housing affordability and typology.

The Council maintains a brownfield register. This helps identify opportunities for self-build and custom build homes and possibly community led housing schemes on previously developed sites. The supply of self and custom build plots is typically very small scale, usually infill between existing dwellings and vacant/underutilised sites such as garage courts and car parks. In other countries however, groups of self-builders come together to deliver larger schemes, or it is common for service plots to be sold in the market. The Council will consider potential sites for self-build and custom build housing if they are submitted through Call for sites consultation. The Council will monitor the delivery of self-build and custom-build housing, as well as will work with stakeholders to bring forward potential sites (if opportunities arise) to increase the delivery of affordable housing and family sized housing in order to address local needs.

### Reasonable Alternatives:

### No alterative approach due to requirements of London Plan and national policy

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives.

### Policy HO12: Gypsy and Traveller Accommodation Needs

Linkages:

NPPF Chapter 5: Delivering a sufficient supply of homes

NPPF Chapter 11: Making effective use of land

London Plan Chapter 3: Design London Plan Chapter 4: Housing

### Policy HO12: Gypsy and Traveller Accommodation Needs

- 1. The Council seek to retain the existing Gypsy and Traveller site at Watling Farm (0.5ha) to provide three additional pitches, to address future traveller needs, unless evidence shows it is no longer required.
- 2. The Council will support proposals for Gypsy and Traveller accommodation, including sites and pitches, providing they are of a high-quality layout and design and contribute to meeting identified local needs, and there is no capacity at the existing site at Watling Farm.
- 3. Proposals for new and replacement accommodation must make adequate provision for:
- A suitable and safe access to and from the site, with sufficient space for the manoeuvring of vehicles
- Satisfactory access, parking and servicing arrangements for all vehicles likely b) to use the site, including emergency services
- Basic amenities, including running water, sewerage/ drainage and waste c) management
- A site location that is well-integrated into the locality with reasonable access d) to local shops, services and community facilities including education, health and public transport
- e) Facilities to serve occupiers of the development, including where appropriate pitches, hardstanding, amenity blocks, and amenity space and play areas
- Appropriate landscaping and planting to address impacts on amenity and f) enable integration of the site with the surrounding environment.
- Measures to minimise any potential impacts on the local environment, g) including any relevant policy designations within proximity to the site that would restrict its use for any type of housing (including but not limited to: Green Belt, Metropolitan Open Land and Sites of Nature Conservation Importance) and the character of the area including visual and amenity considerations
- 4. Applicants must take account of any potential flood risk and the impacts of climate change when assessing the suitability of a site
- 5. Development proposals for Gypsy and Traveller accommodation must not pose a risk to public health and safety, and not adversely impact the amenity of site occupants and neighbouring properties

### **Supporting Text:**

The National Planning Policy for Traveller Sites (2015), which sits alongside the NPPF, sets out the Government's aim to ensure fair and equal treatment for travellers in a way that facilitates their traditional and nomadic way of life, whilst respecting the interests of the settled community.

The Harrow Core Strategy included a target to deliver three additional Gypsy and Traveller (G & T) pitches by the end of 2017/18. Three pitches were allocated on the Council Owned site at Watling Farm (2013), but this has permission for 15 pitches (1974). There are two pitches on this site, and it is licenced to a single family and there are also ancillary uses on it (e.g. stables).

London Plan (2021) Policy H14: Gypsy and Traveller Accommodation includes a target to provide 8 Gypsy and Traveller pitches for Harrow but notes that boroughs that have undertaken an updated needs assessment (since 2008) can use the figures from this for preparing their Plan.

The Council's most recent evidence base, the West London Alliance Gypsy, Traveller and Travelling Show-people Accommodation Assessment (GTANA 2018) found no additional need for new pitches based on the National Planning Policy for Travellers Sites (2015) definition of a traveller for planning purposes, which excludes those who have ceased travelling permanently. The use of this definition has been successfully legally challenged based on equality and discrimination grounds (2022), as it excludes travellers who are forced to permanently live in brick/mortar accommodation due to legitimate health or age reasons. In addition, the GTANA indicated a need to provide three additional pitches during the period between 2016 -2033/41 within Harrow based on the London Plan definition for Gypsy and Travellers. This definition includes those households who have permanently ceased to travel. This level of need can be accommodated within the existing allocation. The policy has been drafted based on this broader definition and the associated need figure identified in the West London Alliance GTANA.

The GLA have commissioned external consultants to undertake a London wide GTANA. The final findings of this are expected to be published during 2024.

The Government's Planning Policy for Traveller Sites (PPTS) suggests the use of a criteria-based policy for any unknown households that do provide evidence that they meet the PPTS planning definition. This enables the Council to proactively plan for Gypsy and Travellers' accommodation needs, ensuring that new sites are well designed; well-connected to social infrastructure, health care, education and public transport facilities; and contribute to a wider, inclusive neighbourhood. As noted above, the current site has an historic permission for up to 15 pitches, significantly more than current identified needs; it is not envisaged that an additional site will be required during the plan period unless updated evidence indicates insufficient capacity at the existing site.

Any new proposed Gypsy and Traveller sites will need to provide a safe and acceptable living environment essentially consistent with the characteristics expected of mainstream housing and ideally forming part of a wider balanced and mixed residential community. This includes having good access to social infrastructure to

help address recognised disadvantages in relation to educational attainment and health/life expectancy that members of the Gypsy and Traveller Community have experienced. Nevertheless, there should also be consideration of particular needs such as ability of work vehicles and homes to access the main road network and facilities that support employment. The Council aims to further Harrow's reputation as a place that welcomes diversity. Therefore, the design and layout of Gypsy and Travellers' sites, particularly at their edges, should look to integrate well with its surroundings and promote opportunities for positive interaction with the adjacent townscape and associated communities.

### **Reasonable Alternatives:**

### Option 1: Alternative approach would be no policy

This approach is not considered the preferred option, as it would not be regarded as being in general conformity with the London Plan and national Planning Policy for Traveller Sites. This would also mean that the Council would be less able to manage new accommodation as planning applications would be judged against national planning policy rather than locally specific policy criteria.

## Option 2: Include a Policy based on the accommodation need figure identified by utilising the Gypsy and Traveller definition included within the PPTS (2015)

The definition of Gypsy and Travellers (G & T) included within the PPTS (2015) excludes those who have ceased travelling permanently. Based on this definition, the West London Alliance GTANA (2018) identified no need to provide additional pitches during the period between 2016 - 2033/41. The PPTS definition was subsequently successfully legally challenged based on equality and discrimination grounds (2022), as it excludes travellers who are forced to permanently live in brick/mortar accommodation due to legitimate health, age reasons. In this context, identifying needs based on the PPTS definition is not the preferred option, but the Council will monitor any Government response to the successful challenge and adjust the approach to the definition and need figure used in the draft Local Plan policy.

The Council is still awaiting the publications of the GLA London wide GTANA and the findings of this in relation to future G & T pitches need, before determining which definition to utilise and need figure to include in the Plan, to address the accommodation needs of the Traveller community. This may result in additional reasonable alternatives.

## **Chapter 05: Local Economy**

### Strategic Policy 04: Local Economy

Linkages:

NPPF Chapter 6: Building a strong, competitive economy

NPPF Chapter 7. Ensuring the vitality of town centres

London Plan Chapter 1: Planning London's Future - Good Growth

London Plan Chapter 2: Spatial Development Patterns

London Plan Chapter 6: Economy

### **Strategic Policy 04: Local Economy**

A. The Council will ensure sufficient employment floorspace is provided to enable a strong and flexible economy that is adaptable to changing circumstances whilst positively contributing to the wider London economy.

### **Town Centres, Offices and Retail Floorspace**

- B. The Council will support proposals that demonstrably contribute to the vitality and viability of the local economy by:
  - a. Supporting appropriate developments and uses that support the role and function of the hierarchy of town centres;
  - b. Continuing to focus appropriate town centre development in the Harrow Metropolitan Town Centre primary shopping area:
  - c. Assisting in meeting the evidenced floorspace needs for the borough across the plan period;
  - d. Providing for a range of uses appropriate to their locations in both size and use class:
  - e. Supporting proposals that are flexible / adaptable to meet appropriate employment uses, and to make best use of space including temporary meanwhile uses;
  - f. Supporting proposals that seek to intensify employment floorspace; and
  - g. Supporting mixed use developments in appropriate locations or where supported by a masterplan approach.

### **Industrial Land and Premises**

- C. The Council will ensure sufficient provision of industrial floorspace and premises through:
  - a. Meeting the identified floorspace need across the borough over the plan period:
  - b. Supporting intensification, modernisation and, where feasible, the environmental performance of industrial floorspace and premises;
  - c. Safeguarding Strategic Industrial Land & Locally Significant Industrial Sites by prioritising Use Class B2, B8 and related Sui Generis Industrial Uses.; and
  - d. Seeking to direct Use Class E(g) (ii) & (iii) activities to appropriate and sustainable locations outside of SIL and LSIS premises.

### Local employment and business opportunities

D. Ensure that where possible, new development benefits local business through local labour and supply chain opportunities.

### **Supporting Text:**

Across Harrow, employment land is predominately located within designated town centres, local neighbourhood parades, and across industrial land (SIL/LSIS/undesignated sites). These established areas remain the appropriate locations for employment and provide opportunities for residents of Harrow to work locally or set up their own business.

Employment floorspace and how it is used has changed dramatically over the last decade, with changes to shopping habits, such as online purchasing and ease of delivery / returns of goods. This has led to a reduction in the need to physically visit many of the traditional shopping outlets, such as high streets and shopping centres. There has been a notable impact on the way in which town centres are used, and what role they now play in terms of being a destination for retail and leisure. Compounding this, the Coronavirus pandemic exacerbated impacts on struggling businesses which relied upon footfall traffic, and in many cases resulted in business closure. The Harrow Economic Needs Study 2023 however sets out that Harrow Metropolitan Town Centre and Harrow's District Centres have not followed this trend, with vacancies below the national average. However, the churn in shops has been positive in Harrow Metropolitan Town Centre, with new shops outnumbering closures, which again is supported by the vacancy rates noted above.

Given the recent changes set out above, it is not yet possible to fully understand if the short-term impact will continue into the medium and longer term. The Council will continue to monitor changes to the economic climate and the floorspace requirements across the Borough.

Harrow Council has undertaken relevant evidence base work to determine the amount of employment floorspace is required to meet the needs of the Borough to cover the Local Plan period to 2041. The West London Economic Land Review 2021/22 provided an update to the West London Employment Land Evidence (WLELE) Study (2019) and sets out an update to the employment projections and resulting land requirements. Specifically, this evidence base relates to industrial employment floorspace, with the projections set out below.

The Harrow Economic Needs Study (ENS) for Town Centres and Offices was completed in December 2023, and provides a quantitative and qualitative assessment of the needs for new retail, leisure and other main town centre uses within the Borough. The report also provides an office market update to the Economic Development Needs Assessment (EDNA) 2017.

The evidence base has set out that over the plan period, the following floorspaces will be required:

- a) Combined retail, food / beverage, leisure and entertainment 13,900sqm
- b) Industrial 6,000sqm

Chapter 05: Local Economy

Over the plan period the Council will continue to closely monitor and review land supply and demand for all employment floorspace and premises.

### **HARROW TOWN CENTRES**

The Economic Needs Assessment (2023) sets out quantitative and qualitative assessments of the need for new retail, leisure and other main town centre uses within LB Harrow, which will meet the needs across the plan period to 2041. It also provides an office market update to the EDNA (2017), in particular the commercial property market conditions of the office market and employment land availability. This includes an assessment of current office market conditions within Harrow, London and national markets more widely, and a reappraisal of floorspace and land supply to determine an updated demand/supply balance position.

Town centre employment floorspaces can provide opportunities for multiple occupiers over a 24hr period. Some uses that operate during the day, may be in a position to operate as a different use into the evening. Where this is practical, it can contribute to businesses sharing some of the costs associated with running a business. By supporting this, further footfall and dwell time is encouraged into town centres, whereby potentially contributing to the vitality and viability of the centre. Where planning permission is required for any change of use, planning statements supporting any application must set out clearly separate uses within the space and how they would be managed.

In September 2020 the Government made significant changes to the Use Class Order, which resulted in formerly separate use classes being merged into a single class ('E Use Class'). Of specific note, E Use Class now includes uses that were formerly in separate use classes, such as retail, financial & professional services, medical, indoor recreation, office, research & development, and light industrial. This changes how employment land is managed and represents a shift away from traditional retail dominant areas. Notwithstanding this, town centres will remain a focal point for retail and an area where footfall is encouraged with a range of experiences for the local community to visit and spend time in.

The development of experiential retail is likely to be essential to the longer-term sustainability of many town centres. This typology requires visits to a physical space rather than online purchasing and requires more interaction with the town centre. The Local Plan provides a flexible approach to use classes within the town centre locations, setting out that main town centres uses<sup>27</sup> are appropriate.

The vacant units across Harrow's town centres are likely to be capable of accommodating floorspace need. The amount of vacant floorspace across the designated town centres equates to approximately 14,000sqm, and with an average vacancy rate of 6% (significantly below the UK average of 14.5%), meaning the projected demand can theoretically be met. In the event that the Borough's shop unit vacancy rate was to reduce to around 4%, this reduction in the shop unit vacancy rate could still theoretically accommodate over 10,000sqm of new uses, exceeding the

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<sup>&</sup>lt;sup>27</sup> NPPF (2023) Main town centre uses: Retail development (including warehouse clubs and factory outlet centres); leisure, entertainment and more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).

projected combined retail and food/beverage floorspace under-supply up to 2036 (8,500sqm gross).

In Harrow, the demand for office space has continued to decline since the pandemic, while availability of leasable space has risen in tandem.

There has been a significant reduction in office space in the borough, and whilst there is no evidential need for further office space, any further release of office space must be managed to ensure sufficient floorspace is retained. This policy seeks to ensure that whilst there is flexibility and adaptability of floorspace to allow for vitality and vibrancy of town centres, ensuring a mix of uses is also critical, including the provision of office space. To achieve this, policy will provide a sequential approach to office space release. This will ensure that existing office space located within appropriate locations is retained, unless it can be demonstrated as being surplus to requirement and therefore able to be released.

To ensure that new town centre uses are delivered within the right locations, a sequential test will be required for schemes that propose such uses outside of town centres. An Out of Centre Impact Assessment will also be required to support proposals, to ensure that they would not be harmful to the vitality and vibrancy of centres. Paragraph 90 of The National Planning Policy Framework (2023) sets out that out of centre retail (and leisure) should be supported by an Impact Assessment for any schemes of 2,500sqm, where there is no locally set threshold. The Harrow ENS (2023) recommends a threshold of 400sqm for all out of centre retail and leisure uses. The reason for the lower threshold is that the NPPF minimum threshold of 2,500sqm gross may be an inappropriate threshold for LB Harrow because this scale of development would exceed the overall long-term retail/food beverage projections for all zones in the Borough. The lower retail capacity projections and uncertainties about the cost-of-living crisis suggest town centres are now more vulnerable to out-of-centre developments.

### **INDUSTRIAL LAND**

The West London Economic Land Review (2019), and the 2021 update provided West London and Harrow specific evidence for industrial land. The London Borough of Harrow is identified as having the smallest quantum of industrial land in West London and has proportionally lost the most industrial land over the last previous plan period. Between 2000/01 and 2019/20 Harrow has seen a 143,000 sqm decline in industrial floorspace. The emergence of new industrial floorspace demands (such as data centres and distribution hubs to support online retailing) and the greater than anticipated loss of industrial floorspace means that Harrow must retain industrial land; many other parts of London are in a similar position.

Harrow's logistical infrastructure including the highway and rail network is not strategically well linked to inner London, Heathrow or areas outside London. For this reason, it is not an attractive location for large floorplate industrial or logistics operators. Traditionally, industrial floorspace in Harrow has been for small to medium size enterprise, a trend that is likely to continue given the above constraints in relation to access, land holdings and age of stock. Industrial vacancy rates within Harrow have remained low, at around 1.7%, and have done so since 2018. This vacancy rate is much lower than both the England and London average indicating an undersupply of industrial floorspace in the borough.

Going forward, Harrow should seek to protect its existing industrial spaces and seek renewal and the provision of new quality premises where possible.

Uses that are still industrial and fall within Use Class E(g)(ii) and (iii) (research and development, and industrial processes respectively) are capable of being located in close proximity to more sensitive uses, such as residential or town centres, and will be directed towards town centres rather than SIL / LSIS areas. Such uses can reasonably be expected to be located outside of designated industrial areas, where nuisance causing activities are able to lawfully be undertaken, and which are more difficult to locate elsewhere within the borough.

Policy E4 (Land for industry, logistic and services to support London's economic function) of the London Plan (2021) provides a list of appropriate industrial uses that provision should be made for in terms of operational requirements. These should be provided and maintained taking into account strategic and local employment land reviews and industrial land audits. Based on the up-to-date evidence, to meet the evidenced need for industrial land and premises, Harrow is not in a position to release any land from its industrial stock.

The up-to-date evidence base sets out that Harrow has a very modest stock of industrial premises comprising modest sized buildings and land holdings in comparatively small industrial estates. Whilst there are very low vacancy rates, premises are generally poor in quality and with low rent levels. Furthermore, given these challenges and poor strategic highway and rail network links, delivering a meaningful increase of floorspace and premises remains difficult. By reason of this, the Council will seek to ensure that the designated industrial land across the borough (SIL & LSIS) are protected, and their use is primarily for Use Class B2 and B8, and for Sui Generis uses that can be satisfactorily demonstrated as being suitable for these locations.

Whilst Policy E4 (Land for industry, logistic and services to support London's economic function) of the London Plan (2021) sets out that (former) B1c (light industry) use is appropriate within industrial sites, this use is also suitable in principle to be located within more sensitive locations, such as town centres and / or residential areas. With Use Class E(g) (ii) & (iii) being directed outside of SIL and LSIS, this allows more availability of land and premises for the heavier industries that fall within use class B2 and B8 or what can be demonstrated as similar in terms of requirements and impacts.

The Use Class Order sets out that uses that fall within E(g) (ii) & (iii) are able to be carried out in a residential area without detriment to its amenity; such uses can therefore reasonably conclude to be appropriate within town centre locations. Therefore given the specific constraints in relation to industrial floorspace provision in the Borough, use class E(g) (ii) & (iii) are encouraged to such locations rather than designated industrial sites. In exceptional circumstances Use Class E(g) (ii) & (iii) may be appropriate within designated industrial sites, however will need to demonstrate acceptability within the SIL / LSIS and how a use would contribute to the SIL / LSIS and not remove viable Use Class B2 or B8 from the Borough's stock within a protected industrial site.

Where planning permission is required for employment uses, the use of planning conditions will be used to ensure that employment floorspace is retained and not lost through potential permitted development.

New development should support local employment, skills development, apprenticeships and other training initiatives. The Council's Economic Development team provides a programme to support developers to provide opportunities for residents to gain construction employment on major developments. Utilising local suppliers where possible ensure that local business is able to take advantage of the economic benefits of new development, and also ensure that delivery of goods and services are minimised from a transportation perspective. Where appropriate, planning obligations (through S.106 agreements) will be used to secure appropriate contributions.

### **Reasonable Alternatives:**

The NPPF / London Plan requires a policy to be included within the Local Plan; not including a policy would therefore be inconsistent with national policy and / or not in general conformity with the London Plan.

# Strategic Policy 05: Harrow & Wealdstone Opportunity Area

Linkages:

NPPF Chapter 6: Building a strong, competitive economy

NPPF Chapter 7. Ensuring the vitality of town centres

London Plan Chapter 1: Planning London's Future - Good Growth

London Plan Chapter 2: Spatial Development Patterns

London Plan Chapter 6: Economy

### Strategic Policy 05: Harrow & Wealdstone Opportunity Area

The Harrow & Wealdstone Opportunity Area comprises three distinct areas: Harrow Metropolitan Town Centre and surrounding area, Station Road, and Wealdstone District Town Centre and surrounding area). Each of these areas have a distinct character and serve different functions. The Council will support new development that responds to the specific characteristics and intended function of each of the areas.

- A. The Council will direct and support development within the Harrow & Wealdstone Opportunity Area, where it assists in the growth and regeneration of the Area, and delivers against the growth potential identified in the London Plan (2021) through:
  - a. Supporting the delivery of a minimum of 5000 well-designed homes that achieve the homes needed across the Opportunity Area;
  - b. Supporting the delivery of a minimum of 1000 jobs into the Opportunity Area, supporting employment floorspace to meet the evidenced needs of the borough and wider West London sub-region;
  - c. Supporting the intensification and modernisation of existing employment and industrial floorspace, consistent with policy LE3 Industrial Land;
  - d. Ensuring new development respects heritage assets:
  - e. Working with strategic partners to deliver more sustainable transport modes to serve the Opportunity Area, wider borough and sub-region;
  - f. Working with strategic partners and funding bodies to assist in the delivery of essential infrastructure to support new development across the Opportunity Area.
- B. The Council will seek to support comprehensive development where it meets the policies of the wider development plan, and where relevant, masterplans that have been prepared for each of the sub-areas.
- C. The Council will ensure that development within areas of the Opportunity Area that are not capable of facilitating significant change (such as those outside town centres and allocated sties) remain appropriate to their locations.

### **Harrow Metropolitan Town Centre**

- D. Harrow Town Centre is classified as a Metropolitan Town Centre. The Council will support proposals that strengthen this classification, and where they:
  - a. Reinforce the St Ann's Road, Station Road and the St George's and St Ann's primary shopping areas as the focal point for new appropriate town centre development;
  - b. Reinforce the centre as a primary location for office, retail, evening and night-time economy, and leisure use within the borough and prioritise experiential uses to increase footfall and dwell time;
  - c. Provide flexible floorspace / premises that allows for multiple uses that can contribute to both daytime and night-time economies;
  - d. Include mixed use schemes incorporating appropriate ground floor commercial uses with active frontages;
  - e. Improve the pedestrian connectivity and environment throughout the Metropolitan Centre;
  - f. Provide appropriate levels of car parking, including Electric Vehicle charging points; and
  - g. Support improvements to sustainable transport connections to the wider borough;
- E. Proposals that fail to comply with the above will be resisted.
- F. New development must address the principles and objectives within the Harrow Town Centre Masterplan.

### **Station Road**

- G. Development along Station Road linking Wealdstone District Centre and Harrow Metropolitan Town Centre must make a positive contribution to its environment and identity. Proposals should:
  - a. Be of a massing, bulk, scale and a high-quality design that optimises land, consistent with the sub-areas inclusion within the broader Opportunity Area (being a designated area suitable for substantial change), whilst ensuring a satisfactory relationship with the surrounding suburban character area which is a much lower density;
  - b. Provide active, viable and serviceable non-residential ground floor frontages; and
  - c. Contribute to planned improvements to the public realm and road junctions, including the creation of a green boulevard, which improves the environment and active transport linkages between the two centres.

### **Wealdstone District Town Centre**

F. Development with the Wealdstone Town Centre will be required to strengthen the vibrancy and vitality of the district centre and improve the environment and identity of Wealdstone as a location for business, industrial activity and family living. Proposals will be supported where they:

- a. Are of a massing, bulk, scale and a high quality design that optimises land within an area designated suitable for substantial change, whilst ensuring a satisfactory relationship with the surrounding low density suburban character;
- b. Contribute to planned improvements to the public realm. Specifically, this includes improvements to the Harrow & Wealdstone Rail & Underground Station and surrounds to overcome perceptions of crime and poor safety, and to respond to the climate change emergency (including flooding) and for safe and efficient pedestrian and cycle use;
- c. Improve sustainable movement connections from Wealdstone Town Centre to the planned regeneration developments and large scale allocated sites within the vicinity of the town centre;
- d. Provide a design that respects, and reinforces the centre's heritage and character in relation to architecture, streetscape, road layout and its relationship with the wider suburban character area; and
- e. Modernise and intensify Wealdstone Industrial Land and Premises across all levels of the industrial land hierarchy (see Policy LE3 Industrial Land);

### **Supporting Text**

Opportunity Areas are identified under the London Plan as significant locations with development capacity to accommodate new housing, commercial development and infrastructure (of all types), linked to existing or potential improvements in public transport connectivity and capacity. The Harrow and Wealdstone Opportunity Area offers significant opportunity for urban renewal and intensification, providing the impetus to regenerate Wealdstone and strengthen Harrow town centre. Capacity exists to deliver substantial employment growth through an uplift in retail, office and hotel development within the town centres and the intensification of industrial and other business uses within the Wealdstone Area. Under the previous Local Plan, a significant amount of Strategic Industrial Land was released with the closure of the Kodak site. There is scope to accommodate a substantial portion of the Borough's future housing need through the delivery of higher density residential and mixed-use development on key strategic sites where development is matched by investment in infrastructure and achieves a high standard of design.

The London Plan (2021) requires the Harrow & Wealdstone Opportunity Area to secure a minimum of 5000 homes and 1000 jobs over the plan period. Strategically, the Council will seek to deliver a minimum of 7,500 homes on permitted and allocated sites due to the highly sustainable location and the capacity to accept a higher density of development (see Strategic Policy SP03). The Opportunity Area has a significant proportion of town centre employment floorspace, which will be retained, and where possible new floorspace will be delivered. Retaining or re-providing the existing uses within all industrial sites, especially where heavy industry (B2 / B8 or similar Sui Generis Use) is currently occupying the site is encouraged. This approach will seek to optimise the employment space available within the Opportunity Area and assist in the delivery of a minimum of 1000 jobs within the Opportunity Area. The Council will seek to deliver the minimum homes and jobs required by the London Plan (2021) and will work with strategic partners in conjunction with the use of the Community

Infrastructure Levy to ensure that there are sufficient infrastructure improvements to support the anticipated new development.

The Council will look to deliver Masterplans for town centres and key areas across Harrow where appropriate, and where this applies to the Opportunity Area, new development will be expected to come forward.

### **Opportunity Area**

The Harrow & Wealdstone Opportunity Area is an irregular shape and comprises three distinct areas, the Harrow Metropolitan Town Centre and surrounding area, the Wealdstone District Centre and surrounding area, and the Station Road area which links the two town centres. Immediately abutting the Opportunity Area is suburban Harrow which has a strong two storey residential character. This change in character is very distinct, and care must be taken to ensure that the two-character areas respond appropriately to one another.

Harrow Metropolitan Town Centre is characterised as the most densely developed area in the borough (with scope for further intensification), and is the primary location for retailing, office, leisure and other (non-industrial) employment uses. The built form of the town centre has the highest concentration of taller buildings within the borough, and combined with its highly sustainable location, will remain the key location for new development.

Station Road links Harrow Metropolitan Town Centre with district town centre of Wealdstone and is characterised as a mixed-use corridor between the two centres. This part of the Opportunity Area is a relatively narrow awkward shape characterised by commercial units on the western side of Station Road with some larger sites, whereas the eastern side has some industrial sites and residential units facing onto Station Road.

The character of Wealdstone Town Centre and surrounds is much more varied. This includes the district town centre, Strategic Industrial Land, Local Strategic Industrial Sites (estates), large comprehensive regeneration developments and also well-established Metroland character housing. New development within the Wealdstone Town Centre Area must be cognisant of the variations within the character of the area, ensuring that any interface of character areas is respected.

Not all locations across the Opportunity Area will be capable of accommodating growth equally. The Harrow & Wealdstone Opportunity Area includes three main character areas. Each of these character areas are further comprised of sub areas, which have their own considerations in terms of facilitating new development. The town centre locations within the Opportunity Area will remain the location for higher density development. Outside of these, site allocations will provide guidance for sites where significant development is sought (sites such as Kodak, former Civic Centre, and Byron Park / Harrow Leisure Centre). New development should reflect the Public Transport Accessibility Level (PTAL) across the Opportunity Area, which will vary across each of the areas. Outside of these identified areas, new development must be delivered in accordance with the wider development policies.

Proposals for Built to Rent developments are likely to be acceptable within the boundaries of the Opportunity Area, subject to compliance with other policies of the Development Plan. The Opportunity Area is a highly accessible location for public

transport, local services, facilities and pursuing employment opportunities. This will encourage increased sustainable modes of transport, reduce car use and the risk of increased on-street car parking in the surrounding area. Build to rent schemes accommodate a minimum of 50 units (or more); tend be built at high density and to require a 4 or more storeys, to benefit from economies of scale and fund the cost of managing and operating the development. Whilst the predominate character of the Borough is two -three storey in suburban locations and three to four storeys with the town centres and near transport hubs. Overall, the proposed policy approach will minimise any potential harmful effects on the character areas of the Borough and ensure viability of potential development proposals.

### **Harrow Metropolitan Town Centre**

Harrow Town Centre is classified as a Metropolitan centre<sup>28</sup> in the London Plan and will remain the focal point for new development to strengthen the classification. Harrow Town Centre has excellent Public Transport Accessibility Levels, providing train services into London out along the Chilterns Railway. Buses serve the centre and provide access across the remainder of the borough and beyond. High quality development that introduces appropriate town centre uses and are sizes that are able to contribute to the economy will be supported. In order to strengthen the metropolitan status of Harrow Town Centre, the Council will support site assembly to bring forward comprehensive development where appropriate.

The design and use class of new development must reflect and reinforce the town centre's status in the London context. In addition to the intensity, bulk and scale of development, the design and quality should reinforce the centre's future as a modern, thriving place. Bland and unresponsive design is unlikely to strengthen Harrow town centre's character and appearance, nor contribute to the creation of a distinctive, identifiable place. New floor space must be flexible and adaptive to ensure maximum flexibility within the current economic climate, and any other changes which may present further challenges to the economy.

Through new development and planned public realm improvements, the Council will seek to improve wayfinding and to better define legibility and the centre area within Harrow town centre. Specifically, the St Ann's Road, Station Road and the St George's and St Ann's Shopping Centres will remain the primary focal point for shopping areas, and where new appropriate town centre development will be directed to these locations.

The council will continue to work with Transport for London to improve access to and from the Metropolitan Town Centre across the borough, specifically seeking to deliver sustainable methods of transport for residents and visitors to utilise. Improving sustainable transport will reduce the amount of vehicle movements improving climate change matters and air quality, and also moving towards a less car dominated centre where pedestrians are more comfortable.

### **Station Road**

Station Road lacks a distinctive identity, other than a transportation route linking Harrow Town Centre and Wealdstone Town Centre. However, this link is a poor

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<sup>&</sup>lt;sup>28</sup> London Plan (2021): Annex 1 Town Centre Network; Table A1.1 - Town Centre Network

environment for pedestrians due to heavy vehicular traffic. The Station Road section of the Opportunity Area is relatively narrow, with a mixture of character ranging from two-storey dwellings to higher four storeys in places. Beyond the majority of premises fronting Station Road, the character promptly changes into two-storey suburban character. This relationship between the Opportunity Area and the wider suburban character creates constraints and challenges to realising significant change along much of the Station Road element. Some specific sites with larger land holdings do provide opportunities and will be subject to site allocations as identified within the policy maps. All new proposals will need to demonstrate how a site is able to optimise development whilst ensuring that the interface between a more densely developed location and a strong suburban character of lower height and density.

The policy seeks to realise the potential that exists, through redevelopment, to provide an active frontage along both sides of the road, to improve the continuity of building lines, reduce the presence of unsightly and unused forecourts, and to provide a more coherent street scene. A simple, uncomplicated but modern design, exhibiting quality external finishing will achieve a coherence between different developments and existing buildings along the Station Road frontage.

The Council and its partners are committed to improving the public realm of Station Road. Funds raised through the Harrow Community Infrastructure Levy, together with any site-specific requirements made available as a result of Planning Obligations, will be used and co-ordinated to deliver safe, accessible and legible surfaces and the creation of a green, tree-lined boulevard which benefit pedestrians, cyclists and bus users. On sites that create new public realm, a consistent finish will assist in a seamless connection with the planned or delivered improvements along the remainder of Station Road, and again aid in providing much needed continuity.

### **Wealdstone Town Centre**

Wealdstone is classified as a district centre<sup>29</sup> within the London Plan (2021), which also notes the centre has having a low commercial growth potential but a high residential growth potential. Wealdstone is primarily served by the Harrow & Wealdstone Train and Underground Station, which provides mainline trains from London Euston northwards out of London, Bakerloo and London overground between London Euston and Watford Junction.

Over the last plan period, significant investment has occurred in the Wealdstone Town Centre. Specifically, new residentially led developments and public realm improvements have been implemented within the area. Wealdstone provides employment space, through both Strategic Industrial Land (SIL) and Locally Significant Industrial Sites (LSIS) industrial sites.

New developments have delivered a significant number of homes into the Opportunity Area, with further development potential on several large sites. These developments have and will continue to assist in meeting the housing targets set for the borough. Development within the Wealdstone Town Centre provides for higher density developments that result in more noticeable change within the area. Nearer the edges of this part of the Opportunity Area, and further away from the more densely developed town centre, existing developments such as Kodak and earmarked development at Byron Corner, are adjacent to the strong suburban character of Metroland Harrow.

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<sup>&</sup>lt;sup>29</sup> London Plan (2021): Annex 1 Town Centre Network; Table A1.1 - Town Centre Network

Developments in these locations needs to ensure that design responds to the character of the area, and specifically where new development is sought to be brought forward where two distinct character areas adjoin, care needs to be taken to ensure both character areas are respected.

Within the Wealdstone area, both LSIS and non-designated industrial land provide valuable contributions to the remaining industrial stock of the borough, and the retention of these sites, or modernisation where appropriate, will assist in delivering employment opportunities within the locality and borough. Any release of industrial land regardless of protection under the development plan, will be considered against the most up-to-date evidence.

Wealdstone has perceived crime and security issues worsened by the poor-quality public realm. Whilst improvements within Wealdstone Town Centre have been made to the public realm through Transport for London funded projects, further improvements will be supported where they assist in achieving the wider policies of the development plan. With new development the opportunity to improve the public realm presents itself, along with planned infrastructure improvements.

### **Reasonable Alternatives:**

The NPPF / London Plan requires a policy to be included within the Local Plan; not including a policy would therefore be inconsistent with national policy and / or not in general conformity with the London Plan.

## Policy LE1 Development Principles & Town Centre **Hierarchy**

Linkages:

NPPF Chapter 6: Building a strong, competitive economy

NPPF Chapter 7. Ensuring the vitality of town centres

London Plan Chapter 1: Planning London's Future – Good Growth

London Plan Chapter 2: Spatial Development Patterns

London Plan Chapter 6: Economy

### Policy LE1 Development Principles & Town Centre Hierarchy

The council will support developments that ensure an appropriate mix of main town centres uses, or that demonstrably contribute to the vitality and vibrancy of the centre or parade.

- A. The Council will support town centre developments that:
  - a. Demonstrably contribute to the vitality and vibrancy of the town centre or parade;
  - b. Are of a scale and intensity commensurate to the size and role of the centre or parade it is located within;
  - c. Provide an appropriate mix of uses within a shopping area or parade, ensuring an over proliferation of Sui Generis uses does not occur;
  - d. The ground floor would have an accessible and active frontage; and
  - e. Community facilities in town centres are able to be supported by the Council where compliant with Policy CI1.
- B. The Council will support mixed-use developments in town centres and parades where:
  - a. The ground floor element complies with A;
  - b. There is a clear and satisfactory delineation of access and servicing arrangements (bin store, cycle storage) between the two uses; and
  - c. There is satisfactory mitigation in accordance with the Agent of Change (Policy D13 of the London Plan (2021)).
- C. Residential uses on the ground floor in any town centres or neighbourhood parades will not be supported.
- D. The loss of appropriate town centre uses, community facilities and infrastructure from town centres will not be supported unless compliance with policy CI1 is demonstrated.
- E. Temporary events such as markets and entertainment uses will be supported where:
  - a. They are supported with a management plan agreed by the Council; and
  - b. They do not impact on residential amenity or highway safety.

- F. The Council will resist the loss of any employment, leisure or cultural uses within a neighbourhood parade that provides essential day to day amenities. The loss of such uses will only be accepted where 24 months of satisfactory marketing has been undertaken.
- G. Proposals for new retail and leisure development in out of centre locations will be resisted. Any such out of centre developments must:
  - a. Undertake a sequential test to demonstrate that there are no appropriate town centre sites, followed by edge of centre sites;
  - b. Be supported by an Impact Assessment for proposals where the floorspace exceeds 400 square meters to demonstrate no harm to centres within their catchment; and
  - c. Be supported by a Green Travel Plan to enhance sustainable access between the site and the town centre network.
- H. The release of office floorspace will be supported where the sequential approach below has been applied in the following order:
  - a. Vacant floorspace outside of designated town centres;
  - b. Vacant floorspace within designated Major, District or Local Town Centres;
  - c. Poor quality floorspace within designated Major, District or Local Town Centres; and
  - d. Floorspace within the Harrow Metropolitan Town Centre.
- H.1 Where the building has been vacant for more than 12 months and there is genuine evidence that all opportunities to re-let the accommodation have been fully explored, including evidence of suitable marketing over a 12-month period for office use or other appropriate employment or community uses.

#### **Supporting Text**

Outside of the Harow & Wealdstone Opportunity Area, the Borough's network of town centres comprises: part of one major centre, eight district centres and five local centres (Appendix 4). Town centres form a central part of the London Plan's spatial strategy for outer London and are at the heart of Harrow's spatial strategy for areas of the Borough beyond the Harrow & Wealdstone Opportunity Area. They give Harrow's districts their sense of individual identity and provide the basis for sustainable urban living, being inextricably connected with the public transport network. As the demographics and retail behaviour of residents has evolved, the character of the Borough's centres has changed and many now have a complimentary rather than principal role in meeting residents' shopping needs. Nevertheless, they still have a role; it therefore remains important to sustain and where possible enhance the vitality and viability of the Borough's town centres.

Harrow's network of town centres and their classifications are well established. Local parades of shops supplement the capacity of town centres by providing small walk-to convenience shops and facilities that serve the neighbourhood in which they are situated. A total of 34 Neighbourhood Parades have been identified within Harrow and are an important part of the Borough's suburban fabric playing an important role in the

day to day living of residents, particularly within the suburban areas of Harrow. These are set in Appendix 4.

The Harrow Economic Needs Study (2023) (ENS (2023)) provides an updated appraisal of town centre economic uses initially set out in the Economic development Needs Assessment (2017), setting out the significant changes that have occurred over this timeframe and the impact that this has had on town centres generally across London, and in Harrow. It has undertaken a quantitative and qualitative assessment of the need for new retail, leisure and other main town centre uses within LB Harrow.

Across the Local Plan period (to 2041), the floorspace projections are as follows;

- 1) Combined retail, food /beverage, leisure and entertainment: 13,900sqm
  - a) Retail (Convenience & Comparison): 800sqm
  - b) Food and Beverage; 13,100sqm

The ENS (2023) did not provide an office floorspace requirement for the borough. However, it did set a trend-based projection, noting that whilst there is still sufficient office floorspace capacity across the borough, there has been significant loss of office floorspace. Given there has been notable losses of floorspace across the borough (predominantly through the Prior Approval Process converting to residential), the Council will continue to closely monitor and review land supply and demand for all employment floorspace and premises.

This policy sets out how the above floorspace requirements for the Borough across the plan period (to 2041) will be achieved, and how the Council will ensure that the vitality and vibrancy of each of the centres and parades.

Town Centres have come under intense pressure to remain relevant and viable. Online shopping, the cost-of-living crisis and Coronavirus have all placed immense pressure on town centre occupiers to remain viable, with many operators shutting down. Managing the use of premises within a town centre has become more challenging with the amendment to the Town and Country Planning (Use Class) order 1987 in September 2020. The amendment introduced the E Use Class which allowed for greater movement between different uses within this class than previously.

The Council will continue to monitor the use of premises within the designated town centres and parades and will explore and seek to implement where considered appropriate the use of Article 4 Directions to ensure the vibrancy and vitality of town centres and parades.

Whilst retail will remain a key use class within a town centre, there has been a clear shift in how town centres are used and how they are experienced. This policy seeks to ensure that new development is located within the right locations and is flexible and adaptive to ensure resilience for town centre uses to adapt to changing economic conditions. All new development must demonstrate how it will positively contribute to the vitality and vibrancy of the centre.

The aim of this policy is to provide clear support for retail, leisure and cultural development or extensions within appropriate town centres. For those centres with multiple functions, the primary shopping area has been defined on the Policies Map and should be the focus for retail development. Sites within the primary shopping areas, as defined on the Policies Map, or those within 300 metres of the primary

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shopping area, or those falling anywhere within the boundary of other town centres, represent the sequentially preferable locations for retail, leisure and cultural development or extensions. Where the use and scale of the development is appropriate to the town centre, applications on the sequentially preferable sites need not provide information on site search and selection.

Temporary events and markets provide a point of difference to the experiential offer of a centre or parade and can provide a reason for people to visit a centre or parade positively benefiting the vitality and vibrancy of the wider locality. Temporary events are able to make use of vacant premises, which may be through existing built stock or as part of a new build scheme. Major schemes should set out in an agreed vacancy strategy how space is able to be used for temporary events or meanwhile uses.

Traditionally market events occur outdoors, and the Council will work with market Operators and town centre managers to assist in bringing these forwards in the appropriate locations. Operators will need to ensure that management plans for temporary market uses have been agreed with the Council prior to such events being held. Management plans must demonstrate that events will not be harmful to residential amenity or the highway network. Locating temporary markets in highly sustainable locations is encouraged to ensure ease of transport to and from the event in a sustainable manor.

Neighbourhood parades are located outside of the designated town centres and provide a valuable resource for much of suburban Harrow. Neighbourhood parades have the ability to provide day-to-day amenities contributing to sustainable neighbourhoods and assisting in the modal shift to more sustainable transport modes. The loss of these assets across the borough results in residents needing to travel further to collect day to day convenience goods, which can lead to further use of the private motor vehicle, especially from parts of the borough less connected to public transport. The loss of employment, cultural or leisure uses from such a location will only be supported where there has been 24 months of appropriate marketing, and alternative non-residential uses have been explored. Marketing should reflect the type, use and size of floorspace, seeking replacement operators and then other uses appropriate for town centres or neighbourhood parades.

Residential use is a more permanent use within a site, with the ability to return a premise to a non-residential use is highly unlikely to occur. Residential uses at ground floor within neighbourhood parades will not be supported, as this sends the clearest signal that the parade is in decline and all attempts to revive it have been abandoned.

New out of centre retail, leisure and cultural development or extensions to existing out of centre developments pose the greatest potential threat to the viability and vitality of town centres. These proposals can compete with town centres, particularly where they involve comparable goods retailing, and often reinforce car dependent behaviour. Attention will also be paid to the format and scale of the proposed development to consider whether sufficient flexibility has been exercised in the assessment of how other sequentially more preferable sites could meet any identified need.

Proposals should undertake a comprehensive sequential test of the borough to identify a preferable site, which should include reviewing town centre locations followed by edge of centre locations. Where developments are near an administrative boundary with a neighbouring borough, sites within that borough in sequentially preferable locations may be required as well.

Where a sequential test has been agreed with the Local Planning Authority and an out of centre site has been demonstrated as the only sequentially preferrable site, any sites that exceed 400sqm (gross floorspace) require an Impact Assessment. Any such assessment shall be carried out in accordance with the National Planning Policy Framework (2023) (or any superseding framework). This should include assessment of:

- a) The impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and
- b) The impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and the wider retail catchment (as applicable to the scale and nature of the scheme).

The office stock across Harrow has been in steady decline over the previous plan period, much of which has been lost to residential use through the prior approval process. This has resulted in much of the older stock being released. The Harrow ENS (2023) has identified an oversupply of office space, notwithstanding the release over the previous plan period. The Council will continue to monitor and manage the release of office floorspace to ensure that a sufficient supply remains in the event that further office space is likely to be released beyond what has been forecasted.

In managing the release of office floorspace from the Borough's stock, Policy LE 1 (Development Principles & Town Centre Hierarchy) sets out a sequential approach, with office floorspace located outside of designated town centres more sequentially preferrable to be released than floorspace released which is located within town centres, specifically the Harrow Metropolitan Town Centre. Development proposals should firstly seek to release office floorspace that is vacant and has been for at least 12 months. Applications must be supported with appropriate marketing to demonstrate that all reasonable efforts have been to let the space. Applications are expected to consider other employment or community uses before release to residential is pursued.

Marketing undertaken as required by this policy must be robust and proportionate and cover a period of no less than 12 months, that accurately reflects market rates suitable for the type use and size of the particular floorspace. In most instances marketing will be tested independently by a suitably qualified professional.

#### **Reasonable Alternatives:**

**Option 1: Less restrictive policy.** An alternative policy for LE1 could be a 'laissez-faire' approach, which would be not seek to control or protect main town centre uses, rather leaving the market to determine the appropriate mix is uses within the town centres. However, failing to manage and ensure appropriate main town centre uses may detrimentally impact on the vitality and vibrancy of town centres, which is one of the key outcomes sought by the Local Plan. Such an approach is therefore not the preferred option.

An alternative that was considered was for Policy LE1 to seek to provide a more restrictive approach to town centre uses (than that proposed), similar to the current local plan policy, requiring a percentage cap of non-retail uses within the town centres / shopping parades. This could also include ensuring that there would not be more

than three non-retail units in a row. However, by reason of the introduction of new Use Class Order (September 2020) and the new E Use Class incorporated a number of previously separate use classes there is a much wider number of uses that are able to changed from retail, without the need for planning permission (ie; does not constitute development and therefore any restrictive policy would not apply). As such, seeking to control the proportion of specific uses in town centres rather than the preferred approach of focusing on outcomes such as the contribution of a proposal (where permission is required) to vibrancy and vitality would not be deliverable within a local plan policy. This is therefore not a reasonable alternative.

# Policy LE2 Night-time and Evening Economy

Linkages:

NPPF Chapter 6: Building a strong, competitive economy

NPPF Chapter 7. Ensuring the vitality of town centres

London Plan Chapter 1: Planning London's Future – Good Growth

London Plan Chapter 2: Spatial Development Patterns

London Plan Chapter 6: Economy

#### **Policy LE2 Night-time and Evening Economy**

- A Within the Harrow Metropolitan Town Centre, proposals which enhance the evening and night-time economy will be supported where:
  - a. They make a positive contribution to the vitality and vibrancy of the centre:
  - b. They satisfactorily mitigate any negative parking or traffic implications;
  - c. They appropriately address the agent of change principle as set out in Policy D13 of The London Plan (2021);
  - d. They demonstrate that the evening or night-time use will provide an active frontage during daytime hours; and
  - e. They satisfy the principles set out within the Harrow Metropolitan Town Centre Masterplan.
- B. Proposals which enhance the evening economy of town centres outside of the Metropolitan Town Centre will be supported with regard to:
  - a. The role and function of the centre:
  - b. Their positive contribution to the vitality and vibrancy of the centre:
  - c. The satisfactory mitigation of any negative parking or traffic implications;
  - d. The agent of change principle as set out in Policy D13 of The London Plan (2021).
- B.1 Proposals should demonstrate evening or night-time uses will remain active during daytime hours where possible.
- C. Proposals for the redevelopment of night-time or evening economy use to provide a mixed-use scheme will be supported where:
  - a. There is a sufficient reprovision of the existing floorspace;
  - b. Adequate separation of access and servicing between the different uses is achieved:
  - c. The agent of change principle as set out in Policy D13 of The London Plan (2021) has been addressed; and
  - d. Wider policies within the development plan are complied with.
- D. Proposals that would compromise any component of this policy, or would be detrimental to the vitality and viability of town centres, will be refused.

- E. The loss of facilities that contribute to the evening and night-time economy will be resisted unless:
  - a. Appropriate marketing of no less than 24 months to demonstrate they are surplus to requirement; or
  - b. There are suitable facilities within the centre that adequately provide for this use.

#### **Supporting Text**

The night-time economy is an important element of the overall economy of an area, and specifically relates to activity between the hours of 6pm and 6am. Specifically, this also includes uses that are associated within the evening hours. Night-time economic activities include eating, drinking, entertainment, shopping and spectator sports, as well as hospitality, cleaning, wholesale and distribution, transport and medical services, which employ a large number of night-time workers.

Generally speaking, Harrow does not have a well-developed night-time economy. The primary reason for this is the proximity into central London which provides a greater selection of options for eating, drinking, leisure and cultural activities. However, with a growing population in the Harrow Metropolitan Centre and as the cost of returning to Harrow late in the night can be time consuming and expensive, there is an opportunity to increase the offer for residents and visitors. Within Harrow, the Metropolitan Centre provides the optimal location for opening hours that are more unsociable and associated with late night uses such as clubs and restaurants. Harrow Metropolitan Town Centre has a London Plan (2021) night-time economy classification of NT2, which places it as an area of regional or sub-regional significance.

The Council intends to produce a masterplan for the Metropolitan Town Centre, setting out where land uses, including night-time and evening economy, would be best directed to across the town centre.

#### **Reasonable Alternative:**

### **Policy LE3 Industrial Land**

Linkages:

NPPF Chapter 6: Building a strong, competitive economy

NPPF Chapter 7. Ensuring the vitality of town centres

London Plan Chapter 1: Planning London's Future – Good Growth

London Plan Chapter 2: Spatial Development Patterns

London Plan Chapter 6: Economy

#### **Policy LE3 Industrial Land**

The Council will support new development of industrial floorspace within appropriate locations, where they accord with other relevant policies within the development plan.

#### A. Strategic Industrial Locations (SIL)

- Proposals to intensify, increase or modernise floorspace and premises within a. SIL will be supported where the uses fall within the industrial-type activities below:
  - 1) General Industry (B2) and similar Sui Generis uses
  - 2) Storage and logistics/distribution (Use Class B8)
  - 3) Secondary materials, waste management and aggregates
  - 4) Utilities infrastructure (such as energy and water)
  - 5) Land for sustainable transport functions including intermodal freight interchanges, rail and bus infrastructure
  - 6) Wholesale markets
  - 7) Emerging industrial-related sectors
  - 8) Flexible (B2/B8) hybrid space to accommodate services
  - 9) Low-cost industrial and related space for micro, small and medium-sized enterprises
- b. New & emerging industrial uses must demonstrate need and operational compatibility with the wider SIL.
- c. Subdivision of existing industrial floorspace will be supported where it supports appropriate diversification and meets the needs of a specific end user, and does not compromise the existing operators.
- d. Any net loss of industrial floorspace and premises within a SIL will not be supported.
- e. Proposals that fall within use classes E(g) (ii) & (iii) will be resisted from being located within SIL, and will only be supported where demonstrated to support an existing Use Class B2 or B8 type use.
- A.1 Co-location of residential within a SIL will not be supported.

#### **B. Locally Significant Industrial Sites (LSIS)**

- a. Proposals to intensify, increase or modernise floorspace and premises within LSIS will be supported where the uses fall within the industrial-type activities below:
  - 1) General Industry (B2) and similar Sui Generis uses
  - 2) Storage and logistics/distribution (Use Class B8)
  - 3) Secondary materials, waste management and aggregates
  - 4) Utilities infrastructure (such as energy and water)
  - 5) Land for sustainable transport functions including intermodal freight interchanges, rail and bus infrastructure
  - 6) Wholesale markets
  - 7) Emerging industrial-related sectors
  - 8) Flexible (B2/B8) hybrid space to accommodate services
  - 9) Low-cost industrial and related space for micro, small and medium-sized enterprises
- b. New & emerging industrial uses must demonstrate need and operational compatibility with the LSIS.
- c. Subdivision of existing industrial floorspace will be supported where it supports appropriate diversification and meets the needs of a specific end user, and does not compromise the existing operators.
- d. Any net loss of industrial floorspace and premises within a LSIS will not be supported.
- e. Proposals that fall within use classes E(g) (ii) & (iii) will be resisted from being located within LSIS, and will only be supported where demonstrated to support an existing Use Class B2 or B8 type use.
- B.1 Co-location of residential within a LSIS will not be supported.

#### C. Non-designated Industrial Land

- a. Proposals to intensify, increase or modernise floorspace or premises within non-designated industrial sites will be supported where the uses fall within the industrial-type activities specified within Policy A.a above, and subject to compliance with other relevant policies within the development plan.
- b. Mixed use schemes will be supported where they comply with the criteria set out within Policy E7C of the London Plan 2021.

#### D. Non-industrial uses on industrial land.

- a. Proposals that seek to introduce non-industrial uses within an industrial site must demonstrate the ancillary nature of the non-industrial use, or satisfactorily demonstrate it is unable to be located elsewhere within the borough with respect to the principle of development.
- b. Non-industrial uses that are not satisfactorily demonstrated as being ancillary to an industrial use or not demonstrated as being able to be located elsewhere within the Borough will not be supported.

#### **Supporting Text**

Over recent years the Borough has experienced a trend of continual floorspace losses for industrial land. Numerous small, incremental losses have been supplemented by the loss of some larger sites to residential use including the Kodak Site which was previously designated as Strategic Industrial Land in its entirety but allocated for a comprehensive mixed-use development in the current Local Plan and the Strategic Industrial Land designation consolidated in the process. Such an approach of managed release of industrial land was consistent with the London Plan at the time.

The London Plan (2021) brought forward a step change in how industrial land should be considered across all of London, seeking to ensure there would be a sufficient supply of land and premises to meet the current and future demand for industrial and related functions. To determine this, up-to-date evidence to determine what would constitute a sufficient provision at a borough level is required.

The London Industrial Land Supply Study (March 2023) sets out a comprehensive review and update of the London industrial land supply. For Harrow, it sets out the following supply of industrial land across the different typologies. The amount of industrial land within Harrow makes up 1% of the industrial land and premises of all of London.

•		Non-industrial land within designated sites (ha)	Total (ha)
Strategic Industrial Land	13.1	1.3	14.4
Locally Significant Industrial Sites	18.1	4.6	22.7
Non-Designated Industrial Land	16.7	N/A	16.7
Total	48.4	5.9	54.3

[figures directly from Table 2.7: London Industrial Land Supply Study (March 2023)

The West London Employment Land Review (2021/22 Update) sets out that the land requirements across the plan period equal an additional 0.6 hectares. This policy seeks to ensure that existing industrial floorspace and premises would be retained, and to seek renewal and provision of new quality premises where possible. Given the modest amount of floorspace that is required to be delivered, the Council will seek to deliver this within the existing industrial sites located across the borough. As at November 2021 the vacancy rate was 1.7% and this is below the Mayor of London's Land for Industry and Transportation Supplementary Planning Guidance (SPG) (2012), which sets out a reasonable average rate of frictional vacancy of 5%. By reason of this, there is limited justification for the release of industrial land in the borough.

Strategic Industrial Lands are a London Plan designation and are the main reservoir of land for industrial, logistics and related uses across London, and are given strategic protection because they are critical to the effective functioning of London's economy. There are two Strategic Industrial Locations in the Borough: the Wealdstone preferred industrial location and the Honeypot Lane industrial business park; the extent of these

designations is shown on the Proposals Map. Harrow's SIL land forms part of the Park Royal / Heathrow sub-regional industrial property market area.

SIL estates are able to accommodate activities which - by virtue of their scale, noise, odours, dust, emissions, hours of operation and/or vehicular movements - can raise tensions with other land uses, particularly residential development. It is for this reason that the Council will only support uses in SIL estates that require such space to operate successfully, while encouraging uses that are able to co-locate more easily in areas of the borough without harming the amenity of neighbouring occupiers to do so.

The increase in industrial floorspace requirements across the local plan period to 2041 is relatively minimal, being 3,890 sqm (0.39 ha) of additional floorspace, which at a plot ratio of 0.65 (consistent with the London Plan) equates to 0.6 ha of land. In floorspace terms, this represents an increase of just over 1.5% of current provision. Policy LE 03 (Industrial Land) seeks to actively promote the intensification and modernisation of floorspace within SIL locations, and will direct industry that by reason of its very nature, would not be appropriate in more sensitive locations. Whilst Policy E4 (Land for industry, logistics and services to support London's economic function) of the London Plan (2021) set out conforming uses for industrial land, proposals for new development will only be supported where they are within use class B2 or B8, or where a Sui Generis use can be satisfactorily demonstrated as being of similar impacts to B2 or B8. Use Class E(g)(ii) and (iii) (Formerly B1 b/c) are listed as being appropriate within industrial land as set out in Policy E4 (Land for industry, logistics and services to support London's economic function).

However, by reason of the limited stock of industrial land within Harrow, this policy prioritises uses that are less likely to be able to be provided elsewhere within the borough (outside of designated industrial estates). Industrial uses that would fall within a B2, B8 or a similar scale and intensity Sui Generis use are often unneighbourly through their impacts, and coupled often with long opening hours, require space to be able to operate in such a manner without uncertainty of being restricted by sensitive receiving environments. Use Class E(g)(ii) and (iii) can be carried out in any residential area or town centre (as set out in the Use Class Order 2020) without causing detriment to the amenity of the area, and as such these uses are directed outside of designated industrial estates.

New and emerging industrial uses within SIL and LSIS will be supported where the need for the use can be robustly demonstrated and would serve the local economy positively, and in the event of strategic uses, the wider West London context. Furthermore, any such use must demonstrate compatibility with the wider SIL or LSIS to ensure the safe and ongoing success of the wider estate is not compromised.

Residential use within SIL or LSIS is not appropriate as it leads to a reduction in the provision of industrial floorspace and premises for industrial activities and cannot be justified given the low vacancy rates in Harrow and the modest need for additional floorspace and premises.

The current evidence base for industrial land across Harrow sets out that the Borough is not in a position to release any further floorspace and premises from the borough stocks. The Local Plan is seeking to meet the borough's future housing need and there

is no evidence to justify the release of any industrial land for housing or other uses. By reason of this, the policy does not support the co-location of housing within designated industrial estates.

In order for London to meet its industrial floorspace and premises requirements, protection must also be afforded to industrial sites that are not designated either as SIL or LSIS. During the London Plan (2021) Examination in Public amendments were made in relation to non-designated industrial land and premises, as it was considered for London to have the sufficient provision of industrial floorspace and premises, non-designated industrial and would need to play a stronger role. Accordingly, further protection was provided for its provision. Specifically for Harrow where there is a limited industrial stock, any opportunity to increase industrial floorspace on such sites will be encouraged and supported. Uses must conform with the appropriate uses set out in Policy E4 (Land for industry, logistics and services to support London's economic function) of the London Plan (2021). Thirty percent of Harrow's industrial stock is comprised of non-designated industrial land, and therefore protection of this is critical to ensuring sufficient floorspace is provided.

Co-location of non-designated industrial land may be an acceptable form of development, where it maintains industrial floorspace and delivers housing to assist in meeting wider development plan objectives. Such proposals will be on a case-by-case basis with great weight given to what any loss of industrial use and floorspace would be as part of a development. Proposals that would result in the loss of a use from a site that is unable to be demonstrated to be re-provided within the borough, will not be supported. Developments that are unable to re-provide successful industrial or appropriate employment floorspace, that cannot be re-provided elsewhere result in further loss of industrial floorspace and premises that evidentially cannot be released. Applications that seek to replace one industrial use for another, where the existing use is not easily capable of being relocated, and replaced with a use that could be located in more sensitive areas, will be resisted.

#### Appropriate Uses

The Council will support non-conforming uses within industrial premises where they are ancillary to the main industrial use on the site or premises, and that the non-conforming use is clearly connected to the successful operation of an established industrial use. Considerations around the fact and degree of the primary industrial use of site or premises and the non-conforming ancillary element will need to be clearly set out and satisfied.

Non-conforming uses within an established industrial site prevent the optimal use of the site, which is to maximise the industrial capacity with uses that are unlikely to be acceptable in other locations. Non-conforming uses will result in less floorspace and premises within such sites, and by their nature are likely to be acceptable in sustainable locations outside of such established industrial sites, such as town centres. Policy E4 Land for industry, logistics and services to support London's economic function of the London Plan (2021) sets out a list of conforming uses for such sites, with Policy (this one) providing more specifics in relation to appropriate uses. The Council recognise that there are and will be emerging industries that will come forward over the life of the plan which are not listed within the policy. Proposals

for emerging industrial uses may be appropriate, and will need to clearly set out how they would be generally consistent with uses within an industrial estate and why such a use would not be appropriate elsewhere.

#### Reasonable Alternatives:

Option 1 – allow for the full range of appropriate industrial uses: An alternative policy could be to allow for all of the appropriate industrial uses set out under Policy E4A of the London Plan (2021) to occur within Strategic Industrial Land and Local Strategic Industrial Sites. By reason of the limited industrial floorspace within LB Harrow, such an approach is not the preferred option as this would mean uses that could occur elsewhere in the borough without adverse impacts would instead occur on the borough's limited amount of industrial land, at the opportunity cost of industrial uses that are more appropriately located on designated industrial land.

Option 2 – allow for co-location: An alternative policy approach may be to allow for the co-location of housing on Local Strategic Industrial Sites, which is set out as appropriate (subject to process) within the London Plan (2021). By reason of the limited industrial floorspace within LB Harrow, which evidence suggests stock should be maintained to ensure a sufficient amount, and the forecasted ability to meet housing targets without requiring such an option, this is not the preferred option.

# **Policy LE4 Culture and Creative Industries**

Linkages:

NPPF Chapter 6: Building a strong, competitive economy

NPPF Chapter 7. Ensuring the vitality of town centres

London Plan Chapter 1: Planning London's Future – Good Growth

London Plan Chapter 5 Social Infrastructure

London Plan Chapter 6 Economy

London Plan Chapter 7 Heritage and Culture

#### **Policy LE4 Culture and Creative Industries**

- A. The Council will support proposals for cultural and creative industries where they:
  - a. Are in a location that is appropriate for their use;
  - b. Are of a size, layout and form that is suitable for the intended use;
  - c. Do not harm residential amenity or the free flow and safety of the public highway;
  - d. Take the opportunity to utilise vacant premises in appropriate locations for pop ups or meanwhile uses; and
  - e. Address the agent of change principle (Policy D12 of the London Plan (2021)).
- B. The Council will support the modernisation and / or the expansion and enhancement of floorspace that serves existing cultural facilities or creative industries where:
  - a. There is a demonstrable need for the extended floorspace; and
  - b. Relevant policies within the wider development plan are taken into consideration.
- C. The loss of existing cultural facilities or creative industry floorspace will be resisted. Proposals that seek to release floorspace or premises will only be supported where:
  - a. It can be robustly demonstrated that there is no longer any need for the existing use; or
  - b. The use is able to be provided elsewhere within the borough where:
    - The floorspace is of equal or greater quantum / quality; and
    - The alternative location is within an equally or more accessible location.
  - c. Alternative cultural or creative industry uses have been considered

#### **Supporting Text**

Cultural facilities are essential infrastructure that make up an important element of any place. Harrow has a wide range of assets that are of cultural importance, many of which are associated with the built environment and natural landscapes. Many of the heritage listed buildings in Harrow, such as St Mary's Church atop Harrow on the Hill, are very prominent with views to it from many parts of the Borough. Many others have a more local connection. To the north-east of the Borough, Harrow Weald provides a vantage point across the Borough. These locations are designated as Areas of Special Character, and provide culturally important assets for the Borough. Proposals that may impact on Area of Special Character must consider Policy HE3 of the Local Plan.

The Harrow Economic Needs Study (2023) suggests there is no clear qualitative or quantitative need for additional theatre, music/nightclub or cultural provision. However, there may be potential to increase LB Harrow's low market share and attract more demand from tourist visitors if provision is improved. The Inclusive Economy, Leisure and Culture division will continue to look for opportunities and work with stakeholders to increase the market share through improved provision.

The Westminster University Film School is located on the Borough boundary (within London Borough of Brent) and among other end users, in conjunction with the relatively affordable workspace, there is an opportunity to support this industry. Storage for set paraphernalia and props for filming are an essential requirement of the industry, and the small to medium sized storage style warehouses across the borough can provide affordable floorspace and premises. Furthermore, short term events such as art gallery or performance events are capable of taking up vacant premises or space within major developments.

The Council recognises the importance of the assets that it has within the borough, both natural and built, which contribute to the attractiveness of the place to live and / or work in or just to visit. For these reasons, the Council will seek to ensure that existing assets are retained, their continued operation and appreciation is protected, and any opportunity to improve them is realised, including improving public access.

The Council will support new cultural floorspace where it is located in appropriate sites across the borough, and will encourage such space into town centres, recognising that such floorspace can't always be located in highly sustainable locations by virtue of availability and affordability of premises and locational and design requirements. Where new floorspace is proposed, applicants will be required to demonstrate how the facility is able to address sustainability matters, and where applicable, set out mitigation measures for facilities not located in sustainable locations.

Creative Industries may be considered acceptable within industrial estates where they can be demonstrated that they are an emerging industry and would not compromise successful operation of the wider estate. Any application must demonstrate the appropriateness of its use in any location.

Where existing facilities are proposed to be modernised or extended, this will be supported where the extra floorspace is required to enable the ongoing success and function of the use that exists on the site. Where the modernisation or expansion of floorspace results in either a larger footprint or a more intensive use of the site, proposals must demonstrate that there would be no harm to the local area, either through residential amenity or impacts on parking and highway matters. The Harrow

Arts Centre is the main centre of culture within the borough, and new development that helps to maintain or enhance this provision, whilst preserving its heritage contribution, will be supported.

Across the borough, vacant premises can provide the opportunity for pop-up or meanwhile uses for a range of uses, including cultural or creative industries. This could include premises that have been vacant for some time, or floorspace within major developments. Whilst premises or floorspace may not be intended to remain vacant across the long term, some pop-up events only seek short term space for an event. Vacant premises or floorspace do not contribute positively to an area, and can also lead to anti-social behaviour issues arising by reason of such spaces being unoccupied and not providing natural surveillance. Where a meanwhile or pop-up use can utilise such space, it enlivens the area whilst providing an opportunity for space to contribute more positively to an area. In particular to creative industries, space can be difficult to obtain and can be expensive for start-up users for arts or creative space. Major developments which provide for non-residential floorspace will be expected to submit (for approval by the Council) a vacancy strategy. This strategy should set out how the non-residential floorspace is able to be let at an affordable cost to temporary users, specifically considering the cultural and creative industries.

#### Reasonable Alternative:

# **Policy LE5 Tourism and Visitor Accommodation**

Linkages:

NPPF Chapter 6: Building a strong, competitive economy

NPPF Chapter 7: Ensuring the vitality of town centres

London Plan Chapter 1 Planning for London's Future – Good Growth:

London Plan Chapter 6 Economy

#### **Policy LE5 Tourism and Visitor Accommodation**

- A. Proposals for new hotel development and serviced apartments will be directed towards Harrow Town Centre and the wider Harrow & Wealdstone Opportunity Area. Proposals for new hotel development and serviced apartments outside of the Harrow & Wealdstone Opportunity Area will be directed to sites in accordance with the following sequential order of preference:
  - a. town centres;
  - b. edge of centre;
  - c. highly sustainable locations
- B. Subject to compliance with A above, new tourism infrastructure will be supported where:
  - a. the size and character of the site or building are suitable for the proposed use;
  - b. the internal layout provides an appropriate balance between guest sleeping areas and ancillary floorspace (such as reception and dining areas, and staff facilities) commensurate to the use to enable its successful operation
  - b. the development will be compatible with the character and appearance of the area:
  - c. the residential amenities of local residents will not be harmed by way of noise, disturbance, loss of light or privacy;
  - d. it provides a choice of accessible accommodation in accordance with Policy E10H (Visitor Infrastructure) of the London Plan (2021):
  - e. it would not result in an over-concentration of the type of accommodation within the locality;
  - f. there will be good access and links or opportunities for good access and links to modes of transport other than the private vehicle; and
  - g. vehicle access to and from the highway will be safe.
  - h. there are adequate access, drop-off/pick-up and servicing arrangements;
- C. The Council will resist the loss of tourist infrastructure. Any loss of tourism infrastructure will only be supported where:
  - a. There is no longer a need for that facility; or
  - b. The redevelopment of the site would result in an over-riding public benefit: and
  - c. Any change in use or redevelopment complies with other policy requirements of the development plan.

- D. The use of a residential property for temporary sleeping accommodation (short term let or holiday let) must not exceed 90 nights within a calendar year. Proposals seeking to exceed this will require planning permission and must consider:
  - a. The loss of a single-family home
  - b. Car parking
  - c. Residential amenity
- E. To assist with the circular economy, proposals for tourism accommodation should provide a statement to demonstrate how in the future the design of the proposal could allow its conversion into other uses appropriate for its location.

#### **Supporting Text**

In addition to the 11th Century St Mary's Church, Harrow boasts tourist attractions that include Bentley Priory Museum, Headquarters to Fighter Command during the Battle of Britain, Harrow-on-the-Hill, West House, and Headstone Manor and Museum celebrating 1200 years of local history and including The Great Barn once owned by Henry VIII.

As an outer London borough, Harrow's tourism economy is still an integral part of the local and wider economy. A strong tourism economy provides opportunities for local residents through jobs and supports local businesses across the borough. The London Plan (2021) estimates that an additional 58,000 bedrooms of serviced accommodation will be needed in London by 2041, where Harrow is set to provide 347 serviced apartments over this same period.

The Borough has excellent links into central London, enables convenient public transport for visits to central London, Wembley Stadium and Wembley Arena and accommodation is often competitively priced. Covid19 has had a significant impact on the tourism infrastructure globally, with London being no exception. There was a sharp fall across the hospitality sectors within West London and Harrow, and most notably in accommodation and food services<sup>30</sup>. However, following the easing of restrictions imposed in relation to Covid19, the sector saw some of the fastest (temporary) recoveries. Notwithstanding any recovery, it is anticipated that the sector will progress with a lower work force than pre-pandemic.

Notwithstanding the convenient links into central London, tourism accommodation also provides opportunities to visit local attractions. Specifically, Harrow boasts attractions such as Harrow School, and a number of museums including Heath Robinson, Headstone Manor, and Bentley Priory. The Council has invested in a number of attractions within the borough, with the aim to make these more accessible for the visiting public and viable as an attraction.

New hotel and leisure development is directed into the Harrow town centre, reflecting its Metropolitan centre status and in support of the Harrow & Wealdstone Opportunity Area objectives. Throughout the rest of the Borough, the Council will expect proposals for hotel development and other forms of tourism accommodation to locate in town

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<sup>&</sup>lt;sup>30</sup> https://wla.london/wp-content/uploads/2021/04/2021-April-Oxford-Economics-Report-Refresh-how-has-Coronavirus-impacted-the-West-London-economy.pdf.

centres to avoid impacts on residential amenity and to benefit from good public transport links and local services.

Given the London-wide demand for tourism infrastructure, specifically in relation to a range of tourism accommodation, any loss of such a use would not contribute to meeting the requirements across the plan period. Proposals that seek to reduce tourism infrastructure within the borough will be resisted, unless supported by robust justification. A marketing exercise covering a minimum continuous period of 24 months, including details of commercial agents, advertisements and lease terms offered must support any such application. Submitted evidence will be reviewed by a suitably qualified professional to ensure appropriateness of the marketing. Alternatively, proposals that result in a loss of tourism infrastructure that would form part of a comprehensive development, and which is demonstrated to result in an over-riding public benefit, will be supported.

Where the loss of tourism infrastructure is accepted, proposals should first seek to provide employment or community use floorspace where appropriate. Provision of employment space will assist in continuing or increasing the level of footfall, and sustaining the vitality and vibrancy of an area, which in most cases will be a town centre or a highly sustainable location.

Any change in use or redevelopment must comply with other policy requirements of the development plan.

Guest houses and bed & breakfast accommodation help to provide a choice of visitor accommodation. Such uses also provide business opportunities for residents that contribute to local economic activity. However, care is needed, particularly in residential areas, to balance the impacts of guest house and bed & breakfast uses with the amenity of neighbouring occupiers and the character of the area. Overintensive use of a property is likely to give rise to disturbance to neighbouring occupiers and could generate an excessive level of external activity by visitors' arrival and departure. Even where individual proposals are acceptable, an over concentration of guest houses and bed & breakfast accommodation in a road or locality can lead to unacceptable cumulative effects.

Guest houses and bed & breakfast (short term let or holiday let) must not exceed more than 90 days, this is to ensure the borough's housing stock is maintained. The government is seeking to introduce a new use class, Use Class C5, which will address short term let or holiday let accommodation. Whilst it is noted that such infrastructure can provide an alternative and often cost-effective option, it can be at the detriment of housing stock for Harrow residents.

The Council wishes to encourage tourism that does not harm the environment or residential amenity. New tourist development can widen the cultural and recreational opportunities available to local people for use and employment, making the best use of resources. To support the circular economy, purpose-built tourism infrastructure proposals should be supported by a statement setting how they can be repurposed to change use to other uses that would be appropriate to their locations. Given the sustainable locations of tourism infrastructure, often located in town centres, new builds should be flexible to be capable of multiple end users with minimal intervention. In the event that tourism infrastructure is no longer required (having been demonstrated through compliance with part C of the Policy), retrofitting the shell and core to another use is a much more sustainable option that demolition and rebuild.

Furthermore, the flexibility of buildings, especially in town centre locations, assist in such locations being more able to adapt to changing market conditions.

#### Reasonable Alternative:

# **Chapter 06: Community Infrastructure**

# Strategic Policy 06: Social and Community Infrastructure

Linkages:

NPPF Chapter 8: Promoting Healthy and Safe Communities

London Plan Chapter 5: Social Infrastructure

London Plan Chapter 8: Green Infrastructure and the Natural Environment

London Plan Chapter 9: Sustainable Infrastructure

#### **Strategic Policy 06: Social and Community Infrastructure**

- A. Development must contribute to the protection, enhancement and additional provision of community services and facilities; physical, social, green and blue infrastructure, to adequately address the Borough's existing and future needs. This will be achieved through:
  - a. Ensuring new development and growth is co-ordinated and phased in tandem with the provision of appropriate physical and social infrastructure:
  - b. Requiring proposals for new development to demonstrate adequate infrastructure capacity exists or will be provided on and off site to serve the development;
  - c. The development or expansion of physical or social infrastructure, where it is needed to serve existing or proposed development, or required to meet projected future requirements;
  - d. Resisting the loss of community facilities unless adequate arrangements are in place for their replacement or the enhancement of other existing facilities;
  - e. Requiring all development to contribute to the delivery of strategic infrastructure identified in the Infrastructure Delivery Plan; and
  - f. Utilising the Community Infrastructure Levy (CIL) or any subsequent mechanisms to fund the maintenance and provision of infrastructure through legal agreements.

#### **Supporting Text:**

The infrastructure policies in this chapter have been developed in line with the Infrastructure Delivery Plan (IDP 2024). The IDP assesses the current state of infrastructure in Harrow and identifies where additional provision may be required in line with development and population growth. While development is required to create more capacity in our local infrastructure, strategic work must also be undertaken in line with the IDP to use our infrastructure resources more efficiently.

The Council will work with stakeholders to identify any infrastructure capacity issues and deliver required infrastructure. Applicants will be required to assess the impact of their proposals on infrastructure and include measures to facilitate the delivery of new

or enhanced infrastructure. Development contributions to infrastructure should be considered in the viability assessment of any proposal.

#### **Reasonable Alternatives:**

# Policy CI1: Safeguarding and Securing Social Infrastructure

Linkages:

NPPF Chapter 8: Promoting Healthy and Safe Communities

London Plan Chapter 5: Social Infrastructure

#### Policy CI1: Safeguarding and Securing Social Infrastructure

#### **New Social Infrastructure**

- A. Proposals will be required to make contributions towards the provision of enhanced or new social infrastructure, in locations where there are existing capacity issues or a need is identified, to support new development.
- B. Proposals relating to new or enhanced social and community infrastructure facilities, including the consolidation of existing facilities, will be supported where they respond to a demonstrable need and:
  - a. Are located in areas easily accessible by public transport, walking and cycling, preferably in town centres or the Harrow and Wealdstone Opportunity Area:
  - b. Are located within the community they are intended to serve;
  - c. Do not adversely impact residential amenity or highway safety;
  - d. Are provided in flexible, adaptable and all abilities accessible buildings, preferably co-located with other social infrastructure uses; and
  - e. Must maximise wider community benefit through utilisation of community use agreements.

#### **Existing Social Infrastructure**

- C. The Council seeks to retain and protect existing social infrastructure and community facilities from loss to alternative uses. Any proposals that result in loss of these uses will be resisted, unless proposals can adequately demonstrate that:
  - a. There is no longer a need for the current use (as evidenced by 24 months of effective marketing), and there is no projected future need, or the site is unsuitable for the current use and there is no need for any other suitable community use on the site; and
  - b. The loss of social infrastructure would not result in a shortfall in provision of that use: or
  - c. A replacement facility is provided that would better meet the specific needs of existing and future users in regard to quantity, quality and location; or
  - d. Redevelopment would secure enhanced social infrastructure reprovision (on or off-site) ensuring continued delivery of social infrastructure and related services.
- D. Any proposal to redevelop an existing social infrastructure site should prioritise the use of the site for an alternative social infrastructure use.

#### **Supporting text:**

Social infrastructure covers a range of services and facilities that meet local and strategic needs and contribute towards a good quality of life. It includes health provision, education, community, play, youth, early years, recreation, sports, faith, criminal justice and emergency facilities, as outlined in the London Plan.

Social infrastructure plays an important role in developing strong and inclusive communities. It can provide opportunities to bring different groups of people together, contributing to social integration and the desirability of a place.

The council will work closely with the community and stakeholders to identify infrastructure needs across the borough, and work to secure timely delivery of high-quality infrastructure and services. The Infrastructure Delivery Plan (IDP) will be used in conjunction with relevant corporate plans and strategies to plan the roll out of new and improved social infrastructure.

Development must be supported by new or enhanced social infrastructure to ensure that quality of life in the borough is improved. Opportunities for the delivery of enhanced or new infrastructure are scarce due to constrained nature of the built-up area and other development pressures. Therefore, existing social and community infrastructure sites will be protected for ongoing community use where possible. The policy seeks to enable the development of new social infrastructure and the protection of existing facilities from redevelopment pressure to competing land uses.

The loss of social infrastructure can have a detrimental effect on communities, therefore it will be avoided unless justified having regard to the overall need for infrastructure in the borough and any site-specific considerations.

Any proposals involving the loss of a community use should be evidenced by 24 months of continuous effective marketing, at a reasonable market rate. Evidence should include various examples of online and local marketing through reputable agents.

The Council is continuing to seek to identify and understand community need relating to burial space within the borough. As different religious groups have differing requirements for burial space this will be examined in detail to ensure there is adequate space going forward. The Council will continue to engage through Duty to Cooperate meetings with other boroughs, highlighting West London burial space needs as a consideration.

#### Reasonable Alternatives:

# Policy CI2: Play and Informal Leisure

Linkages:

NPPF Chapter 8. Promoting healthy and safe communities

London Plan Policy S4: Play and Informal Recreation

#### Policy CI2: Play and Informal Leisure

Development proposals that are likely to be occupied or used by children and young people must increase opportunities for play and informal recreation.

- A. Development proposals for new housing must incorporate well-designed and high-quality formal play provision of at least 10 square metres per child.
- B. Play space provision should be delivered on-site and made accessible to all children in the development. Where development is to be phased, there should be early implementation of play space. All play space must be designed to:
  - Ensure public access is not unreasonably restricted in major developments,
  - b. Provide a safe and stimulating environment for all age groups and abilities represented in the development,
  - c. Provide rest and amenities areas for children and parents (i.e benches, shade, access to water, etc), and
  - d. Incorporate landscaping and permeable surfaces.
- C. Off-site provision of play and recreation space will only be acceptable in exceptional circumstances, where it is demonstrated that:
  - a. On-site provision is not feasible and there is existing play space, or
  - b. New provision will be delivered within proximity to the development and can be accessed safely and easily by residents.
- D. Development proposals resulting in the loss of play space will be refused unless replacement provision of at least an equivalent amount and improved quality will be provided.

#### **Supporting Text:**

Development should provide opportunities for high-quality, accessible children's play space to support and encourage active living. Safe and stimulating play spaces have a positive impact on physical and mental wellbeing of both children and parents. Play facilities are an important tool in the fight against childhood obesity and also provide opportunities for social interaction and development in young people.

In line with the London Plan, new residential developments must provide formal play space of at least 10 square metres per child in order to address child occupancy requirements. Provision should be proportionally based on the number of children expected to occupy the development and an assessment of future needs. The GLA's play space calculator can be used to find and evidence the level of play space required.

Play space should be delivered on-site. Off-site provision will only be considered in exceptional circumstances where it is demonstrated; on-site provision is not feasible and there is existing play space, or new provision will be delivered within proximity to the development and can be accessed safely, easily by residents. Applicants will be required to provide evidence to demonstrate that delivery on-site is not feasible, including a design options appraisal, and assurance that the need generated by the development will be adequately met.

All new play space should be delivered through a carefully considered design-led approach with the end user in mind. Play space and other outdoor communal amenity space should be integrated at the street or ground floor level. The siting of provision on rooftops should be avoided where possible as this may impede safe access. Developments should maximise opportunities to integrate nature and 'green' features into play space, including tree planting and landscaping. This provides a pleasant environment that contributes to informal play, climate change mitigation and biodiversity uplift.

Play space should be designed in a way that is accessible to all children and parents regardless of ability. Play England's 'design for play' guide should be used to guide the design of play spaces, particularly with regard to all abilities access.

#### Reasonable Alternatives:

# **Policy Cl3: Sport and Recreation**

Linkages:

NPPF Chapter 8. Promoting healthy and safe communities

London Plan Policy S5 Sports and Recreation Facilities

#### **Policy CI3: Sport and Recreation**

- A. Proposals that would increase the capacity and quality of outdoor sport and recreation facilities, and those that would secure community access to private facilities, will be supported provided that:
  - a. There would be no conflict with Green Belt, Metropolitan Open Land or open space policies;
  - b. The proposal would not have a detrimental impact on any heritage or biodiversity assets within or surrounding the site; and
  - c. There would be no adverse impact on residential amenity or highway safety.
- B. Proposals for uses that would support existing or proposed outdoor sport and recreational facilities will be supported where they are:
  - a. Ancillary in terms of size, frequency, use and capacity; and
  - b. Do not displace or prejudice facilities needed for the proper functioning of the principal outdoor sport and recreational uses.
- C. Proposals for floodlighting will be supported where they would:
  - a. Enhance outdoor sport and recreation facilities; and
  - b. Not detrimentally impact the character of open land, the amenity of neighbouring occupiers or biodiversity.
- D. All proposals should facilitate community access to sport and recreation facilities through a community use agreement, unless it can be demonstrated that it is not feasible.
- E. Proposals which would lead to the loss of, or would prejudice the use of a sports or recreation facility will be resisted unless:
  - a. Any loss of facilities would be replaced by equivalent or better provision in terms of quantity and quality, in a suitable location in accordance with Policy CI1 (Safeguarding and securing new Social Infrastructure); or
  - b. The development is for alternative sports and recreational provision for which the identified need clearly outweighs the loss of the existing facility.

#### Supporting text:

The provision of formal and informal sport and recreation facilities encourages physical activity and delivers a range of social, health and wellbeing benefits to communities.

The Harrow Indoor and Outdoor Sports Facilities Strategy (2023 - 2037) assesses existing and future needs for sporting infrastructure provision across the borough. The aim of the document is to ensure the on-going provision of high-quality, accessible playing pitches and built sport facilities to meet the needs and demands of the borough's current and future populations.

The Strategy identifies key objectives and local needs (current and projected to 2037), including:

- The need to replace or improve existing Leisure and recreation facilities;
- Additional pressures arising from a growing, ageing and changing population;
- The need to protect future usage and extend access to facilities where possible;
- The important role the Council plays as an enabler in developing better quality facilities in partnership with Sport England and National Governing Bodies of Sport;
- The role of sport and physical activity to support residents and visitors through recovery from the pandemic and the cost-of-living crisis.

The document provides evidence that Harrow's sporting infrastructure needs to be protected and enhanced in line with population growth, and existing deficits addressed where possible. Sport and recreation facilities are detailed in the Infrastructure Delivery Plan as essential infrastructure. Any development should consider projects identified in the IDP for infrastructure contributions. Any loss of sporting infrastructure resulting from development must be replaced by equivalent or better provision in terms of quantity and quality in a suitable location.

New and upgraded sport and leisure facilities should ensure that sustainable transport options are prioritised for users to minimise reliance on cars for access.

Sport and leisure facilities should ensure that all abilities access and amenity is provided on site.

Community use agreements will be secured by the planning authority in the form of a legal agreement with the landowner.

Harrow will continue to work with strategic partners such as Sport England to assess and respond to demand for sporting infrastructure, and seek arrangements to ensure community access to facilities within the borough.

#### Reasonable Alternatives:

# **Policy CI4: Digital and Communications Infrastructure**

Linkages:

NPPF Chapter 10. Supporting high quality communications

London Plan Policy SI6 Digital Connectivity Infrastructure

#### **Policy CI4: Digital and Communications Infrastructure**

- A. Proposals for the installation of telecommunications equipment will be supported where:
  - a. The installation would be on an existing mast or building or, if a new mast is proposed, it has not been possible to find a suitable existing mast or building to meet operational requirements;
  - b. The siting and design of the installation would minimise its impact upon the amenity of neighbouring occupiers, the host building (where relevant), and the appearance and character of the area;
  - c. There would be no unacceptable impact upon areas of designated open space, heritage, landscape and biodiversity value;
- B. Where installation of telecommunications infrastructure is required to support the effective functioning of the emergency services, compliance with A. above may not be feasible. These applications will be determined on a case by case basis, based on evidence submitted by the applicants.
- C. Existing communications infrastructure (i.e masts, cabinets, aerials, etc) and sites must be utilised were possible to minimise over proliferation of equipment. Any grounds for rejecting co-location of infrastructure or sites must be clearly justified.

#### **Supporting Text:**

High-speed, reliable digital connectivity is a necessity for businesses, students and individuals, playing an important role in maintaining a competitive local economy, attracting new investment and creating jobs in the Borough. Infrastructure that supports the operation of digital connectivity should be planned for and facilitated by infrastructure providers and the Council.

The pandemic created new cultural shifts for businesses and residents with increased rates of people working from home and utilising video calls. This has created a significant demand and reliance on digital technology and broadband connections.

To meet these needs, the Council will continue to work with private sector providers to roll out required infrastructure. This will ensure Harrow has a high-quality broadband fibre network and mobile phone services for its residents and businesses. Providers and planning agents are encouraged to engage with the council through digital infrastructure pre-application services to establish plans and address any issues early in the planning process.

Rates of full-fibre broadband connectivity are lower in Harrow than the London average. Several key projects have been identified in the Harrow Infrastructure Delivery Plan (IDP) to increase connectivity rates.

Development proposals must demonstrate how they will improve digital connectivity on sites located in areas where full-fibre broadband, or equivalent infrastructure, is not currently available or on sites that are otherwise poorly served by broadband coverage, including in designated employment areas and town centres. Proposals must address the findings of Harrow's Infrastructure Delivery Plan.

Digital and communications infrastructure should utilise existing sites or equipment where possible to minimise on-street and visual clutter. Evidence that providers have assessed opportunities for sharing of infrastructure needs to be provided as part of any application for new infrastructure. The proliferation of new telecommunications structures should be kept to a minimum, ensuring visual impacts are appropriately mitigated. All digital and communications infrastructure should be neatly and discretely screened to minimise visual clutter.

Advertisements associated with wi-fi or telecommunications infrastructure must be proportionate to the overall structure, and must not lead to an over proliferation within a locality, in line with Policy GR12 (Advertisements, digital displays and hoardings).

Opportunities for the rationalisation or screening of equipment already installed on existing masts, buildings and street cabinets should be explored.

Where new telecommunications provision is crucial to the operations of the emergency services, such provision should be enabled without undue impediment in the interests of the safety of Harrow residents.

#### Reasonable Alternatives:

# **Chapter 07: Green Infrastructure**

# **Strategic Policy 07: Green Infrastructure**

Linkages:

NPPF Chapter 15. Conserving and enhancing the natural environment

London Plan Chapter G1: Green Infrastructure

#### **Strategic Policy 07: Green Infrastructure**

- A. Green infrastructure should be identified, protected, restored, enhanced, and extended. The planning, design, and management of green infrastructure should be integrated, and the context carefully considered to ensure the most appropriate benefits are targeted, maximised and maintained.
- B. Access to green infrastructure will be enhanced where possible.
- C. Green Belt and Metropolitan Open Land (MOL) will be protected from inappropriate development in line with Policy GI1 (Green Belt and MOL).
- D. Development will not be permitted on designated open space, other than for small-scale, ancillary facilities needed to support or enhance the proper functioning of the open space in line with Policy GI2 (Open Space).
- E. There should be no net loss of green space in the borough. Additional green space provision will be supported.
- F. The quality and functionality of green infrastructure will be enhanced.
- G. Biodiversity should be enhanced both retrospectively and in new development, particularly where this will strengthen local ecological networks or address deficits in line with policy GI3 (Biodiversity);
- H. Drainage is considered, and flood risk reduced giving priority to natural SuDS provision in line with Policy CN4 (Sustainable Drainage);
- I. Green spaces should be multifunctional providing a range of ecosystem services and benefits, targeting local need;
- J. Local food growing measures (allotments, urban gardens, stop and grow) will be supported in line with Policy GI5 (Food Growing);
- K. Opportunities for cross-borough collaboration and the consideration of green infrastructure in an integrated way as part of a network will be pursued.

#### **Supporting Text:**

The term 'Green Infrastructure' refers to the network of blue and green spaces, parks and gardens, nature reserves, sports pitches and playing fields, allotments, cemeteries, trees and woodlands, green roofs and drainage systems, The type, condition and degree of connectivity of the natural capital features that form part of the borough's green infrastructure assets determines the extent and nature of the ecosystem services they provide in supporting human wellbeing and quality of life. Maximising the value and benefits derived from these assets, requires planning, design, and management.

All development should avoid putting pressure on vulnerable ecosystems and mitigate risk through careful planning of green infrastructure, in line with Paragraph 159 of the NPPF 2023.

Metropolitan Open Land and Green Belt spaces provide some of Harrow's largest green infrastructure assets. These are protected from inappropriate development

through the London Plan and NPPF. Private gardens, green spaces, green corridors, and landscaped areas are also green infrastructure assets requiring protection, enhancement and reconnection, particularly in areas deficient in natural capital.

Green infrastructure and the natural capital it supports will play an increasingly pivotal role in keeping the borough liveable and providing equitable public goods from which everyone should benefit. Green infrastructure plays several important roles, including:

- · Cooling our cities and combatting the urban heat island effect,
- Minimising flooding by providing enabling natural drainage,
- Removing pollution from the air and creating oxygen,
- Supporting and providing access to bring about higher levels of biodiversity.

Improvements in green infrastructure provision can facilitate mental and physical health and wellbeing, climate change mitigation and adaptation, water and air quality improvements, active travel (walking and cycling), ecological connectivity and resilience, wildlife conservation and habitat condition and local food growing, as well as traditional aspects such as play, sport and recreation.

While this policy aims to protect and enhance Harrow's environment, there are ongoing examples of front and rear gardens being hard surfaced, and vegetation removal contributing to biodiversity loss and climate risks in the borough. The council will resist proposals that do not contribute to a clean and green borough or impact on ecosystem services.

#### **Reasonable Alternatives:**

# Policy GI1: Green Belt and Metropolitan Open Land

Linkages:

NPPF Chapter 15. Conserving and enhancing the natural environment

London Plan Policy: G2 London's Green Belt

London Plan Policy: G3 Metropolitan Open Land

#### Policy GI1: Green Belt and Metropolitan Open Land

#### A. Green Belt Land:

- a. Any proposals for development in the Green Belt will be considered in accordance with the NPPF.
- b. Development adjacent to Green Belt should not have a significant detrimental effect on the openness of the Green Belt, and must respect the character of its surroundings.
- B. Metropolitan Open Land (MOL):
  - a. In accordance with the London Plan, Metropolitan Open Land is to be protected from inappropriate development in accordance with national planning policy tests that apply to the Green Belt.
- C. Proposals for the beneficial use of land in the Green Belt and MOL will be supported where the use would not have an inappropriate impact on the openness and permanence of the Green Belt and MOL, having regard to:
  - a. Visual amenity and character;
  - b. Potential to enhance public access as part of the Green Grid;
  - c. Use of land for food growing or community gardening;
  - d. The protection and enhancement of heritage assets:
  - e. Biodiversity improvements;
  - f. Natural capital improvements.

#### Redevelopment or Infilling of Sites

- D. Proposals for the redevelopment, infilling or partial infilling of previously developed sites in the Green Belt and MOL will only be supported where the proposal would not have a greater impact on the openness and permanence of the Green Belt and MOL, and the purposes of including land within it, than the existing development, having regard to:
  - a. The height of existing buildings on the site;
  - b. Visual amenity and character of the site and surrounds;
  - c. The proportion of the site that is already developed;
  - d. The footprint, distribution and character of existing buildings on the site; and
  - e. The relationship of the proposal to any retained development on the site.
- E. All proposals on Green Belt or MOL land should be put forward in the context of a comprehensive, long term plan(s) for the site as a whole.

<u>Inappropriate and Harmful Development in the Green Belt and Metropolitan</u> Open Land

F. Proposals for inappropriate development, or redevelopment which would harm the essential characteristics or purpose of the Green Belt or Metropolitan Open Land will be refused in the absence of clearly demonstrated very special circumstances.

#### **Supporting Text**

Harrow's Green Belt accounts for 21.6% of Harrow's land area, and benefits from a variety of uses that help to maintain its openness and character. As well as a number of farmland and woodland areas, uses of the Borough's Green Belt include sports grounds, public open space, nature reserves and burial space. The Green Belt's purpose is to provide a break between urban areas and rural areas.

Metropolitan Open Land is strategic open land located in the urban area and is specific to London. MOL uses in the Borough include parks, outdoor sports pitches, golf courses and allotments.

Beneficial uses of Green Belt and Metropolitan Open Land help to sustain their openness and usefulness for the current and future generations.

The NPPF and London Plan strongly advocate for the protection of Green Belt and MOL land. The primary aim of the Green Belt is to prevent urban sprawl by keeping land permanently open.

Inappropriate development is, by definition, harmful to the Green Belt and will not be approved except in very special circumstances. Very special circumstances arise when harm resulting from a proposal is clearly outweighed by other considerations.

Harrow's MOL should be protected from inappropriate development in accordance with the same national planning policy tests that apply to the Green Belt. Proposals that enhance community access to MOL or provide additional appropriate benefits for the community will be encouraged. Examples include improved public access, inclusive design, sport and recreation facilities, habitat creation, landscaping improvement and flood mitigation.

A significant strategic redevelopment opportunity exists at the Royal National Orthopaedic Hospital in the Green Belt (Site Allocation XX). The Hospital is a nationally and internationally recognised facility located in the Green Belt at Brockley Hill, Stanmore. The hospital complex is spread over a substantial site area and occupies many outdated, substandard buildings. Redevelopment of the site offers the potential to provide a modern, fit for purpose accommodation that befits the hospital's status, and improves the openness of the site by rationalising the footprint of the buildings. The desirability of providing new accommodation for the hospital is a significant consideration and may constitute very special circumstances for enabling development that would otherwise be inappropriate development in the Green Belt.

Another strategic Green Belt redevelopment opportunity exists at Harrow College (Site Allocation XX). The College is currently spread over two sites, with the principal campus located in Lowlands Road, Harrow Town Centre. Parts of the site are

substantially open in character and should remain so; redevelopment will be confined within the boundary shown in the Policies Map. The original college building on the site is of some local architectural and historic merit and every effort should be made to retain it. However, the wider complex contains many later additions, the potential redevelopment of which could secure rationalisation of built form and enhance the site's contribution to Green Belt openness. Open land to the north of the existing complex of buildings could form an extension to Harrow Weald cemetery.

Biodiversity improvements on MOL of Green Belt land will be encouraged in line with Policy GI4 (Biodiversity) and must be a consideration for all forms of development. Harrow's two Sites of Special Scientific Interest and the majority of the Borough's Sites of Importance for Nature Conservation (SINC) are located in the Green Belt, contributing to the character, openness and biodiversity value of the area. Food growing (allotments) and community gardens will be encouraged on MOL and Green Belt land.

#### Reasonable Alternatives:

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national policy or the London Plan.

# Policy GI2: Open Space

Linkages:

NPPF Chapter 15. Conserving and enhancing the natural environment

London Plan Policy: G4 Open space

# Policy GI2: Open Space

- A. Development proposals must:
  - a. Contribute to the provision, protection and enhancement of high quality, multi-functional, publicly accessible open space, particularly in areas of deficiency;
  - b. Not result in the net-loss of open space;
  - c. Improve access to green space where possible, particularly in areas where deficiencies in access have been identified; and
  - d. Enhance biodiversity and improve access to biodiversity and natural capital.
- B. Major development proposals must incorporate new publicly accessible open space unless it can be clearly demonstrated that this is not feasible, in which case off-site contributions will be required.
- C. Existing open space, sports pitches, recreational buildings, and playing fields should not be built on unless:
  - a. An assessment has been undertaken that clearly demonstrates the open space, buildings or land are surplus to requirements; or
  - b. The loss resulting from the proposed development would be replaced by equivalent or better provision, in terms of quantity and quality in a suitable location; or
  - c. The development is for alternative sports and recreational provision, the benefits of which clearly outweigh the loss of the current or former use.
  - d. The development is required for critical social infrastructure, the positive benefits of which clearly outweigh the loss of the current or former use.

## **Supporting text:**

Open Space is a vital component of London's open space network and, more locally, the West London Green Grid, which contributes significantly to the environmental quality and natural capital of the borough and surrounds. Access to a network of high-quality open spaces and opportunities for sport and physical activity is important for the health and well-being of communities, and can deliver wider benefits for nature and support efforts to address climate change.

Much of Harrow is relatively well served by parks and open spaces. However, since the pandemic there has been increased usage and damage to Harrow's open spaces. This is evidenced by Harrow's performance in the Good Parks London rankings, falling from 11<sup>th</sup> out of 32 London Boroughs in 2018, to 26<sup>th</sup> out of 29 London Boroughs in 2022<sup>31</sup>.

Several areas within the borough have a deficiency in access to green space. The south and central areas of the borough have a deficiency in the quantity of open space provision, while deficiencies in accessibility exist in the south-eastern and south-western areas of the borough, as shown by the map below. Work must be undertaken to improve the number and quality of open spaces in these areas in line with the Harrow Open Space PPG17 Study (2011), and the Harrow Sports Facilities Strategy (2023).

Open space should be taken into account in planning for new development and considering proposals that may affect existing open space in the borough. Upgrades have been made to several key sites in recent years, although more work is required to secure a greater number of green spaces, adding to the Harrow Green Grid and improving the quality of the existing spaces in the borough.

Opportunities exist to improve the quality of open spaces including nature sites and the connections between them; protecting and adding to residents' opportunities for access to nature and the benefits this provides. Open spaces that are well-designed and well-managed for people and nature can provide a range of other ecosystem benefits. To realise these, development must support the provision, protection and enhancement of open spaces. Development must maintain and wherever possible enhance access to, and connections between the network of open spaces within and outside the Borough, prioritising measures that encourage walking and cycling.

Development proposals located adjacent to open space must respond positively to the character of the open space as well as protect, and wherever possible enhance, the biodiversity value and visual amenity provided by the space.

This policy applies to both publicly accessible or owned, and private open space, sports pitches, recreational buildings, and playing fields.

Table X.X: Harrow Open Spaces Hierarchy

Туре	Number	Land area
District Parks	9	TBC
Local Parks and Open Spaces	11	TBC
Small Open Spaces	5 +1	TBC
Pocket Parks	2*	TBC
Linear Open Spaces	1	TBC

\*Pocket Parks – The Weald Village Tenants' and Residents' Association made a successful application for a grant for a pocket park in 2013 but there's no information available about it at present.

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<sup>31</sup> https://parksforlondon.org.uk/wp-content/uploads/2022/12/Good-Parks-for-London-2018.pdf

#### Reasonable Alternatives:

One reasonable alternative to this policy is proposed. This policy specifies that Open Space could be used for the development of community infrastructure in exceptional circumstances. A reasonable alternative would be to make this policy more restrictive, removing this specification and not allowing development of community infrastructure on Open Space land. This alternative would however potentially impact upon the provision of community infrastructure required to support development and the ability for the LPA to consider the overall planning balance for individual community infrastructure proposals impacting upon open space.

# **Policy GI3: Biodiversity**

Linkages:

NPPF Chapter 15. Conserving and enhancing the natural environment

London Plan Policy: G6 Biodiversity and access to nature

## Policy GI3: Biodiversity

#### Protection of Biodiversity & Natural Capital

- A. Biodiversity and natural capital must be protected and enhanced. Development proposals must be adequately evidenced and follow the Ecological Mitigation Hierarchy.
- B. Development proposals must not result in loss of, or pose direct or indirect negative impacts to:
  - a. Irreplaceable habitats (e.g. ancient woodland) or features (e.g. ancient/veteran trees)
  - b. Sites nationally or internationally designated for nature conservation or geodiversity
  - c. Core areas identified within the Local Nature Recovery Strategies (LNRSs) for London or Hertfordshire
  - d. Other important sites, features or functions where losses or impacts could not be adequately mitigated or compensated for with regard to:
    - i) LNRS areas;
    - ii) Sites of Importance for Nature Conservation/ Regionally Important Geological Sites:
    - iii) Areas of priority habitat;
    - iv) Populations of protected, priority or locally notable species;
    - v) Important features (e.g. historic hedgerows);
    - vi) Green or blue corridors or other functional linkages within the local ecological network; and
    - vii) Ecosystem function or resilience.
- C. Development proposals that would increase deficiencies in access to nature will be resisted.

#### Biodiversity and nature recovery

- D. Development proposals should:
  - a. Conserve and enhance Harrow's biodiversity;
  - b. Utilise nature-based solutions to manage environmental pressures;
  - c. Strengthen the Borough's natural capital;
  - d. Improve access to nature where practicable; (link to deficiency in access)
- E. All major and minor development proposals must be supported by a proportionate Biodiversity Net-Gain Plan (BGP) which clearly identifies how the development will minimise harm and maximise biodiversity gain. Proposals will be required to demonstrate compliance with the criteria below and provide:
  - a. A minimum of 2 biodiversity units per hectare;

- b. A minimum net uplift in biodiversity unit value of 20%;
- c. A minimum of one wildlife shelter (i.e swift box/bee brick etc.) per residential unit; and
- d. Details surrounding the delivery, monitoring and maintenance of BNG units, whether wholly on-site, or utilising locally strategic off-setting location(s).

#### **Supporting text:**

Nationally, the UK has experienced extreme losses of biodiversity over the last 50 years, and is now one of the most nature-depleted countries on earth<sup>32</sup>. Recently, there has been greater recognition of the value of nature and its role in mitigating climate change. It is now considered imperative that greater efforts are made to better manage land and restore ecosystems.

The Environment Act 2021 sets out the framework for a national Nature Recovery Network which local authorities will support through the preparation of Local Nature Recovery Strategies (LNRS).

Harrow has a wide variety of flora and fauna habitats as identified in the Harrow Biodiversity Action Plan. Threats to Harrow's local biodiversity include increased recreational pressure, air pollution, climate change, development, fragmentation, water use and vandalism. The Local Plan aims to combat or mitigate each of these pressures.

To ensure that biodiversity degradation in Harrow is reversed, the council has set a biodiversity net gain target of a minimum 20% increase in habitat value for wildlife compared with the pre-development baseline. This will be calculated using an appropriate Biodiversity Metric. Biodiversity net gain should be fully integrated into a design-led approach with consideration given to the site context and wider landscape setting.

Development proposals must submit an ecological assessment which identifies biodiversity interests within and surrounding the development site and assess any potential impacts. Proposals should demonstrate how the development will respond positively to identified biodiversity interests. The scale of development will determine the level of detail required in the assessment. The NPPF sets out principles for determining planning applications where there is potential harm to biodiversity, as does the London Plan.

Biodiversity net gain should be secured and maintained for as long as the development exists. Maintenance payments for off-site biodiversity units should cover a minimum of 30 years. Planning conditions and/or legal agreements may be used to secure Management Plans where they are considered necessary to support nature conservation. Where a development is unable to achieve the appropriate level of net gain, an offsite contribution equivalent to the percentage of deficit will be agreed with the Council.

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<sup>&</sup>lt;sup>32</sup> State of Nature Report 2023 <a href="https://stateofnature.org.uk/wp-content/uploads/2023/09/TP25999-State-of-Nature-main-report">https://stateofnature.org.uk/wp-content/uploads/2023/09/TP25999-State-of-Nature-main-report</a> 2023 FULL-DOC-v12.pdf

Where adverse impacts to biodiversity cannot be avoided, mitigation measures must be in place to offset the impacts. The hierarchy of mitigation measures is as follows:

- 1. Avoid damaging the significant ecological features of the site;
- 2. Minimise the overall spatial impact and mitigate it by substantially improving the quality or management of the rest of the site; and
- 3. Deliver off-site compensation of higher biodiversity value.

All types of development should aim to incorporate some form of wildlife shelter i.e a swift brick, bee brick or similar. Utilisation of native species and plants of high biodiversity value should be major components of formal landscaping or garden planting.

All proposals should make provision for the eradication of Invasive Non-native Plant species listed on Schedule 9 of the Wildlife and Countryside Act and/or by London Invasive Species Initiative where these occur on site.

#### Reasonable Alternatives:

One reasonable alternative to this policy is proposed. This policy requires a Biodiversity Net Gain of 20%. A reasonable alternative would be to align with the Environment Act and stipulate that a Biodiversity Net Gain of only 10% is required, this is the status quo for all local authorities. The Biodiversity evidence base shows that a Biodiversity Net Gain of 20% would be achievable for most developments without being too onerous or disproportionately impacting viability.

# Policy GI4: Urban Greening, Landscaping and Trees

Linkages:

NPPF Chapter: 15. Conserving and enhancing the natural environment

London Plan Policy G5 Urban Greening & Policy G7 Trees and Woodlands

## Policy GI4: Urban Greening, Landscaping and Trees

- A. Development proposals must demonstrate that a design-led approach has been used to maximise opportunities for local greening. Proposals should include the integration of high quality and species diverse landscaping, trees, wildlife habitat, green roofs, green walls and Sustainable Drainage Systems, giving preference to native species where possible.
- B. Major development proposals must increase the overall value of green cover on site to achieve the London Plan recommended Urban Greening Factor (UGF), unless it can be adequately demonstrated that this is not feasible. Predominantly residential development should achieve a UGF score of 0.4. Predominantly commercial development should achieve a score of 0.3. Existing green cover retained on-site will count towards the UGF score. Planning contributions will be sought where the required level is not achieved on-site in order to secure offsite provision.
- C. All new development should retain and integrate existing trees of value into the site layout. Opportunities for additional tree planting and habitat creation should be maximised. There is a presumption in favour of retaining and integrating existing trees, woodlands and hedgerows within development sites.
- D. Trees identified for retention must be protected during the construction phase of development, and replaced where necessary upon completion of the development.
- E. Planning permission will be refused where proposals would result in the loss of or harm to:
  - Trees subject to a TPO a.
  - Ancient or Veteran trees, ancient woodlands or hedgerows
  - Trees categorised as suitable quality and value (as categorised within BS5837 survey)
- F. Where there is an unavoidable loss of trees onsite, replacement trees will be required to be planted on site where appropriate at a rate of at least two new trees for each tree lost. Where this requirement cannot be met on site, financial contributions will be sought for offsite provision of any shortfall.
- G. Proposals for works to trees in conservation areas and those the subject of tree preservation orders will be permitted where the works are for sound arboricultural reasons and do not risk compromising the long-term health and

appearance of the tree. Proposals for work which are not in accordance with best practice (BS3998:2010) will be refused.

- H. Proposals which would result in the loss of ancient or veteran trees, woodland or hedgerows, will not be permitted under any circumstances.
- I. Development proposals that fail to make appropriate provision for hard and soft landscaping, or fail to contribute to streetside greenery where appropriate, will be refused. Appropriate provision of hard and soft landscaping must:
  - a. Be appropriate to the character of the area;
  - b. Be well laid out in terms of access, car parking and the living conditions of future occupiers and neighbours;
  - c. Achieve a suitable visual setting for the building(s);
  - d. Provide sufficient space for new or existing trees and planting to grow and does not result in post-development pressure, and;
  - e. Support biodiversity.
- J. The Council will undertake and encourage new planting of street trees and shrubs, secured by legal agreement if necessary, and provide, restore and/or maintain grass verges on public and private streets. Where new streets are proposed these should be tree-lined, and provisions for long term maintenance will be required.
- K. Proposals for the provision of hard surfacing of forecourts and front gardens will be resisted. If allowed, in part permeable materials and soft landscaping should be utilised in development proposals.

#### **Supporting Text:**

Harrow is largely characterised by extensive tree and shrub cover, with woodland, streetside vegetation and forecourt greenery an essential aspect of its character. The Council will seek to protect, enhance and add to these important features, increasing the borough's natural capital. The Council will seek to protect and enhance these important features.

#### **Urban Greening**

The London Plan sets an Urban Greening Factor (UGF) requirement for major developments. The UGF provides a target for the value of green cover that development is expected to provide. The Council will adhere to the recommended UGF factors for major residential and commercial development as set by the London Plan. Existing green cover retained on site as part of a development proposal will count towards the target UGF score.

Major development proposals should meet and seek to exceed the target UGF score. Consideration will be given to proposals that suitably demonstrate that the target cannot be achieved due to technical feasibility or financial viability, in which case

proposals should show that they have been designed to achieve the highest score possible. Guidance in the Urban Greening Factor SPG should be followed.

Development proposals should utilise green roofs and walls, where appropriate, ensuring that they are appropriately designed, installed and maintained. Major development proposals will be expected to demonstrate integration of green walls and roofs has been fully investigated. If the incorporation of green walls and roofs has not been pursued an explanation for this decision must be provided. Minor development proposals are strongly encouraged to incorporate green walls and roofs. All green roof and wall proposals must maximise benefits for biodiversity, sustainable drainage and cooling, complying with the latest industry standards. Design led solutions should be used to ensure that green roofs and walls do not detract from the character of the dwelling or surrounds.

#### Trees and Landscaping

Landscape design is integral to the design and functioning of the whole site and surrounds. The landscape and buildings need to be considered together from the start of the design process.

Design and Access statements must be supported by a robust, illustrated masterplan and a landscape strategy including management and maintenance proposals to ensure that the development is established and maintained in accordance with the design objectives, and is required for outline planning applications. A combination of hard and soft landscaped spaces should provide attractive and usable amenity areas, avoiding awkward spaces.

The level of detail provided in the landscape plan should be commensurate with the detail provided about the building in a planning application. Planning applications are required to demonstrate that proposed landscaping and other urban greening measures will be appropriate, can be implemented effectively and will be suitably managed over the lifetime of the development. Appropriate management and maintenance programmes will be required to be implemented to protect newly planted trees.

Development proposals must ensure adequate replacement tree planting and maintenance where the retention of trees is not reasonably practical. The Council will require trees identified for retention to be protected during construction, and to be retained or replaced where necessary following the completion of the development. In some instances, it may be more appropriate to include replacement or new tree planting as part of a development's landscaping scheme.

In wholly exceptional circumstances, where protected trees are proposed to be removed, suitable reprovision will require replacement and/or additional planting to reprovide at least equal canopy cover and/or equal environmental amenity and visual value. Where on-site reprovision cannot be provided, a financial contribution of the full cost of appropriate reprovision will be required.

Developer contributions towards trees within the public realm may be required and will be secured by a legal agreement or other relevant mechanism.

When a financial obligation is required for replacement trees the value should be calculated using the Capital Asset Value for Amenity Trees (CAVAT) or a similar suitable methodology. Financial contributions will be expected to include on-going

maintenance costs for a minimum of 30 years where trees are planted in the public realm.

Financial contributions may also be sought to enhance the Harrow Green Grid and connections.

#### Impermeable Landscaping

Substantial areas of hard surfacing are considered to be any more than 5 square metres, as allowed for in the Town and Country Planning (General Permitted Development Order) 2015 (GPDO) (as amended) or any smaller threshold set out in subsequent GPDO.

Hard landscape surfacing should be minimised in any development or planning application to maximise the efficacy of sustainable drainage systems, mitigate flooding, enhance biodiversity and urban greening. Permeable paving and surfacing options should be utilised in development, and their permeability maintained.

#### Reasonable alternatives:

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national policy or the London Plan.

# **Policy GI5: Food Growing**

Linkages:

NPPF Chapter 15. Conserving and enhancing the natural environment

London Plan Policy: G8 Food growing

## **Policy GI5: Food Growing**

- A. The Council will resist proposals that result in the loss of allotments, city farms and community gardens in order to support sustainable food growing locally, and to enhance opportunities for biodiversity, leisure, social interaction and education.
- B. The Council will support proposals to enhance, and increase provision of allotments, city farms and community gardens including necessary ancillary facilities in suitable areas, having regard to flood risk, soil quality, access to sunlight and land contamination.
- C. Major development proposals for housing and/or community facilities will be required to demonstrate they have explored options to include the provision of space and/or infrastructure for community gardening and food growing.
- D. Redevelopment proposals on sites with existing food growing assets should retain or re-provided any land and infrastructure, resulting in no net loss of provision.

# **Supporting Text:**

Allotments and community gardens form part of Harrow's green infrastructure network. They are an important local resource for many reasons, including:

- Local food production and minimisation of food miles;
- Increased biodiversity and green space;
- Fostering community through social interaction and reducing loneliness;
- Educational resources for adults and children;
- Leisure and recreation;
- Health and wellbeing.

There are currently 34 statutory allotment sites in the borough which will be protected and enhanced as valuable green infrastructure assets. The provision of additional allotment and community garden sites will be encouraged on a permanent or temporary basis on vacant or under-utilised land, or as a meanwhile use.

Allotments are particularly invaluable to those who do not have access to a private garden, helping to promote inclusivity in the community. For this reason, the inclusion of allotments and community gardens is heavily encouraged in new developments to provide residents with a meeting place to interact.

New residential and community development proposals should incorporate provision for food growing as a design-led consideration early on in the planning process. Provision should be of a high quality that meets the needs of all age groups and abilities. Ancillary facilities should also be provided in the form of water taps, storage facilities and composting bins. Additional guidance for the planning of allotments can be found in the Harrow Allotment Strategy, and the National Allotment Society's guidance for planners and developers<sup>33</sup>.

#### Reasonable Alternatives:

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national policy or the London Plan.

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<sup>33</sup> https://www.nsalg.org.uk/wp-content/uploads/2023/08/NAS-Development-Brochure-2023-LR.pdf

# **Chapter 08: Responding to the Climate and Nature Emergency**

# Strategic Policy 08: Responding to the Climate and **Nature Emergency**

Linkages:

NPPF Chapter 14: Meeting the challenge of climate change, flooding and coastal change London Plan Chapter 9: Sustainable Infrastructure

London Plan Policies: SI 2 Minimising greenhouse gas emissions, SI 3 Energy infrastructure

## Strategic Policy 08: Responding to the Climate and Nature Emergency

A. In compliance with the Council's Climate and Nature Strategy (2023-30), all development in Harrow must be undertaken in accordance with sustainable development practices, and positively manage natural capital for the benefit of current and future generations. Development must contribute to achieving the following objectives:

## Clean Energy Used Efficiently

- a. Make the fullest possible contribution to reducing greenhouse gas emissions in both the construction and operational phases of development by maximising energy efficiency and conservation measures, whilst prioritising the use of low carbon heating, renewable energy solutions and local renewable energy generation in line with Policy CN2 (Energy Infrastructure).
- b. Ensuring that all new housing is net zero carbon in line with Policy CN1 (Sustainable Design and Retrofitting).

#### **Green Mobility**

- c. Prioritise active and low carbon transport options to include walking, cycling and public transport.
- d. Reduce fossil fuel vehicle journeys, supporting necessary ongoing private vehicular travel needs by facilitating and encouraging car-sharing and electric vehicle usage.

#### **Waste-Free Economy**

- e. Minimise the embodied carbon and ecological footprint of new development by ensuring that materials are sustainably sourced, sustainable construction techniques are utilised, and waste is re-used and recycled as part of the circular economy.
- f. Through careful material selection and design, ensure developments are capable of being easily altered and adapted for future needs to ensure the fullest possible utilisation during their lifetime, and are otherwise capable of disassembly and full re-use or recycling of materials at end of life.
- g. Design developments to enable occupiers to apply the waste hierarchy during day-to-day use, and to support the growth of the circular economy by increasing re-use and recycling of materials whilst minimising residual waste.

#### **Healthy Places for us and Nature**

- h. Contribute to building a healthier, more resilient and thriving local natural environment that is valued by the people of Harrow. This will include:
  - 1. Making space for Nature and increasing levels of biodiversity, the integrity of ecosystems and the borough's stock of natural capital;
  - 2. Where possible avoiding or otherwise minimising light and noise pollution, and improving air, water and soil quality;
  - 3. Protecting people and places from climate impacts and risks through locally distinctive, high quality and sustainable design and multi-functional green infrastructure that increases local resilience, including to drought, overheating, storm and flooding events;
  - 4. Improving residents' health and wellbeing by affording greater opportunities for direct connection with the natural world locally; and
  - 5. Protecting and enhancing carbon storage in the local natural environment.

#### **Supporting Text:**

The London Borough of Harrow has declared a climate and nature emergency. This acknowledges the far-reaching ecological impacts of human-induced climate change. This declaration recognises that a changing climate will have severe and enduring social, economic, and environmental implications.

In response to the above, the Council has produced a Climate and Nature Strategy 2023-30. This establishes a framework of key actions which the Council, local communities and other stakeholders can prioritise to significantly reduce greenhouse gas emissions in the period to 2030, support the recovery of the natural world and increase local resilience to the impacts of climate change. These measures are reflected in the policies contained within this Local Plan.

In accordance with the NPPF (Paragraph 158) (2023), 'Plans should take a proactive approach to mitigating and adapting to climate change, taking into account the long-term implications for flood risk, coastal change, water supply, biodiversity and landscapes, and the risk of overheating from rising temperatures. Policies should support appropriate measures to ensure the future resilience of communities and infrastructure to climate change impacts, such as providing space for physical protection measures, or making provision for the possible future relocation of vulnerable development and infrastructure.'

The London Plan sets a strategic objective and framework for London to become a net zero-carbon city by 2050. The plan provides an overarching set of aims for mitigation and adaptation to climate change across London.

The Harrow Climate and Nature Strategy 2023-2030 highlights four action areas illustrated in the policy above, and identifies climate change as 'The destabilisation of our climate by the burning of fossil fuels, and the associated weakening and depletion of ecosystems on our planet caused by human activity'.

Locally significant changes will need to be made to the way the borough grows as we attempt to limit global warming and adapt to a changing environment. The Local Plan and the Climate and Nature Strategy will be the foundation of the Borough's response to the climate and nature emergency.

#### **Reasonable Alternatives:**

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national policy or the London Plan.

# Policy CN1: Sustainable Design and Retrofitting

Linkages:

NPPF Chapter 2. Achieving sustainable development

London Plan Policy GG6 Increasing efficiency and resilience

London Plan Policy SI 2 Minimising greenhouse gas emissions

#### **Policy CN1: Sustainable Design and Retrofitting**

## **New Buildings**

- A. All new buildings should be designed and built to be Net Zero Carbon in operation. They should be ultra-low energy buildings, utilise low carbon heat with no fossil fuels burnt on-site, contribute to the generation of renewable energy on-site, and be constructed with low levels of embodied carbon.
- B. All new buildings should meet the following standards:

# **Space Heating Demand**

- a. All dwellings should achieve a space heating demand of less than 15 kWh/m2 GIA/yr; and
- b. All non-domestic buildings should achieve a space heating demand of less than 15 kWh/m2 GIA/yr;

## **Energy Use Intensity (EUI)**

- c. Domestic buildings All dwellings should achieve an Energy Use Intensity (EUI) of no more than 35 kWh/m2GIA/yr;
- d. Non-domestic buildings Non-domestic buildings should achieve an Energy Use Intensity (EUI) of no more than the following (where technically feasible) by building type or nearest equivalent:

Building Typology	EUI Standard	
Student or keyworker accommodation, care homes, extra care homes	35 kWh/m2 GIA/yr	
Warehouses and light industrial units	35 kWh/m2 GIA/yr	
Schools	65 kWh/m2 GIA/yr	
Offices, Retail, HE Teaching facilities, GP surgeries	70 kWh/m2 GIA/yr	
Hotels	160 kWh/m2 GIA/yr	

#### Offsetting (as last resort)

e. Offsetting will only be accepted as a means to achieving planning policy compliance as a last resort if the building is compliant with all other Net Zero Carbon building aspects. In these circumstances, the applicant

should establish the shortfall in renewable energy generation to enable the annual renewable energy generation to match the Energy Use Intensity in kWh. The applicant should pay into the Council's offset fund a sum of money equivalent to the shortfall; this contribution will be secured by way of a planning obligation.

### **Retrofit of Existing Buildings**

- C. The use of sustainable conversion and retrofitting measures will be encouraged and supported to improve the energy efficiency of buildings, as well as the quality of living for their occupants. Retrofitting measures should consider how the building has been constructed, its context, and energy use.
- D. Development proposals for major residential domestic refurbishment must achieve a certified 'Excellent' rating under the BREEAM Domestic Refurbishment 2014 scheme<sup>34</sup>. or future equivalent, unless it can be demonstrated that it is not feasible.
- E. Development proposals for major non-residential refurbishment, including mixed-use development, will be required to achieve a certified 'Excellent' rating under the BREEAM Non-Domestic Refurbishment scheme, or future equivalent, unless it can be demonstrated that it is not feasible.
- F. Proposals for retrofit of existing buildings must consider impacts on the historic environment, heritage assets, and amenity of the building's users and neighbours.

## **Supporting Text:**

In accordance with the NPPF, 'Plans should take a proactive approach to mitigating and adapting to climate change, taking into account the long-term implications for flood risk, coastal change, water supply, biodiversity and landscapes, and the risk of overheating from rising temperatures'. The Central government, Greater London Assembly (GLA) and the London Borough of Harrow have each declared a climate emergency and committed to minimising greenhouse gas emissions.

In 2022, the residential sector emitted approximately 17% of all carbon emissions in the UK<sup>35</sup>. The age of a property is the single biggest factor in the energy efficiency of homes, according to the ONS<sup>36</sup>. This highlights that new homes, and other buildings, are significantly more energy efficient than older building stock, which requires retrofitting to bring them up to appropriate Energy Performance Certificate (EPC) ratings of 'C'. EPCs are required for all buildings when constructed, sold, or rented.

(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/114737 2/2022 Provisional emissions statistics report.pdf).

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 $<sup>^{34}</sup>$  (https://tools.breeam.com/filelibrary/BREEAM%20Refurb/KN4613\_- BREEAM\_Domestic\_Refurbishment.pdf),  $^{22}$ 

<sup>&</sup>lt;sup>36</sup> (https://www.ons.gov.uk/economy/environmentalaccounts/articles/climatechangeinsightsuk/august2022)

To achieve the Council's carbon reduction aspirations by 2030 all new buildings in Harrow are required to be Net Zero Carbon. Exceptions to this rule exist for residential annexes and extensions, outbuildings, storage buildings, structures that are not buildings (i.e pylons, plant machinery etc.). Minor developments can simplify the process through the use of pro-forma reports to reduce the pre-planning costs associated with predictive energy modelling.

Net Zero Carbon is defined by the London Energy Transformation Initiative (LETI) as 'A building which operates at net-zero carbon does not burn fossil fuels, has ultra-high energy efficiency and is 100% powered by renewable energy<sup>37</sup>'. Extensive retrofitting of existing building stock will be required to achieve this efficiency, and future proofing of buildings will be required to ensure future works are easily facilitated. Constructing new buildings to be low-carbon from the outset is significantly cheaper than retrofitting and typically delivers more effective outcomes.

High standards of sustainable design are expected of all developments, including new development, retrofit, conversion and refurbishments. All development should aim to make effective use of resources and materials, future proofing for increased efficiency and reuse of materials where possible. Sustainability, including embodied carbon in buildings, should be considered early in the design process in order to maximise energy and carbon savings, and minimise construction and operational costs.

All buildings in England must comply with Part L 2021 of the Building Regulations. They set a minimum level of performance. However, there is currently a significant gap between these buildings standards and the standards required to genuinely become net zero. The average Energy Use Intensity (EUI) required to achieve a net zero carbon balance across UK housing stock is 35 kWh/m2/yr, which is significantly lower than the average that current building standards deliver.

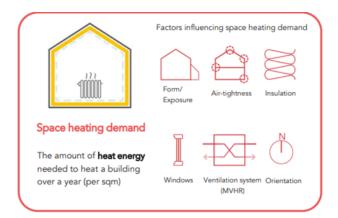
The London Plan imposes higher standards for net zero development; however, it does not fully deliver net zero according to the LETI definition. The London Plan policy does not take unregulated emissions into account, allows for up to 65% of regulated emissions to be offset, and only applies to major development schemes.

To fully achieve net zero development and ensure climate change resilience, Harrow has set the standards in the policy above considering regulated and unregulated energy use. These are measured through Space Heating Demand and Energy Use Intensity (EUI). The evidence base for this work (Delivering Net Zero 2023) was undertaken in collaboration with 18 London boroughs, all of whom are seeking to achieve net zero development.

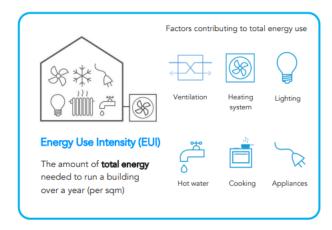
Space Heating Demand refers to the amount of heat energy needed to heat a building over the course of a year per square metre. Various design and specification decisions affect space heating demand including building form and orientation, insulation, airtightness, windows and doors and the type of ventilation system.

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<sup>&</sup>lt;sup>37</sup> https://www.levittbernstein.co.uk/site/assets/files/3494/leti-climate-emergency-design-guide.pdf



Energy Use Intensity (EUI) represents the total amount of energy used by a building divided by its floor area (GIA) and is reported in kWh/m2 year. The EUI is a good indicator of the energy efficiency of a home/building and can be calculated at both the design stage and post completion. For buildings heated by an individual heating system, performance monitoring will be simple as it will be the annual 'energy at the meter' divided by the floor area.



Developments should be connected to a low or zero carbon district heating network where possible, in accordance with Policy CN2 (Energy Infrastructure).

On-site renewable energy generation will be required in most instances for buildings to be net-zero. There is a preference for low lying roof mounted solar PV, although other forms of generation may be appropriate. Where the use of on-site renewable energy generation to match total energy consumption is not technically feasible or economically viable, renewable energy generation should be maximised as much as possible. Where this is not possible, a contribution to the Harrow carbon offset fund will be required.

Developments should be designed to reduce the extent of heat loss by reducing the number of junctions and optimising elevation design to create passive energy efficiency, as well as optimising orientation and utilising dual aspects. Passivhaus principles should be followed in the design stages of a development, and where possible in retrofitting existing buildings.

Buildings must also comply with the additional requirements of the Building Regulations Part L 2021, including Fabric Energy Efficiency criterion for domestic

buildings and Primary Energy criterion for all buildings and demonstrate compliance at planning stage.

#### Offsetting

Offsetting will only be allowed where the following conditions are met:

- The proposed building must not use fossil fuels on-site.
- It must have a level of space heating demand and energy use intensity (EUI) compliant with levels set in the Local Plan.
- On-site renewable energy generation (e.g. through PVs) has been maximised and achieves at least 80 kWh/m2 building footprint for all building types (and 120 kWh/m2 building footprint for industrial buildings).

Development should seek to minimise predicted energy and maximise PV (or other acceptable renewable energy) generation on site. Once officers are satisfied that the building complies with the policy requirements above, energy offsetting may be used to deal with the shortfall between EUI and on-site renewable energy generation. Applicants must work out the difference between the development's EUI and how much renewable energy it will generate. Any shortfall of renewable energy generation will lead to an energy offset payment to the council, this cost is based on the basis of the cost of solar PVs. The evidence base has set the energy offset price at £1.32/kWh/yr, this price will be reviewed as necessary.

#### Reasonable Alternatives:

Two reasonable alternatives have been identified for this policy.

Alternative 1: Development size threshold (not the preferred option)

The policy outlined above applies to all new buildings, with reasonable exclusions for outbuildings. An alternative policy would have an option that just focusses on major applications / development proposals, (i.e 10+ units) or the small site threshold (sites less than 0.25 ha in size). This option has not been pursued as it would likely undermine the strategic intent of the policy for all buildings to meet net zero standards, particularly for smaller housing developments of 9 units or less. If this option were pursued, smaller developments would need to demonstrate that they have aimed to make buildings as close to net zero as possible, within the limits of viability. As Harrow is likely to experience significant incremental development outside of the opportunity area (reflected by the indicative small sites target in the London Plan being a significant proportion of the overarching housing target for Harrow), many buildings in the suburban areas would not be required to be net zero, which would be a missed opportunity to minimise carbon emissions and future proof the borough's buildings.

Alternative 2: Approach to measuring zero carbon – Part L, Building Regulations

Outlined below is an alternative option (referred to as Policy Option 1, with Policy Option 2 being the preferred option set out in the above draft policy CN1) for the

Sustainable Design Policy, based on a continuation of the approach of using Part L of the Building Regulations to define and measure carbon / net zero.

## Part L, Building Regulations (not the preferred option):

All developments must achieve Net Zero Carbon according to the Building Regulations framework, i.e. a 100% improvement over Part L 2021 and offset their residual emissions.

#### On-site carbon reduction

All developments must reduce carbon emissions on-site as much as possible. In terms of regulated emissions, the minimum level of on-site performance required is:

- Domestic buildings: 65% better than Part L 2021
- Office buildings: 25% better than Part L 2021
- School buildings: 35% better than Part L 2021
- Industrial buildings: 45% better than Part L 2021
- Hotel: 10% better than Part L 2021
- Other non-domestic buildings: 35% better than Part L 2021 (tbc)

Buildings must also comply with the other requirements of the Building Regulations Part L 2021, e.g. Fabric Energy Efficiency criterion for domestic buildings and Primary Energy criterion for all buildings and demonstrate compliance at planning stage.

Applicants must undertake Part L 2021 modelling to demonstrate compliance.

Unregulated emissions must also be reduced as much as possible.

#### Carbon offsetting

On-site carbon reductions should be maximised as far as possible before any remaining emissions are offset. If the Council is satisfied that the development has maximised on-site reductions, but the development is still short of achieving Net Zero Carbon, the developer is expected to make a cash-in-lieu contribution to the Council's carbon offsetting fund at a price of £880/tCO2 per year over a period of 30 years in order to offset any remaining carbon emissions and achieve net zero carbon.

#### Rationale for not being the preferred option

Option 1 reflects the 'standard' energy policy as contained in the London Plan 2021. It focuses on a single metric, the % reduction in regulated carbon emissions using Building Regulations Part L 2021 compliance modelling tools.

Utilising Building Regulations Part L results in a narrow definition of zero carbon, as it only considers 'regulated' carbon emissions (e.g. it does not include equipment and appliances). Option 2 (the preferred option which is set out in the above draft policy

CN1) considers all energy uses in the building and seeks to achieve a balance between energy use and on-site renewable energy generation (i.e., zero carbon), only allowing offsetting to address a potential imbalance.

Option 2 is also considered more robust, as it sets absolute targets (namely absolute energy use) which can be checked and verified against actual (metered) energy usage in the occupied building after completion. Option 1 however sets targets (percentage carbon reduction) relative to the Building Regulations Part L baseline, which is less tangible and hard to verify once a building is complete and in actual usage.

The preferred option is also considered stronger as it covers several metrics to separately measure each of the key attributes needed to achieve Net Zero: space heating demand for energy efficiency, total energy use and renewable energy generation (to offset total energy usage). This is considered more robust than the Part L Building Regulations option, which focuses on a single performance metric (reduction in regulated carbon emissions) so does not fully reflect the energy usage of a building (in operation) and energy production required to offset this.

The Council's evidence base modelled various building typologies to inform the standards set in both options, in order to ensure they are achievable and viable. It also demonstrated the relative strength of the preferred option compared to the continued use of Part L Building Regulations.

# **Policy CN2: Energy Infrastructure**

Linkages:

NPPF Chapter 14: Meeting the challenge of climate change, flooding and coastal change London Plan Policy: SI 3 Energy Infrastructure

## Policy CN2: Energy Infrastructure

- A. Development proposals must be designed in response to a site-specific assessment of the most effective and efficient energy supply options that are capable of delivering net zero operational carbon, taking into account any local energy master plans where applicable.
- B. Major development proposals must adhere to London Plan requirements with regard to communal low-temperature heating systems, heating hierarchy and future connections to heat networks (London Plan Policy SI3 Energy Infrastructure, parts D and E).
- C. Major development must, and minor development should, maximise onsite renewable energy generation through the provision of rooftop solar photovoltaic (PV) panels, or other suitable renewable energy generation method.
- D. Where car parking is proposed in a development, electric vehicle charging infrastructure must be provided in line with the Harrow Electric Vehicle Strategy, and Policy M3 (Parking).
- E. The council will support standalone renewable energy infrastructure where it meets all other relevant aspects of this Local Plan.

## **Supporting text:**

London currently sources 95% of its energy from outside the GLA boundary. In order to meet the GLA, and Harrow's zero-carbon targets, significant changes are required to the way electricity is generated and used. The West London electricity grid is under pressure from development, a growing population and a high concentration of data centres. There is growing pressure to adopt and deliver on net-zero targets in line with the Mayor of London's Accelerated Green Pathway, which aims for rapid and mass electrification of heating and transport across London.

The identification of suitable areas for renewable and low carbon energy sources is supported by this Local Plan and the Council's Climate and Nature Strategy ('Living Harrow'). The Council will support appropriate community-led initiatives for renewable and low carbon energy, and plan for ongoing reinforcement of the power grid with localised renewable and low carbon energy, in line with Paragraph 160 and 161 of the NPPF (2023)

Development must deliver electricity through local, clean and low-carbon sources, shifting away from fossil fuels and utilising a diverse range of heat sources and

localised electricity generation options. This will ensure that Harrow becomes more self sufficient and resilient with regard to its energy generation, distribution and usage.

To achieve this, major development proposals must engage at an early stage with relevant energy suppliers and bodies to establish future energy and infrastructure requirements to support the development. Minor development proposals must investigate the feasibility of incorporating on-site energy generation and low carbon heating options such as heat networks and heat pumps.

The West London Local Area Energy Plan (WLLAEP) provides context surrounding the current and future energy infrastructure and requirements of nine West London boroughs. The Plan aims to support a change in the energy efficiency of buildings and identify constraints and risks in energy transition, while planning for sustainable reinforcement of the grid. The plan and associated mapping should be a consideration in development across the borough as it relates to energy infrastructure, supply and demand.

#### **Heat Networks**

Development proposals should prioritise connections to district heat networks where possible. The London Plan identifies Heat Network Priority Areas that identify where in London the heat density is sufficient for heat networks to provide a competitive solution for supplying heat to buildings and consumers.

Within Harrow and reflecting the spatial strategy of this Local Plan, the Harrow and Wealdstone Opportunity Area is considered to have greater potential for district heat networks, given the quantum of development, its density, existence of communal heat networks capable of connection in the future, and a number of large development sites being in Council / public ownership.

Major development proposals within Heat Network Priority Areas should have a communal low-temperature heating system. The heat source must be selected in accordance with the London Plan heating hierarchy (see Policy SI3 Energy Infrastructure).

Where developments are proposed within Heat Network Priority Areas but are beyond existing heat networks, the heating system should be designed to facilitate cost-effective future connection. This may include, allocating space in plant rooms for heat exchangers and thermal stores, safeguarding suitable routes for pipework from the site boundary and making provision for connections to the future network at the site boundary.

## **Onsite Renewable Energy Generation**

Development proposals should maximise the amount of renewable and secondary energy generated on site. This includes the use of solar photovoltaics (PV), heat pumps and solar thermal, both on buildings and at a larger scale on appropriate sites. There is also potential for wind based renewable energy in some locations. Innovative low-and zero-carbon technologies will be supported. Rooftop PV panels should be low-lying and visually unobtrusive where possible, particularly in Conservation Areas.

#### **Reasonable Alternatives:**

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national policy or the London Plan.

# Policy CN3: Reducing Flood Risk

Linkages:

NPPF Chapter 14: Meeting the challenge of climate change, flooding and coastal change London Plan Policy SI12 Flood Risk Management

## Policy CN3: Reducing Flood Risk

- A. Proposals will be required to apply the sequential and exceptions test (where necessary) in line with National Policy.
- B. Proposals that require a Flood Risk Assessment (FRA), in line with National Policy must demonstrate that the development will be resistant and resilient to all relevant sources of flooding including surface water. The design and layout of proposals requiring a FRA must:
  - a. Minimise the risk of flooding on site and not increase the risk of flooding elsewhere;
  - b. Wherever possible, reduce flood risk overall;
  - c. Ensure a dry means of escape for occupiers of the development; and
  - d. Achieve appropriate finished floor levels which, for residential development in flood zone 3 (subject to sequential and exceptions tests), should be at least 300mm above the modelled 1 in 100 year plus climate change flood level; and
  - e. flood resilience measures must be fitted to 0.5m above finished floor level.
- C. Proposals that would fail to make appropriate provision for flood risk reduction and mitigation, or which would increase the risk or consequences of flooding, will be refused.
- D. Sites that are mapped as falling within 'Developed' Flood Zone 3B will be treated as having a high probability of flood risk, for the purposes of applying the sequential and (where necessary) exception tests, provided that the development would be safe and would not increase the risk or severity of flooding elsewhere, opportunities will be sought from the redevelopment of sites in 'Developed' Flood Zone 3B to restore the natural function and storage capacity of the floodplain.
- E. Sites that are mapped within 'Greenfield' Flood Zone 3B will be treated as functional floodplain for the purposes of applying the sequential and exception (where necessary) tests. Proposals that involve the loss of undeveloped floodplain or otherwise would constrain its natural function, by impeding flow or reducing storage capacity, will be refused.
- F. Basement development will not be allowed on sites within Flood Zone 3B. Outside of these areas, development that involves the formation of new basements, or the change of use of existing basements, must have regard to flood risk and ensure that it is specifically addressed through the Flood Risk Assessment. The installation of resilience measures to basements will be required. Proposals for the formation of new dwellings or additional habitable accommodation within basements will be refused.
- G. Natural flood management methods should be employed in development proposals.

## **Supporting Text:**

The National Planning Policy Framework demonstrates the Government's commitment to pro-active management of development in relation to flood risk, and to planning for climate change impacts. It also tasks the planning system with preventing new and existing development from contributing to, or being put at unacceptable risk from, environmental water pollution and the remediation of historic pollution where appropriate.

The London boroughs are Lead Local Flood Authorities (LLFAs) and are responsible for local surface water flood risk management and for maintaining a flood risk management assets register. LLFAs are required to produce Flood Risk Management Strategies.

The policies in this chapter respond to the Borough's evidence base, in particular Harrow's Strategic Flood Risk Assessment, Local Flood Risk Management Plan and Strategy, and Surface Water Management Plan. A Hydrological Catchment Strategy is proposed to replace the Surface Water Management Plan 2012 and the Local Flood Risk Management Strategy 2016. This would replace the mapped critical drainage areas with hydrological catchment areas. This amendment to the evidence base may be made in 2024, prior to Regulation 19 consultation of the Local Plan.

Local Authorities are required to meet flood risk mitigation requirements whilst facilitating development needs. Where criterion B (d) of the policy applies, applicants and architects are required to ensure accessibility issues relating to elevated finished floor levels are adequately addressed through a design led approach.

The NPPF and accompanying PPG state that a sequential, risk-based approach to the location of development should be applied, with the aim of avoiding possible flood risk to people and property and taking the impacts of climate change into account. This is reinforced by London Plan Policy SI12.

The West London Strategic Flood Risk Assessments (SFRA)<sup>38</sup> / has identified in broad terms areas that are liable to flooding from rivers and ordinary watercourses within the catchments of the Rivers Brent, Colne and Crane, and the associated probability of flooding. It also identifies areas subject to surface water flooding. The strategic assessment informs spatial planning in the Borough and form a principal component of the evidence base that underpins planning policies and site allocations. Applicants should consider the findings of the SFRA when undertaking a site specific SFRA (where necessary) and ensure the requirements of the sequential and exception test are met.

In urban areas surface water is an additional source of flood risk. Rainwater falling onto impermeable surfaces such as buildings and hard surfaces has traditionally been disposed of via Harrow's surface water drainage network. Incremental urbanisation of the Borough and finite drainage network capacity has increased surface water flooding in recent years. Harrow's Surface Water Management Plan (2012) identifies 15 critical

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<sup>38</sup> https://westlondonsfra.london

drainage areas which extend over most of the borough and are susceptible to flooding from surface water and other sources.

Harrow's Local Flood Risk Management Strategy (2016) outlines the priorities for local flood risk management, assesses risk, provides a delivery Action Plan, and identifies roles and responsibilities of authorities.

The Harrow Infrastructure Delivery Plan has identified existing and planned flood alleviation schemes. These schemes aim to mitigate both identified and predicted flood risks, while considering the cumulative impact of development.

Harrow will work with the West London LPA and Strategic Flood Group to adopt a catchment based approach to flood alleviation, and the collection and use of developer contributions to fund mitigation measures.

Proposed site allocations for development will be subjected to sequential and exception tests where necessary as part of the Local Plan process.

Some of the Borough's open spaces contain river corridors and form a part of the functional flood plain. The modelled flood extents illustrated on Harrow's flood maps represent the best available information about the strategic risk of flooding. Consideration must be given to areas within the functional floodplain, which represent the most frequent and serious risk of flooding. The NPPF requires Local Plans to identify Flood Zones (3B). Harrow has made a distinction between Greenfield Zone 3b and Developed Zone 3b. Undeveloped floodplain, defined as Flood Zone 3B within areas designated as Green Belt, Metropolitan Open Land or open space on the Policies Map, is of particularly high value within the urban context. It provides unimpeded space where water is able to flow or be stored during times of flood. However, much of the Borough is already urbanised with many rivers culverted, changing their behaviour in response to rainfall and flooding. Previously developed land within the floodplain, defined as Developed Flood Zone 3B on land not designated as Green Belt, Metropolitan Open Land or open space on the Policies Map, provides opportunity through development to realise flood risk management and reduction objectives outlined in this policy.

All Flood Zone 3B land represents land where water has to flow or be stored in times of flood, therefore it remains essential that development in this zone is designed to be safe and does not displace flood risk to land elsewhere in the borough.

#### **Reasonable Alternatives:**

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national policy or the London Plan.

# **Policy CN4: Sustainable Drainage**

Linkages:

NPPF Chapter 14: Meeting the challenge of climate change, flooding and coastal change London Plan Policy SI13 Sustainable Drainage

# Policy CN4: Sustainable Drainage

- A. All development is required to reduce the risk of surface water flooding, through separation of foul and surface water flows.
- B. Development must incorporate Sustainable Urban Drainage Systems (SuDS) where necessary to control discharge rates to reduce surface and storm water run-off. Greenfield run off rates should be achieved.
- C. The drainage hierarchy identified in London Plan Policy SI13 (Sustainable Drainage) should be applied to all development.
- D. The design and layout of major development proposals will be required to:
  - a. Maximise the use of Sustainable Urban Drainage Systems to control the rate and volume of surface water run-off, and follow the London Plan Drainage Hierarchy (Policy SI13);
  - b. Ensure separation of surface and foul water systems;
  - c. Make reasonable provision for the safe storage and passage of flood water in excessive events; and
  - d. Ensure adequate arrangements are in place to secure the long-term responsibility for the management and maintenance of on-site infrastructure;
- E. Proposals for minor developments, householder development, and conversions should make use of sustainable drainage measures wherever feasible and must ensure separation of surface and foul water systems.
- F. There is a presumption against impermeable hard standing on residential gardens and public open space. No impermeable hard standing will be permitted if it fails to control and reduce surface water runoff.
- G. Proposals that would fail to make adequate provision for the control and reduction of surface water runoff will be refused.

#### **Supporting Text:**

Ongoing population growth and development has increased pressure on drainage infrastructure. To alleviate this pressure, development needs to utilise sustainable drainage methods. Increased development and hard surfacing has resulted in additional incidents of overland flows and flooding due to insufficient natural drainage.

Harrow, in partnership with the North-West London Strategic Flood Group will work with providers to identify and undertake work to design and install strategic flood storage and attenuation drainage solutions.

Drainage should be designed and implemented in a partnership manner that promotes multiple benefits including increased water use efficiency, improved water quality, and

enhanced biodiversity, urban greening, amenity and recreation. The London Sustainable Drainage Action Plan addresses and promotes the awareness and retrofitting, of sustainable drainage systems across London, and should be followed as an example of good practice.

Approaches to surface water management that consider flooding, pollution, biodiversity and amenity are referred to as Sustainable Drainage Systems (SuDS). SuDS systems are generally considered the best practice approach to surface water management as they provide flow on effects and replicate natural water catchments and storage systems. SuDS measures aim to manage surface water runoff as close to the source as possible. A strong preference is given to green over grey drainage features. Developments should follow the sustainable drainage hierarchy identified in London Plan Policy SI13 (Sustainable Drainage).

The London Sustainable Drainage Proforma sets the standard for information required in a Sustainable Drainage Strategy and must be utilised by applicants to avoid delays in the planning process.

Thames Water has raised concerns around drainage and sewer network capacity across several proposed development sites identified in their Drainage and Wastewater Management Plan (Drainage and Wastewater Management Plan | Thames Water). For major applications, a Surface Water Drainage Strategy will need to be produced by developers in liaison with Thames Water Develop Services. This is to include a detailed model of the network capacity to determine if mitigation is required. The Drainage Strategy is required to ensure any appropriate mitigation, including network upgrades, are undertaken ahead of occupation of the development, and should detail:

- Pre and post development runoff rates and water quality impacts, ensuring runoff is clean and safe; and
- Ownership, management and maintenance plan arrangements of any Sustainable Urban Drainage System features.

All development must separate foul and surface water flows where relevant and proportionate, having regard to the extent of changes to drainage/sewerage arrangements and the level increase in demand placed on the drainage/sewerage network as a result of the development. The Council's pre-application service should be used to determine the specific requirements for a proposal. It should be noted that in all cases development will also need to comply with the separate requirements of the Building Regulations (Approved Document H: 2015) in relation to the treatment of foul and surface water.

Where greenfield runoff rates cannot be achieved this should be clearly justified by the applicant. The fact that a site is previously developed and has an existing high run-off rate will not constitute justification.

New hardstanding should be made from permeable materials. Development proposals will be expected to utilise permeable surfacing and include an ownership, management and maintenance plan as part of any planning application. The collection of water through tanks is encouraged as it creates resilience to drought and flooding.

#### **Reasonable Alternatives:**

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national policy or the London Plan.

# **Policy CN5: Waterway Management**

Linkages:

NPPF Chapter 14: Meeting the challenge of climate change, flooding and coastal change

London Plan Policy SI14 Waterways (Strategic role)

London Plan Policy SI16 Waterways (Use and Enjoyment)

London Plan Policy SI17 Protecting and enhancing London's waterways

#### **Policy CN5: Waterway Management**

- A. Development proposals should seek to maximise the multifunctional social, economic and environmental benefits of rivers and waterways.
- B. The design and layout of development on sites where there is a main river or ordinary watercourse within, adjacent to or abutting the site boundary will be required to maintain an undeveloped buffer zone of 8 metres either side of a main river, 5 metres either side of an ordinary watercourse, or an appropriate width as may be agreed by the Environment Agency or Council LLFA.
- C. Applications for major development on sites containing a main river or ordinary watercourse within the site boundary will be required to:
  - a. Have regard to the relevant provisions of the Thames River Basin Flood Risk Management Plan<sup>39</sup>;
  - b. Investigate and, where necessary, secure the implementation of environmental enhancements to open sections of river or watercourse; and
  - c. Investigate and, where feasible, secure the implementation of a scheme for restoring culverted sections of river or watercourse which must include an adequate buffer for flooding and maintenance purposes.
- D. Where on-site enhancements or deculverting are financially viable but not feasible, the Council will seek a financial contribution towards relevant other projects for the enhancement or deculverting of other sections of the river or watercourse.
- E. Proposals that would adversely affect the infrastructure of main rivers and ordinary watercourses, or which would fail to secure feasible enhancements or deculverting, will be refused.

# Supporting Text:

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Watercourses in Harrow form part of the complex network of rivers and streams within the London basin that drain to the River Thames. All the watercourses in Harrow originate within the Borough, reflecting Harrow's location at the upper reaches of the natural drainage system in London, and form part of catchments for three of the principal tributary rivers to the Thames: the Brent, the Colne and the Crane. Of the

<sup>&</sup>lt;sup>39</sup> (Thames River Basin District Flood Risk Management Plan 2021 to 2027 (publishing.service.gov.uk))

total 93.39 km length of water courses that run through Harrow, 39.65km (just under 43%) is culverted. Today, watercourses are valued as an important resource both for biodiversity and for sustainable flood management. As previously developed sites come forward for redevelopment, these offer the opportunity to maintain and enhance the natural functioning of the watercourse, or where culverted, to restore the watercourse back to a more natural state. All water courses should aim to have a minimum of 'good' status under the Water Framework Directive (https://www.legislation.gov.uk/uksi/2017/407/contents/made).

The Water Environment (Water Framework Directive) (England and Wales) Regulations 2017 aims to improve the condition inter alia of surface waters including rivers and lakes having regard to biological, physical and chemical qualities. To contribute to the objectives of the Directive any activities or developments within an area of river, watercourse or water body must not cause deterioration and should enhance the condition of the river, watercourse or water body. Specifically, activities and developments should promote sustainable water use, reduce pollution and achieve 'good ecological status or potential'. The Borough's network of main rivers and ordinary watercourses are mapped in the West London Strategic Flood Risk Assessment (2018 Live).

The London Plan (2021) highlights the strategic role of waterways and their multifunctional benefits. As London's waterways cross boundaries, it is important to take an area catchment based approach to waterway management and work closely with other West London Boroughs to ensure a cohesive and multi-beneficial approach.

## **Reasonable Alternatives:**

This policy has been drafted to be consistent with national policy and in general conformity with the London Plan. It is considered there are no reasonable alternatives under national policy or the London Plan.

# **Chapter 09: Managing Waste and Supporting the Circular Economy**

# **Strategic Policy 09: Managing Waste and Supporting the Circular Economy**

Linkages:

NPPF Chapter

London Plan Policy SI7 Managing wate and supporting the circular economy

London Plan Policy SI8 Waste capacity and net-waste self sufficiency

London Plan Policy SI9 Safeguarded waste sites

#### Strategic Policy 09: Managing Waste and Supporting the Circular Economy

- A. The Council supports sustainable waste management and will:
  - a. Aim to reduce the amount of waste produced in the Borough and promote waste self-sufficiency in line with London Plan policy SI8;
  - b. Promote waste as a resource and encourage the increased re-use of materials and recycling in line with Circular Economy principles and London Plan policy SI7;
  - c. Require all new development (excluding householder applications) to address waste management at all stages of a development's life from the design and construction stages through to the end use and activity on site. This will ensure all waste is managed towards the upper end of the waste hierarchy:
  - d. Safeguard existing waste sites in line with the West London Waste Plan 2015 or any subsequent documents;
  - e. Require the provision of additional compensatory land with equal or greater waste management capacity, to replace any loss of a waste management site; and
  - f. Work in conjunction with its partners in West London, to identify and allocate suitable new sites for waste management facilities within any replacement to the West London Waste Plan, to provide sufficient capacity to meet the apportionment requirements of the London Plan.
- B. Development proposals for new waste management sites will be assessed using the West London Waste Management Plan, and the London Plan, including impacts of the proposal on the local environment and residential amenity.
- C. Proposals for new waste management facilities, extensions and alterations should be appropriately designed and contribute positively to local character.

#### **Supporting Text:**

As the population of Harrow increases, so does its waste collection and management requirements. The London Plan states that waste must be managed sustainably through the minimisation of waste, and the safeguarding and optimisation of waste management sites.

In partnership with the West London Waste Authority, Harrow has collaborated with neighbouring local authorities to proactively plan for our future waste infrastructure needs in line with the West London Waste Strategy and the West London Waste Plan. The strategy is renewed every three years with the shared vision of reducing reliance on landfill and working towards being net self-sufficient. It is proposed that the West London Waste Plan is updated to reflect the new requirements and waste apportionments in the London Plan 2021.

The strategy identifies current capacity, waste management sites for protection and enhancement, and anticipated future demand. Both the strategy and the Waste Plan should be referred to when developing plans for any waste management site.

#### **Reasonable Alternatives:**

# **Policy CE1: Reducing and Managing Waste**

Linkages:

NPPF Chapter

London Plan Policy SI7 Reducing waste and supporting the circular economy

London Plan Policy SI8 Waste capacity and net-waste self sufficiency

#### **Policy CE1: Reducing and Managing Waste**

- A. All proposals (excluding Householder applications) will be required to make on-site provision for general waste, the separation of recyclable materials and the collection of organic material for composting. On-site provision must:
  - a. Ensure there is adequate space for temporary storage of waste generated by that site allowing for the separate storage of recyclable materials pending collection;
  - b. Ensure safe access for collectors and, where relevant, collection vehicles; and
  - c. Be located and screened to mitigate amenity impacts (odour, vermin, noise) to occupiers and adverse visual impact.
- B. All proposals for major development should promote circular economy outcomes and aim to be net zero-waste. Applications should include a circular economy statement in accordance with London Plan policy SI 7.
- C. Residential development proposals for new dwellings and conversions should adhere to the guidance in the council's waste management standards, and ensure that:

#### Flatted development

- a. There is adequate space within each flat/apartment for the temporary storage of waste generated by the dwelling, allowing for the separate storage of recyclable materials;
- b. There is adequate accessible communal storage for waste, including separate recyclables pending its collection;
- c. Storage and collection systems (e.g. dedicated rooms, storage areas, chutes or underground waste collection systems) for waste are of high-quality design and enable adequate, convenient access for all residents and waste collection operatives;
- d. Measures are incorporated to manage amenity impacts to acceptable levels, including odour, noise, vermin and dust;
- e. The on-site treatment of waste has been considered and any system to be incorporated will take into account of the factors listed above; and
- f. Adequate contingency measures are in place to manage any breakdowns of any mechanical equipment that may be required for the movement and storage of waste.

#### Other residential development

- g. There is adequate space within each dwelling for the temporary storage of waste generated, allowing for the separate storage of recyclable materials; and
- h. There is adequate external storage space for waste, including separate recyclables, pending its collection.
- D. Proposals for all types of new development should be accompanied by a recycling and waste management strategy that considers the above matters and demonstrates the ability of the new development to meet local authority waste management recycling targets.

#### **Supporting Text:**

Recycling rates in London have historically been quite low due to the limited availability of communal and household storage space, and poorly designed buildings.

Evidence shows that recycling rates for communal flat collections are significantly lower than those from individual household kerbside collections. This is due to a complex set of circumstances including the communal nature of collections, inconsistent and often poor collection provision, poor bin storage, and a lack of knowledge, ownership and engagement from residents. This is also the case in some office and commercial buildings. To address this issue, greater consideration must be given to the design of buildings in relation to waste management.

In order to meet the waste management targets set in the London Plan and protect amenity, proposals for new developments should include a detailed waste storage and management strategy. The scope of this strategy should be commensurate to the scale of development and provide detail relating to the management of waste arising from the occupation of the building including plans to indicate how waste will be stored, collected, and managed. Details regarding the storage and reuse of construction materials on site should also be submitted in line with circular economy principles.

Appropriate types of storage and collection systems for waste will depend on the type of development proposed. Examples of development typologies include HMOs, live/work accommodation and residential institutions, including specialist housing for older people, and student accommodation, as well as office and commercial spaces. The Council has adopted a Waste Strategy that provides guidance for flats and HMO dwellings, this guidance should be considered early in the design phase of any development to ensure its efficacy.

All development should respond to waste management guidance set out in the NPPF, London Plan and Re:London guidance.

#### **Reasonable Alternatives:**

# Policy CE2: Design to Support the Circular Economy

Linkages:

NPPF Chapter

London Plan London Plan Policy SI7 Managing wate and supporting the circular economy London Plan Policy SI8 Waste capacity and net-waste self sufficiency

#### Policy CE2: Design to Support the Circular Economy

- A. Development proposals should apply circular economy principles in order to conserve resources and improve resource efficiency, with reference to London Plan policy SI7 (Reducing waste and supporting the circular economy).
- B. Major development proposals should aim to be net zero-waste. Any development proposals referred to the Mayor of London are required to submit a Circular Economy Statement in compliance with London Plan policy SI7.
- C. Consideration of Circular Economy principles should be given to the construction and operation of all types of development. Demonstration of circular economy considerations will be looked upon favourably in planning applications.

#### **Supporting Text:**

A circular economy is achieved by keeping materials in use for as long as possible, delivering the highest value, for as long as they can. The circular economy is the opposite of a linear economy where things are made, used and then thrown away. To achieve the circular economy and minimise embodied carbon in buildings we need to look for new ways to manufacture, select, use and reuse materials, particularly reusing materials on site from old buildings and incorporating them in new buildings.

All development should aim to minimise waste and maximise recycling of materials in new developments.

#### Reasonable Alternatives:

# **Chapter 10: Transport and Movement**

## **Strategic Policy 10: Movement**

Linkages:

NPPF Chapter: 9 Promoting Sustainable Transport

London Plan Chapter: 10 Transport

London Plan Policy T2 Healthy Streets

London Plan Policy T1 Strategic approach to Transport

#### **Strategic Policy 10: Movement**

Travel in Harrow will be designed and integrated around communities to support everyday journeys and drive long-term sustainable growth, minimising private vehicle travel where possible. To achieve this, The London Borough of Harrow is committed to creating more pleasant neighbourhoods and town centres with better air quality, safer streets, improved accessibility and sustainable travel opportunities for all.

Public and active transport travel networks will be enhanced to become attractive alternatives to private vehicles. Those travelling through the borough will be encouraged to shift towards these healthier and greener choices. This will support the borough's mission to decarbonise transport, ensure infrastructure is resilient to climate change, and secure Harrow's long-term status as an attractive location for residents, workers and visitors.

#### To achieve the above vision:

- A. Development proposals must facilitate improvements to transport infrastructure through active travel, and the public transport network to deliver safe, accessible, inclusive, healthy, walkable and sustainable neighbourhoods.
- B. Development must make effective use of land, improving its connectivity and accessibility to existing and future public transport, walking and cycling routes, and mitigating any adverse impacts on London's transport networks and supporting infrastructure.
- C. The Council will seek to improve access to public transport, particularly in areas of deprivation and for people with a disability, by working with Transport for London (TfL) to promote and improve public transport infrastructure and all abilities access to this.
- D. The Council will apply the Healthy Streets Approach to transport outlined in the Mayor of London's Transport Strategy (2018), and any subsequent Transport Strategy.
- E. The Council will seek to encourage and enable people to choose active transport by improving walking and cycling infrastructure across the borough. Improvements to road safety will be made to facilitate this.

- F. The Council will seek to reduce vehicular emissions through supporting car clubs, and encouraging efficient, low-emission freight and delivery trips.
- G. The Council will actively support and facilitate the transition to Electric Vehicles (EV) by planning for the provision of charging infrastructure in new developments and the public realm.

#### **Supporting Text:**

#### Context

A decarbonised, integrated, safe and accessible transport system is a vital requirement of the inclusive and healthy borough that the Council is working to create. Transport connects people to jobs, goods to businesses, and provides opportunities for education and leisure so that everyone benefits from sustainable economic growth.

The NPPF requires transport issues to be considered at the earliest stages of plan making and development proposals to address the potential impacts of development on transport networks, and realise opportunities presented by transport infrastructure, active travel, public transport, and climate change mitigation. Careful consideration needs to be given to the design of schemes so that they contribute to the making of high-quality places.

As identified in the Mayor of London's Transport Strategy(footnote), the only realistic way to address some of the transport challenges problems is to reduce dependency on cars in favour of active, efficient and sustainable modes of travel. The Mayor's Strategy has set a target for 80% of all trips in London to be made on foot, by cycle or using public transport by 2041. The Healthy Streets Approach identified in the Strategy is also central to the development of healthy and sustainable streets across Harrow.

The Harrow Long Term Transport Strategy (LTTS) provides the policy framework for the planning and delivery of improved transport infrastructure and services in Harrow. The Strategy aims to address current barriers that affect the movement of people and goods and respond to the declared climate emergency.

The Harrow Electric Vehicle (EV) Strategy (2023) aims to facilitate the transition to Electric Vehicles across the borough. The Strategy projects that the number of EVs in Harrow will increase from circa 3,500 EV cars and light commercial vehicles in 2022 to nearly 9,500 EVs by 2026 and 68,000 EVs (or over 60% of total registered vehicles) by 2038. The Strategy and accompanying action plan should be considered in all applications relating to EV parking or charging infrastructure.

#### The Challenge

Harrow, as an outer London Borough, still has higher than average rates of private vehicle use however, there has been a significant uptake in electric vehicle usage in recent years. The Council will support the transition to sustainable transport by enabling the use of electric private vehicles were necessary, and through providing infrastructure to increase rates of active and public transport.

While private car use will continue to have a role in the borough during the Local Plan period, enabling people to make more active travel choices as part of their daily lives will play an important role in improving health and wellbeing, and reducing dependence on private vehicles.

A shift to sustainable travel modes and lower emissions vehicles will also be vital enable Harrow to decarbonise its activities by 2030 and reduce air pollution. To encourage higher levels of public transport usage, additional bus routes with enhanced connectivity will be sought in and through the borough. The Council will work with TfL and other partners to deliver additional bus routes and services.

This chapter aims to ensure that people are able to freely, safely, efficiently and sustainably move around and through the borough. Everyone should have access to sustainable neighbourhoods that provide for day-to-day needs without requiring a private vehicle.

The policies set out in this chapter have cross cutting objectives with most other policies in this Local Plan, in particular those relating to climate change, health, air quality, and good design.

#### Reasonable Alternatives:

### **Policy M1: Sustainable Transport**

Linkages:

NPPF Chapter: 9 Promoting Sustainable Transport

London Plan Chapter: 10 Transport

London Plan Policy T2 Healthy Streets

London Plan Policy T4 Assessing and mitigating transport impacts

London Plan Policy T5 Cycling

#### **Policy M1: Sustainable Transport**

#### A. Development must:

- a. Contribute to the delivery of sustainable neighbourhoods through the enhancement of cycle and pedestrian connections, and other forms of sustainable travel, to local destinations, town centres, transport hubs, schools and amenities;
- b. Design new development in accordance with the London Plan's Healthy Streets approach, prioritising safe and convenient access routes for pedestrians, cyclists and those with disabilities;
- c. Protect and enhance any existing publicly accessible cycle and pedestrian routes that cross development sites and maximise opportunities to improve public accessibility by providing new connections through sites;
- d. Support the delivery of strategic or local cycle networks in and through the borough;
- e. Provide accessible, secure, and convenient cycle parking for all users, located in prominent locations, which meet or exceed London Plan requirements and London Cycle Design Standards. Facilities should include provision for charging of electric bikes.
- f. Deliver accessible cycle parking for people using cargo bikes or adapted cycles, and for people who may not be able to lift bikes;
- g. Provide a development contribution towards publicly accessible cycle parking and dockless cycle and scooter hire schemes where required;
- h. Provide well-designed, accessible facilities including prominent, accessible and well-located showers, changing rooms and lockers.
- B. Major development proposals must demonstrate through the submission of a Travel Plan and Transport Assessment, (or a Transport Statement for Minor development proposals) that t negative impacts on the transport net work have been considered, identified and mitigated, supporting modal shift away from private vehicles.

#### **Supporting Text:**

The London Plan aims to enable a boom in active travel with walking and cycling becoming the primary, default choice because it has been made easier and safer. Active travel requires journeys to be made through physically active modes such as walking, cycling, skateboarding, scooters, etc.

Walking and cycling are environmentally friendly, healthy, cheap and reliable forms of transport that provide a realistic alternative to the car for many short trips. Active travel choices are one of the easiest ways to integrate regular exercise into a daily routine, enhancing physical and mental health incidentally. All development must aim to facilitate active travel choices, as good planning can make it easy for people to build activity into their daily lives.

Development can enable active travel through contributing to convenient and inclusive pedestrian and cycling routes, crossing points, cycle parking, and legible entrances to buildings, that are aligned with peoples' movement patterns. Much of this can be facilitated through the masterplanning process of town centres and transport corridors, in which the development of specific sites will contribute via planning obligations, or on-site provision.

At present, car travel is still the dominant mode of transport in Harrow, with a particularly low cycling mode share. The borough has somewhat poor public transport accessibility and low levels of step free access at rail and tube stations. Many opportunities exist to realise the potential Harrow has to create a robust, green and inclusive transport system. These opportunities are planned for in Harrow's Long Term Transport Study (2023), which should be read in conjunction with the Mayor of London's Transport Strategy (2018). These documents should be used to inform future development proposals and decision making around transport in the borough.

#### Minimising the Impact of Development

Applicants must minimise the adverse impact of development on the surrounding area and ensure that developments are consistent with policy objectives. To achieve this, the likely impact of development needs to be assessed through planning applications. The mitigation of any development should focus on reducing the need for, and impact of, private vehicles and provide increased opportunities for sustainable access through public transport, walking and cycling.

Different types of development will have different impacts on the environment and local surroundings. The impact of the development may be influenced by the following aspects:

- Scale of development
- Proximity to employment, town centres, services (retail / leisure etc) and community infrastructure
- Characteristics of people using / visiting the development
- Construction time
- Servicing facilities
- Proximity to public transport (PTAL Levels)

- Surrounding road network and local service roads
- Building accessibility
- Available car parking
- Available car clubs
- Availability of electric vehicle charging facilities
- Local car ownership
- Local traffic conditions
- Availability of parking permits
- Local parking restrictions
- Walking and cycling ease
- Wayfinding and legibility
- Bike hire facilities
- Cycle path availability

#### **Transport Assessments:**

Transport Assessments consider the impact of development on all forms of transport and explain how these impacts will be dealt with. Transport Assessments provide information on transport conditions and transport issues before, during and after completion of the development. Assessments should address impacts to public transport, the highway network, the strategic and local cycle network, and impacts on cyclists and pedestrians.

Transport Assessments need to demonstrate that the development will not have a negative impact on safety, cause congestion or lead to illegal or additional parking near the site of the proposed development. They must also show how the development is going to restrict car dependency, and improve, provide and promote sustainable travel through public transport and active travel.

Where multiple major developments are proposed an area, the Council will encourage developers to cooperate to assess the cumulative impacts of the proposals on the transport network. Transport Assessments should be proportionate to the scale of the development proposal. A transport assessment may still be required for smaller developments where the proposal is likely to have a significant transport impact. This will be agreed with applicants at pre-application stage.

#### **Transport Statements:**

Transport Statements are a simplified Transport Assessment prepared as part of a smaller scale development application where the impact on local transport networks is likely to be of a smaller scale.

Applicants should demonstrate that the development proposal satisfies the Council's transport policies through a Transport Statement. The scope of any transport statement should be agreed with the Council at pre-application stage in discussion with Traffic and Highways. A Transport Statement should outline the existing site conditions and the proposed transport aspects of the development design (parking,

site access points, servicing arrangements, access to public transport, cycle parking provision).

#### **Travel Plans:**

Travel Plans are an agreed set of measures that reduce reliance on private vehicles and as a result, reduce the impact of travel and transport on the environment (i.e car clubs, bike hire/storage, etc). This contributes to a reduction in fossil fuel use, energy consumption, the need to travel and reduced air pollution.

Travel Plans seek to ensure that once a development is occupied and operational, the management / mitigation measures identified through the transport assessment are implemented and their effectiveness monitored. Travel Plans play an important role in bringing forward initiatives that contribute to the achievement of a modal shift away from car use.

While Travel Plans should be developed as a standalone document, they should aim to address any issues identified within the associated transport assessment through the promotion of sustainable transport.

Travel Plans must be submitted as part of the initial planning application, alongside the Transport Assessment. Travel Plans will be secured by way of a condition on the permission or a S106 planning obligation, which the applicant will need to continue to implement and manage over the lifetime of the development. The Council will require developer contributions by planning obligation for the monitoring and review of Travel Plans.

#### **Reasonable Alternatives:**

### **Policy M2: Parking**

Linkages:

NPPF Chapter: 9 Promoting Sustainable Transport

London Plan Chapter: 10 Transport London Plan Policy T6 Car Parking

#### Policy M2: Parking

- A. Proposals that make on-site provision for parking will be supported where:
  - a. The number of vehicle parking spaces (including those with electric vehicle charging points) complies with the maximum London Plan standards:
  - b. There is provision for 1 motorcycle parking space per 20 car parking spaces subject to all developments with more than 10 car parking spaces having a minimum of 1 space; and
  - c. The number of cycle parking spaces would meet or exceed the minimum London Plan standards and comply with London Cycle Design Standards.
- B. Proposals involving parking provision that would not be consistent with the London Plan will be assessed having regard to any exceptional operational requirements and satisfactory mitigation, any special safety considerations and the desirability of achieving modal shift away from private car use.
- C. Proposals that secure the delivery of car club schemes in lieu of parking provision for private vehicles will be encouraged.
- D. The design and layout of parking areas (including those for scooters, motorcycles and bicycles) should be safe, secure and fit for purpose, Access to and from the public highway should maintain and, where necessary, improve safety and give priority to the convenience of pedestrians and cyclists.
- E. Proposals that would result in inappropriate on-site parking provision, having regard to the supporting text in this policy, and those which would create significant on-street parking problems, prejudice highway safety or diminish the convenience of pedestrians and cyclists, will be resisted.
- F. Off-street parking should provide adequate soft landscaping, permeable surfaces and appropriate boundary treatments to offset adverse visual impacts and increases in surface water run-off. Parking on front gardens should provide a minimum 50% coverage of soft landscaping and permeable surfaces. Car park entrances must be of an acceptable width to ensure safe access and visibility.
- G. Development in Town Centres should prioritise walking, cycling and public transport. The public realm will be designed to support modal shift away from car use. London Plan car parking maximums for office, retail and hotel accommodation must be complied with.
- H. Any proposed reduction of car parking (either on-street or off-street) should have regard to the overall parking provision in the centre, and should not adversely impact upon town centre vibrancy and vitality. Proposals to

improve the quality of existing off-street car parking will be supported and encouraged.

#### **Supporting Text:**

Parking for new development will be managed to contribute to the delivery of a modal shift from private cars to more sustainable modes, with an emphasis on active travel and public transport. Development should provide parking in accordance with standards set by the London Plan.

Car free developments should be the starting point in areas that are well connected to public transport (PTAL 4-6). Developments in areas with lower public transport connectivity (PTAL0-1) should adhere to both minimum and maximum parking standards as set by the London Plan.

All development must include infrastructure for EV and ultra-low-emissions vehicles in conformity with London Plan Policy T6 (G). Proposals with higher rates of EV charging infrastructure (>50% of overall spaces with active charging points) will be looked upon favourably. Proposals in the public realm should consider the provision of publicly accessible charging points, in line with the Council's EV Strategy. Proposals for office or commercial development should include publicly accessible charging points where possible. The integration of bike and car sharing clubs should be strongly considered.

Households in Harrow continue to exhibit comparatively high levels of car ownership. It is likely that car ownership will continue to be a preference for many residents and that this mode will continue to be a component of economic activity and outer London inter-connectivity for the foreseeable future.

The objective of this policy is to realise the transport benefits of Harrow's spatial strategy by ensuring that proposals contribute to modal shift and meet the transport needs of future occupiers of developments. This will be achieved by focusing new development in areas of high public transport accessibility and where access to services is possible by sustainable transport modes such as walking and cycling.

Transport is a matter of strategic significance to London as a whole and is therefore addressed in the NPPF (2021) and the London Plan (Chapter 10 Policy T6). The London Plan sets standards for car parking of all types, development proposals must comply with these standards.

There is greater demand for car use in outer London given its lower-density, suburban nature and lower levels of public transport accessibility and sustainable transport options. Due to the demand generated by occupiers and users of development in outer London it is anticipated that developers will continue to seek to provide parking as part of their proposals. In many instances some level of vehicle parking is likely to be necessary for operational reasons. On-site provision of vehicle parking often overcomes issues with on-street parking particularly in residential areas where on-street parking can result in congestion and hindrance to traffic flow.

The London Plan specifies maximum general parking standards. Minimum standards are set with respect to disabled parking, cycle parking and the percentage of car parking spaces that must have active provision for electric vehicle charging. London Plan guidance must be followed as it refers to outer London PTAL levels, and space

numbers must not exceed the maximum standard outlined in the London Plan. Minimum parking standards must be provided in areas with a PTAL score of 0-1.

Car free developments are those that make no general on or off-site provision for car parking other than that required to meet the needs of disabled persons. Where located in areas of high public transport accessibility levels (PTAL4-6) and access to services through sustainable transport modes, such schemes are an effective means of delivering a modal shift away from private car use. New development must demonstrate that future occupiers' ability to access their reasonable shopping, service and employment needs would not be disadvantaged, and that visitors and other users of the development (particularly in respect of non-residential uses) would not be severely disadvantaged by the absence of car parking. In Harrow, the Harrow & Wealdstone Opportunity Area and town centres with a PTAL of 4-6 provide the most suitable locations for car-free development. They provide occupiers with direct access to local shops, services and employment opportunities, and are generally served by multiple local bus services and/or a rail station for access to shops, services and employment elsewhere.

Applicants should provide detailed Parking Design and Management plans as part of any application proposing implementation of car parking. The Plans should detail all aspects outlined in the London Plan.

Development in the Harrow & Wealdstone Opportunity Area and Town Centres should prioritise walking, cycling and public transport. Infrastructure to support modal shift away from fossil fuel car use should be prioritised by any development including:

- Safe and secure bike parking (ideally covered with CCTV in operation in accordance with London Cycling Design Standards);
- Rapid electric vehicle charging points;
- Parking spaces for shared electric bikes and scooters;
- Installation of cycle lanes;
- High quality pedestrian thoroughfares.

#### **Reasonable Alternatives:**

# Policy M3: Deliveries, Servicing and Construction

Linkages:

NPPF Chapter: 9 Promoting Sustainable Transport

London Plan Chapter: 10 Transport

London Plan Policy T7 Deliveries, servicing and construction

#### **Policy M3: Deliveries, Servicing and Construction**

All development proposals should seek to minimise the adverse impacts of deliveries, freight and servicing by:

- A. Reducing the number freight, servicing and delivery trips to and from developments at the construction and operational phases;
- B. Demonstrating through the submission of a Construction Management / Logistics Statement, any impacts on the transport network during the construction phase of the development (including road closures and damage to the transport network) will be managed and mitigated to the satisfaction of the Council.,
- C. Demonstrating that the proposal and site layout make adequate provision for emergency services access, deliveries, servicing, refuse collection, and visitor drop-off and pickups.
- D. Arranging construction deliveries outside of peak hours and in the evening or night-time.
- E. Where appropriate, promoting facilities to enable efficient online retailing and minimise additional freight trips arising from missed deliveries, including storage lockers or concierge services.
- F. Facilitating efficient, safe and low-emission delivery and servicing trips in accordance with TfL's latest guidance on Delivery and Servicing Plans.

#### **Supporting Text**

#### Construction Logistics

The construction phase of development can present significant logistic and environmental challenges particularly for large, complex and constrained sites or sites that are located in town centres, residential areas or near schools. Construction typically generates a significant number of vehicle trips, often involving heavy goods vehicles and machinery. These trips should be considered and mitigated to minimise disruption and safety hazards in accordance with TfL's Construction Logistics Plan Guidance. Any damage to road surfaces caused by vehicle movements to, from and around the development site will be repaired at a cost to the applicant. The Construction Logistics Plan should prioritise the maintenance of safe and inclusive access for pedestrians, cyclists and public transport users.

Construction works will need to secure the necessary approvals and licenses from the Council's Highways Department a minimum of 60 days before commencement of works. Financial contributions may be sought to ensure that disruption to roads is minimised, and any damage is repaired.

#### Deliveries and Servicing

Deliveries and servicing are often thought of late in the design of developments, which can lead to poor outcomes for occupants and disruption to the highway network. To avoid this, the logistics of servicing and deliveries must be considered early in the design of developments.

Since the pandemic there has been an increase in online shopping and home deliveries leading to increase delivery trips, often using heavy goods vehicles. This results in more traffic on the roads, particularly using larger vehicles that stop often for pick-ups and drop-offs. These vehicles can cause congestion and are often required to stop in areas not designated for loading, which can in turn disrupt traffic, cyclists, pedestrians and parking. Ensuring that there is a safe and easily accessible area for goods and servicing vehicles in the early stages of development must be a priority.

Where a development is likely to generate a significant amount goods or delivery vehicles trips, a Delivery and Servicing Plan will be required in accordance with TfL's latest guidance. These plans are required to improve the safety, efficiency and sustainability of delivery and servicing vehicles through interventions including consolidation, low carbon delivery modes and the retiming of movements to avoid peak hours. Consideration should be given to onsite electric charging infrastructure and parking to support low carbon fleets including e-cargo bikes, where appropriate.

Safe servicing access must be provided for recycling and refuse in accordance with Policy CE1 Reducing and Managing Waste.

An accessible, safe and secure postal storage area must be provided for postal servicing, including a secure parcel storage area to minimise parcel theft. Applicants are advised to discuss such elements with the Metropolitan Police (Secure by Design) early in the design of a scheme.

#### Reasonable Alternatives:

# **Appendices:**

# **Appendix 1: Glossary**

Term	Definition		
Affordable housing	Housing for sale or rent for those whose needs are not met by the market. See the NPPF or London Plan Policy H4. See also genuinely affordable housing.		
Agent of change principle	The principle places the responsibility of mitigating the impact of nuisances (including noise) from existing nuisance generating uses on proposed new development close by, as discussed in the London Plan Policy D13.		
Amenity	Element of a location or neighbourhood that helps to make it attractive or enjoyable for residents and visitors.		
Amenity space	Outdoor areas or open spaces within a scheme that enhance the quality of life and well-being of residents. These spaces may provide recreational, leisure and social benefits and can be private or communal.		
Area of special character	Designated places which are protected from inappropriate development, reflecting the significance of their character and setting including to the borough as a whole.		
Article 4 direction	A direction made under Article 4 of the Town and Country Planning (General Permitted Development) (England) Order 2015 which withdraws permitted development rights granted by that Order.		
Backland	Sites that are located to the rear of street frontages not historically in garden use. In suburban areas typically vacant open sites behind regularly arranged residential properties.		
Beneficial use (green belt and MOL)	Uses that align with the character of, and/or the public's access to and enjoyment of, the green belt and metropolitan open land.		
Biodiversity offsets	Measures to improve existing or create replacement habitat where there are unavoidable impacts on wildlife habitats resulting from development or change of land use.		
Biodiversity	This refers to the variety of plants and animals and other living things in a particular area or region. It encompasses habitat diversity, species diversity and genetic diversity. Biodiversity has value in its own right and has social and economic value for human society.		
Build to rent	Purpose built housing that is typically 100% rented out, offers long-term tendencies of three years or more, in under single ownership and is professionally managed. Refer to London Plan Policy H11 for further details and criteria.		
Car club	A short-term car rental service that allows members access to cars parked locally for a per-minute, per-hour or per-day fee.		
Care home	Homes where older people live in non-self-contained rooms with personal care and accommodation provided together as a package with no clear separation between the two. Residents cannot choose to receive care from another provider. Different types of care homes provide different levels of care, ranging from personal care to nursing care.		

Term	Definition	
Circular economy	An economic model in which resources are kept in use at the highest level possible for as long as possible in order to maximise value and reduce waste, moving away from the traditional linear economic model of 'make, use, dispose'.	
Community-led housing schemes	Schemes that are genuinely community-led all share three common principles: meaningful community engagement and consent occurs throughout the development process (communities do not necessarily have to initiate the conversation, or build homes themselves); there is a presumption that the community group or organisation will take a long-term formal role in the ownership, stewardship or management of the homes; and the benefits of the scheme to the local area and/or specified community group are clearly defined and legally protected in perpetuity.	
Conservation area	An area of special architectural or historic interest whose character or appearance is protected for its heritage significance.	
Cultural and creative industries	Those industries which have their origin in individual creativity, skill and talent which have a potential for wealth and job creation through the generation and exploitation of intellectual property.	
Cultural uses/facilities	Facilities that support the operation of creative industries, particularly through performance, exhibition or performance for example galleries, theatres and museums.	
Digital/communications infrastructure	Infrastructure, such as small cell antenna and ducts for cables, that supports fixed and mobile connectivity and therefore underpins smart technologies.	
District centres	As defined in Annex 1 of the London Plan, a town centre providing convenience goods, services and social infrastructure focussed on the local community, typically with 5,000 - 50,000 sqm of retail, leisure and service floorspace.	
District heating network	A network of pipes carrying hot water or steam, usually underground, that connects heat production equipment with heat customers. They can range from several metres to several kilometres in length.	
Ecosystem services	Direct and indirect contributions to human wellbeing and quality of life provided by the natural environment and ecosystems.	
Edge of centre	For retail purposes, a location that is well connected to, and up to 300 metres from, the primary shopping area. For all other main town centre uses, a location within 300 metres of a town centre boundary.	
Employment land	Land supporting employment uses including in town centres, neighbourhood parades and industrial land.	
Enabling development	Development that would not be in compliance with local and/or national planning policies except for the fact that it would secure the future conservation of a heritage asset.	

Term	Definition
Extra care accommodation for older people	A form of sheltered housing for older people who are becoming frailer and less mobile and have higher support and care needs than those that can be met in general needs or sheltered housing. It includes contains self-contained homes and communal facilities, and has with design features and care and support services which enable self-care and independent living. This form of housing enables older people with a wide range of needs to remain living independently in the community, whilst being able to access care from staff available 24 hours per day if needed.
Family homes	Housing that by virtue of its size, layout and design is suitable for a family to live in and generally has three, four, five or more bedrooms.
Flood risk assessment	An assessment of the likelihood of flooding in a particular area (usually a specific site) so that development needs and mitigation measures can be carefully considered.
Foyer accommodation	A type of secure accommodation for disadvantaged, vulnerable individuals that includes support for personal development and encourages independent living.
Garage sites/courts	Garages are buildings with a narrow massing which are designed to house vehicles, often with hardstanding for turning vehicles. Garage sites/courts house multiple garages and are typically located in residential areas and estates.
Garden land	Garden land means any land within the curtilage of a building the principal use of which is residential, in particular to the rear of the site.
Genuinely affordable housing	Housing which is demonstrably affordable to low and middle income earners in Harrow, with housing costs not exceeding an appropriate proportion of typical household incomes in the Borough (in line with standards in the London Plan). Typical tenure types regarded as genuinely affordable are defined in the London Plan.
Green Belt	A nationally designated area of open land around London. The fundamental aim of Green Belt policy is to prevent urban sprawl by keeping land permanently open; the essential characteristics of Green Belts are their openness and their permanence. There is a general presumption against inappropriate development in the Green Belt.
Green grid	A network of interconnected green spaces and features throughout Harow and Greater London.
Green infrastructure	A network of multi-functional green and blue spaces and other natural features, urban and rural, which is capable of delivering a wide range of environmental, economic, health and wellbeing benefits for nature, climate, local and wider communities and prosperity.
Green roofs and walls	Planting on roofs or walls to provide climate change, amenity, food growing and recreational benefits.
Greening	The improvement of the appearance, function and wildlife value of the urban environment through use of vegetation or water.

Term	Definition
Gypsies and travellers	Persons of nomadic habit of life whatever their race or origin, including such persons who on grounds only of their own or their family's or dependants' educational or health needs or old age have ceased to travel temporarily or permanently, but excluding members of an organised group of travelling showpeople or circus people travelling together as such.
Habitable room	A habitable room is any room used or intended to be used for sleeping, cooking, living or eating purposes. Enclosed spaces such as bath or toilet facilities, corridors, hallways, utility rooms or similar should not be considered habitable rooms.
Heritage asset	A building, monument, site, place, area or landscape identified as having a degree of significance meriting consideration in planning decisions because of its heritage interest. It includes designated heritage assets and assets identified by the local planning authority (including local listing).
Hostels	A building providing temporary non-self-contained residential accommodation with an element of supervision, but with no significant degree of care. This does not include 'youth hostels' as these are a type of visitor accommodation (C1 Use Class).
Houses in multiple occupancy (HMOs)	Dwellings which are shared by three or more tenants who form two or more households and share a kitchen, bathroom or toilet. HMOs for between three and six people are classed as C4 (except for areas affected by an Article 4 Direction) whereas HMOs for more than six people are Sui Generis.
Inclusive access	An approach to the design of buildings which means that people with different levels of mobility can access the space.
Inclusive neighbourhood	An inclusive neighbourhood is one in which people can live and work in a safe, healthy, supportive and inclusive environment. An inclusive neighbourhood will ensure that people are able to enjoy the options of easy access by public transport and active travel modes (walking and cycling), to services and facilities that are relevant to them. It will also allow people to safely and easily move around their neighbourhood through high quality people focused spaces, while enjoying barrier free access to surrounding areas and the wider city. They should have safe and easy access to a network of open spaces which meet their recreational needs to enhance health and wellbeing, as well as welcoming easily accessible communal spaces which provide opportunities for social interaction.
Infill/gap site development	Development of derelict sites or unattended sites. The scale of these sites tends to align with the urban grain and surrounding developments. Many of these sites are situated in residential suburban streets.

Term	Definition		
Intermediate housing	Homes for sale or rent provided at a cost above social rents but below market levels, at a price which is affordable to those who are not eligible for social rent but still have difficulty accessing the private market. These can include shared equity products (e.g. HomeBuy), other low cost home ownership products and intermediate rent.		
Large-scale purpose- built shared living (LSPBSL)	A purpose-building managed rental development containing non-self- contained units and extensive communal spaces and facilities, with the entire facility under single professional management.		
Local and neighbourhood centres	As defined in Annex 1 of the London Plan, small town centres with a localised catchment.		
Locally significant industrial sites	A Local Plan designation for land and premises that hold local importance for industrial and related functions within the borough.		
London affordable rent	Rents for London Affordable Rent homes are capped at benchmark levels published by the GLA intended to be genuinely affordable. See Policy H16 of the London Plan.		
London living rent	An intermediate housing product offering a lower rent to house on average incomes to enable them to save for a deposit.		
Major centres	As defined in Annex 1 of the London Plan, a town centre with a borough-wide catchment generally containing over 50,000sqm of retail, leisure and service floorspace with a relatively high proportion of comparison goods to convenience goods.		
Major development	For housing, development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more. For non-residential development it means additional floor space of 1,000m2 or more, or a site of 1 hectare or more, or as otherwise provided in the Town and Country Planning (Development Management Procedure) (England) Order 2015.		
Market housing	Private housing for rent or sale where the price is set in the open market.		
Meanwhile use	Temporary or short-term use of vacant space of land for a socially beneficial purpose until such time that they can be brought back into commercial use.		
Metroland	A name given to the suburban areas that were built to the north-west of London in the early part of the 20th century that were served by the Metropolitan Railway. Suburban development also accompanied the extension of the Bakerloo Line (now the Jubilee) to Stanmore and the Piccadilly Line (by 1933). Almost two-thirds of Harrow's housing stock dates from the inter-war period. This 'Metroland' housing continues to be one of the principal characteristics of Harrow's suburbs, particularly to the south east and south west of the borough. Large areas were developed by private developers at various densities and architectural styles - detached, semi-detached and short terraces of homes.		

Term	Definition
Metropolitan centres	As defined in Annex 1 of the London Plan, a town centre with a catchment extending over multiple boroughs generally containing at least 100,000sqm of retail, leisure and service floorspace with a high proportion of high-order comparison goods to convenience goods.
Metropolitan Open Land	Extensive areas of land bounded by urban development around London that fulfils a similar function to Green Belt and is protected from inappropriate development by land-use planning policies.
Mixed-use schemes	Development for a variety of activities on single sites.
Natural capital	The stock of natural assets and resources that provide a wide range of benefits to both the environment and society, including ecosystems, biodiversity, air and water quality, soil health and landscapes.
Neighbourhood parade	Purpose-built small rows of shops along a road and outside of larger designated town centres, serving the convenience retail and other day-to-day needs of the immediate neighbourhood.
Net-zero carbon building	A building which does not burn fossil fuels, has ultra-high energy efficiency and is 100% powered by renewable energy
Night-time economy	The night-time economy refers to all economic activity taking place between the hours of 6pm and 6am, and includes evening uses. Night-time economic activities include eating, drinking, entertainment, shopping and spectator sports, as well as hospitality, cleaning, wholesale and distribution, transport and medical services, which employ a large number of night-time workers.
Non-designated open space	Open pockets of land which are located within residential areas (particularly in estates). Many such spaces consist of underutilised grassed areas serving little or no purpose.
Older people	People over or approaching retirement age, including the active, newly-retired through to the very frail elderly; and whose housing needs can encompass accessible, adaptable general needs housing through to the full range of retirement and specialised housing for those with support or care needs.
Open space	All land in London that is predominantly undeveloped other than by buildings or structures that are ancillary to the open space use. The definition covers the broad range of types of open space, whether in public or private ownership and whether public access is unrestricted, limited or restricted.
Opportunity area	Designated areas from the London Plan regarded as London's principal opportunities for accommodating large scale development to provide substantial numbers of new employment and housing, with a mixed and intensive use of land and assisted by good public transport accessibility. Table 2.1 in the London Plan provides indicative targets for the Harrow and Wealdstone Opportunity area of 5,000 homes and 1,000 jobs.
Out of centre	A location which is not in or on the edge of a centre.

Term	Definition
Out of Centre Impact Assessment	An assessment of a retail or leisure use proposed in an out of centre location and would be of 400sqm or more of floorspace. Such an assessment shall consider a) the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and b) the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and the wider retail catchment (as applicable to the scale and nature of the scheme)
Planning obligations	Legal agreements entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal
Previously developed land	Land which is or was occupied by a permanent structure, including the curtilage of the developed land (although it should not be assumed that the whole of the curtilage should be developed) and any associated fixed surface infrastructure, or as otherwise provided in national policy. This excludes certain land such as land in built up areas such as residential gardens, parks, recreation grounds and allotments.
Protected views	Views seen from places that are publicly accessible and well used and make a significant contribution to the image and character of Harrow. Their significance merits their protection in the Local Plan.
PTAL	A measure of the accessibility of a point to the public transport network, taking into account walk access time and service availability. PTAL levels are calculated by Transport for London and can be viewed on the TfL website (https://tfl.gov.uk/info-for/urban-planning-and-construction/planning-with-webcat/webcat)
Public realm	Publicly accessible space between and around buildings, including streets, squares, forecourts, parks and open spaces.
Purpose-built student accommodation (PBSA)	Housing dedicated, at least in term time, to full-time students. It may be new-build or converted from other uses. The majority of the bedrooms in the development should be secured via a nomination agreement for the occupation by student of one or more higher education providers. See policy H15 of the London Plan for further information.
Scheduled ancient monuments	Scheduled monuments are nationally important monuments that have been afforded statutory protection through their inclusion in the Schedule of monuments maintained under section 1 of the Ancient Monuments and Archaeological Areas Act 1979.
Secure by design	An approach to development design that works to improve the secutiry of buildings and their immediate surroundings in line with published standard.
Self-build housing and custom-build housing	Defined in the Self-build and Custom Housebuilding Act 2015. Housing built by an individual, a group of individuals, or persons working with or for them, to be occupied by that individual. Such housing can be either market or affordable housing.

Term	Definition			
Sequential Test	Planning policies that require particular steps to be taken, or types of location or sites to be considered, in a particular order of preference. Defined in the National Planning Policy Framework, paragraph 91 in relation to planning applications for town centre uses and paragraph 167 in relation to flood risk.			
Setting of a heritage asset	The surroundings in which a heritage asset is experienced. Its extent is not fixed and may change as the asset and its surroundings evolve. Elements of a setting may make a positive or negative contribution to the significance of an asset, may affect the ability to appreciate that significance or may be neutral.			
Shared ownership	An intermediate housing product which allows households who would struggle to buy on the open market to purchase a share in a new home and pay a low rent on the remainder.			
Sheltered accommodation for older people	Self-contained accommodation specifically designed for older people who require no or a low level of support. Schemes normally include additional communal facilities such as a residents' lounge and a scheme manager, warden or personal alarm/telecare system.			
Short-stay holiday rental accommodation	Self-contained residential accommodation rented out for periods of less than 90 nights, typically to visitors or tourists.			
Small sites	Housing development sites of 0.25ha or less in area as defined by policy H2 of the London Plan.			
Social infrastructure	Facilities providing a wide variety of services that are essential to the sustainability and wellbeing of a community such as education facilities, places of worship, policing and justice, health provision, community, cultural, recreation and sports facilities. This list is not intended to be exhaustive and other facilities may be included.			
Social rented housing	Low cost rented housing provided, typically by councils and housing associations, to households whose needs are not met by the market. Rents are set within guidelines issued by the social housing regulator and are usually significantly less than 80% of market rents.			
Specialist older persons accommodation	A term used to describe a range of types of housing, not including care homes, that enables older people to live independently in self-contained living spaces with the possibility of some communal facilities and varying levels of support if needed. This can include retirement living, sheltered housing for older people, extra care housing, care villages and continuing care retirement communities.			
Strategic Industrial Locations	Sites designated in the London Plan as those which are part of London's largest concentrations of industrial, logistics and related capacity for uses that support the functioning of London's economy.			
Supported and specialist accommodation	A variety of forms of housing which purports to meet the needs of those within specific groups of people. Suitability of specialist housing is informed by specific identified needs.			

Term	Definition
Sustainable urban drainage systems	Systems which are designed to manage stormwater locally (as close to its source as possible), to mimic natural drainage and encourage its infiltration, attenuation and passivate treatment.
Tall building	A building of 7 or more storeys or 21m or more of height from the ground level to the top of the building. Necessary paraphernalia such as plant and machinery typically located on the roof of a building is not included as part of this definition.
Threshold approach / Fast-track approach	Approach set out in London Plan Policy (see Policy H5) whereby development provides a preset proportion of housing as affordable housing and thereafter does not need to provide a viability assessment to determine the affordable housing contribution.
Tourism infrastructure	Facilities, services and amenities designed to meet the needs of tourists, principally visitor accommodation.
Town centre uses	Retail development (including warehouse clubs and factory outlet centres); leisure, entertainment and more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).
Town centres	Places providing access to a range of commercial, cultural and civic activities including shopping, leisure, employment, entertainment, culture and social and community facilities. The boundaries of town centres are defined in the policies map.
Transport assessment	A comprehensive and systematic process that sets out transport issues relating to a proposed development. It identifies measures required to improve accessibility and safety for all modes of travel, particularly for alternatives to the car such as walking, cycling and public transport, and measures that will be needed deal with the anticipated transport impacts of the development.
Travel plan	A long-term management strategy for an organisation or site that seeks to deliver sustainable transport objectives and is regularly reviewed.
Windfall sites	Sites not specifically allocated in the development plan

# **Appendix 2: Monitoring**

It is important to monitor the outcomes of development in the Borough to assess the effectiveness of the Local Plan in delivering its policies and objectives. The Authority Monitoring Report (AMR) is the main mechanism for monitoring of the Local Plan in line with statutory obligations. The AMR will provide a yearly snapshot of plan performance against a range of quantitative and qualitative indicators. The AMR will also monitor the overall level of development by type and its distribution across the Borough.

AMR indicators will evolve over the duration of the plan and additional indicators may be added in the future or it may be necessary to modify some indicators in response to changes in data availability. Additional information and analysis may also be included, for example in cases where data is intermittently available, or where the additional information highlights issues which may impact on the delivery of the Local Plan.

The AMR will not monitor every aspect of the Local Plan. Doing so would not be practical, and the volume of information required would detract from the provision of a clear and succinct statement of how the Local Plan is performing. Instead, the following sets of indicators have been created:

- A set of key performance indicators (KPIs) have been created which capture the key aspects of successful implementation of the Local Plan's policies.
- Additional indicators which provide additional information or context and which illustrate the performance of specific parts of the Local Plan.

The performance of the local plan will also be monitored through the maintenance of the housing trajectory, which is regularly updated to demonstrate Harrow's five-year housing supply.

Given the wide range of issues covered by the Local Plan and the targeted selection of indicators to be included in the AMR, further analysis and monitoring regarding the Local Plan may also be carried out as part of the policy review process or where important issues are not other addressed in the AMR.

Key performance indicators and additional indicators are provided in the tables below.

### Key performance indicators

Indica	tor	Target
KPI1	Supply of new homes over the plan period Measured by housing completions and net pipeline of approved housing units	On track to exceed 16,040 homes between 2021-41
KPI2	Supply of new affordable homes % of total new housing supply by number of units and number of habitable rooms	50% of total new housing supply, measured by number of units and number of habitable rooms
KPI3	Town centre vacancy rates measured as % of centre frontage that is vacant	Remain below 7% Borough-wide and below 10% in each centre
KPI4	Net loss of industrial floorspace or land	No net loss (floorspace and premises)
KPI5	Energy efficiency Proportion of major applications meeting energy targets on-site (vs offsetting)	Energy efficiency targets from the Local Plan achieved, with offsetting in exceptional circumstances only.
KPI6	Net-zero carbon Proportion of major applications incorporating on-site energy generation to achieve net-zero carbon (vs offsetting)	All major developments are net- zero carbon, with offsetting used to achieve this in exception circumstances only.
KPI7	Public transport accessibility Proportion of new dwellings in PTAL 3+ or achieving PTAL 3+ through improvements to public transport service associated with development	To be established following review of baseline

### **Additional indicators**

Indicato	or	Target	Relevant Policies
General			
Appeals allowed which contravene a strategic principle of the local plan, with major contraventions identified, including development:  - Adversely affecting local character or areas of special character - Harming protected views - Inappropriate garden development - Compromising heritage significance or setting - Inappropriate development in the green belt and MOL - Loss of Open Space			Multiple
High qu	ality growth		
GR-I1	Tall buildings Tall Buildings allowed inconsistent with policy	Number of speculative applications approved outside of Designated Tall Building Zones	GR4
Heritage	e		
HE-I1	Number of assets on the Historic England Heritage 'at risk' register	Reduction in assets at risk	HE1, HE2
Meeting	Harrow's Housing Needs (in	addition to KPIs 1-2)	
HO-I1	Bedroom mix Mix of number of bedrooms in new housing	25% of new dwellings to be family housing (3+ bedrooms), or updated target following update in evidence base	HO1
HO-I2	Bedroom mix – affordable housing Mix of number of bedrooms in new affordable housing	In line with up to date Council requirements and evidence base	HO1, HO4
HO-I3	Number of dwellings delivered on <b>small sites</b>	At least 375 per year	HO3, GR10
HO-I4	Number of family homes converted into self contained residential units without reprovision of at least a 3-bedroom 4-person dwelling.		HO2
HO-I5	Affordable housing tenure Tenure mix of new affordable housing units	70% of units to be low cost rented and 30% intermediate, or updated %s following update in evidence base or policy	HO4
HO-16	Off-site affordable housing contributions secured in lieu of on-site provision		HO4

Indicator		Target	Relevant Policies
HO-I7	Number of other dwellings delivered by type including: - C3 older persons units - Care homes - Supported and sheltered housing - Purpose built student accommodation - Large scale purpose shared living - HMOs Progress towards meeting	Three additional pitches	HO6, HO7, HO8, HO9, HO9, HO10
110 10	additional need for gypsy and traveller accommodation	by 2041	
Local e	conomy (In addition to KPIs 3	-4)	
LE-11	Additional employment generating floorspace permitted or completed by type	Combined retail / cultural / leisure of 13,900 sq m and industrial of 6,000 sq m (subject to any subsequent evidence with respect to floorspace need). No Net Loss.	SP4
LE-I2	Total amount of <b>office</b> floorspace and any change	No specific target but to monitor release from stock to determine any interventions if required (supply versus need).	LE1
LE-I3	Office vacancy rate	Vacancy rate does not exceed the London average (as measured by the GLA)	LE1
LE-I4	Local employment Job density, defined as number of jobs divided by number of people aged 16-64 Inity infrastructure	Remain above 0.5 (ONS 2021 figure for Harrow)	SP4
CI-I1	Change in <b>community</b>	No net loss of community	CI1
01-11	infrastructure provision	infrastructure floorspace	
Green i	nfrastructure	·	·
GI-I1	Change in green belt or metropolitan open space	No loss of green belt or metropolitan open space	GI1
GI-I2	Change in open space	No net loss of open space	GI2
GI-I3	Proportion of new dwellings within walking distance of open space	Baseline / target to be set	GI2
GI-14	Net gain in <b>Biodiversity</b> secured from new development over plan period	At least 20% net gain secured on new development (including offsetting) over plan period	GI3

Indicator		Target	Relevant Policies
GI-I5	<b>Urban Greening factor</b> on major developments	Meeting UGF of 0.4 (residential) and 0.3 (commercial)	G14
Waste & Circular Economy			
CE-I1	Proportion of municipal waste recycled or composted	Positive trend (i.e. increase in percentage) year on year	CE1
Transport & Movement (in addition to KPI 7)			
M-I1	Reduction in private vehicle mode share	Positive trend year on year	M1
M-I2	Increase in <b>EV Charging points</b> in new developments/public realm	Positive contribution to the Council's EV strategy targets	SP10

## Appendix 2 - Summary of draft Local Plan

Outlined below is a summary of the draft Local Plan, including key policy positions and changes from the current Local Plan. However, the nature of the Local Plan is that it covers a wide range of policy areas, types of development and different areas / constraints within the borough. It is therefore an extensive document. The draft at Appendix 1 should therefore be reviewed for detailed provisions relating to any specific aspects of interest as the summary below cannot fully reflect the extent and detail of all the policies in the draft Plan:

### Spatial Strategy

- A. The Spatial Vision and Strategy, and Strategic Objectives (Chapter 1) provide the overarching narrative for the document from which detailed provisions / policies follow.
- B. In general terms, the overarching spatial strategy for the Local Plan remains to direct the majority of new development to the Harrow and Wealdstone Opportunity Area, with other town centres accommodating more modest levels of growth commensurate to their character, role and function. The predominately suburban areas of the borough (outside sustainable locations) will retain their character as low-density, family housing. Green Belt, Metropolitan Open Land and Open Space will be retained and enhanced. The borough's network of town and district centres will be retained and manged to promote vibrancy and vitality. Existing employment land will be retained. Existing infrastructure will be retained, and additional infrastructure required to support the level of development envisaged by the Local Plan. Social and environmental assets will be protected and enhanced, including a net gain in biodiversity. The location and design of new development will respond to climate change.

#### High Quality Growth

- C. This chapter outlines the design policies that will apply to all development proposals where relevant. They largely reflect an evolution of current Local Plan policies, updated in the context of the increased emphasis nationally and regionally for 'design-led' development, 'good growth' and 'beauty and placemaking'.
- D. The new Local Plan introduces for the first time a specific policy on building heights, as required by the London Plan. It defines tall buildings as being 7 storeys or 21 metres (from the ground level to the highest point of the building) across the entire borough. (Note: the current Local Plan definition is 10 storeys / 30 metres within the Opportunity Area). The draft identifies the Opportunity Area as having areas suitable for tall buildings and identifies appropriate heights in specific areas within the Opportunity Area (based on the evidence base supporting the Local Plan). The policy also specifically indicates that areas outside the Opportunity Area are not suitable for tall

buildings; the current Local Plan is comparatively silent on this (with guidance being provided by way of the recently adopted Tall Buildings (Building Heights) SPD).

### Heritage

E. The draft Heritage policies are largely an evolution of policies in the existing Local Plan, updated to reflect new designations (i.e. Local Areas of Special Character) and to address weaknesses with existing policies (i.e. securing the benefits sought through enabling development of heritage assets).

### Meeting Harrow's Housing Needs

- F. The housing policies in this chapter commit the Council to deliver a minimum 16,040 (net) homes over the Plan period (2021-2041), based on the annual London Plan target for Harrow of 802 homes per year. The Plan specifically commits to delivery of a minimum of 8,020 homes per year between 2019 and 2029, as required by the London Plan. It also identifies broad locations as follows:
  - (i) Harrow and Wealdstone Opportunity Area minimum 7,500 homes
  - (ii) Outside the Opportunity Area (existing permissions / allocations) minimum 2,500 homes
  - (iii) Small sites (unallocated sites below 0.25 ha and in accessible locations) minimum 4,125 homes
  - (iv) Windfall sites

At present there is a modest shortfall against the proposed housing target over the full plan period but the ten-year London Plan requirement can be met. Additional sites may come forward during the plan-making process to close the current shortfall.

- G. A key underlying element of the draft housing policies is the need to protect existing family sized housing stock (three or more bedrooms) within the borough and increase the rate of delivery of family sized housing in new development (including in flatted development). Such an approach reflects the housing need identified in Harrow's evidence base. The draft Plan therefore sets a target to ensure a minimum of 25% of new dwellings delivered are three bed (or more) family sized dwellings. Additionally, it seeks to ensure the size of any 2-bedroom dwellings is capable of accommodating 4 bed spaces, so that they can be used by families, if household circumstances change and avoid overcrowding.
- H. The draft Plan also proposes greater control over the conversion of existing family sized housing into flats by introducing a dwelling size threshold for conversions (i.e. internal floor are above 130 sqm) and a location criteria where they may be permitted (i.e. Public Transport Accessibility Levels 3-6). Additional requirements are also propose to avoid the over concentration of flat conversions within a street. Where

- such a conversion is accepted, the Plan seeks reprovision of a threebed family size home as part of any conversion.
- In terms of affordable housing, the draft Plan sets a strategic target of 50% affordable homes (consistent with the London Plan), with a 70% / 30% tenure split between low-cost rented tenure (with social rent as a priority) and intermediate tenure (share ownership / London Living Rent). This represents greater emphasis on low-cost rented tenure (currently Local Plan policy is for 60%) and a more genuinely affordable tenure (social rent) within the 70% (rather than 'affordable rent' tenures). The policy will apply to major development (i.e. 10 dwellings or more), which will be required to deliver affordable housing onsite to deliver mixed and inclusive communities, unless exceptional circumstances apply to make off site /or a financial contribution.
- J. Several new policies are included to reflect the requirements of the NPPF or London Plan [i.e. small sites (less than 0.25 ha), older persons' accommodation, self-build housing] or to reflect new development types since the current Local Plan was adopted (i.e. large scale purpose built shared accommodation) or where the current Plan is silent (i.e. housing estate renewal, purpose built student accommodation). The policy approach to matters such as Houses in Multiple Occupancy (HMO), supported and sheltered housing, is proposed to be strengthened in the Plan.

### Local Economy

- K. The policies in the Local Economy chapter respond to broader changes in society and the economy with respect to how town centres function since the current Local Plan was adopted. Only modest growth in town centre use (retail, food / beverage, leisure and entertainment) floorspace is envisaged (based on the Local Plan evidence base). With national policy and legislative changes, the scope to manage specific uses ('use classes') within town centres has been diminished, so the town centre policies seek to focus on the function of town centres in the town centre hierarchy (i.e. metropolitan, major, district, local) and promoting vibrancy and vitality of the borough's town centres.
- L. A strategic policy specifically for the Harrow and Wealdstone Opportunity Area is also proposed. This sets out the overarching principles for development within the Opportunity Area, given its focus for new development and infrastructure within the borough. It will replace the Harrow and Wealdstone Area Action Plan. The policy provides the basis for any subsequent, detailed master plans within the Opportunity Area, such as that proposed to be prepared for Harrow.
- M. In terms of employment use (i.e. industrial, offices), the draft Local Plan seeks to protect existing industrial floorspace / yard space from any further loss as across Harrow / London, too much industrial land has been lost given recent changes to the economy (growth in data

- centres, warehouses for online retailing etc). A modest increase in industrial floorspace (6,000 sqm) will be sought within established industrial areas, based on the Local Plan evidence base.
- N. In terms of offices, the evidence base indicates there is sufficient office space within the borough for the plan period to 2041. However, the draft Local Plan policies will require that any loss of office space will continue to be monitored and managed in accordance with up-to-date evidence, given the current uncertainty around office space provision post-Covid. The policy identifies that when releasing office floorspace, this follows a sequential approach which seeks to ensure that office space within the Metropolitan Town Centre, and then other town centres is the least preferrable to be released, compared to offices in out of centre locations.
- O. The draft plan also seeks to promote the night-time and evening economy, culture and creative industries, and tourism and visitor accommodation, reflecting the emerging importance of these elements of the economy and to support Council strategies and investment in these areas.

### Community Infrastructure

P. A new strategic policy has been included to set out the overarching approach to Social Infrastructure, and infrastructure more broadly. Policies in this chapter continue the current Local Plan approach of retaining existing community infrastructure and links the provision of new infrastructure to the emerging Infrastructure Delivery Plan (IDP) that will identify the infrastructure required to support the level of development and population growth envisaged during the plan period.

#### Green Infrastructure

- Q. This chapter includes a new strategic policy that sets the overarching policy direction for green infrastructure in the borough. Policy in relation to Green Belt and Metropolitan Open Land continues to reflect the national and regional policy. Open space policy continues to seek to retain open space, but has been updated to provide potential scope for essential community infrastructure uses on open space where there are no viable alternative sites; this reflects practice in reality in recent years.
- R. The policy position around biodiversity has been updated in line with new requirements of the Environment Act requiring at least 10% biodiversity net gain from new development. The draft Plan is proposing that 20% biodiversity net gain is achieved from new development, reflecting the significantly degraded biodiversity in the borough.
- S. Policies in this chapter also seek to strengthen (and consolidate) requirements around Urban Greening, Landscaping and Trees and a new policy relating to food growing proposes to require the retention

of existing allotments/community gardens and encourage the incorporation of new food growing infrastructure in developments.

### Responding to the Climate and Nature Emergency

- T. This chapter includes an overarching strategic policy that sets the direction for climate change mitigation and adaptation, and the recovery of habitat. It has been informed by the recently adopted Climate and Nature Strategy.
- U. The chapter also includes a policy (Policy CN1 Sustainable Design and Retrofit) that sets the Council's definition of net zero buildings, detailing that all new development should be net zero carbon in operation considering both regulated (space heating, hot water, 'hard wired electrical equipment' i.e. lighting) and unregulated (appliances) carbon emissions, utilising on-site electricity generation and using offsetting of carbon emissions as a last resort. This is an evolution of existing London Plan policy that only addresses 'regulated' emissions. Retrofit standards for net zero have been updated in this policy.
- V. This chapter also contains policies in relation to reducing flood risk, sustainable drainage and waterway management, which have been updated from the existing Local Plan to reflect the West London Strategic Flood Risk Assessment (SFRA).

### Managing Waste and Supporting the Circular Economy

W. The policies in this chapter seek to continue to safeguard existing waste facilities in the borough (i.e. the Civic Amenity Site) and ensure adequate waste facilities in new development. Policies have also been updated to reflect emerging requirements from the Environment Act with respect to waste and recycling. The chapter also introduces the concept of the circular economy for building construction and adaptation, with a new policy that reinforces the London Plan standards for major applications and indicates that the circular economy principles should be considered for all types of development, where possible.

### Transport and Movement

The policies in this chapter largely reflect the requirements set out in the London Plan. The overarching strategic policy reflects the Council's new Transport Strategy. Throughout the document, including in the policy relating to parking standards, provision of electric vehicle charging points is required, with the intention that these requirements exceed the minimum requirements of the London Plan; this will support the Council's recently adopted Electric Vehicle Strategy.



# **Technical Memorandum**



To: From:

London Borough of Harrow Council SLR Consulting Limited

cc: Mohammed Azram and David Hughes Date: 19 January 2024

Project No. 430.000059.00001

RE: Local Plan IIA, Preferred Policies and Alternatives Assessment Findings, Draft

**Technical Note** 

### 1.0 Introduction

This memo sets out the methodology and draft findings of the Integrated Impact Assessment (IIA) of the preferred Local Plan policies and their alternatives. The IIA is a combination of Sustainability Appraisal (SA), Strategic Environmental Assessment (SEA), Health Impact Assessment (HIA) and Equalities Impact Assessment (EqIA) requirements. It identifies potential impacts on protected groups and health outcomes and helps to identify opportunities within the power of the Local Plan for more positive outcomes for protected groups and health. In addition, the Habitats Regulation Assessment (HRA) screening will be reflected in the IIA Report and in a separate HRA Screening Statement.

An IIA Framework (see Appendix 1) was developed in the first stage of the IIA (Stage A: Scoping) to provide a set of objectives against which to identify the potential positive, negative, health, equalities, environmental, economic and social effects of the Local Plan policies and their alternatives. The overall aim of the IIA is to maximise the potential positive effects; minimise or mitigate potential negative effects and uncertainty; and to promote sustainable development.

This memo provides a summary and commentary of the relative performance of the preferred policies and their alternatives, providing information to London Borough of Harrow Council (LBHC) officers to inform discussions with Members. The assessments have been undertaken in detailed excel spreadsheets which will be provided to officers for review, at a future date. The IIA findings will therefore be refined over the coming weeks as the detailed assessment is reviewed and finalised with officers.

# 2.0 Methodology

The IIA is now in the second stage (Stage B: Options Assessment). Preferred policies for the Local Plan were provided to SLR in chapters. Reasonable alternatives to the draft Local Plan policies have also been assessed, where they have been identified in discussion between SLR and Council officers. 60 policies and 43 alternatives have been assessed in total. There may be ongoing amendments to the policies prior to consultation. These are likely to be related to clarity around drafting, factual updates and supporting text but not the policy positions themselves.

All policies and alternatives have been subject to assessment against the IIA Framework which can be found in Appendix 1. Assessments have been undertaken using detailed assessment matrices in Excel format. One matrix has been completed per policy. Where an alternative is sufficiently different to the preferred policy, it has been assessed using an assessment matrix in the same way as the preferred policy and to the same level of detail. Where an alternative is not sufficiently different to the preferred policy and an assessment would result in the same performance against the IIA Framework, a commentary has been provided by the assessors to explain this and discuss the differences between the preferred policy and the alternative.

# **Technical Memorandum**



The assessments of the policies and any alternatives have been undertaken by skilled and experienced assessors, using their professional judgement and with reference to baseline data from the Borough. The assessors consider specific requirements of the SEA Regulations including whether a potential effect could be indirect/direct, permanent or temporary, replaceable/irreplaceable, and the potential magnitude and duration. Table 2.1 explains how this is considered and how significance has been determined within the assessments by the assessors.

Mitigation measures have been put forward within the assessment tables to address potential negative and uncertain effects. These measures are intended to either offset a potential negative effect, reduce uncertainty or reduce the significance of a potential negative effect. Enhancement measures have also been put forward within the assessment tables to improve performance where either neutral or positive effects have been identified. Mitigation and enhancement measures will be provided to officers within the assessment tables and will also be presented within the IIA Report which is being prepared for consultation.

The IIA findings will continue to be refined as policies are amended as a result of consultation, further evidence and feedback within the IIA process.

<b>Table 2.1:</b>	Significance definitions	
Symbol	Definitions of Significance of Effects Against the IIA Objectives	General assumptions on the nature of effects
++	Significant Positive Effect: the option or policy supports the achievement of this objective; it addresses all relevant assessment questions and could result in a potentially significant beneficial effect e.g. improved access by walking and cycling modes to a local or town centre	Permanent Continual  Magnitude: High 80%+ receptor or environmental capacity affected; or Medium 40-80% of receptor or environmental capacity of affected  The effect could be to:  • enhance and redefine a location in a positive manner, making a contribution at a national or international scale;  • enhance and redefine a location in a positive manner;  • repair or restore receptors badly damaged or degraded through previous uses; and/or  • improve one or more key elements/features/characteristics of a receptor with recognised quality such as a specific regional or national designation.
+	Minor Positive Effect: the option or policy supports the achievement of this objective; it addresses some relevant assessment questions, although it may have only a minor beneficial effect	Reversible Infrequent or intermittent Magnitude: Low 20-40% of receptor or capacity affected. The size, nature and location of a proposed scheme could:  • improve undesignated yet recognised receptor qualities at the neighbourhood scale;  • fit into or with the existing location and existing receptor qualities;  • affect a localised receptor; and/or  • enable the restoration of valued characteristic features partially lost through other land uses.
0	Neutral Effect: the option or policy has no impact or effect and is neutral insofar as the benefits and drawbacks appear equal and neither is considered significant	N/A

<b>Table 2.1:</b>	Significance definitions	
Symbol	Definitions of Significance of Effects Against the IIA Objectives	General assumptions on the nature of effects
?	Uncertain Effect: Uncertain or insufficient information on which to determine the assessment at this stage	N/A
-	Minor Negative Effect: the option of policy appears to conflict with the achievement of this objective; it does not address relevant assessment questions and may result in minor adverse effects	Reversible Infrequent or intermittent Magnitude: Low 20-40% of receptor or capacity affected. The size, nature and location of a proposed scheme could:  • be out of scale with the location; • affect a localised receptor; and/or • leave an adverse impact on a receptor of recognised quality such as a specific district or county designation.
	Significant Negative Effect: the option or policy works against the achievement of this objective; it does not address relevant assessment questions; it could exacerbate a negative situation and may result in a potentially significant adverse effect e.g. loss of all or part of a designated ecological site of national importance.	Permanent Irreversible Continual Magnitude: High 80%+ receptor or environmental capacity affected; or Medium 40-80% of receptor or environmental capacity of affected The effect could be:  • to permanently degrade, diminish or destroy the integrity of the receptor; • to cause a very high-quality receptor to be permanently changed and its quality diminished; • not fully mitigable and may cumulatively amount to a severe adverse effect; • at a considerable variance to the location, degrading the integrity of the receptor; and/or • substantially damaging to a high-quality receptor such as a specific regional or national designation.

### 2.1 Assessment Assumptions

Assumptions made have been recorded within the detailed assessment matrices. For example, for some alternatives, it has been assumed that the preferred policy forms the basis of the alternative policy wording, with only limited amends to certain parts of a policy or additional criteria being added.

A general assumption made during the assessments is that all of the preferred policies would be taken forward as proposed and that the policies within the Local Plan will not be considered on their own. More detail on the assumptions made in the assessments will be included within the IIA Report currently being prepared for consultation.

#### 2.2 Assessment Limitations

No site allocation options or preferred site options are available at the time of writing. Therefore, the preferred policies and any reasonable alternatives have been assessed using strategic spatial information (such as set out within the Spatial Strategy policy) and in the absence of any locally specific information on site allocations. This has limited the identification of the potential full effects of policies relating to the spatial strategy, housing and economic growth. Site allocation options and preferred options will be subject to IIA later in 2024.

# 3.0 Assessment Findings

The summary tables in this section present the sustainability performance of the 103 policies and alternatives of the draft Local Plan. The policies are arranged within the following chapters and this section uses the same structure:

- Spatial Vision
- · High Quality Growth
- Heritage
- Housing
- Local Economy
- Community Infrastructure
- Green Infrastructure
- Climate and Nature
- Waste and Circular Economy
- Movement

For each group of policies, a summary table is presented which contains symbols and colours showing the potential sustainability effects against each of the IIA Framework Objectives. The key to the sustainability effect scores is shown in Table 3.1.

Table 3.1: Key to Sustainability Signific	ance Scores
Potential Sustainability Effect	Symbol
Significant positive	++
Minor Positive	+
Neutral	0
Uncertain	?
Minor Negative	-
Significant Negative	

The policies and alternatives assessed are listed in the left-hand column of each summary table. The summary tables contain the performance of reasonable policy alternatives (shown in purple colour and italics) alongside the preferred policies in order to allow comparison.

A discussion of the performance of the policies within each chapter is provided under each summary table. The discussion also compares the performance of any reasonable alternatives identified and assessed.

Details of the policies and alternatives included within this memo can be found in Appendix B.

# 3.1 Performance of Spatial Strategy Policy and Alternatives

The Spatial Vision chapter includes one Spatial Strategy policy, as shown in the summary table below. Two alternatives to the spatial strategy have also been assessed.

Table 3.2: Sumr	mary of S	patial Str	ategy Pol	icy and A	Alternativ	es Asses	sments							
Policy	IIA Obje	ctive												
	Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
	IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
Spatial Strategy	++	+	+	+	++	++	+	+	0	+	+	+	+	0
Spatial Strategy: Alternative 1	++	+	+	+	++	++	0	0	0	+	+	++	+	+
Spatial Strategy: Alternative 2	++	+	+	+	++	++	+	+	0					0

The Spatial Strategy policy generally performs well, with potential significant positive effects being identified in relation to IIA1 (Economy), IIA5 (Housing) and IIA6 (Sustainable Travel) for both the policy and its two alternatives. Potential significant positive effects have also been identified in relation to IIA4 (Health and Wellbeing) and IIA12 (Landscape and Townscape) for Spatial Strategy Alternative 1 may have a more significant positive effect on IIA12 (Landscape and Townscape) as the policy text is more restrictive than the preferred policy text in terms of safeguarding vulnerable areas from development. For example, the text of Spatial Strategy Alternative 1 safeguards suburban areas as areas of low density, family housing in order to protect suburban character, as well as protects the Borough's Metropolitan Open Land, Green Belt and other open space (including gardens) from development. This has resulted in a more positive performance of the Spatial Strategy Alternative 1 in relation to IIA12 (Landscape and Townscape) compared to the preferred policy. Although the rest of the preferred Local Plan policies do place restrictions on these matters it is not reflected so clearly within the preferred Spatial Strategy Policy text. It is therefore suggested

that should the text of the preferred Spatial Strategy Policy be amended and more detail on restrictions added, the policy could perform more positively in relation to IIA12 (Landscape and Townscape).

Four potential significant negative effects were identified for Spatial Strategy Alternative 2 in relation to IIA10 (Biodiversity and Geodiversity), IIA11 (Historic Environment), IIA12 (Landscape and Townscape) and IIA13 (Water and Soil). This alternative seeks to go beyond the level of development identified in the proposed strategy and provide more employment, retail and cultural / leisure floorspace. As a result, development may encroach on the Borough's Metropolitan Open Land, Green Belt and other open space. This is likely to negatively impact efforts to conserve and enhance biodiversity and the historic environment, as well as protection of landscape/townscape character and natural resources.

## 3.2 Performance of High Quality Growth Policies

The High Quality Growth chapter includes twelve preferred policies, as shown in the summary table below. Three alternatives to the preferred policies have also been assessed.

Table 3.3: Sumr	mary of H	igh Quali	ty Growth	n Policies	Assessn	nents								
Policy	IIA Obje	ctive												
	Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
	IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
Strategic Policy 01: High Quality Growth	++	0	0	+	0	+	0	0	?	0	+	++	0	0
GR1 Delivering High Quality Design	0	0	+	+	0	?	++	?	?	+	+	+	?	?
GR2 Inclusive Neighbourhoods	+	0	+	+	0	+	0	0	0	0	+	0	0	0

Table 3.3: Sumr	mary of H	igh Quali	ty Growth	n Policies	Assessn	nents								
GR3 Public Realm and Connecting Places	0	0	+	+	0	+	+	+	+	0	+	+	0	0
GR4 Building Heights	+	0	0	+	+	0	0	0	0	0	+	++	0	0
GR5 View Management	0	0	+	0	0	0	0	0	0	0	0	++	0	0
GR6 Areas of Special Character	0	0	0	+	0	0	+	0	0	+	+	+	0	0
GR6 Areas of Special Character: Alternative 1	0	0	0	?	0	0	0	0	0	-	-	-	0	0
GR7 External Lighting	0	0	0	+	0	0	+	0	0	+	0	+	0	0
GR8 Shopfronts and Forecourts	+	0	+	+	0	0	0	0	0	0	+	+	0	0
GR9 Outdoor Advertisement, Digital Display and Hoardings	0	0	+	+	0	0	++	0	0	0	+	+	0	0
GR10 Infill and Backland Sites, Back Gardens and Amenity Areas	0	0	+	+	+	+	0	0	0	+	0	+	0	+
GR10 Infill and Backland Sites, Back Gardens	0	0	0	-	-	0	0	0	0	0	0	-	0	0

Table 3.3: Sumr	nary of H	igh Quali	ty Growth	n Policies	Assessn	nents								
and Amenity Areas: Alternative 1														
GR10 Infill and Backland Sites, Back Gardens and Amenity Areas: Alternative 2	0	0	?	+	?	?	0	0	0	+	0	?	0	+
GR11 Planning Obligations	0	+	+	+	+	+	0	0	0	+	0	+	0	0

All of the policies within this chapter of the Local Plan have generally performed well, with potential significant positive effects being identified in relation to IIA1 (Economy) for Strategic Policy 01: High Quality Growth, IIA7 (Air, Light and Noise Pollution) for Policy GR1 Delivering High Quality Design and Policy GR9 Outdoor Advertisement, Digital Display and Hoardings and IIA12 (Landscape and Townscape) for Strategic Policy 01: High Quality Growth, Policy GR4 Building Heights and Policy GR5 View Management.

A number of uncertain effects have been identified in relation to Strategic Policy 01 High Quality Growth, Policy GR1 Delivering High Quality Design, GR6 Alternative 1, and GR10 Alternative 2. Mitigation measures have been identified for these uncertain effects; these are listed in the detailed appraisal matrices.

# 3.3 Performance of Heritage Policies

The Heritage chapter includes three preferred policies, shown in the summary table below.

Table 3.4: Su	ımmary o	f Heritage	Policies	Assessm	ents											
Policy	IIA Objed	IIA Objective														
	Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste		
	IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14		
Strategic Policy 02: Harrow Heritage Assets	+	0	0	0	0	0	0	0	+	+	++	+	0	0		
HE1 Heritage Assets	+	0	0	0	0	0	0	+	+	+	++	++	0	0		
HE2 Enabling Development	+	0	0	0	+	0	0	0	0	0	0	0	0	0		

All of the policies within this chapter of the Local Plan have generally performed well, with potential significant positive effects being identified in relation to IIA11 (Historic Environment) for Strategic Policy 02 Harrow Heritage Assets and Policy HE1 Heritage Assets and IIA12 (Landscape and Townscape) for Policy HE1 Heritage Assets.

# 3.4 Performance of Housing Policies

The Housing Policies includes thirteen preferred policies and thirty-one alternative policies. Due to the number of policies and alternatives for Chapter 4, the results are presented per policy below.

Table 3.5: Sumr	mary of S	trategic P	Policy 03 a	and Alteri	natives A	ssessme	nts							
Policy	IIA Obje	ctive												
	Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
	IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
Strategic Policy 03: Meeting Harrow's Housing Needs	+	0	+	0	++	+	-	0	0	0	0	+	+	0
Strategic Policy 03: Meeting Harrow's Housing Needs: Alternative 1	?	0	+	0	?	+	?	+	-		?			0
Strategic Policy 03: Meeting Harrow's Housing Needs: Alternative 2	0	0	+	0		+	0	0	0	0	0	0	0	0

Strategic Policy 03 performs well, particularly with regards to the provision of housing (IIA5), for which a potential significant positive effect has been identified. The inclusion of reference to the scale of development sites could further enhance this policy. The potential effect for IIA13 (Water and Soil) could be enhanced with the explicit mention of avoiding greenfield land where possible for future development within the policy.

Conversely, Strategic Policy 03 Alternatives 1 and 2 do not perform as positively as the preferred policy, as Strategic Policy 03 Alternative 2 may not meet the identified need and Strategic Policy 03 Alternative 1 could be undeliverable due to the greater levels of development required.

Table 3.6: Sum	mary of P	olicy HO	l and Alte	rnatives	Assessm	ent								
Policy	IIA Obje	ctive												
	Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
	IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
HO1 Dwelling Size Mix	0	0	+	+	++	+	0	0	0	0	+	+	0	0
HO1 Dwelling Size Mix: Alternative 1	0	0	+	+		+	0	0	0	0	+	+	0	0
HO1 Dwelling Size Mix: Alternative 2	0	0	+	+	-	+	0	0	0	0	+	+	0	0
HO1 Dwelling Size Mix: Alternative 3	0	0	+	+	?	+	0	0	0	0	+	+	0	0
HO1 Dwelling Size Mix: Alternative 4	0	0	+	+	?	+	0	0	0	0	+	+	0	0

Policy HO1 Dwelling Mix is a generally positively performing policy which will help to ensure a mix of dwellings sizes are created to meet the needs of Harrow's residents. Therefore, a potential significant positive effect has been identified for IIA5 (Housing). There is potential to enhance the minor positive effects identified for IIA3 (Accessibility) and IIA4 (Health) through the inclusion of wording in criterion B (Flatted Developments) to the effect of ensuring houses on lower floors are prioritised for all residents with mobility difficulties.

The alternatives to this policy perform similarly, except for the housing objective (IIA5) due to the nuances between them. Whilst an uncertain effect has been recorded for HO1 Alternatives 3 and 4, and a potential significant negative for Alternative 1, a minor negative effect has been identified for HO1 Alternative 2.

Table 3.7: Sumr	Table 3.7: Summary of Policy HO2 and Alternatives Assessments													
Policy	IIA Obje	ctive												
	Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
	IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
HO2 Conversion and Redevelopment of Larger Dwellings	0	0	+	+	++	+	+	0	0	0	+	+	+	+
HO2 Conversion and Redevelopment of Larger Dwellings: Alternative 1	0	0	0	+	?	0	+	0	0	0	0	0	+	+
HO2 Conversion and Redevelopment	0	0	+	?	?	+	+	0	0	0	+	?	+	+

Table 3.7: Sumn	nary of Po	olicy HO2	2 and Alte	rnatives	Assessm	ents								
of Larger Dwellings: Alternative 2														
HO2 Conversion and Redevelopment of Larger Dwellings: Alternative 3	0	0	+	-	?	+	+	0	0	0	+	+	+	+
HO2 Conversion and Redevelopment of Larger Dwellings: Alternative 4	0	0	-	+	++	-	+	?	0	0	+	+	+	+
HO2 Conversion and Redevelopment of Larger Dwellings: Alternative 5	0	0	+	+		+	+	0	0	0			+	-
HO2 Conversion and Redevelopment of Larger Dwellings: Alternative 6	0	0	?	?	++	?	+	0	0	0	+	+	+	+

Policy HO2 Conversion and Redevelopment of larger dwellings seeks to control the redevelopment of larger dwellings into small flats and ensure family sized homes are retained and when conversions are permitted there is no net loss in family housing, therefore a potential significant positive effect has been identified for IIA5 (Housing). The minor positive effect identified for IIA4 (Health) could be enhanced through wording

within criterion 3e which requires development to achieve excellent environment in relation to privacy, daylight, sunlight, outlook and exposure to external noise.

HO2 Alternatives 1-5 do not perform as positively as the preferred policy option. There is potential for HO2 Alternative 6 to result in potentially positive effects, as this would target redevelopment in appropriate locations and protect family sized dwellings in areas which need them most. However, further investigation is needed in order to understand the precise locations for the application of HO2 Alternative 6.

Table 3.8: Sumr	mary of P	olicy HO3	Assessr	nent										
Policy	IIA Obje	ctive												
	Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
	IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
Policy HO3 Optimising the Use of Small Housing Sites	0	0	+	+	+	+	0	0	0	+	0	+	0	0

Policy HO3 Optimising the use of small housing sites performs positively across all IIA objectives, with no significant positive or negative effects identified. A potential enhancement measure has been identified in relation to IIA10 (Biodiversity and Geodiversity; the expansion of criterion 3e to consider connections with adjoining sites or expansion of existing GI on those sites, which could help to increase the network of habitats within the Borough.

Table 3.9: Sumr	mary of P	olicy HO	and Alte	rnatives	Assessm	ents								
Policy	IIA Obje	ctive												
	Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
	IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
Policy HO4 Genuinely Affordable Housing	0	+	0	0	++	0	0	0	0	0	0	0	+	0
Policy HO4 Genuinely Affordable Housing: Alternative 1	0	+	0	0		0	0	0	0	0	0	0	+	0

Policy HO4 Genuinely Affordable Housing aims to increase the affordable housing available within the Borough, therefore there is potential for a significant positive effect to occur in relation to IIA5 (Housing). There is some uncertainty regarding total provision of affordable housing as Policy HO4 contains some criteria which allow for affordable housing not to be provided when this is unviable. However, in such a case, market housing would be provided which will still support housing provision across the Borough and therefore an overall potential significant effect is identified. It is noted that the alternative to the proposed policy does not perform as favourably, as this option puts a greater emphasis on intermediate products rather than low-cost rental affordable housing for which there is a greater need in Harrow.

Table 3.10: Sum	nmary of I	Policy HC	5 and Alt	ernatives	s Assessi	ments								
Policy	IIA Obje	ctive												
	Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
	IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
Policy HO5 Housing Estate Renewal and Regeneration	0	0	-	++	?	++	0	+	0	-	0	+	+	0
Policy H05 Housing Estate Renewal and Regeneration: Alternative 1	0	0	?	++	?	0	0	0	0	0	0	0	0	0
Policy H05 Housing Estate Renewal and Regeneration: Alternative 2	0	0	++	++	?	++	0	+	0	+	0	+	+	0

Policy HO5 Housing Estate Renewal and Regeneration sets out the criteria for regeneration of estates within the Borough. The proposed policy has potential for a significant positive effect on IIA6 (Sustainable Travel) due to the need for good active and public transport links and IIA4 (Health) through providing a healthy living environment and better quality housing. However, a potential minor negative effect has been identified in relation to IIA3 (Accessibility) as the proposed policy allows for the loss of some external amenity space. Such loss is allowed, however, in order to ensure that redevelopments can work in practice. It is recommended that the policy should make it clearer that quality improvements would be sought to remaining amenity space.

An uncertain effect has been identified for IIA5 (Housing) this because further clarity is needed regarding the rights of returning residents and potential net affordable dwelling loss. Several potential effects could also be enhanced – IIA6 (Sustainable Travel), IIA8 (Climate Change Adaption) and IIA10 (Biodiversity and Geodiversity). Measures include the addition of public transport access within estates, the inclusion of low carbon and energy efficient design within dwellings and a new criterion requiring the maintenance of existing (and creation of new) biodiversity and green infrastructure, particularly where this connects to neighbouring sites.

HO5 Alternative 1 is not to have a specific policy on housing estate renewal and regeneration, which does not perform as favourably. HO5 Alternative 2 requires the re-provision of external amenity space and this is the primary reason why it performs more favourably than the proposed policy. However, it could result in a lower level of provision of affordable housing, hence an uncertain effect is identified for IIA5 (Housing).

	Table 3.11: Sum	mary of F	Policy HC	6 and Alt	ernatives	s Assessr	ments								
	Policy	IIA Obje	ctive												
0 10		Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
		IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
	Policy HO6 Accommodation for Older People	0	0	+	+	++	+	0	+	0	0	0	0	0	0
	Policy HO6 Accommodation for Older People: Alternative 1	0	0	+	+	+	+	0	0	0	0	0	0	+	0
	Policy HO6 Accommodation for Older People: Alternative 2	0	0	?	?	++	?	0	?	0	0	0	0	0	0
	Policy HO6 Accommodation	0	0	+	+	?	+	0	+	0	0	0	0	0	0

Table 3.11: Sum	mary of l	Policy HO	6 and Alt	ernatives	Assessr	nents				
for Older People: Alternative 3										

Policy HO6 Accommodation for Older People has performed positively. A potential significant positive effect has been identified for IIA5 (Housing) as accommodation for older people will be created within the Borough – a key issue for the lifetime of the Local Plan. The inclusion of wording within this policy to maintaining existing (or the creation of new) links to public transport could help to further the positive effect identified. None of the three alternative policy options perform as positively as the proposed policy.

	Table 3.12: Sum	mary of H	IO7 and A	Alternativ	e Assess	ments									
	Policy	IIA Obje	ctive												
070		Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
		IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
	Policy HO7 Supported and Sheltered Housing	0	0	++	+	+	+	0	0	0	0	0	0	+	+
	Policy H07: Supported and Sheltered Housing: Alternative 1	0	0	+	+	+	+	0	0	0	0	0	0	+	0

Policy HO7 Supported and Sheltered Housing makes provision for supported and sheltered housing across the Borough, including provision for the adaptation of existing dwellings. A potential significant positive effect has been identified in relation to IIA3 (Accessibility), as it makes provision for accessible housing of the right size and type for the intended user, such as by adapting homes for those with specific needs. This policy has also performed positively against several other objectives, although it is noted that there is potential for enhancement of the positive effects for IIA4 (Health) and IIA5 (Housing) with the inclusion of a criterion which requires developers to consult with the council and local charities, as well as protected groups for whom the housing is intended, on the design of future sheltered and supported housing. Policy HO7 Alternative 1 performs similarly.

Table 3.13: Sumi	mary of P	olicy HO	B and Alte	ernatives	Assessm	ents								
Policy	IIA Obje	ctive												
	Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
	IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
Policy HO8 Purpose Built Student Accommodation	+	0	+	-	?	+	0	0	0	0	0	0	0	0
Policy HO8 Purpose Built Student Accommodation: Alternative 1	0	0	-	-	?	-	0	0	0	0	0	0	0	0
Policy HO8 Purpose Built Student Accommodation: Alternative 2	+	0	+	-	?	+	-	0	0	0	0	0	0	0

Policy HO8 Purpose Built Student Accommodation sets out requirements for purpose-built student accommodation (PBSA). The performance of this policy and the alternatives are mixed, as there is a lack of clarity surrounding the need for PBSA within Harrow. Further discussion with the planning officers into this need is required to mitigate the uncertain effects identified in relation to IIA5 (Housing). Potential minor negative effects have been identified for IIA4 (Housing) and IIA14 (Waste) for the preferred policy and both alternative policies. The policies do not provide for access to open space or green infrastructure, which could inhibit wellbeing as not all students will be able to afford paid-for recreation facilities to maintain physical and mental health.

Two reasonable alternatives to Policy HO8 Purpose Built Student Accommodation have been identified and assessed. HO8 Alternative 1 performs more negatively than the preferred policy, with potential minor negative effects being identified in relation to IIA3 (Accessibility), IIA4 (Health and Wellbeing), and IIA6 (Sustainable Travel). HO8 Alternative 2 performs only slightly more negatively, with a potential minor negative effect being identified in relation to IIA7 (Air, Light and Noise Pollution).

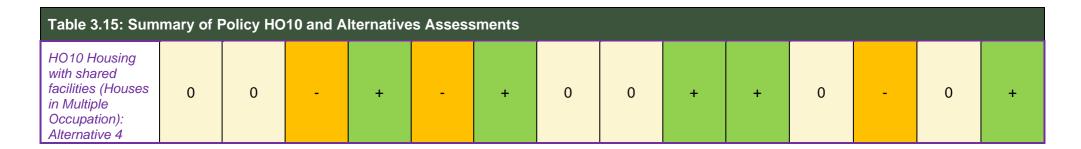
Table 3.14: Sur	mmary of	Policy H	O9 and Al	ternative	s Assess	ment								
Policy	IIA Obje	ctive												
	Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
	IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
HO9 Large Scale Purpose Built Shared Living	+	+	+	+	?	+	0	0	0	0	0	+	0	+
HO9 Large Scale Purpose Built Shared Living: Alternative 1	-	-	0	-	-	-	0	0	0	0	0	-	0	-

Table 3.14: Summary of Policy HO9 and Alternatives Assessment

Policy HO9 Large Scale Purpose Built Shared Living outlines how large-scale purpose-built shared living (LSPBSL) will be considered in development proposals. The preferred policy and HO9 Alternative 2 both perform well relative to the other alternatives, with the least amount of negative or uncertain effects being identified.

A number of uncertain effects were identified across the policies and alternatives for IIA3 (Accessibility) for HO9 Alternative 4, and IIA5 (Housing) for the preferred policy and HO9 Alternatives 2, 3 and 4. HO9 Alternative 1 which is for no policy option to be implemented, performs the worst with a number of potential minor negative effects being identified.

Table 3.15: Sum	mary of I	Policy HC	10 and A	Iternative	es Assess	sments								
Policy	IIA Obje	ctive												
	Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
	IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
HO10 Housing with shared facilities (Houses in Multiple Occupation)	0	0	+	+	+	+	0	0	+	+	0	+	0	+
HO10 Housing with shared facilities (Houses in Multiple Occupation): Alternative 1	0	0	+	0	-	+	0	0	+	+	0	+	0	-
HO10 Housing with shared facilities (Houses in Multiple Occupation): Alternative 2	0	0	+	+	-	+	0	0	+	+	0	-	0	+
HO10 Housing with shared facilities (Houses in Multiple Occupation): Alternative 3	0	0	+	+	-	+	0	0	+	+	0	-	0	+



Policy HO10 Housing with shared facilities (Houses in Multiple Occupation) sets out how Houses of Multiple Occupancy (HMOs) will be considered in development proposals. The preferred policy performs the most positively out of all of the policies/alternatives suggested for HO10, with no potential negative or uncertain effects being identified.

Table 3.16: Sum	mary of I	Policy HC	11 Asses	sment										
Policy	IIA Obje	ctive												
	Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
	IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
HO11 Self-build and Custom- build Housing	0	0	+	0	+	0	0	0	0	0	0	0	0	0

Policy HO11\_Self-build and Custom-build Housing outlines how self- and custom-Build development proposals are considered for development across the Borough. The policy generally performs well, with a mixture of neutral and potential minor positive effects being identified.

Table 3.17: Sum	mary of I	Policy HC	12 and A	Iternative	es Assess	sments								
Policy	IIA Obje	ctive												
	Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
	IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
HO12 Gypsy and Traveller Accommodation Needs	0	0	+	+	+	+	0	0	+	?	0	+	?	+
HO12 Gypsy and Traveller Accommodation Needs: Alternative 1	0	0				?	0	0		?	0	-	0	0
HO12 Gypsy and Traveller Accommodation Needs: Alternative 2	0	0				+	0	0	+	?	0	+	?	+

Policy HO12 Gypsy and Traveller Accommodation Needs outlines how Gypsy and Traveller Accommodation needs are considered across the Borough. In the preferred policy, the Council aims to retain the existing site at Watling Farm but will support proposals for new sites and pitches providing that there is an identified need. The preferred policy generally performs well, with only two uncertain effects being identified for IIA10 (Biodiversity) and Geodiversity) and IIA13 (Water and Soils). Although the preferred policy does not encourage development on Green Belt/Metropolitan Open Land or Sites of Importance for Nature Conservation, uncertain effects have been identified in relation to IIA10 and IIA13 as development on these areas is allowed in exceptional circumstances under the National Planning Policy Framework (NPPF). The precise nature of potential effects for IIA10 and IIA13 cannot be determined without details of the design and location of sites this policy could apply to.

The alternatives to Policy HO12 perform poorly in comparison to the preferred policy, with potential significant negative effects being identified for IIA3 (Accessibility), IIA4 (Health and Wellbeing) and IIA5 (Housing) for both alternatives. The assessment of HO12 Alternative 1 also identified a potential significant negative effect for IIA9 (Climate Change Mitigation). A number of uncertain effects were also identified for IIA6 (Sustainable Transport), IIA10 (Biodiversity and Geodiversity), and IIA13 (Water and Soil).

# 3.5 Performance of Local Economy Policies

The Local Economy chapter includes seven preferred policies, as shown in the summary table below. Three alternatives to the preferred policies have also been assessed.

	Table 3.18: Sun	nmary of	Local Eco	onomy Po	olicies As	sessmen	ts								
	Policy	IIA Obje	ctive												
)		Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
		IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
	Strategic Policy 04: Local Economy	++	++	0	0	0	0	0	0	0	0	0	0	0	0
	Strategic Policy 05: Harrow & Wealdstone Opportunity Area	++	+	+	+	+	++	0	+	+	+	+	+	0	0
	LE1 Development Principles and	++	+	+	+	0	+	+	0	0	0	0	+	0	+

Table 3.18: Sum	nmary of	Local Eco	onomy Po	olicies As	sessmen	ts								
Town Centre Hierarchy														
LE1 Development Principles and Town Centre Hierarchy: Alternative 1	+	+	+	+	0	+	+	0	0	0	0	+	0	+
LE2 Night-time and Evening Economy	++	+	0	0	0	0	+	0	0	0	0	0	0	0
LE3 Industrial Land	+	+	0	0	0	+	0	+	0	0	0	0	0	+
LE3 Industrial Land: Alternative 1	+	+	0	0	0	+	0	+	0	0	0	0	0	+
LE3 Industrial Land: Alternative 2	?	+	0	0	+	+	0	+	0	0	0	0	0	+
LE 4 Culture and Creative Industries	+	+	0	+	0	0	+	0	0	0	+	+	0	0
LE5 Tourism and Visitor Accommodation	++	+	+	+	0	+	+	0	0	0	+	+	0	+

All of the policies within this chapter of the Local Plan have generally performed well, with potential significant positive effects being identified in relation to IIA1 (Economy) for five of the policies. Potential significant positive effects have also been identified in relation to IIA2 (Employment) for Strategic Policy 04: Local Economy and IIA6 (Sustainable Travel) for Strategic Policy 05: Harrow & Wealdstone Opportunity Area.

The reasonable alternative to Policy LE1 Development Principles and Town Centre Hierarchy performs similarly to the preferred policy, however a potential minor positive effect for IIA1 (Economy) is identified instead of a potential significant positive effect, as a less restrictive alternative would not control or protect main centre uses, which may impact on the vitality and vibrancy of town centres.

Two reasonable alternatives to policy LE3 Industrial Land have been identified and assessed. LE3 Alternative 1 performs the same as the preferred policy. One uncertain effect was identified in relation to IIA1 (Economy) for LE3 Alternative 2. This alternative policy allows for the colocation of housing on Local Strategic Industrial Sites. It is uncertain what impact this may have on the economy as it is dependent on where the housing is located, the magnitude of impact this may have on industrial floorspace, and the types of industry impacted.

# 3.6 Performance of Community Infrastructure Policies

The Community Infrastructure chapter includes five preferred policies, as shown in the summary table below.

Table 3.19: Summary of Community Infrastructure Policies Assessments														
Policy	IIA Obje	IIA Objective												
	Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
	IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
Strategic Policy 06: Social and Community Infrastructure	+	+	+	+	0	0	0	0	+	+	0	0	0	0
CI1 Safeguarding and Securing Social Infrastructure	+	+	+	++	0	+	+	0	0	0	0	0	0	+
CI2 Play and Informal Recreation	0	0	+	++	0	0	0	0	+	+	0	0	0	0

Table 3.19: Summary of Community Infrastructure Policies Assessments														
CI3 Sport and Recreation	+	+	+	++	0	+	+	0	0	+	+	+	+	0
Cl4 Digital and Communications Infrastructure	+	+	+	0	0	0	0	0	0	+	+	+	0	0

All of the policies within this chapter of the Local Plan have generally performed well, with potential significant positive effects being identified in relation to the health IIA objective for three of the policies relating to social infrastructure, play and informal recreation and sports and recreation.

### 3.7 Performance of Green Infrastructure Policies

The Green Infrastructure chapter includes six preferred policies, as shown in the summary table below. Two alternatives to the preferred policies have also been assessed.

Table 3.20: S	Table 3.20: Summary of Green Infrastructure Policies Assessments													
Policy	IIA Objective													
	Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
	IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
Strategic Policy 07: Green Infrastructure	0	0	0	+	0	0	+	0	+	+	0	+	+	0

Table 3.20: S	Summary	of Green	Infrastruc	ture Polic	cies Asse	ssments								
GI1 Green Belt and Metropolitan Open Land	0	0	0	+	0	0	0	0	0	+	+	+	+	0
GI2 Open Space	0	0	+	+	0	0	0	0	+	?	0	0	0	0
GI2 Open Space: Alternative 1	0	0	0	+	0	0	0	0	+	+	0	0	0	0
GI3 Biodiversity	0	0	0	+	0	0	0	0	+	++	+	0	+	0
GI3 Biodiversity: Alternative 1	0	0	0	+	0	0	0	0	+	++	+	0	+	0
GI4 Urban Greening, Landscaping and Trees	0	0	0	0	0	0	+	0	+	++	+	+	+	0
GI5 Food Growing	0	0	0	+	0	0	0	0	+	+	0	0	+	0

The policies within the Green Infrastructure chapter generally perform well against the IIA objectives, with potential significant positive effects being identified in relation to IIA10 (Biodiversity and Geodiversity).

An uncertain effect has also been identified for GI2 Open Space, for IIA10 (Biodiversity and Geodiversity). This is because the requirements of the policy enhance biodiversity and natural capital, as well as access to biodiversity, whilst ensuring that there is no loss of access to natural greenspace from development. However, as the policy allows for the development of community infrastructure in exceptional circumstances, this could also cause harm to existing biodiversity. In order to mitigate for this uncertain effect, the policy should state that in circumstances where the development of community infrastructure is allowed for on Open Space, there must be no loss/harm to biodiversity, and that the development must meet the Biodiversity Net Gain of 20% as set out in Policy GI3.

Policy GI2 Open Space performs well and could result in a number of minor positive effects. The reasonable alternative to Policy GI2 performs slightly better than the preferred policy, as the preferred policy identified uncertainty in relation to IIA10 (Biodiversity and Geodiversity). This outcome is due to the alternative policy being more restrictive than the preferred policy; this restriction removes the uncertainty identified in the preferred policy relating to potential harm to existing biodiversity as a result of the development of community infrastructure in exceptional circumstances. However, the preferred policy GI2 performs more positively with regards to community infrastructure provision.

Policy GI3 Biodiversity performs well and could result in a significant positive effect for IIA10 (Biodiversity and Geodiversity). The reasonable alternative to policy GI3 has been identified and assessed. GI13 Alternative 1 performs the same as the preferred policy. The assessment notes that although both requirements will result in a significant positive result for IIA10 (Biodiversity and Geodiversity), GI13 Alternative 1 is unlikely to benefit biodiversity to the same extent as the preferred option policy due to the requirement of a smaller biodiversity net gain for developments.

#### 3.8 Performance of Climate and Nature Policies

The Climate and Nature chapter includes six preferred policies, as shown in the summary table below. Two alternatives to the preferred policies have also been assessed.

Table 3.21: S	able 3.21: Summary of Climate and Nature Policies Assessments													
Policy	IIA Objed	A Objective												
	Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
	IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
Strategic Policy 08: Responding to the Climate and Nature Emergency	0	+	0	+	?	++	+	++	+	+	0	0	+	+

The policies within the Climate and Nature chapter generally perform well against the IIA objectives, with potential significant positive effects being identified in relation to IIA6 (Sustainable Travel), IIA8 (Climate Change Adaptation), IIA9 (Climate Change Mitigation) and (IIA13 Soil and Water).

An uncertain effect is identified for Strategic Policy 08 Responding to the Climate and Nature Emergency and CN1 Alternative 1 in relation to IIA5 which relates to housing. This is because the requirements of the policy might lead to increased developer costs and therefore affect delivery. To mitigate the uncertain effect, a viability assessment should be undertaken to ensure that the policy is deliverable.

Policy CN1 Sustainable Design and Retrofitting performs well and could result in a potential significant positive effect in relation to IIA8 (Climate Change Adaptation). Two reasonable alternatives to Policy CN1 have been identified and assessed. CN1 Alternative 1 would just focus on major applications / development proposals, (i.e. 10+ units) or the small site threshold (sites less than 0.25 ha in size). The assessment of CN1 Alternative 1 identified uncertainty in relation to IIA5 which relates to housing. The alternative may result in smaller site developments but there is uncertainty over how many smaller site development proposal may come forward within the Borough, hence the uncertain effect is identified. CN1 Alternative 2 requires all developments to achieve Net Zero Carbon according to the Building Regulations framework, i.e. a 100% improvement over Part L 2021 and offset their residual emissions. CN1 Alternative 2 uses a different definition to the preferred policy approach and is therefore less stringent. It therefore performs less well with regards IIA8 (Climate Change Adaptation). Neither CN1 alternative performs as well as the preferred policy.

### 3.9 Performance of Waste and Circular Economy Policies

The Waste and Circular Economy chapter includes three preferred policies, as shown in the summary table below.

<b>Table 3.22</b>	: Summar	y of Wast	e and Circ	cular Ecoi	nomy Pol	icies Asse	essments							
Policy	IIA Objed	IA Objective												
	Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
	IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
Strategic Policy 09: Managing Waste and Supporting the Circular Economy	0	0	0	0	0	0	0	0	0	0	0	+	0	++
CE1 Reducing and Managing Waste	0	0	0	0	0	0	+	0	0	0	0	0	0	++
CE2 Design to Support the Circular Economy	0	0	0	0	0	0	0	0	0	0	0	0	0	++

The policies within the waste chapter generally perform fairly well against the IIA objectives, although most potential effects are identified as neutral. This is largely because the policies are not considered to be relevant to many of the IIA objectives. As would be expected, all three of the policies should result in potential significant positive effects with regards to IIA14 (Waste).

### 3.10 Performance of Movement Policies

The Movement chapter includes four preferred policies, as shown in the summary table below.

	Table 3.23:	Summary	mmary of Movement Policies Assessments												
	Policy	IIA Objed	ctive												
220		Economy	Employment	Accessibility and Inequalities	Health	Housing	Sustainable Travel	Air, Light and Noise Pollution	Climate Change Adaptation	Climate Change Mitigation	Biodiversity and Geodiversity	Historic Environment	Landscape and Townscape	Water and Soil	Waste
		IIA1	IIA2	IIA3	IIA4	IIA5	IIA6	IIA7	IIA8	IIA9	IIA10	IIA11	IIA12	IIA13	IIA14
	Strategic Policy 10: Movement	+	0	+	+	0	++	+	+	0	0	0	0	0	0
	M1 Sustainable Transport	0	0	+	+	0	+	+	+	0	0	0	0	0	0
	M2 Parking	0	0	+	+	0	++	+	+	+	0	0	+	0	0
	M3 Deliveries, Servicing	0	0	0	+	0	+	+	+	0	0	0	0	0	0

Table 3.23:	Table 3.23: Summary of Movement Policies Assessments												
and													
Construction													

All of the policies within this chapter of the Local Plan generally perform well, although many potential effects are identified as neutral. This is largely because the policies are not considered to be relevant to many of the IIA objectives. Potential significant positive effects have been identified in relation to IIA6 (Sustainable Travel) resulting from Strategic Policy 10: Movement, Policy M1 Sustainable Transport and Policy M2 Parking.

### 4.0 Habitats Regulations Assessment

At this early stage in the IIA, Habitats Regulations Assessment (HRA) is integrated within the wider integrated assessment. The scope of the HRA was included within the IIA Scoping Report (Appendix B)(i.e. the Habitats Sites which will be considered in the HRA). The preferred policies within the draft Local Plan will be screened to identify whether the preferred policies could result in Likely Significant Effects (LSE) on the integrity of any of the Habitat Sites, in terms of its conservation objectives and qualifying interests.

The HRA process requires close working with Natural England in order to agree the process and outcomes and, if necessary, obtain information and agree mitigation proposals.

Each preferred policy will be screened to identify LSEs which could arise resulting from the policies in isolation and/or in combination with other plans or projects. The screening process is currently ongoing and will be discussed with officers over the coming weeks.

Details on the results of HRA screening will be presented in the IIA Report and in a separate HRA Screening Statement. Natural England will be consulted on the findings of the screening exercise presented within the IIA Report.

### 5.0 Next Steps

Detailed assessment matrices in an Excel format will be provided to officers for their comment after which amendments may be made to the assessments by SLR. Once agreed, the assessment findings will be presented within an IIA Report which will accompany the Regulation 18 draft Local Plan when it is consulted on.

Natural England will specifically be consulted on the findings of the HRA Screening.

### Appendix A Agreed IIA Framework (for reference only, not for amendment)

Proposed IIA Objective	Assessment Question.
	Does the policy or option?
IIA1 Economy: To deliver economic growth and support the creation of new businesses, whilst supporting the growth and retention of existing businesses	<ul> <li>support existing and new businesses within the borough by encouraging innovation, diversification and good quality economic development?</li> <li>support the provision of world class infrastructure and connectivity?</li> <li>support flexible working practices?</li> <li>protect and retain an adequate supply of employment floor space to address business needs?</li> <li>enhance the vitality and viability of town centres, by retaining and providing additional floor space for town centre use?</li> <li>safeguard existing town centres?</li> <li>maintain a range of uses in town centres including retail, community infrastructure, culture, residential and employment?</li> <li>improve existing shopping facilities within town centres and neighbourhood parades?</li> <li>support the redevelopment / intensification of existing employment land to provide additional and high quality employment floor space?</li> <li>support the economic regeneration of areas such as the Harrow and Wealdstone Opportunity Area?</li> </ul>
IIA2 Employment: To create greater employment opportunities and higher value jobs for all ages across the whole borough	<ul> <li>create new jobs in high value sectors, including in the green sector?</li> <li>encourage developers to demonstrate how they are investing in skills and employing local people?</li> </ul>
IIA3 Accessibility:	ensure all residents have equitable access to local services and facilities, taking into account the needs of an aging population, including:

Proposed IIA Objective	Assessment Question.
	Does the policy or option?
To improve local accessibility to	o education facilities?
healthcare, education, retail facilities,	o recreation facilities?
general community facilities and	o health services?
recreational resources (including	increase the delivery of new or enhanced community and health facilities?
open spaces and sports facilities)	help ensure all children have access to a local school within reasonable walking distance?
	increase education facility provision for children with learning disabilities?
	ensure local facilities have capacity to accommodate proposed development?
	ensure all residents have equitable access to education, community services and facilities
	irrespective of race, religion, sex, age, sexual orientation, disability, gender reassignment,
	marriage and civil partnership or pregnancy/maternity?
	avoid an adverse/ discriminatory impact on protected characteristics/equality groups?
	ensure development is built to accessible and inclusive design standards to address the
	needs of a range of users, including those who are disabled, elderly, families with children?
IIA4 Health and Wellbeing:	use design to create safe and attractive neighbourhoods, suitable for all members of the
Enable residents to lead a healthy,	community, which contribute towards quality of life and community cohesion?
good quality life	<ul> <li>ensure everyone has access to places to mix and meet such as community facilities (e.g.: community halls and places of worship) and recreation facilities?</li> </ul>
	increase and improve opportunities for active travel including walking and cycling?
	• increase and improve provision of informal and formal recreation (e.g.: swimming pool, sports centre) facilities?
	• ensure everyone has access to open space to help promote healthy lifestyles and wellbeing?
	increase provision of private amenity space?
	encourage the protection of allotments and encourage the delivery of new spaces to grow
	food?
	ensure all representative groups will be consulted and engaged with?
IIA5 Housing:	increase the number of additional homes delivered to meet local needs/targets?

Proposed IIA Objective	Assessment Question.
	Does the policy or option?
To deliver a range of housing sites and ensure everyone has access to housing, which is affordable, and meets the needs of all residents	<ul> <li>increase the delivery of the right size of housing to address local needs, particularly family sized housing (three bed or more)?</li> <li>provide affordable homes of the tenure and size to meet the identified needs?</li> <li>increase the delivery number of and range of suitable accommodation to address the needs</li> </ul>
including the elderly, families with children and other vulnerable groups	<ul> <li>of older people (including those who require support or care)?</li> <li>increase the delivery of homes built to accessible and adaptable standards (e.g. Part M of building regulations 2010) to address the needs of a range of users/occupants; such as those with disabilities, wheel chair users and ffamilies with children?</li> <li>provide a range of different sized housing sites in order to maintain a stable supply and five-</li> </ul>
IIA6 Sustainable Travel: To reduce the need to travel and promote sustainable travel habits including walking, cycling and public transport usage.	<ul> <li>ensure new development is located within an accessible distance to facilities, services and jobs via the use of sustainable modes of transport?</li> <li>encourage intensification in existing residential areas in the most accessible locations within the borough?</li> <li>improve existing cycling and walking network and provide new routes?</li> <li>increase and improve opportunities to access public transport including where there are existing issues (such as steps)?</li> <li>reduce congestion on the strategic and local road network though the delivery of new or enhanced transport and communications infrastructure?</li> </ul>
IIA7 Air, Light and Noise Pollution: To minimise air, light and noise pollution and ensure that future growth does not lead to the further deterioration of environmental conditions	<ul> <li>ensure new and existing communities are not adversely affected by poor air quality and noise pollution including from increasing vehicular movement and commercial activities, either through their location or through causing a further deterioration as a result of new development?</li> <li>avoid exacerbating light pollution by keeping external lighting to the minimum required for safety and security?</li> </ul>

Proposed IIA Objective	Assessment Question.
	Does the policy or option?
IIA8 Minimising Contributions to Climate Change:  To reduce the borough's contribution towards the emission of climate change gases	<ul> <li>support the delivery of renewable and low carbon energy capacity (including small scale, community energy projects and district heat networks) in line with the London Plan (2021)?</li> <li>support the shift towards usage of electric and ultralow emissions vehicles?</li> <li>promote a low carbon local economy?</li> <li>ensure new developments are energy efficient?</li> <li>minimise greenhouse gas emissions?</li> </ul>
IIA9 Adaptation to Climate Change:	minimise flood risk and ensure new development contributes to the provision of sustainable  urban drainage?
Adapt to the effects of climate change including flood risk, extreme weather and reduced water availability	<ul> <li>urban drainage?</li> <li>ensure new development is designed to withstand future climate change e.g. overheating and increased storm severity?</li> <li>encourage the development of new green infrastructure which creates a connected network of green and blue infrastructure across the borough and within the wider area?</li> </ul>
IIA10 Biodiversity: To safeguard and enhance biodiversity and geodiversity and improve connectivity between, and access to, green spaces and functional habitats.	<ul> <li>avoid adverse effects on European designated habitats sites?</li> <li>conserve, enhance and repair nationally and locally designated wildlife sites?</li> <li>conserve, enhance and repair natural and semi natural habitats?</li> <li>contribute to the delivery of new or safeguard existing BAP priority species and habitats?</li> <li>achieve biodiversity net gain (BNG) in new developments?</li> <li>provide new or improved access to greenspaces?</li> <li>contribute to creating a network of new wildlife habitats, (considering all public, private and shared greenspaces within the borough)?</li> <li>protect sites of geological importance?</li> </ul>
IIA11 Historic Environment: To conserve and enhance the historic environment, heritage assets (including known and unknown archaeological sites) and their	<ul> <li>Conserve and/or enhance heritage assets, cultural and archaeological assets and features, and their settings?</li> <li>maintain and enhance access to cultural heritage assets?</li> <li>ensure that new development uses existing historic character and heritage significance to guide new development and respond appropriately to local character, townscape and context?</li> </ul>

Proposed IIA Objective	Assessment Question.
	Does the policy or option?
settings and where appropriate	contribute to the better management of heritage assets and contribute to conserving heritage
improve the quality of the built	at risk?
environment	improve the quality and condition of the historic environment?
	encourage heritage-led regeneration?
	help provide solutions to those assets on the Heritage at Risk register?
IIA12 Landscape and Townscape: To conserve and enhance the	<ul> <li>respect, maintain and strengthen local landscape and townscape character and distinctiveness?</li> </ul>
borough's landscape and townscape	promote high quality and contextually successful design?
character	<ul> <li>avoid development of Green Belt and Metropolitan Open Land which would have a negative visual impact?</li> </ul>
	protect sensitive areas and protected views?
	safeguard landscape and townscape features such as trees?
IIA13 Soils and Water: To minimise water and soil pollution and ensure protection of natural resources including greenfield land, soil and minerals resources	<ul> <li>seek to improve or remediate contaminated land or reuse previously developed land which has not been restored?</li> <li>avoid development of greenfield land?</li> <li>promote the efficient use of minerals?</li> <li>protect soil quality and avoid soil pollution?</li> <li>ensure water resources are used efficiently and contribute to the achievement of residential and commercial water usage targets in new developments?</li> <li>protect groundwater and surface water, including water bodies, from pollution and contribute to improving the water quality of groundwater and water bodies?</li> </ul>
	<ul> <li>Ensure adequate provision for sewerage infrastructure is made for new developments in line with predicted needs?</li> </ul>
IIA14 Waste:	encourage new developments to provide adequate space for waste separation?
To minimise waste.	encourage the repurposing and refurbishing of buildings, instead of demolition?
	ensure waste is dealt with in line with circular economy principles?
	safeguard existing waste management sites?



### Appendix B Local Plan Policies and Alternatives

#### 1.1 Introduction

This appendix sets out the alternatives considered as part of the Integrated Impact Assessment (IIA) undertaken on the Harrow Local Plan, as part of Stage B – Options assessment in the IIA. Not all policies have an identified alternative/s. Where a policy has an identified alternative/s, the preferred policy is reproduced below (at the time of writing 18/01/24) and the alternative/s are provided below it. Since undergoing assessment, minor grammatical amendments to polices and alternative/s have been undertaken; the policy positions have not changed, however.

# 1.2 Chapter 01: Spatial Vision and Strategy and Strategic Objectives

#### **Spatial Vision**

In the year 2041 Harrow will continue to be a thriving outer London Borough, helping London to grow sustainably while maintaining its own identity. There will be a resounding sense of pride in Harrow, it is a place that people want to live, work and visit.

Development will respect the character of the borough and its capacity to evolve over time.

The diverse Harrow community will benefit from an ever-improving quality of life, having a well-connected borough that provides excellent local access to a range of facilities, services, housing, employment, and nature.

Harrow will be a clean and safe borough where residents can settle in homes that suit the needs of their household and lifestyle.

Residents and businesses will benefit from the creation of sustainable neighbourhoods where housing, local services, employment, and facilities are within walking and cycling distance. Residents will be healthier and happier due to localised provision of goods and services.

Town centres will be revitalised through innovative measures adapting to their changing roles as places of leisure, arts and culture, in addition to work and retail hubs. Town centres will be exciting places for people to live should they choose.

The borough has been responding to the climate emergency and seeing the benefits of taking early action to improve our environment. New developments are energy efficient and carbon neutral. Retrofit of older building stock has been encouraged and facilitated to minimise emissions and ensure residents have cheap, clean energy.

Air quality will have significantly improved through shifts to sustainable transport and electric cars. Active transport and EV infrastructure has been bolstered to facilitate the transition. Recycling rates will be some of the best in London.

The borough will see increased rates of biodiversity through the protection and enhancement of existing green spaces, and the provision of additional spaces alongside development. The green belt and metropolitan open land will continue to be the lungs of the borough through enhancement projects.



SLR Consulting Limited

**Spatial Strategy**: (note, quantum of development subject to ongoing evidence base work)

By 2041, new development and economic growth will provide 16,040 new low-carbon homes, create over X,XXX additional new jobs and fund significant local infrastructure improvements that benefit Harrow's diverse community.

The high-quality carbon neutral design of new development will contribute to local distinctiveness, creating clean, green and healthy spaces that foster community pride, whilst also delivering on the council's climate and nature objectives.

Comprehensive and coordinated regeneration activity will continue to positively transform the Harrow & Wealdstone Opportunity Area, delivering a minimum of 5,000 additional new homes, and 1,000 additional new jobs.

Harrow town centre will continue to be a vibrant and attractive Metropolitan Centre having benefited from additional arts, leisure, and culture facilities. Adaptable mixed-use and residential development will ensure that there is continued vibrancy in the centre. Employment uses will be bolstered attracting and retaining an array of adaptable businesses and workers to the area. The centre will be the primary location for central public services ensuring high-quality services and facilities are accessible to all. The town centre will benefit from increased connectivity with other parts of the borough, and beyond through sustainable transport linkages.

Wealdstone will strive to become a vibrant centre, with its own distinctive identity. The centre will be a vibrant hub supported by local residents and a strong business community, whose presence has been transformed by the intensification of employment and carefully managed redevelopment of surrounding industrial estates.

The Station Road corridor will have benefited from redevelopment and environmental improvement linking the Wealdstone and Harrow town centres together.

Harrow-on-the-Hill Station, Harrow Bus Station and Harrow & Wealdstone Station will be accessible major public transport nodes with step free access. Harrow-on-the-Hill station and surrounding area will benefit from a comprehensive redevelopment providing a new focal point for the Harrow Town Centre comprising retail, leisure, office and residential uses. This redevelopment will have contributed to a vibrant new character achieving high standards of sustainability, public realm and residential quality.

Improved pedestrian connectivity and wayfinding between Harrow town centre and Harrow-on-the-Hill will increase legibility in both locations.

The borough's other town centres will accommodate development opportunities commensurate to their character, role, and function.

The Borough's Metropolitan Open Land, Green Belt and other open space will be maintained and enhanced as an interconnected network of green infrastructure and open watercourses supporting biodiversity and healthy lifestyles. Access to green infrastructure will be enhanced.

The quality and accessibility of open space will be maintained, and better provision for children's and teenagers' accessible recreation and playspace will have been made.

Harrow's identified heritage assets and historic environment -will continue to be valued, conserved, enhanced and celebrated. Areas of special character and architectural significance will be protected.

North Harrow District Centre will be restored as a vibrant local shopping and service centre meeting the needs of residents and supporting local business.

The vitality and character of Pinner High Street will have been preserved and enhanced.



In Stanmore, mixed use retail and residential development will have strengthened its function as a District Centre, access to natural green space will be maintained and accessible to residents and visitors.

Partnership working with the neighbouring boroughs of Barnet and Brent will have secured co-ordinated public realm enhancements to Edgware, Burnt Oak, Kingsbury and Kenton centres, and will have provided improved connectivity between Kenton Station and Northwick Park Station.

Appropriate development will occur on small, brownfield sites in sustainable locations close to town centres, and train and underground stations.

The leafy, suburban character of the Borough's residential Metroland areas, outside sustainable locations, will have been safeguarded as areas of low density, family housing.

Optimising development opportunities on sites across the Borough will provide high quality housing to suit the needs of a range of residents, while respecting the appearance of residential character areas.

Employment land will be directed to appropriate locations remaining flexible and adaptable to meet current and future needs. A sufficient supply of industrial land will be provided and maintained to meet current and future needs.

Harrow will maintain or increase its market share of retail expenditure to secure the vitality and viability of the Borough's town centre network and meet local needs.

#### **Reasonable Alternatives**

Alternative 1: Retain existing spatial strategy - the proposed spatial strategy is considered an evolution of the existing strategy, in that it directs the majority of growth to the Harrow and Wealdstone Opportunity Area. It is however considered that the current strategy needs updating to respond to increased housing targets in the London Plan and changes in the economy and broader society since the current the Core Strategy was adopted in 2012. It also needs to respond to environmental issues such as climate change and biodiversity.

Alternative 2: Seek to go beyond the level of development identified in the proposed **strategy** – such an approach would go beyond the minimum housing targets set for Harrow in the London Plan, and beyond the objectively assessed need for employment, retail and cultural / leisure floorspace. Such an approach would meet a greater proportion of the Borough's Objectively Assessed Housing Need (as calculated by the Government's Standard Methodology) for housing. To do so however would require developing green field / Green Belt / Metropolitan Open Land sites, employment land, sites in less sustainable locations within the boroughs, or at densities and heights significantly above the predominantly suburban nature of most of the borough. Such an approach would risk being contrary to the evidence base informing the Local Plan (such as the need to retain open space and employment land, the Characterisation study of the borough, or NPPF / London Plan requirements relating to Green Belt / Metropolitan Open Land). It would however contribute to closing the gap between minimum London Plan housing targets for the borough and actual objectively assessed need and is considered a reasonable alternative, but not the Council's preferred option when the NPPF and London Plan are considered in their entirety.

Chapter 02: High Quality Growth Appendix C

Strategic Policy 01: High Quality Growth – no reasonable alternatives identified.

Policy GR1: Achieving a High Standard of Development – no reasonable alternatives identified.

Policy GR2: Inclusive Neighbourhoods – no reasonable alternatives identified.

Policy GR3: Public Realm and Connecting Places – no reasonable alternatives identified.



Policy GR4: Building Heights – no reasonable alternatives identified.

**Policy GR5 View Management –** no reasonable alternatives identified.

#### Policy GR6: Areas of Special Character - one reasonable alternative identified

- A. Proposals affecting an area of special character will be assessed regarding:
  - a. The impact of the proposal upon the strategic value of the area of special character;
  - b. The desirability of preserving or enhancing the environmental, architectural, historic and landscape features that contribute to the area of special character; and
  - c. The protected views to and from areas of special character.
- B. Proposals that would realise sustainable opportunities for increased appreciation of, or public access to, areas of special character will be supported.
- C. Proposals that would substantially harm an area of special character, or its setting, will be refused.

#### Reasonable Alternative 1: No Policy Option:

The draft policy seeks to protect the contribution that the elevated parts of the borough make to the distinctive local character of the borough. There is however no formal obligation under the NPPF nor the London Plan to include such a policy nor designate such areas on the Policies Map. It would therefore be a reasonable alternative not to include a policy / designation. Such an alternative would however impact on the Council's ability to set out expectations for development and protect the areas that have been identified within the borough as having special character, and by reason of their elevated nature, harm by new development is likely to be exacerbated over a wider area. Such an option is therefore not the Council's preferred option.

**Policy GR7: External Lighting** – no reasonable alternatives identified.

**Policy GR8: Shopfronts & Forecourts** – no reasonable alternatives identified.

**GR9: Outdoor advertisements, digital displays and hoardings** - no reasonable alternatives identified.



#### Reasonable Alternatives:

## Policy GR10: Infill and backland sites, back gardens and amenity areas- two reasonable alternatives identified

#### General

- A. Proposals on Infill, backland sites, [non-designated] open space, garden land and garage sites will only be acceptable where;
  - a. The proposal would be a high-quality design of a scale and intensity appropriate within the context it is located in;
  - b. Proposals assist in the delivery of homes as demonstrably needed [Strategic Housing Policy 03].
  - c. Neighbouring amenity is protected in terms of access to daylight, sunlight and actual or perceived privacy, in accordance with Policy GR1
  - d. Ensure a satisfactory quantum and quality of landscaping to provide for amenity space and biodiversity enhancements.
  - e. Appropriate levels of car parking is provided commensurate to the scale of development, with servicing and refuse collection adequately addressed.
  - f. The proposal is accessible to all; and
  - g. Addresses any relevant supplementary guidance.

#### Infill Sites

- A. Proposals for gap sites located in an established street scene will be supported where they:
  - a. Demonstrate compliance with A (a-g) above;
  - b. Ensure sufficient private garden / amenity space is provided for both the proposal site and any donor property; and
  - c. Satisfactory servicing, waste and cycle storage is provided.

#### Backland Development

- B. Proposals that are located on backland sites will be supported where they;
  - a. Demonstrate compliance with A (a-g) above;
  - b. Provide satisfactory access to the development;
  - c. Ensure appropriate waste servicing can be provided; and
  - d. Ensure secure by design measures have been addressed.

#### Non-designated open space

- A. Proposals for new housing on non-designated open space will be supported where they;
  - a. Demonstrate compliance with A (a-g) above;
  - b. Ensure highway safety is maintained; and
  - c. Address any relevant supplementary guidance.

#### Garden land

- B. Proposals for new housing on rear gardens will be resisted unless they;
  - a. Demonstrate compliance with A (a-g) above; and
  - b. Form part of the comprehensive development of a number of plots.
- E.1 Housing on individual rear gardens will not be supported.



#### Garage sites

- A. Proposals that seek to redevelop garage sites within a development will be supported where they:
  - a. Demonstrate compliance with A (a-g) above; and
  - b. Satisfactorily demonstrate the loss of garages will not cause or exacerbate parking pressure within the surrounding network.

**Alternative 1 - No Policy Option:** This would impact on the Council's ability to set out expectations for development and protect the character and amenity of the Borough, particularly in the predominately suburban areas that are a key characteristic of the borough. Consequently, this alternative is not the Council's preferred option.

Alternative 2 - More permissive policy: The Strategic Housing Policy 03 identifies the amount of housing required, and where this is being strategically directed to, which is within the Harrow & Wealdstone Opportunity Area (a minimum of 7,500 dwellings). By strategically directing growth to the most sustainable location within the borough, there would be less requirement to deliver housing within suburban Harrow which would contribute to retaining its low-density, suburban character. A reasonable alternative would however be to include a more permissive policy. This however is not the Council's preferred option as such a policy could result in an inconsistency with overarching approach to direct growth to the most sustainable location within the borough (the Opportunity Area), and area capable to accommodate the most change in the borough having regard to matters such as prevailing character and building heights, and site availability). Furthermore, a more permissive policy may result in a level of change that the suburban areas of Harrow are not able to comfortably adapt to a significant amount of change that an overly permissive policy may result in.

Policy GR11: Planning Obligations – no reasonable alternatives identified.

### 1.3 Chapter 03: Heritage

**Strategic Policy 02: Heritage** – no reasonable alternatives identified.

**HE1 Heritage Assets** – no reasonable alternatives identified.

**HE2 Enabling Development** – no reasonable alternatives identified.



### 1.4 Chapter 04: Meeting Harrow's Housing Needs

## Strategic Policy 03: Meeting Harrow's Housing Needs- two reasonable alternatives identified.

#### Housing delivery:

- 1 The Council will optimise opportunities to deliver a minimum of 16,040 (net) homes during the Plan period (2019/20 2040/41), of which at least 8,020 new homes (net) will be delivered between 2019 -2029 (Policy H1, London Plan), to address the future needs within the most sustainable locations of Borough. Based on current estimates of Borough housing capacity from all sources, the 10-year housing delivery target will be met; and there may be a potential shortfall in in the final phase of the Plan (.i.e. 10-15 yrs), but this will be fully addressed by the end of Plan period.
- 2 The London Plan (2021) includes a target to deliver a minimum of 3,750 (net) homes on small sites (below 0.25ha) across the Borough between 2019 -2029.
- 3 The Council will support the delivery of new housing on a range of suitable sized sites, prioritising previously developed land, within the following locations;
  - A Harrow and Wealdstone Opportunity Area: A minimum of 7,500 will be delivered through extant permissions and on allocated sites within the opportunity area.
  - B Rest of the Borough: A minimum of 2,500 will be delivered through extant permissions and on allocated sites across the rest of the Borough.
  - C Small Sites: A minimum of 4,125 new homes on small sites (below 0.25ha) will be supported on allocated sites within the Plan and windfalls sites, in locations with good public transport accessibility (PTAL 3-6) and on sites within 800m of a tube, rail station or Major or District town centre boundary, providing they are sensitively designed to protect and enhance the character of the Borough, particularly suburban areas.
  - D Windfall sites: Development of new housing on suitable sites (below/above 0.25ha), not identified within the Local Plan will be supported, provided it does not adversely impact the character of area, the existing and planned capacity of infrastructure and complies with other policies of the development Plan.
- 4 New development will be directed towards the locations where infrastructure has the most capacity to accommodate new homes, whilst respecting their local distinctiveness, local character and protecting the borough's physical, natural, historic environment, as well as recognising the most accessible locations (PTAL 3-6) of the Borough will change over time. Development within suburban areas that have a low public transport accessibility and limited infrastructure capacity will be of a modest scale and will be required to protect, enhance and re-enforce the unique character of these locations.



#### **Housing Choice**

- 1 Development will be expected to provide a choice of housing and deliver inclusive, mixed and sustainable communities to address local and strategic housing needs, across the Borough. This will be achieved through;
  - A Genuinely Affordable housing: Over the plan period the Council seek to ensure; at least 50% (8,000) of all new dwellings delivered from all sources of housing supply across the Borough will be affordable to low-income groups. At least 70% of all these will be low cost rented housing and the remainder will be Intermediate products which will be genuinely affordable based on lower quartile/median housing costs and incomes of Harrow residents.
  - B Mix of Housing by size: A strategic target has been set to ensure a minimum 25% (4,000) of all new dwellings delivered are three bed (or more) family sized dwellings across the Borough over the plan period.
  - C Specialist older people housing:
  - (a) The housing needs of older people will be met through:
  - (i) Prioritising the delivery of new conventional residential accommodation in C3 use class, designed to be adaptable to the varying needs of users over their lifetime, as well as via retrofitting the existing stock.
  - (ii) The delivery of specialist older persons accommodation (C3) with different levels of support, and care home accommodation (C2). These should play a supplementary role to conventional C3 housing that are adaptable to the changing needs over time
  - (iii) The delivery of low-cost rented extra care housing within older person accommodation schemes,
  - b) The Council will work positively with providers, to support the delivery of a minimum 980 units of specialist older person accommodation, comprising of 660 retirement housing units and 320 extra care housing units between 2022-32, to address the future needs of an ageing population. A total of 200 bed spaces for nursing care will be delivered, to address the needs of the elderly population or those who have serious health issues that require specialist care, between 2022-32.
  - D. Supported and specialist Accommodation: The Council will work positively with the relevant authorities such as the NHS and charities, to ensure additional well designed supported and specialist accommodation is delivered, to address the requirements of specific users or groups (particularly marginalised, vulnerable individuals or groups) providing the applicant can demonstrate a need for the proposal. The Council will seek to resist the loss of existing accommodation to other uses, unless the proposal is for re-purposed, enhanced or for re-location of the use and it would comply with other policies in the Plan.
  - E. Non-self-contained accommodation: The Council will support the provision of non-self-contained housing such as Houses in multiple occupancy (HMOs), Hostels, Large Scale Purpose-Built Shared Living (LSPBSL) or Purpose-Built Student Accommodation (PBSA). This is providing;
  - A need is demonstrated for PBSA, LSPBSL products and the proposal is not situated on a site that has extant permission or is allocated for self-contained housing
  - b. Proposals make a positive contribution to housing choice and create mixed and balanced communities.



- c. The level of non-self-contained housing provided does not result in an over concentration of such uses, result in harmful amenity impacts and compromise the delivery of additional self-contained housing to meet the future Borough needs and support mixed inclusive communities.
- F. Self-build and custom build housing: The Council will support proposals, for self-build and Custom build housing, particularly community led schemes, to diversify sources of housing supply, speed up housing delivery, encourage innovate design and further housing choice to address local needs. Such developments will need to demonstrate compliance with relevant policies of the Development Plan, particularly in relation to the provision of affordable and family sized housing.
  - G. Gypsy and Traveller accommodation: The Council will maintain the existing provision of Gypsy and Traveller pitches. A total of three additional pitches will be delivered between 2016 41. The existing identified needs, and if any additional needs arise, will be addressed within an existing site.

#### **Estate regeneration**

- 2 The Council will positively work with local communities, existing residents, and other stakeholders to support opportunities that arise for estate renewal and regeneration during the Plan period. This will play an important role to:
  - a. Increase the provision of the right type., size, tenure of housing to address local needs and meet the strategic targets
  - Ensure residents have access to additional high quality affordable and family sized dwellings to adequately address the needs of existing and future residents
  - c. Address the causes and impacts of multiple deprivation within them and wider areas (where relevant to the proposed scheme)
  - d. Ensure neighbourhoods and communities benefit from living within high quality environments, with access to communal and other facilities within the estates (if necessary) or wider area, as well as are well designed, safe, inclusive and promote the health and well-being of communities.
  - e. Ensure existing and new residential units achieve high quality design standards
  - f. Promote social interaction, cohesion between the residents to support mixed and inclusive communities.
  - g. Ensure residential accommodation and other facilities are maintained at a decent high-quality standard throughout their life
- 3 The Council will work with a range of stakeholders to support the delivery of phases 2 and 3 of the Grange Farm Estate regeneration scheme during the life of the Plan. This will deliver an exemplary mixed tenure community, with new residential accommodation built to high quality design and Development Plan housing standards, with a range of housing types and tenures, sizes to address the needs of existing and future residents, particularly for families and local income households who require social rented housing.

#### Safeguarding the existing housing stock

4 Existing self-contained C3 housing will be safeguarded in accordance with London Plan policy. Exceptionally, the net loss of self-contained residential accommodation may be acceptable where:



- A. Sub-standard dwellings would be brought in line with London Plan space standards;
- B. The proposal is for specialist non-self-contained accommodation (use class C2) to meet an identified local need in accordance with the requirements of Local Plan policy H8;
- C. De-conversion of flats would create a family size home (3 bed or more)
- D. Providing social or physical infrastructure to meet an identified local need which could otherwise not be met elsewhere.
- E. The net loss of existing affordable housing units and floorspace overall and in terms of social rented housing will be resisted.
- F. A change of use from housing to short-stay holiday rental accommodation to be used for more than 90 days a year will be resisted.

#### Implementation:

5 The Council will monitor the implementation of the Plan against the above targets, including through the use of the housing trajectory (Appendix XX) and the monitoring implementation framework (Appendix XX), to address future housing needs and maintain a five-land supply of deliverable sites.

#### Reasonable Alternatives:

#### Alternative 1: High housing growth

This would result in the inclusion of a housing requirement of 24,266 dwellings (1213 units per annum) between 2020-41 based on the demographic led approach utilised by the Draft Local Housing Needs Assessment. This is based on 2018 household and population projections and considers factors such as household sizes, mortality, migration, and past suppressed household formation rates of those under 45 years of age.

This approach is not considered the preferred option due to a number of factors. The London Plan (2021) sets a Borough ten-year target of 8020 homes (2019-29) and indicates a target beyond this period should be based on evidence of capacity. Housing monitoring data indicates a total of 8,410 homes were delivered between 2009/10-2020/21 (i.e. average of 841), which means it is likely to be difficult for the Borough to increase delivery of housing on previously developed sites to meet this within the existing urban area, beyond the London Plan target. This option is likely to require the release of greenfield sites, including within the Green Belt or Metropolitan Open Land (or the potential loss of employment land) and the Local Plan evidence does not demonstrate that any exceptional circumstances exist to justify this approach. There is a high risk that an insufficient level of housing sites may be submitted for permission and come forward for development in a timely manner to meet the annual target and make it difficult to maintain a five-year land supply of deliverable sites and meet the housing delivery test. This would mean the national policy of presumption in favour of sustainable development would apply, which means the Council would find it more difficult to refuse applications for new housing developments, even though they may be of a poor design, location or fail to meet local needs, or have a harmful impact on the natural/historic environment. This is likely to undermine the Plan led system and the promotion of sustainable development.

#### Alternative 2 Low housing growth: Stepped trajectory over a fifteen-year plan period

This would be based on the London Plan ten-year housing deliver target of 8020 homes (2019-29) and the need beyond this period would be based on the 2017 London SHLAA. This would comprise of the indicative capacity of large sites of 921 homes (phases 4: 2029-34) and 138 homes (phases 5:2034 -41), plus the London Plan small sites allowance of



3750 homes (10 years), all of which would total 4809 homes. Therefore, this approach results in a total housing requirement of 12,829 homes over a 20-year period (2021 -41). This assumes a higher housing requirement/need of 802 homes per annum over the first ten years (2019-29) and a lower need of 481 homes per annum during the final phases of the Plan. It should be noted the NPPF requires Plans to cover a 15-year period from the date of adoption.

The key advantages of option 2 are it may help address housing needs of the Borough in the early years of the Plan period, but there is uncertainty in relation to whether this may result in the delivery of the right size, tenure of housing (i.e. affordable and family) to address local needs, as a large proportion of the target will have been already met by existing permissions, constructions and completions, prior to the Plan being adopted. It may also have less of a potential impact on the infrastructure capacity, natural and historic environment.

This approach is not considered the preferred option, as it would fail to address the acute housing needs of the Borough, particularly for family and affordable housing. The London Plan (2021) states that any capacity beyond 2029 "should draw on the London 2017 SHLAA findings and any local evidence of identified capacity ". Therefore, the housing requirement/target will need to be based on updated local evidence of the housing capacity of the Borough. Further, this option will be highly reliant on windfall housing sites to come forward for development during the final phases of the Plan. This will undermine the Plan led system, make it more difficult for the Council to refuse both poorly designed, and poorly located proposals and to ensure proposals will address local needs, secure and deliver the supporting infrastructure and promote sustainable development.

#### Policy HO1: Dwelling Size Mix- two reasonable alternatives identified.

#### A. Dwelling size mix priorities

- 1 All developments for conventional residential must provide a good mix of unit sizes, to adequately address the Borough's housing needs, particularly for families, as well as contribute to and support the creation of inclusive and mixed communities. To achieve this, proposals must apply the following sequential approach to housing priorities:
- A. i) Ensure a minimum of 25% of all units within a scheme are family sized dwellings (three bedrooms or more) and a higher proportion will be required on suitable sites;
- B. ii) the remaining dwelling size mix will be determined on a case-by-case basis having regard to:
- Need to provide an appropriate mix of dwelling types reflecting the most up to date evidence as set out in the Local Housing Needs Assessment (or successor documents) and local housing register;
- b. Site size and its physical characteristics (including any identified constraints on the preferred housing mix);
- c. Location of the site, the surrounding context, character (including town centre location) and the Public Transport Accessibility Levels;
- d. Need to optimise housing output on previously developed land;
- The range of tenures and the extent to which flexibility around the mix of market units could secure the delivery of additional affordable dwellings; and
- f. Potential for custom-build and community led schemes.



- 2 Development that fails to adequately accord with the delivery of the above requirements will be resisted, unless robust evidence demonstrates it would be unsuitable due to site/design considerations or be financially unviable.
- 3 The smallest 2-bedroom dwellings for both market and affordable homes provide a minimum of 4 bed spaces in accordance with the minimum internal space standards for new dwellings set out in London Plan Policy D6, to ensure flexibility to the changing circumstances of households and avoid overcrowding.

#### B. Flatted developments

4 Flatted developments will be required to give the highest priority to the provision of accommodation for families, on the lower floors of the scheme, with direct access to a private garden or communal amenity space. These should be well designed to address the needs of family members who may be disabled and elderly. Proposals that fail to meet this requirement will be resisted, unless it can be demonstrated that the scheme would result in a poor-quality living environment for families; based on the above criteria.

#### C. Housing schemes solely comprising of smaller units

- 5 Development proposals comprising solely of studios and/or 1 bedroom, 1 person units, or those that will result in an overconcentration of 1- or 2-bedroom units on an individual site, will be resisted unless it can be suitably demonstrated that the housing provision:
  - a. Is in an area with higher Public Transport Access Levels (i.e. PTAL 3-6); and
  - b. Forms part of a larger development, or is located within an area for which a masterplan has been adopted or endorsed by the Council, which includes provision for a mix of unit sizes, including a reasonable number of family-sized dwellings (3+ bedrooms); or
  - c. Provides for a balance in the mix of unit sizes in the area; or
  - d. Is the only housing format deliverable by reason of site size, site configuration or other development constraints, and where a studio unit is proposed.
- An exception to the above (5) will apply to proposals for older person accommodation/other types of occupants with specific needs and it can be demonstrated 1-bedroom units is the most appropriate form of accommodation.

#### D. Monitoring

- 7 The Council's dwelling size priorities will be subject to periodic review and updated when new assessments of housing need are commissioned.
  - F. Through the Authorities Monitoring Report (AMR) the Council will set out progress on delivering these priorities and building the right homes for the next generation. The AMR will assist in informing the Council's consideration of dwelling mix on a site-by-site basis.



#### Reasonable Alternatives:

#### Alternative 1: Continue with existing policy DM 24 Housing mix

This is highly permissive. It seeks to ensure mixed and inclusive communities. The mix is determined by target mix for affordable housing, the need to increase delivery of affordable housing, site location, character of surroundings and the need to optimise housing output on previously developed land site. This policy provides no specific requirements for the size of units required for market housing that will form a significant proportion of future housing delivery and will reduce the scope of the Council to secure a higher proportion of larger dwellings or medium sized accommodation that are suitable for addressing the needs of families. This policy is not considered the preferred option, as it is likely to result in the delivery of a larger level of smaller units that will not assist in delivering against the evidenced needs of the borough as set out in the Draft LHNA.

## Alternative 2: Do not include a target to that seeks to ensure 25% of housing delivered on a scheme are family sized dwellings (.i.e. three bed or more)

This approach is not considered the preferred option, as it is likely to reduce the level of family sized dwellings delivered. Key reasons are, it would reduce Councils scope to require a higher proportion of family or medium sized dwellings that are suitable for families, as well require applicants to provide evidence they have considered this. This is likely to encourage developers to build at higher densities and increase the number of smaller units, to maximise development value. Further, this would be contrary to the good planning practice of assessing the effectiveness of policy via the plan, monitor and manage approach.

## Alternative 3: include a target in excess of 25% for the proportion of housing on a scheme that should be for family housing

The Draft LHNA indicates there is a significant need to increase the delivery of family housing. This indicates 70% of all future housing delivered should be three bed (or more) family dwellings, based on a requirement/target of 16,040 homes during the Plan period. This approach to set a target to deliver family housing in excess of 25% is not considered the preferred option, as there is need to achieve a balance between a set of competing factors such as; the type of sites that are likely to come forward for development, their locations; the need to optimise output of sites to increase the delivery of housing to meet future needs; as well as ensure the deliverability of sites. Further, the Council's Annual Monitoring Report indicates that the Borough had difficulties in achieving a target of ensuring 25% of all housing are family sized housing during the previous Plan period.

#### Alternative 4: Do not apply 25% family housing target to minor development

This is approach is not considered the preferred option, as the London Plan anticipates that 47% of the Borough's future housing supply will come forward from small sites (below 0.25h). Therefore, this will reduce the Council's scope to increase provision of family housing from all the sites that come forward for development and address local needs.



## Policy HO2: Conversion and redevelopment of larger dwellings -- six reasonable alternatives identified.

- 1 To effectively manage housing growth and ensure that residential conversions into multiple homes do not have a detrimental impact on the character, stock of family sized housing and amenity of local areas; permission will only be granted for proposals for the conversion of larger homes into smaller self-contained residential units (C3) where the criteria below are met:
  - a. The internal floor area of the existing dwelling should exceed 130m² (as originally built) or could be accepted to be extended to this size; where 2 self-contained residential units or more are proposed.
  - b. The conversion should provide at least one larger family sized home with a gross internal floor area of at least 74 m² and be capable of providing a 3-bedroom, 4-person dwelling on the ground floor or if this is not possible on the upper floor(s); with access to a dedicated rear garden of the converted home.
  - The site is within area of PTAL 3-6
- 2 Exceptions to criteria 1a and 1b will only be allowed where the amenity of the existing family sized home is so deficient that family occupation is unlikely, and it could not reasonably be changed to overcome such deficiencies
- 3 Proposals will be required to;
  - a. Comply with the minimum internal space standards of the London Plan
  - b. Ensure the converted flat on ground floor is well designed to adequately meet the needs of a range of future residents, particularly older persons and those with physical disabilities.
  - Achieve configurations that are practical and fit for purpose, having regard to circulation, storage space, room size and shape and relationship with other homes;
  - e. Ensure homes are dual aspect and that all habitable rooms have a satisfactory environment in terms of privacy, daylight, sunlight, outlook and exposure to external noise;
  - f. Make adequate arrangements for the provision of amenity space for future occupiers of the development;
  - g. Make adequate arrangements for the storage and collection of waste and recycling material generated by future occupiers of the development which does not give rise to harm to; the character, amenity of the area; and for future and neighbouring occupiers;
  - h. Ensure that the design of any external alterations does not detract from the appearance of the property or the street scene and, wherever possible, retain a single door to the front elevation of dwellings in residential areas;
  - i. Ensure that the balance of hard and soft landscaping on the forecourt (including forecourts that are already substantially hard surfaced) does not detract from the appearance of the property or the street scene;
  - j. Make adequate provision for parking and safe access to and within the site and not lead to any material increase in substandard vehicular access; , including safe and accessible cycle storage



- k. Ensure that levels of external activity would not be detrimental to residential amenity and character.
- I. Demonstrates compliance with any relevant supporting guidance
- 4 Proposals for extensions and alterations to converted houses and other residential premises will be supported having regard to the above criteria.
- 5 Proposals that would lead to an over intensive conversion, redevelopment or which would compromise any component of this policy, will be refused.
- The Council will also apply the above criteria to any proposals for the demolition and redevelopment of a larger home to provide 2 flats and the housing mix policy will apply to proposals will result in three (or more) residential units

#### Reasonable Alternatives: .

Option 1: Continue with the approach of the existing development management policy DM26 (i.e. no locational, minimum size requirements or replacement family-size dwelling requirements).

The existing policy generally permits proposals for the conversion of houses to multiple flats, provided they are well designed. The advantages of this are; it may increase the delivery of housing and help meet both the London Plan small sites and Local Plan housing target, as well as help demonstrate a five-year land supply of deliverable sites. Further, the potential impact on the character of the Borough is uncertain, as it could potentially spread them across the area or result in impacts being concentrated to a specific area. However to date this has not been identified as a significant problem.

The disadvantages of this approach are; it may result in the continued loss of family housing, which are required to address the future housing needs of the Borough. It is difficult to reprovide any family housing that is lost via conversions through new development elsewhere, as new residential developments may consist of high-density schemes close to/within town centres/stations. Further disadvantages are it may result in the loss of smaller sized, housing (i.e. below 130 sqm) that are more affordable and may result in the delivery of poorly designed flats. This approach is not considered the preferred option.

## Option 2: Policy should not include a minimum 130m2 size threshold for the conversion/redevelopment of homes into flats.

The advantages of this are; it may increase the delivery of a higher level of residential units, to help meet housing targets (including small sites) and ensure a five-year land supply of deliverable housing sites.

The disadvantages are; it may result in; a higher level of loss of family homes, specifically smaller, more affordable stock poorly designed homes, if smaller units below 130m2 are converted. It may result in the delivery of a higher level of smaller 1/2 bed flats, even though there is a higher need to deliver family housing of 3 beds or more. It may potentially have a greater negative impact on the character of the area In terms of smaller original homes not being able to accommodate all the ancillary infrastructure (bins / cycle etc). This approach is not considered the preferred option.

Option 3: Policy should not require the re-provision of a family sized flat with a ground/upper floor area of 74m2 capable of providing a three-bed unit with access to a garden.



The potential effects of this policy may be similar to option 1. This approach is not considered the preferred option.

## Option 4: Policy should not include any reference to locations with a Public Transport Accessibility Level of 3-6

The potential advantages of this are; it has the potential of increasing the amount of housing units delivered on , to meet the housing target and demonstrate a deliverable supply of housing sites to meet the five-year land supply.

The potential disadvantages of this are; it may result in the increased loss of family housing (.i.e. policy not only apply in PTAL 3-6) and as it may result in conversions in more locations of the Borough. This may have an uncertain impact on the character of the Borough, depending on whether more conversions are implemented within certain locations or not. This approach is not considered the preferred option.

## Option 5: The proposed housing conversions policy should not apply to demolitions of a larger family sized home.

The points raised for option 2 above apply to this option. Overall, this is likely to result in the net loss of family housing. This approach is not considered the preferred option.

## Option 6: Restrict the application of the conversions policy to certain areas and exclude it from others, via defining the boundaries of these on a map

The potential positive impacts of this approach are; it could provide clarity for all stakeholders in relation to which areas of the Borough are appropriate for housing conversions to flats; identify, assess the potential adverse impacts and sets out policy measures to address these.

The potential negative impacts of this are; it may be difficult to clearly identify, assess the areas where the conversion policy should apply (or not) and formulating evidence to support this may be a time-consuming exercise. There is a risk that this approach may be contrary to the London Plan Small Sites Policy that supports the incremental intensification of existing residential areas of existing residential areas. This approach is not considered the preferred option.

**Policy HO3: Optimising the use of small housing sites** – no reasonable alternatives identified.

### **Policy HO4: Genuinely affordable housing**— one reasonable alternatives identified.

#### **Targets**

- 1 Affordable housing will be required to be delivered on site (except for LSPBSL), to promote mixed and inclusive communities, unless exceptional circumstances can be demonstrated (refer to (E) below).
- 2 Proposals for major residential and mixed-use development (10 units or more) must demonstrate they have sought to optimise the housing output on a site and apply the threshold approach included within Policy H5 of the London Plan, to increase the delivery of genuinely affordable housing, as well as demonstrate all options have been explored to achieve the Boroughwide target of 50% affordable housing, based on habitable rooms or floor space. Subject to the threshold approach, public sector land, Strategic Industrial Locations, Locally Significant Industrial Sites and Non-Designated Industrial Sites, will all be required to deliver at least 50 per cent affordable housing on each site.
- 3 The following will be considered when assessing the maximum level of genuinely affordable housing that could be delivered:
  - a. Their contribution to the Borough's strategic affordable housing target, subject to viability and application of the threshold approach.



- b. The need to make the most efficient use of land to facilitate and optimise the delivery of affordable housing.
- c. The proposed tenure mix of the scheme and the need to prioritise the delivery of social rented and affordable family housing, in line with the table below.
- 4 Development proposals will carry greater planning benefit, where they demonstrably deliver the maximum viable amount of genuinely affordable housing whilst meeting the minimum threshold level of affordable housing without public subsidy, (Policy H5 of the London Plan),
- 5 Applicants will then be expected to make all reasonable efforts to secure grant funding to deliver an increase in affordable housing beyond the level that would otherwise be achievable. The Council will work positively with development industry partners to help identify opportunities to secure grant funding to deliver more genuinely affordable housing in Harrow.
- The affordable housing requirements for major developments will apply in circumstances where development has already been permitted (or is under construction) and 10 or more dwelling units will be delivered taking into account of the following:
  - a. New residential units that are proposed which would result in an uplift in the overall number of units on the site:
  - b. Development that is proposed on an adjacent site which by virtue of its layout, design and use is functionally related to the extant permission and would result in an uplift in the overall number of units across the sites; and
  - c. Exception to the above applies, if the applicant demonstrates ownership has changed and no relations with the original landowner/developer.

#### B. Tenure mix (see tenure products definitions in Appendix YY)

7 Major residential development will be required to provide a tenure split of 70 per cent low cost rented homes (social rent or as per London Plan Policy H6) and 30 per cent intermediate product homes (London Living Rent or shared ownership), in line with the Local Housing Needs Assessment (or any subsequent updated evidence). The intermediate products should meet the definition of genuinely affordable housing. These must be for households within the most up to date income caps identified in the range for different local income brackets/dwellings within the London Plan Annual Monitoring Report.

#### **Reasonable Alternatives:**

#### Table XXY: Identified needs by affordable housing tenure

Tenure of housing	% required
Low cost rented (Social rented or as per London Plan)	70%
Intermediate: Affordable home ownership and / or London Living Rent	30%
Total	100%

1 The Council will prioritise the delivery of social rented housing over other affordable housing products as these are most appropriate to address local needs, when negotiating the tenure mix of schemes. The factors below will be considered, when assessing an appropriate tenure mix:



- a. The need to prioritise the delivery of a higher proportion of social rented housing in the mix of affordable housing;
- b. Evidence to demonstrate that the proposed tenure mix will deliver mixed inclusive communities within the locality;
- c. Compliance with the requirements of Policy HO1:Dwelling size mix. Proposals should ensure they meet the full range of housing needs, particularly those of low-income households who require family housing;
- d. Evidence of meaningful discussions with Registered Providers which have informed a different tenure, size of units and design to address local priorities and explored funding opportunities and informed the capital value of the affordable housing; and
- e. Evidence to demonstrate a different tenure mix will lead to a higher quantity of affordable housing and provide products that are genuinely affordable for a range of household incomes to address local needs.
- 1. The affordable housing provision within Build to Rent developments will be expected to be 100 per cent at Discounted Market Rents at an equivalent rent to London Living Rent or lower. The applicant will need to demonstrate the rents are set at a genuinely affordable rent levels and allocated to those on the waiting list in accordance with a local eligibility criteria.
- 2. The affordable housing Community-led housing scheme products within community-led housing schemes, may be provided in a different tenure (via prior discussions with the Council), providing it is genuinely affordable and meets identified housing needs.

#### C. Viability tested route

- 3. Site-specific viability information will only be accepted in exceptional cases, determined by the Council. Any proposals where site-specific viability evidence is accepted must provide the maximum amount of affordable housing, informed by detailed viability evidence. This should be based on the methodology and assumptions set out London Plan, and the Affordable Housing and Viability LPG. The cost of any independent review must be covered by the applicant.
- 4. To maximise affordable housing delivery and address economic uncertainties that may arise over the lifetime of a development proposal, the use of 'review mechanisms' will be required, where appropriate, and implemented; in accordance with the London Plan and any associated guidance.

#### D. Offsite contributions

- 5. To promote inclusive and mixed communities all new affordable housing provision should be delivered on-site. Off-site provision or payment in lieu for major development proposals will only be considered in exceptional circumstances, where it can be demonstrated to the satisfaction of the Council that:
  - a. It is not practical or feasible to provide affordable housing on-site due to site development constraints; and
  - b. where off-site provision is proposed:
    - A higher level of affordable housing can be secured through provision on an alternative site;



- ii. Off-site provision is necessary to better meet priority housing need, such as for affordable family housing; and
- iii. The provision will better support inclusive and mixed communities.

#### E. Vacant building Credit

- 1. The application of the Vacant Building Credit (VBC) is not appropriate in Harrow. The use of VBC will only be considered in limited circumstances, where applicants address the criteria below:
  - a. The building is not in use at the time the application is submitted;
  - b. The building is not covered by an extant or recently expired permission;
  - c. The site is not protected for an alternative land use; and
  - d. The building has not been made vacant for the sole purpose of redevelopment, as demonstrated by evidence showing that the building has been vacant for a minimum continuous period of five years and has been actively marketed for at least two years therein, at realistic local area prices.
- 2. The affordable housing policy will apply to any net increase in the floor space of the vacant building.

### F. Mixed and inclusive communities.

- 3. To secure inclusive and mixed neighbourhoods and communities the Council may seek to alter the tenure and/or mix of affordable housing provision on a case-by-case basis. In establishing the most appropriate level of provision for a site, development proposals will be considered having regard to the existing levels of housing tenure and mix in the area (including extant permissions).
- 4. .All new affordable housing developments must be of a high-quality design having regard to other Local Plan policies. The design of the units should be 'tenure neutral' in line with the National Design Guide, so that affordable units are indistinguishable from market units in terms of quality of design and materials, space standards, access and amenity. Where mixed tenure schemes are proposed these must ensure all residents of the development have access to amenities and communal spaces including play spaces.

#### **Reasonable Alternatives:**

Alternative 1: To put a greater emphasis on intermediate products. The current split seeks to meet priority affordable needs as identified in the Draft Local Housing Needs Assessment (LHNA), but also allow for mixed communities by encouraging the provision of some intermediate products. The LHNA shows that intermediate products are essentially the least affordable of all the tenures to address the housing needs of local residents. Intermediate products are more likely to be occupied by people who have a choice within the market for alternative accommodation, e.g. market rent. Given the number of people who are homeless/ in temporary accommodation, living in overcrowded housing, an increase in intermediate proportions is not considered the preferred option.



### **Policy HO5: Housing Estate renewal and regeneration** – two reasonable alternatives identified.

Development proposals involving the renewal and regeneration of the Borough's Housing Estates, including any enabling market housing, must be carried out in consultation with existing residents, the local community and other relevant key stakeholders, in line with the London Mayor's Good Practice Guide to Estate Regeneration. Proposals must ensure;

- A. There is no net loss of affordable housing floorspace, and
  - a). replaces like for like tenure and size; or
  - b). meets the needs of returning residents (subject to a decant strategy); or
  - c). complies with the Council's latest housing needs assessment; and
  - d). where developments seek to introduce market sale housing to enable the estate regeneration, any further uplift in genuinely affordable housing provision should be made. This should be delivered in accordance with Policy HO4: Genuinely Affordable Housing and Policy H5: Threshold Approach of the London Plan
- B. Any affordable housing that is replacing social rent housing must be provided as social rent housing where it is facilitating a right of return for existing tenants. Where affordable housing that is replacing social rent housing is not facilitating a right of return, it may be provided as low cost rented homes (social rent or as per London Plan Policy H6).
- C. The tenure of additional affordable housing (other than the replacement provision) should comply with Policy HO4: Genuinely: Affordable housing; prioritising the need to deliver additional social rented housing.
- D. The size of both market and affordable accommodation provided through estate regeneration schemes should be based on the particular needs of both the existing, and prospective future residents. It must consider the requirements of Policy HO1: Dwelling size mix that prioritises the delivery of additional family sized housing
- E. All affordable housing products are integrated into the development to ensure mixed, balanced and inclusive communities.
- F. Ensure a design led approach is undertaken; to achieve the most optimal and efficient use of land.
- G. A satisfactory quantum of accessible hard and soft landscaping is provided in line with other policies within the Development Plan.
- H. Where a net loss of external amenity space is proposed, on a case by basis, consideration will be given in relation to;
  - a) The existing quantum/quality of external amenity space
  - b) Proposed quantum/quality of external amenity space
  - c Other planning benefits arising as a result of the loss of external amenity space
- 4. A sufficient level of play and informal recreation space is provided in line with the approach set out in London Plan policy S4 and local Plan policies
- J. Estate regeneration schemes increase permeability and integration into the existing urban built form; improve safety and access for walking, cycling and public transport use to local amenities for residents; improve the public realm within the estate; and create new walking and cycling routes through estates as appropriate.



- K. Spaces and facilities are provided to enhance opportunities for social interaction, integration to support strong and inclusive communities that encourage physical activity and healthy living
- L. Compliance with parking standards set out in Policy M2 should apply, unless exceptional local circumstances are demonstrated
  - 2 Proposals for estate renewal, regeneration schemes should be supported by a statement setting out its overall social, economic, environmental, health benefits.
  - 3 Estate regeneration proposals should form comprehensive development schemes, rather than piecemeal proposals. Where only part of an estate is brought forward, it must form part of a wider masterplan
  - 4 The Council will consider the use of Compulsory Purchase Order powers to facilitate the delivery of a comprehensive regeneration scheme, where appropriate.
  - The Council will support proposals for Estate Renewal and Regeneration that demonstrate compliance with above requirements and Policy SP03, including those relating to undertaking a master plan led approach, identifying and addressing location specific issues, and bringing forward a comprehensive scheme

#### Reasonable Alternatives:

#### Alternative 1: Alternative approach would be no policy

The NPPF / London Plan is silent on the some or all of the matters covered by the proposed Local Plan policy, meaning there would be limited guidance to determine planning applications against, impacting upon the effectiveness of the Plan. This approach is not considered the preferred option.

## Alternative 2: Require proposals to re-provide of external open space (amenity space) at an equivalent quantity of the original space (.i.e. no net loss).

There is a deficiency in accessible open space (external amenity space) within certain parts of the Borough. Many of the Borough estates include designated open space and proposals should seek to ensure, there is no net loss in existing open space provision and where possible seek to meet any standards in relation to the quantity and quantity of provisions. But the potential policy option of ensuring no net loss in existing open space provision (.i.e. no flexibility based on compliance with a criteria) may have adverse impact on the delivery of a higher quality provision, with a range of recreational facilities and the delivery of other planning benefits (e.g. addressing priority housing needs, community needs), as well as may have some impact on the design quality of the scheme and in rare instances the potential deliverability of schemes (.e.g. lower housing output). Due to these factors, option 2 was not considered the preferred option.



### Policy HO6: Accommodation for older people—three reasonable alternatives identified.

- 1. Proposals for specialist C3 and non-C3 older peoples residential accommodation such as care homes and extra care facilities will only be suitable where:
  - a) It is demonstrated they would meet an identified local need, particularly to enable older people to live independently
  - It would deliver specialist older people accommodation that would contribute to meeting the Local Plan strategic target for specialist older person accommodation
  - c) Affordable housing is provided in line with Policy HO5
  - d) it has adequately considered and addressed all design issues in Part 3 or Part 4 to ensure the accommodation is suitable for the intended occupiers;
  - e) it provides the necessary level of supervision, management and care/support for the intended occupants, which will be secured in a legal agreement;
  - f) it is easily accessible to public transport (PTAL 3-6), shops, services, community facilities (including health) appropriate to the needs of the intended occupiers
  - g) it contributes to mixed and balanced communities.
  - h) Proposals consider and respond positively to the objectives, priorities of the Councils housing and commissioning strategies
- Extra care proposals will be usually classed as a C3 use. Such proposals must demonstrate that the following design issues have been considered and addressed to ensure the accommodation is suitable for the intended occupiers:
  - The proposal is for provision of self-contained units which address requirements for private internal space;
  - b) There should be an appropriate balance between private residential accommodation and communal space for ancillary uses to the primary use of the site.
  - c) Good quality guest and/or staff accommodation (where appropriate) is provided in line with minimum space standards, with sufficient storage space and facilities for visitors and staff:
  - There is appropriate privacy of internal spaces in the building for relevant groups, namely residents and any staff accommodation/rooms;
  - e) Appropriate bathrooms, kitchen/laundry facilities and appropriate rooms for activities/therapy/community use are provided;
  - f) Appropriate wheelchair accessibility is provided. At least 10 per cent of dwellings meet Building Regulation requirement to 'Wheelchair Adaptable Category M4(3)(2)(a)' standard or, where Harrow Council are responsible for allocating or nominating a person to live in that dwelling, Wheelchair Accessible Category M4(3)(2)(b) as set out in the Approved Document M of the Building Regulations. All other dwellings meet Building Regulation requirement M4(2) 'accessible and adaptable dwellings'
  - g) Proposals make provisions for a sufficient level, type of private, communal and public amenity spaces and facilities.



- h) The layout and design of communal spaces/facilities should be designed to encourage incidental meeting, interaction and to develop a sense of community
- i) Demonstrate how the range of type of units and their design will address the needs of people with dementia and other long-term health conditions, and be informed by discussions with providers and demonstrate accordance with the Council's commissioning and housing strategies
- j) Adequate access, parking and servicing access arrangements are demonstrated, with a safe drop off point within 50m of the main entrance in line with policy M2. This must be appropriate for emergency vehicles
- k) Provision of suitable charging points for mobility scooters is included on-site with a minimum standard of secure scooter storage and charging facilities equivalent to 25% of dwellings¹
- 3. Care homes must demonstrate the following design issues have been considered and addressed to ensure the accommodation is suitable for the intended occupiers:
  - a) There is an appropriate balance of private residential space and ancillary space associated with the care required for the use
  - b) There is appropriate privacy of internal spaces in the building for relevant groups, namely residents and staff;
  - c) 100% of all habitable rooms are wheelchair accessible;
  - d) Accommodation is provided in line with relevant design guidance and best practice standards; such as set out by the Care Quality Commission;
  - e) Adequate access, parking and servicing access arrangements are demonstrated, with a safe drop off within 50m of the main entrance. This must be appropriate for ambulance/mini bus drop-off;
  - f) Provision of accessible communal outdoor space for use by residents, staff and visitors which is well designed in terms of its function, layout within development proposals to ensure a good level of amenity with regard to daylight and sunlight, noise, enclosure, overlooking, privacy and security.
  - g) Adequate level and range of care facilities and support, communal areas/facilities (.i.e. dining areas, lounging area, kitchen meal preparation) offered to address the individuals needs of residents on site
- 4. The Council will resist development proposals which involves the loss of floorspace in specialist older peoples and care home accommodation unless:
  - a) It can robustly demonstrate that there is a surplus over a long-term of this housing type in Harrow.; or
  - b) adequate replacement on-site accommodation will be provided that satisfies Part 3 or Part 4 or
  - c) adequate replacement accommodation is provided elsewhere in the borough that satisfies Part 3 or Part 4; or
  - d) It can be demonstrated the existing accommodation is unsatisfactory for modern standards or cannot be adopted to meet these to re-provide the use and/or is not fit purpose



#### Reasonable Alternatives:

#### Alternative 1: Continue existing Local Plan policy approach (DM 29)

The current Local Plan Policy DM29: Sheltered housing, care homes and extra care housing is highly permissive. It supports proposals if they are located within accessible locations and only allows the loss of such uses if there is no demand. Applying this option is not considered the preferred option, as it is open to wide interpretation. This will make it difficult to ensure right type, size, tenure older person accommodation, with a sufficient level of care/support, is delivered to address local needs. It will not provide a strong basis to ensure proposals are well designed, located to promote independent living and guidance to distinguish between C2 and C3 use class orders.

## Alternative 2: Support proposals within/edge of town centres (excluding neighbourhood centres)

This approach is not considered the preferred option, as some of the town centres have a low public transport accessibility rating score, particularly those located to the north of the Borough. Therefore, although older residents may be able to access local services facilities, there is a potential risk this option may result in poor access to public transport and result in social isolation of older people from friends, families or experience difficulties accessing essential services like health care.

# Alternative 3: Include a higher target to provide 165 units/total of 1980 of accommodation for older people between 2017-29 (12 years) or 2300 units over a 15-year period

This approach is not considered the preferred option, as the Draft Local Housing Needs Assessment indicates that the rate of older people population growth is likely to reduce after 2029 and Policy H13 indicates Plans should take account of any local needs information, in addition to the indicative benchmark figure for older people accommodation (within C3 use) included within the former policy. Further, the Plan seeks address older people accommodation needs primarily via the delivery of conventional C3 housing that are well designed to meet the changing needs of the occupants throughout the lives. There is a risk that the potential inclusion of a higher target for older people accommodation may undermine the Council's ability to meet other priority housing needs such as family housing and affordable housing.

## **Policy HO7: Supported and sheltered housing**— one reasonable alternatives identified.

- The Council will support proposals for the provision of specialist and sheltered accommodation for vulnerable, disadvantaged individuals or groups of the population; providing;
  - a. It is demonstrated the scheme will adequately address a specific local need
  - b. it is suitable for the intended occupiers in terms of the standard of facilities and the level of independence,
  - c. It provides the necessary level of supervision, management and care/support, security and community safety (where necessary)
  - d. it is appropriately located in areas that there is easy access to public transport, shops, services and community facilities appropriate to the needs of the intended occupiers
  - e. Regard must be had to any best practice standards that the Council considers relevant, and which are related to the specific type of accommodation and the people/groups it is targeted to
  - f. Proposals must consider and respond positively to the objectives, priorities of the Councils housing and commissioning strategies



- g. It contributes to creation of balanced, mixed and inclusive communities and would not result in the over concentration of supported and sheltered housing within a neighbourhood that would result in a harmful impact on the amenities of neighbouring properties and surrounding area.
- h. . It complies with other relevant policies within the Development Plan
- 2. The Council will resist the loss of supported and sheltered housing unless:
  - (i) adequate replacement accommodation of the same quality and quantity will be provided for the particular group; or
  - (ii) it can be demonstrated that the accommodation is no longer needed for the particular group or other relevant groups in need of supported/sheltered housing; and
  - (iii) it can be demonstrated that the accommodation is not suitable for the care of the intended occupants (or other relevant occupants of supported/sheltered accommodation) in its current condition and format and/or is incapable of being maintained at an acceptable standard
- 3. The Council will support proposals for; the alteration, adaptation, extension of dwellings to address the specific needs of household's members with a range of disabilities or specific housing needs (including to provide accommodation for carers or support workers) in order to enable an independent, healthy living environment and promote social inclusion. This is providing proposals shall also comply with other policies in the Development Plan.

#### Reasonable Alternatives:

#### Alternative 1: Continue existing Local Plan policy approach (DM 29)

The current Local Plan Policy DM29: Sheltered housing, care homes and extra care housing is highly permissive. It supports proposals if they are located within accessible locations and only allows the loss of such uses if there is no demand. This approach is not considered the preferred option, as it is open to wide interpretation. This will make it difficult to ensure right type, size, accommodation, is delivered to address local needs. It will not provide a strong basis to ensure proposals are well designed, with adequate level of care/support to cater for the needs of vulnerable individuals/groups and are well located to promote independent living and guidance to distinguish between C2 and C3 use class orders.

## **Policy HO8: Purpose built student accommodation**— two reasonable alternatives identified.

- 1 Proposals involving the development, redevelopment and/or intensification of purpose-built student accommodation (PBSA) will be supported providing:
  - a. It is demonstrated there is a local or strategic need for the proposal
  - b. Proposals for PBSA must be appropriately located:
    - i. on well-connected sites that are easy to access by walking, cycling and public transport;
    - ii. Within or at the edge (300m) of town centres<sup>1</sup>, which benefit from good provision of shops, services, leisure and community facilities appropriate to the student population,
    - iii. Priority is given to sites located in proximity to the education facility the development is intended to serve, or other higher education institutions



- c. The majority of the bedrooms in the accommodation are secured for use by students over the lifetime of the PBSA, via a nomination agreement with one or more specific higher education provider (HEP). This evidence must include confirmation the proposed rental levels for PBSA are supported by the linked HEP(s)
- d. A range of accommodation types, including cluster flats with shared kitchen and bathroom facilities, unless it is demonstrated this would be inappropriate
- e. h. It is well-designed, providing appropriate space standards and facilities and it is sustainable by virtue of being adaptable to alternative residential use or other appropriate town centre uses
- f. A satisfactory site management and maintenance plan (secured by planning condition) covering the lifetime of the accommodation is agreed by the Council, to demonstrate an acceptable level of amenity and access to facilities for its occupiers and not give rise to unacceptable impacts on the amenities of the occupants of the accommodations and existing residents, neighbouring uses in the surrounding areas.
- g. The level of PBSA proposals (individually or cumulatively) in a location should not;
  - result in the harmful overconcentration of PBSA within a given location and undermine mixed and inclusive neighbourhoods. This will have regard to the character of the area, mix of uses, potential impacts on neighbouring properties and residents within the surrounding area.
  - ii) compromise the delivery of conventional self-contained housing, particularly family and affordable housing to meet the Borough needs, in line with Strategic Policy HO3:
- h. The maximum level accommodation is secured as affordable student accommodation on-site in line with Policy H15.
- 2 Proposals for any potential ancillary or temporary use of the accommodation during vacation periods should be designed at the outset of the scheme and should ensure;
  - There is no adverse impacts or risks to the safety, welfare and amenities of the existing students and staff occupying the student accommodation, in compliance with any FE or Council policy/regulations
  - ii. There are adequate design measures to limit/restrict the movement of occupants of the PBSA, temporary /ancillary uses and distinguish between the permanent use
  - iii. There is not an over concentration of similar uses, which can impact the balance and mix of uses that can result in potential harmful amenity impacts
- 3 The loss of existing PBSA will be resisted unless it is demonstrated:
  - (a) It no longer caters for current or future needs,
  - (b) It is unsuitable and unviable for operating within the existing use;
  - (c) the floorspace is replaced by another form of residential accommodation that meets other priority Local Plan housing requirements
  - (d) Exception to the above is if the scheme is proposing to replace an existing accommodation with equivalent floor space that meets modern standards.



#### Reasonable Alternatives:

**Alternative 1: No Policy.** This approach is not considered the preferred option. This would result in a policy void and make the Council highly reliant on national and London Plan policy for determining proposals. This will give the Council less control to promote good design, ensure development is located within the most accessible locations, prevent an over concentration of such uses and minimise their potential harmful amenity impacts. It will also make it difficult for the Council to ensure development is addressing priority housing needs of the area, such as conventional self-contained C3 housing, family and affordable housing.

#### Alternative 2: Allow PBSA schemes within accessible locations with PTAL 3-6

This approach is not considered the preferred option, as PBSA tend to be large scale and may adversely impact the character of residential areas. It may result in the loss of family sized housing areas, if clusters of student accommodation occur in areas where PBSA scheme is located/close to it and may result in other harmful amenity impacts on neighbouring properties.

## **Policy HO9: Large Scale purpose built shared living**— four reasonable alternatives identified.

- 1 Proposals for large-scale purpose-built shared living (LSPBSL) will be supported where they comply with London Plan Policy H16 and the following requirements:
  - a) Proposal will be required to demonstrate how they are meeting an identified local housing need based on local incomes, rent levels and existing/future demographics of the Borough
  - b) Applicants will be required to demonstrate the affordability of the proposed LSPBSL products within their scheme compared with the alternative products within the Harrow private rental sector,
  - Proposals should be located within the boundaries of Harrow Metropolitan Centre and Wealdstone District Centre (with a PTAL of 5-6) that form part of the Opportunity Area
  - d) There must not be two LSPBSL schemes within a 250m walking distance of each other, to; avoid an over-concentration of similar uses. To justify a departure from this requirement, applicants will be required to demonstrate exceptional circumstances. Robust evidence will be required to demonstrate:
    - i) There is no appropriate alternative town centre use such as offices, and C1 hotels or mixed-use schemes (where relevant) that would be suitable and viable on the application site
    - ii) There is no appropriate alternative use for the site that would be suitable and viable (including C3 residential or a mixed-use scheme) and
    - iii) It would be unviable, unsuitable to have a LSPBSL scheme developed at a lower scale via multiple uses (preferably in two separate blocks of development) that incorporates part of a site/development for LSPBSL the remainder for alternative uses in line with criteria (i) and (ii) above
  - e) The LSPBSL scheme should not have a detrimental impact to;
    - i) Residential amenity of the neighbouring properties and surrounding area
    - ii) The character of the area
    - iii) The need to support and maintain mixed and inclusive communities
  - f) Proposal on sites with extant permission or allocated for self-contained dwellings will not be supported, to avoid compromise the delivery of conventional housing to address future needs and targets, unless adequate evidence is submitted to demonstrate viability issues



- g) The ground floor of the scheme should be designed and located to be active street frontage or public realm. It must include;
  - i) Flexible workspaces,
  - ii) Public amenities (e.g. restaurants, cafes, leisure facilities) that are accessible to the wider public, to integrated it into the surroundings area, as well as develop inclusive and sustainable communities.
- h) To support a circular economy, proposals must demonstrate a flexible design and layout, to allow the LSPBSL scheme to be converted/retrofitted to an C1 hotel or C3 self-contained residential uses, or other town centre uses without the need for demolition and rebuild
- i) Proposal must demonstrate satisfactory servicing arrangements are in place for deliveries, waste management and emergency vehicles and no adverse impact on the safe operations of the highway network, in line with other Local Plan Policies
- j) The applicant must provide a management plan, to the satisfaction of the Council, to address the requirements of the Policy H16 of the London Plan and the Mayors London Plan Guidance on LPBSHL. This will be secured by way of a S106 agreement.
- The design and layout of LSPBSL schemes in terms of their layout, functional living spaces, level and type of communal facilities must be in compliance with the LSPBSL London planning guidance (LPG)
- 3 Affordable housing contributions will be required, in accordance with London Plan Policy H16
- The Council will resist any proposals that seek to reduce the quantity, type or access of amenity provisions included within LSPBSL, after permission has been granted.

#### Reasonable Alternatives:

**Alternative 1: No Policy.** This approach is not considered the preferred option. This would result in a policy void and make the Council highly reliant on national and London Plan policies for determining proposals. This will give the Council less control to promote development within the most accessible locations, prevent an over concentration of such uses and minimise their potential harmful amenity impacts. It will also make it difficult for the Council to ensure development is addressing priority housing needs of the area, such as conventional self-contained C3 housing, family and affordable housing.

#### Alternative 2: Do not require applicants to demonstrate a need for LSPBSL

Although, this approach may provide developers with more scope to determine the type of housing products that should be provided on their site to address a perceived demand in the local housing market, but it will provide less of an incentive to ensure a local housing need is being addressed. Conversely, it will make it more difficult for the Council to require developers to ensure their scheme is addressing the priority needs of the area, which are conventional self-contained C3 housing, particularly affordable housing and family sized dwellings. Further, LSPBSL products tend to be less affordable than other products in the private rental sector and there is uncertainty on the extent to which it may help other issues such as overcrowded housing, under-occupation and freeing up the stock of family sized housing (e.g. properties in HMOs). The NPPF requires Plans to boost the supply of housing of the right, types, size, tenure in order to address the needs of groups with specific housing requirements (para 60, 62). This approach is not considered the preferred option.



# Alternative 3: Allow LSPBSL within Metropolitan and Major Town Centres, all areas of PTAL 5 – 6 (car free developments) in line with Policy T6 of the London Plan or PTAL 3-6

This approach is not considered the preferred option, even though there are small parts of other town centres within the Borough fall within PTAL 5-6 and Edgeware is a Major Town centre. The key reasons are LSPBSL schemes need to be built at a high density, with more than four to five storey height, in order to provide a sufficient quantity of communal facilities, manage/maintain the property at a satisfactory level and maintain viability of it. Whilst the character of the Borough comprises of two -three storey in suburban locations and three to four storeys with the town centres and near transport hubs. This means significant parts of the Borough are unlikely to be suitable for LSPBSL schemes due to the potential impact on the character of the area and the need for economies of scale to apply to ensure viability.

## Alternative 4: Do not include distance test for assessing over concentration of LSPBSL

This approach is not considered the preferred option, as it will make it more difficult to assess, prevent the potential over concentration of the LSPBSL schemes within a given locality, as well as minimise any potential related impacts on residential amenities, the diversity and mixed of uses and the objective of promoting mixed and inclusive communities. A related issue is that this option may undermine the delivery of conventional self-contained residential accommodation and address the priority local housing needs (.i.e. family sized dwellings, affordable housing). However, the policy includes some flexibility to consider proposals that may be contrary to this requirement, in exceptional circumstances.

## Policy HO10: Housing with shared facilities (Houses in Multiple Occupation) – four reasonable alternatives identified.

Development proposals for Houses in Multiple Occupation (HMO)<sup>1</sup>/ and Hostels with shared facilities in the Sui Generis Use Class will only be permitted, providing they comply criteria below:

- (1) It is located within an area that has a PTAL rating of 4-6 with good access to public transport, local services and facilities.
- (2) It does not result in the loss housing suitable for accommodation by families based on following:

A: Internal floor area should exceed 130m2 (as originally built) and

B: It should not be located within a residential street or area that is characterised by family housing

- (3) There should be no harmful impact on the amenity of occupiers of neighbouring properties and the character of the area.
- (4) Adequate arrangements are made for the provision of amenity space for future occupiers in terms of access to gardens and communal facilities and areas.
- (5) It is well-designed, with appropriate number of rooms of an adequate size, facilities that provides a high-quality accommodation that satisfies the relevant standards for HMOs in the licencing regime<sup>1</sup>, including the provision of adequate functional living spaces and layouts.
- (6) Adequate arrangements are made for the storage and collection of waste and recycling material generated by future occupiers of the development, which does not give rise to nuisance to future occupiers and neighbouring properties or a detrimental impact upon the streetscape.
- (7) It should ensure all habitable rooms have a satisfactory environment in terms of privacy, daylight, <u>sunlight</u>, outlook and exposure to external noise.



- (8) .It ensures a balance of hard and soft landscaping on the forecourt (including forecourts that are already substantially hard surfaced) that does not detract from the appearance of the property or the street scene;
- (9) Adequate provision is made for car parking and safe access to property and does not result in a harmful cumulative increase on street parking (in compliance with policy M2 Parking) or the safety of other road users.
- (10) It contributes to creating an inclusive community and would not result in the over concentration of HMO's/Hostels within a neighbourhood that would harm the mix, balance and well-being of communities. For HMO's, an over concentration is defined as an instance where three or more of the nearest ten properties are HMO's, ( i.e. 5 on each side of an application site, on the same side of the highway).
- (11) .The Council will resist proposals that result in the loss of good quality hostel accommodation that address a specific local need for vulnerable members section of the community, unless
  - A. It is demonstrated there is no local need for the type of accommodation.
  - B. it is for a for a replacement provision at an equivalent or better standard
  - C. It is demonstrated to be unviable or unsuitable for addressing the needs of its users.
  - D. The replacement provision is addressing a more acute local need (e.g. affordable housing)

#### Large Purpose-built HMO developments

- (12) The Council will resist proposals for new large purpose-built HMO developments, as these are not considered the best approach to meeting housing needs in the borough, and can result in a poor-quality living environment for the occupants and potentially significant harmful amenity impacts on the surrounding area. On sites where the Council considers that large purpose-built HMO developments may be an acceptable form of housing in principle, proposals must:
  - a) located within an accessible location to local facilities, services, transport in accordance with criteria 1
  - b) not result in the loss of housing that is suitable for accommodation by families, in accordance with criteria 2 above .
  - b) prevent any harmful amenity impact(s) on the surrounding neighbourhood and the character of the area (in accordance with criteria 3). A sufficient evidence including a detailed management plan must be provided demonstrate this.
  - c) Result in a well-designed and satisfactory living environment for its occupants in line with criteria 4-9 above
  - d) A sufficient level, type, of communal facilities and spaces should be provided to adequately address the needs of the expected level of number occupants. These should not be located in too few locations, conveniently accessed and be designed to encourage incidental meetings, socialising, lounging and recreation between residents, to foster friendships and a sense of community.
  - e) Not result in an over concentration of similar uses and the achievement of mixed, inclusive communities in line with criteria 10.



#### Reasonable Alternatives:

#### Alternative 1: Continue to apply existing policy (DM30)

The adopted Local Plan Development Management (2013) Policy DM 30 is considered highly permissive for HMO/hostel proposals. It includes a generic criterion requiring proposals to demonstrate; good accessibility to local facilities, compliance with accessible homes standards and satisfactory living conditions and no adverse amenity impacts. Although this option may help in providing a relatively affordable stock of accommodation the continued use of this is considered inappropriate. The key reasons are; it is open to wide interpretation by all stakeholders and does not reflect the most up to date evidence of need. Further, the use of this will make it difficult for the Council to prevent the overconcentration of HMO's and the potential harmful amenity impacts of these, as well as encourage well designed living environments for residents, prevent the loss of family housing and ensure HMOs are located within the most accessible locations. This approach is not considered the preferred option.

## Alternative 2: Allow conversion of family houses to HMOs (.i.e. no consideration of the houses internal floor area (130m2) and the character of the area)

This approach is not considered the preferred option, as it will result in the potential loss housing that is suitable for families, including the stock of smaller housing that may be more affordable for low income or younger households. It is difficult to replace the loss of family sized housing due to the type, location of sites that are likely to come forward for development. Further, the change of use of smaller housing (below 130) may result in a poorly designed living environment for the HMO occupants.

#### Alternative 3: Allow HMOS within accessible locations with a PTAL 3-6

This approach is not considered the preferred option, as this may have an adverse impact on the character and harm the amenities of areas characterised by family housing, as well as increase the potential loss of family housing.

## Alternative 4: Do not include a specific measure to assess the over concentration of HMO's

This approach is not considered the preferred option, as it won't allow the Council to assess or prevent the potential over concentration of the HMOS schemes within an area, as well as minimise any potential cumulative related impacts on residential amenities, and achieve mixed and inclusive communities. A related issue is that this may reduce the stock of family sized housing accommodation, which is difficult to provide via new development, which tends to be high density due to location of previously developed sites (.i.e. close to town centres) and their high land values. This may result in families residing in unsuitable, overcrowded accommodation or in poor locations that are at a distance from their social networks and local services/facilities (.i.e. schools).

**Policy HO11: Self-build and Custom build housing** – no reasonable alternatives identified.



## **Policy HO12: Gypsy and traveller accommodation**— two reasonable alternatives identified.

- The Council seek to retain the existing Gypsy and Traveller site, at Watling Farm (0.5ha) to provide three additional pitches, to address future traveller needs, unless evidence shows it is no longer required.
- The Council will support proposals for Gypsy and Traveller accommodation, including sites and pitches, providing they are of a high-quality layout, design and contribute to meeting identified local needs and there is no capacity at the existing site at Watling Farm.
- 3 Proposals for new and replacement accommodation must make adequate provision for:
  - a). A suitable and safe access to and from the site, with sufficient space for the manoeuvring of vehicles
  - b). Satisfactory access, parking and servicing arrangements for all vehicles likely to use the site, including emergency services
  - c) basic amenities, including as running water, sewerage/ drainage and waste management
  - d) A site location that is well-integrated into the locality with reasonable access to local shops, services and community facilities including education, health, public transport
  - e) Facilities to serve occupiers of the development, including where appropriate pitches, hardstanding, amenity blocks, and amenity space and play areas
  - f) Appropriate landscaping and planting to address impact on amenity and enable integration of the site with the surrounding environment.
  - g) Measures to minimise any potential impacts on the local environment, including any relevant policy designations for or adjacent to the site that would restrict its use for any type of housing (including but not limited to: Green Belt, Metropolitan Open Land and Sites of Nature Conservation Importance) and the character of the area including visual and amenity considerations
- 4 Applicants must take account of any potential flood risk and the impacts of climate change when assessing the suitability of a sites.
- Development proposals for Gypsy and Traveller accommodation must not pose a risk to public health and safety, and not adversely impact the amenity of site occupants and neighbouring properties

#### Reasonable Alternatives:

#### Alternative 1: Alternative approach would be no policy

This approach is not considered the preferred option, as it would not be regarded as being in general conformity with the London Plan and national Planning Policy for Traveller Sites. This would also mean that the Council would be less able to manage new accommodation as planning applications would be judged against national planning policy rather than locally specific policy criteria.

Alternative 2: Include a Policy based on the accommodation need figure identified by utilising the Gypsy and Traveller definition included within the PPTS (2015)



The definition of Gypsy and Travellers (G & T) included within the PPTS (2015) excludes those who have ceased travelling permanently. Based on this definition, the West London Alliance GTANA (2018) identified no need to provide additional pitches during the period between 2016 -2033/41. The PPTS definition was subsequently successfully legally challenged based equality and discrimination grounds (2022), as it excludes travellers who are forced to permanently live in brick/mortar accommodation due to legitimate health, age reasons. In this context, identifying needs based on the PPTS definition is not the preferred option, but the Council will monitor any Government response to the successful challenge and adjust the approach to the definition and need figure used in the draft Local Plan policy.

The Council is still awaiting the publications of the GLA London wide GTANA and the findings of this in relation to future G & T pitches need, before determining which definition to utilise and need figure to include in the Plan, to address the accommodation needs of the Traveller community. This may result in additional reasonable alternatives.

#### 1.6 Chapter 05: Local Economy

**Strategic Policy 04: Local Economy** – no reasonable alternatives identified.

Strategic Policy 05: Harrow & Wealdstone Opportunity Area – no reasonable alternatives identified.

**Policy LE1 Development Principles & Town Centre Hierarchy**— one reasonable alternatives identified.

Proposals for new retail, leisure and cultural development in out of centre locations will be resisted. Any such out of centre developments must;

- a. Undertake a sequential test to demonstrate that there are no appropriate town centre sites, followed by edge of centre sites;
- b. Be supported by an Impact Assessment for proposals where the floorspace exceeds 400 square meters to demonstrate no harm to centres within their catchment.
- c. Be supported by a Green Travel Plan to enhance sustainable access between the site and the town centre network
- H. The release of office floorspace will be supported where the sequential approach below has been followed:
  - a. Vacant floorspace outside of designated town centres;
  - b. Vacant floorspace within designated Major, District or Local Town Centres.
  - c. Poor quality floorspace within designated Major, District or Local Town Centres; and
  - d. Floorspace within the Harrow Metropolitan Town Centre;
- H.1 Where the building has been vacant for more than 12 months and there is genuine evidence that all opportunities to re-let the accommodation have been fully explored, including evidence of suitable marketing over a 12 month period for office use or other appropriate employment or community uses.



#### Policy LE2 Night-time and Evening Economy – no reasonable alternatives identified.

#### **Policy LE3 Industrial Land** – two reasonable alternatives identified.

The Council will support new development of industrial floorspace within appropriate locations, where they accord with other relevant policies within the development plan.

#### A. Strategic Industrial Locations (SIL)

- a. Proposals to intensify, increase or modernise floorspace and premises within SIL will be supported where the uses fall within the industrial-type activities below;
  - 1) General Industry (B2) and similar Sui Generis uses
  - 2) Storage and logistics/distribution (Use Class B8)
  - 3) Secondary materials, waste management and aggregates
  - 4) Utilities infrastructure (such as energy and water)
  - 5) Land for sustainable transport functions including intermodal freight interchanges, rail and bus infrastructure
  - 6) Wholesale markets
  - 7) Emerging industrial-related sectors
  - 8) Flexible (B2/B8) hybrid space to accommodate services
  - 9) Low-cost industrial and related space for micro, small and medium-sized enterprises
- b. New & emerging industrial uses must demonstrate operational compatibility with the wider SIL.
- c. Subdivision of existing industrial floorspace will be supported where it supports appropriate diversification and meets the needs of a specific end user, and does not compromise the existing operators.
- d. Any net loss of industrial floorspace and premises within a SIL will not be supported, and
- e. Proposals that fall within use classes E(g) (ii) & (iii) will be resisted from being located within SIL, and will only be supported where demonstrated to support an existing Use Class B2 or B8 type use.
- A.1 Co-location of residential within a SIL will not be supported.

#### B. Locally Significant Industrial Sites (LSIS)

- a. Proposals to intensify, increase or modernise floorspace and premises within LSIS will be supported where the uses fall within the industrial-type activities below;
  - 1) General Industry (B2) and similar Sui Generis uses
  - 2) Storage and logistics/distribution (Use Class B8)
  - 3) Secondary materials, waste management and aggregates



- 5) Land for sustainable transport functions including intermodal freight interchanges, rail and bus infrastructure
- 6) Wholesale markets
- 7) Emerging industrial-related sectors
- 8) Flexible (B2/B8) hybrid space to accommodate services
- 9) Low-cost industrial and related space for micro, small and medium-sized enterprises
- New & emerging industrial uses must demonstrate operational compatibility with the LSIS.
- c. Subdivision of existing industrial floorspace will be supported where it supports appropriate diversification and meets the needs of a specific end user, and does not compromise the existing operators.
- d. Any net loss of industrial floorspace and premises within a LSIS will not be supported;
- e. Proposals that fall within use classes E(g) (ii) & (iii) will be resisted from being located within LSIS, and will only be supported where demonstrated to support an existing Use Class B2 or B8 type use.
- B.1 Co-location of residential within a LSIS will not be supported.

#### C. Non-designated Industrial Land

- a. Proposals to intensify, increase or modernise floorspace or premises within non-designated industrial sites will be supported where the uses fall within the industrial-type activities specified within Policy A.a above, and subject to compliance with other relevant policies within the development plan;
- b. Mixed use schemes will be supported where they comply with the criteria set out within Policy E7C of the London Plan 2021.

#### D. Non-industrial uses on industrial land.

- a. Proposals that seek to introduce non-industrial uses within an industrial site must demonstrate the ancillary nature of the non-industrial use, or satisfactorily demonstrate it is unable to be located elsewhere within the borough with respect to the principle of development.
- b. Non-industrial uses that are not satisfactorily demonstrated as being ancillary to an industrial use or not demonstrated as being able to be located elsewhere within the Borough will not be supported.



The council will support developments that ensure an appropriate mix of main town centres uses, or that demonstrably contribute to the vitality and vibrancy of the centre or parade.

- A. The Council will support town centre developments that;
  - a. Demonstrably contribute to the vitality and vibrancy of the town centre or parade;
  - b. Are of a scale and intensity commensurate to the size and role of the centre or parade it is located within;
  - c. Provides an appropriate mix of uses within a shopping area or parade, ensuring an over proliferation of Sui Generis uses does not occur;
  - d. The ground floor would have an accessible and active frontage; and
  - e. Community facilities in town centres are able to be supported by the Council where compliant with Policy CI1.
- B. The Council will support mixed-use developments in town centres and parades where;
  - a. The ground floor element complies with A;
  - b. There is a clear and satisfactory delineation of access and servicing arrangements (bin store, cycle storage) between the two uses; and
  - c. Satisfactory mitigation in accordance with the Agent of Change (Policy D13 of the London Plan (2021)).
- C. Residential uses on the ground floor in any town centres or neighbourhood parades will not be supported.
- D. The loss of appropriate town centre uses, community facilities and infrastructure from town centres will not be supported unless compliance with policy CI1 is demonstrated.
- E. Temporary events such as markets and entertainment uses will be supported where;
  - a. They are supported with a management plan agreed by the Council; and
  - b. They do not impact on residential amenity or highway safety.

The Council will resist the loss of any employment, leisure or cultural uses within a neighbourhood parade that provides essential day to day amenities. The loss of such uses will only be accepted where adequate marketing has been undertaken.

Alternative 1 – allow for the full range of appropriate industrial uses: An alternative policy could be to allow for all of the appropriate industrial uses set out under Policy E4A of the London Plan (2021) to occur within Strategic Industrial Land and Local Strategic Industrial Sites. By reason of the limited industrial floorspace within LB Harrow, such an approach is not the preferred option as this would mean uses that could occur elsewhere in the borough without adverse impacts would instead occur on the borough's limited amount of industrial land, at the opportunity cost of industrial uses that are more appropriately located on designated industrial land.

**Alternative 2 – allow for co-location:** An alternative policy approach may be to allow for the co-location of housing on Local Strategic Industrial Sites, which is set out as appropriate (subject to process) within the London Plan (2021). By reason of the limited industrial floorspace within LB Harrow, which evidence suggests stock should be maintained to ensure a sufficient amount, and the forecasted ability to meet housing targets without requiring such an option, this is not the preferred option.



Policy LE4 Culture and Creative Industries – no reasonable alternatives identified.

Policy LE5 Tourism and Visitor Accommodation – no reasonable alternatives identified.

#### 1.7 Chapter 06: Community Infrastructure

**Strategic Policy 06: Social and Community Infrastructure** – no reasonable alternatives identified.

**Policy CI1: Safeguarding and Securing Social Infrastructure** – no reasonable alternatives identified.

**Policy Cl2: Play and Informal Leisure** – no reasonable alternatives identified.

**Policy Cl3: Sport and Recreation** – no reasonable alternatives identified.

**Policy Cl4: Digital and Communications Infrastructure** – no reasonable alternatives identified.

#### 1.8 Chapter 07: Green Infrastructure

**Strategic Policy 07: Green Infrastructure** – no reasonable alternatives identified.

**Policy GI1: Green Belt and Metropolitan Open Land** – no reasonable alternatives identified.



#### Policy GI2: Open Space – one reasonable alternatives identified

- A. Development proposals must:
  - a. Contribute to the provision, protection and enhancement of high quality, multifunctional, publicly accessible open space, particularly in areas of deficiency;
  - b. Not result in the net-loss of publicly accessible open space;
  - c. Improve access to green space where possible, particularly in areas where deficiencies in access have been identified; and
  - d. Enhance biodiversity and improve access to biodiversity and natural capital.
- B. Major development proposals must incorporate new publicly accessible open space unless it can be clearly demonstrated that this is not feasible, in which case off-site contributions will be required.
- C. Existing open space, sports pitches, recreational buildings, and playing fields should not be built on unless:
  - a. An assessment has been undertaken that clearly demonstrates the open space, buildings or land are surplus to requirements; or
  - b. The loss resulting from the proposed development would be replaced by equivalent or better provision, in terms of quantity and quality in a suitable location; or
  - c. The development is for alternative sports and recreational provision, the benefits of which clearly outweigh the loss of the current or former use.
  - d. The development is required for critical social infrastructure, the positive benefits of which clearly outweigh the loss of the current or former use.

#### Alternative 1:

One reasonable alternative to this policy is proposed. This policy specifies that Open Space could be used for the development of community infrastructure in exceptional circumstances. A reasonable alternative would be to make this policy more restrictive, removing this specification and not allowing development of community infrastructure on Open Space land. This alternative would however potentially impact upon the provision of community infrastructure required to support development and the ability for the LPA to consider the overall planning balance for individual community infrastructure proposals impacting upon open space.



#### Policy GI3: Biodiversity - one reasonable alternative identified

#### Protection of Biodiversity & Natural Capital

- A. Biodiversity and natural capital must be protected and enhanced. Development proposals must be adequately evidenced and follow the Ecological Mitigation Hierarchy.
- B. Development proposals must not result in loss of, or pose direct or indirect negative impacts to:
  - a. Irreplaceable habitats (e.g. ancient woodland) or features (e.g. ancient/veteran trees)
  - b. Sites nationally or internationally designated for nature conservation or geodiversity
  - c. Core areas identified within the Local Nature Recovery Strategies (LNRSs) for London or Hertfordshire
  - d. Other important sites, features or functions where losses or impacts could not be adequately mitigated or compensated for with regard to:
    - 1. LNRS areas:
    - 2. Sites of Importance for Nature Conservation/ Regionally Important Geological Sites;
    - 3. Areas of priority habitat;
    - 4. Populations of protected, priority or locally notable species;
    - 5. Important features (e.g. historic hedgerows);
    - 6. Green or blue corridors or other functional linkages within the local ecological network; and
    - 7. Ecosystem function or resilience.
- C. Development proposals that would increase deficiencies in access to nature will be resisted.

#### Biodiversity and nature recovery

- D. Development proposals should:
  - a. Conserve and enhance Harrow's biodiversity;
  - b. Utilise nature-based solutions to manage environmental pressures;
  - c. Strengthen the Borough's natural capital;
  - d. Improve access to nature where practicable; (link to deficiency in access)
- E. All major and minor development proposals must be supported by a proportionate Biodiversity Net-Gain Plan (BGP) which clearly identifies how the development will minimise harm and maximise biodiversity gain. Proposals will be required to demonstrate compliance with the criteria below and provide:
  - a. A minimum of 2 biodiversity units per hectare;
  - b. A minimum net uplift in biodiversity unit value of 20%;
  - c. A minimum of one wildlife shelter (i.e swift box/bee brick etc.) per residential unit; and
  - d. Details surrounding the delivery, monitoring and maintenance of BNG units, whether wholly on-site, or utilising locally strategic off-setting location(s).



#### Alternative 1:

One reasonable alternative to this policy is proposed. This policy requires a Biodiversity Net Gain of 20%. A reasonable alternative would be to align with the Environment Act and stipulate that a Biodiversity Net Gain of only 10% is required, this is the status quo for all local authorities. The Biodiversity evidence base shows that a Biodiversity Net Gain of 20% would be achievable for most developments without being too onerous or disproportionately impacting viability.

**Policy GI4: Urban Greening, Landscaping and Trees** – no reasonable alternatives identified.

**Policy GI5: Food Growing** – no reasonable alternatives identified.

#### 1.9 Chapter 08: Climate and Nature

Strategic Policy 08: Responding to the Climate and Nature Emergency – no reasonable alternatives identified.

**Policy CN1: Sustainable Design and Retrofitting** – one reasonable alternative identified

#### New Buildings

- A. All new buildings should be designed and built to be Net Zero Carbon in operation. They should be ultra-low energy buildings, utilise low carbon heat, contribute to the generation of renewable energy on-site, and be constructed with low levels of embodied carbon.
- B. All new buildings should meet the following standards:

#### Space Heating Demand

- All dwellings should achieve a space heating demand of less than 15 kWh/m2 GIA/yr; and
- b. All non-domestic buildings should achieve a space heating demand of less than 15 kWh/m2 GIA/yr;

#### Energy Use Intensity (EUI)

- Domestic buildings All dwellings should achieve an Energy Use Intensity (EUI) of no more than 35 kWh/m2GIA/yr;
- d. Non-domestic buildings Non-domestic buildings should achieve an Energy Use Intensity (EUI) of no more than the following (where technically feasible) by building type or nearest equivalent:



Building Typology	EUI Standard
Student or keyworker accommodation, care homes, extra care homes	35 kWh/m2 GIA/yr
Warehouses and light industrial units	35 kWh/m2 GIA/yr
Schools	65 kWh/m2 GIA/yr
Offices, Retail, HE Teaching facilities, GP surgeries	70 kWh/m2 GIA/yr
Hotels	160 kWh/m2 GIA/yr

#### Offsetting (as last resort)

e. Offsetting will only be accepted as a means to achieving planning policy compliance as a last resort if the building is compliant with all other Net Zero carbon building aspects. In these circumstances, the applicant should establish the shortfall in renewable energy generation to enable the annual renewable energy generation to match the Energy Use Intensity in kWh. The applicant should pay into the Council's offset fund a sum of money equivalent to the shortfall; this contribution will be secured by way of a planning obligation.

#### Retrofit of Existing Buildings

- C. The use of sustainable conversion and retrofitting measures will be encouraged and supported to improve the energy efficiency of buildings, as well as the quality of living for their occupants. Retrofitting measures should consider how the building has been constructed, its context, and energy use.
- D. Development proposals for major residential domestic refurbishment must achieve a certified 'Excellent' rating under the BREEAM Domestic Refurbishment 2014 scheme<sup>1</sup>. or future equivalent, unless it can be demonstrated that it is not feasible.
- E. Development proposals for major non-residential refurbishment, including mixed-use development, will be required to achieve a certified 'Excellent' rating under the BREEAM Non-Domestic Refurbishment scheme, or future equivalent, unless it can be demonstrated that it is not feasible.
- F. Proposals for retrofit of existing buildings must consider impacts on the historic environment, heritage assets, and amenity of the building's users and neighbours.

#### Alternative 1: Development size threshold (not the preferred option)

The policy outlined above applies to all new buildings, with reasonable exclusions for outbuildings. An alternative policy would have an option that just focusses on major applications / development proposals, (i.e 10+ units) or the small site threshold (sites less than 0.25 ha in size). This option has not been pursued as it would likely undermine the



strategic intent of the policy for all buildings to meet net zero standards, particularly for smaller housing developments of 9 units or less. If this option were pursued, smaller developments would need to demonstrate that they have aimed to make buildings as close to net zero as possible, within the limits of viability. As Harrow is likely to experience significant incremental development outside of the opportunity area (reflected by the indicative small sites target in the London Plan being a significant proportion of the overarching housing target for Harrow), many buildings in the suburban areas would not be required to be net zero, which would be a missed opportunity to minimise carbon emissions and future proof the borough's buildings.

#### Alternative 2: Approach to measuring zero carbon – Part L, Building Regulations

Outlined below is an alternative option for the Sustainable Design Policy, based on a continuation of the approach of using Part L of the Building Regulations to define and measure carbon / net zero.

POLICY OPTION 1 – Part L, Building Regulations (not the preferred option):

All developments must achieve Net Zero Carbon according to the Building Regulations framework, i.e. a 100% improvement over Part L 2021 and offset their residual emissions.

#### On-site carbon reduction

All developments must reduce carbon emissions on-site as much as possible. In terms of regulated emissions, the minimum level of on-site performance required is:

- Domestic buildings: 65% better than Part L 2021
- Office buildings: 25% better than Part L 2021
- School buildings: 35% better than Part L 2021
- Industrial buildings: 45% better than Part L 2021
- Hotel: 10% better than Part L 2021
- Other non-domestic buildings: 35% better than Part L 2021 (tbc)

Buildings must also comply with the other requirements of the Building Regulations Part L 2021, e.g. Fabric Energy Efficiency criterion for domestic buildings and Primary Energy criterion for all buildings and demonstrate compliance at planning stage.

Applicants must undertake Part L 2021 modelling to demonstrate compliance.

Unregulated emissions must also be reduced as much as possible.

#### Carbon offsetting

On-site carbon reductions should be maximised as far as possible before any remaining emissions are offset. If the Council is satisfied that the development has maximised on-site reductions, but the development is still short of achieving Net Zero Carbon, the developer is expected to make a cash-in-lieu contribution to the Council's carbon offsetting fund at a price of £880/tCO2 per year over a period of 30 years in order to offset any remaining carbon emissions and achieve net zero carbon.

**Policy CN2: Energy Infrastructure** – no reasonable alternatives identified.



**Policy CN3: Reducing Flood Risk** – no reasonable alternatives identified.

**Policy CN4: Sustainable Drainage** – no reasonable alternatives identified.

**Policy CN5: Waterway Management** – no reasonable alternatives identified.

## 1.10 Chapter 09: Managing Waste and Supporting the Circular Economy

Strategic Policy 09: Managing Waste and Supporting the Circular Economy – no reasonable alternatives identified.

Policy CE1: Reducing and Managing Waste – no reasonable alternatives identified.

**Policy CE2: Design to Support the Circular Economy** – no reasonable alternatives identified.

#### 1.11 Chapter 10: Transport and Movement

**Strategic Policy 10: Movement** – no reasonable alternatives identified.

**Policy M1: Sustainable Transport** – no reasonable alternatives identified.

Policy M2: Parking – no reasonable alternatives identified.

Policy M3: Deliveries, Servicing and Construction – no reasonable alternatives identified.





# Planning Policy Advisory Panel (Special)

### **Minutes**

## **22 January 2024**

Present:

**Chair:** Councillor Marilyn Ashton

**Councillors:** Christopher Baxter Nitin Parekh

Stephen Greek David Perry Asif Hussain Zak Wagman

#### **Recommended Items**

#### 69. New Harrow Local Plan - Draft Local Plan (Regulation 18 Version)

The Panel received a report on the Draft Harrow Local Plan (Regulation 18 version) and sought Cabinet for approval to consult for eight weeks over February-April 2024. The report was accompanied by the draft Interim Integrated Impact Assessment (IIA) advice note, and provided the Panel with an update on the Local Plan process. The report also provided an outline of the proposed consultation arrangements.

Clarification on when would the plan be operational was sought and the Panel was advised that the aim was for the Local Plan adoption by Full Council by the end of 2025. The various stages of the process would determine the weight given to planning applications, with increasing importance as it progressed.

In response to a question as to whether the current SPD's (Supplementary Planning Documents) would become redundant, or remain in use or undergo changes. Members were advised that they were expected to remain effective for about 5 years. However, there would be an impact for a certain period,

given recent legislative changes and the Government's evolving stance on planning regulations might influence the duration of the SPD.

In terms of Garden Protection and the importance of garden grabbing. The Chair had given an example that within the Local Plan it very much included the policies contained within the SPD's to give even more protection against inappropriate development. Officers also advised that the Local Plan document was a large policy that incorporated key elements of the Garden Land SPD, and it also aimed to echoed the same for conservation areas and heritage sites. Officers advised that the new policy document was highlighted as the primary source of policy/protection, especially concerning recent developments like tall buildings and upcoming town centre master plan.

Members indicated that an easy colourful guide outlining the changes from the current Local Plan (that people were used to) and the new Local Plan as the new policy document would be welcomed.

Members requested clarification on the processes as per the report on Page 9, point 4.5, and were advised that this involved inviting stakeholders to propose potential development sites, which would then undergo evaluation based on factors such as viability, acceptability, and deliverability. These stakeholders were identified by using databases, engaging planning consultants, accessing Land Registry for landowners, and publicising the Local Plan to get stakeholders involved.

With reference to the GLA (Greater London Authority) and how the feedback would work, officers advised that it was currently informal feedback but as part of regulation 18 the Mayor would feedback once he had reviewed the draft plans (including input from the wider GLA) and the formal 'general conformity' letter and conclusions would be compiled and feedback of to the Panel mid-2024.

In response to a question as to whether the 50% affordable homes would be an achievable goal, officers advised that 50% was a strategic target, often achievable with the support of grant funding from the Mayor.

The implications of the proposed timeframes for the new Local Plan were raised in the context of any potential change in Government. In response, it was noted that it was not possible to predict any potential implications/changes and that the planning system was always changing. Given the age of the current Local Plan it was important to continue preparing a new plan.

Clarification was sought as to the weight applied to sites once they had been assessed and included in the draft Plan (as site allocations) and whether there would be an influx of these sites. Members were advised that there would be an influx as the process was promoted and the site allocations would be formally identified in the Plan once the viability and the appropriateness of these had been considered. The height parameters of these sites would need to be weighed up before being formally included. In response to a subsequent question, officers advised that the call for sites

process would assist in better understanding potential development capacity/supply relative to the London Plan target.

Members raised concerns about the subjective nature of terms of like practical and fit for purpose in the draft Plan (specifically relating to the policy on residential conversions). Officers explained that standards in the London Plan would guide what was considered fit for purpose and emphasise that any rooms in a residential conversion having reasonable dimensions.

Members also questioned whether focusing on areas of high public transport accessibility, might risk over population and over development of some areas. Officers advised that there was a need to balance sustainable transport goals with consideration of local character and impact.

Members thanked the Officers for their work on the report and requested a concise frequently asked questions summary during the consultation.

#### **Resolved to RECOMMEND:** (to Cabinet)

That the draft New Harrow Local Plan (Regulation 18 Version) be approved.

#### **RESOLVED:** That

- (1) the report be noted;
- the intention to make minor amendments and insert outstanding background / process material to the draft new Local Plan prior to presentation to Cabinet and subsequently prior to commencement of consultation (under delegated authority) (paragraph 5.9 of the report).
- (3) the proposed consultation arrangements be noted as set out in section 7 of the Officers report.





Report for: Cabinet

Date of Meeting: 15 February 2024

Subject: Electric Vehicle (EV) - Rapid and Ultra Rapid

Charging in Harrow

**Key Decision:** Yes

**Responsible Officer:** Dipti Patel, Corporate Director for Place.

Portfolio Holder: Councillor Anjana Patel, Portfolio Holder for

Highways, Infrastructure and Community

Safety

**Exempt:** Public with the exception of exempt

appendices 1, 2 and 3, by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972, being information relating to the financial or business affairs of any particular person (including the authority

holding that information)

**Decision subject to** 

Call-in: Yes

Wards affected: Multiple wards

**Enclosures:** Appendix 1 (exempt): Draft Invitation to

Tender

Appendix 2: (exempt) Draft Heads of Terms Appendix 3: (exempt) Draft Technical

Specifications and KPI's

Appendix 4: Evaluation Methodology and

KPI's

#### **Section 1 – Summary and Recommendations**

This report sets out the proposal to procure rapid and ultra rapid charge points at a number of council-controlled locations (car parks and on-street) in the borough.

#### Recommendations:

Cabinet is requested to:

- Note the feasibility work that has been undertaken to identify key sites in car parks and on-street that may be suitable for Electric Vehicle (EV) rapid and ultra rapid charge points to be installed and maintained by specialist third party operators, subject to the outcome of procurement.
- Approve the procurement for the selection of suitable Charge Point Operators (CPO) to supply, install and operate rapid and ultra rapid charge points via the Oxford Dynamic Purchasing System (DPS) or such other compliant procurement route as may be determined by the Corporate Director for Place in consultation with the Head of Procurement.
- 3. Approve the draft tender documents.
- 4. Delegate authority to the Corporate Director for Place, following consultation with the Portfolio Holder for Highways, Infrastructure and Community Safety, to:
  - (i) Make any necessary amendments to the procurement documents prior to publication.
  - (ii) Award contracts to one or more successful CPOs, to include entering into required leases or licences and all other necessary legal documentation.

#### Reason: (for recommendations)

The recommendations enable the Council to support the transition to electric vehicles and decarbonisation of travel in the borough in accordance with the aims of its adopted Electric Vehicle Strategy.

#### **Section 2 – Report**

#### Introduction

The London Borough of Harrow's Electric Vehicle Strategy was adopted in November 2023 and sets out the vision, objectives and an action plan to support the transition to Electric Vehicles (EVs) in Harrow over the next 15 years to 2038. This will be achieved by facilitating provision of a reliable, accessible, and equitable network of electric vehicle charging infrastructure throughout the borough whilst also addressing local barriers to EV adoption.

The EV Strategy in turn supports the borough's draft Long Term Transport Strategy, which sets out the Council's ambitions for a transport system that is more accessible, safer and greener over the next 20 years, and also

contributes to the overarching decarbonisation objectives of the Council's agreed Climate and Nature Strategy 2023-30.

This report recommends progression of an initial procurement of rapid and ultra rapid charge points in council-controlled locations in order to advance delivery of the Electric Vehicle Strategy.

#### Options considered.

The options are either.

- (i) to give authority to proceed with the procurement of rapid and ultra rapid charge points and to award the contract to the winning bidder(s).
- (ii) not to approve the procurement and delegate authority to award this contract.

It is recommended to proceed with procurement and delegate authority to award as failure to do so will not advance the Council's decarbonisation aims, not meet the Council's objectives within the EV Strategy and will fail to support residents and businesses in the transition to electric vehicles.

Given the timescales and availability of a suitable Dynamic Purchasing System (DPS), where EV providers have already been financially and technically vetted, and can be procured relatively quickly, there is no need for the Council to undertake a lengthy full open tendering process for this procurement. The Oxford City Council DPS is an award-winning procurement framework and provides the Council with a compliant route to market.

#### **Background**

It is anticipated that by 2035 100% of new car and van sales will be electric to meet the government's national net zero by 2050 target. The Climate Change Committee has recommended that if the UK is to meet the 2050 net zero target, 100% of new vehicle sales should be electrically propelled by 2035 at the latest (and ideally by 2030).

The focus of Harrow's Electric Vehicle Strategy is therefore to expand EV charge point installations as demand from residents is high and the need for residential, fast, rapid, and ultra-rapid charge points for commuters and businesses will increase over coming years.

#### **Current situation**

#### Harrow overview

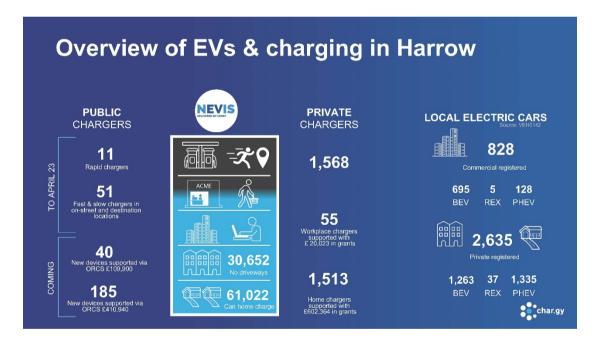
Until 2023, Harrow Council's focus has largely been providing charge points in locations requested by residents and/or businesses. However, following the

adoption of the EV Strategy, the Council aims to roll out more charge points through an ambitious approach by providing charge points based on underlying demand potential, alongside rapid and ultra rapid charging hubs on the strategic road network and within town centres.

There are currently about 3,500 electric vehicles in Harrow which is less than 3.4% of total registered vehicles. However, the Council anticipates this will increase to nearly 10% in 2026 (9,500 vehicles), over 60% in 2038 (68,000 vehicles) and approach 100% by 2050. EV penetration in Harrow currently trends with adjacent local authorities outside London. In addition, since the pandemic, EV penetration of new car sales has shown strong growth within the UK.

In addition to home-based charging solutions, Harrow currently has around 64 public charge points including 57 lamp column (3kW) and fast (7-22kW) and seven Rapid (>50kW) charge points at both publicly and privately owned land in Harrow.

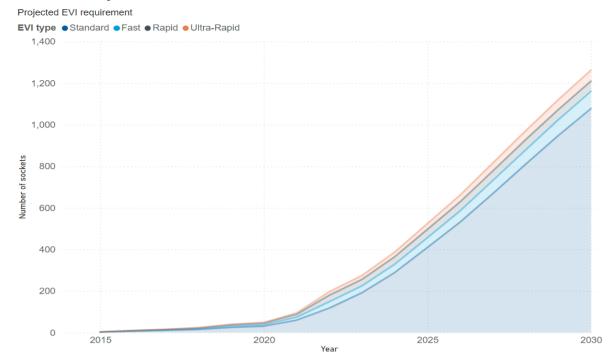
The current mix of charging provision in Harrow, both public and private, along with the number of local electric vehicles registered in the borough, is summarised below. The types of electric vehicle shown are BEV Battery Electric Vehicle (BEV); Battery Electric Vehicle + Range Extender (REX), and Plug-in Hybrid Electric Vehicle (PHEV).



## Projected Electric Vehicle Infrastructure (EVI) requirement for Cars and Large Goods Vehicle's (LGV's) in Harrow

Initial data from Cenex for the borough indicates that a substantial and sustained programme of expansion of EV charging provision will be required to meet future demand through to 2030. This data, and the mix and locations of demand, is further explored and modelled through the Council's EV Strategy.

#### **Data summary**



Insights Toolkit - © Cenex 2023

Based on our projections, a total of 356 EV charge points will be required on council land by 2026, which will increase to 851 by 2033 and 1,240 by 2038.

	By 2026	By 2033	By 2038
Standard (<22kW)	330	775	1,116
Rapid (50kW)	25	67	108
Ultra-rapid (>150kW)	1	9	16

#### **Council Progress**

Since the start of Harrow's electric vehicle charge point programme in 2018, 30 charge points have been installed in residential and commercial areas. Five charge points were installed as part of the Neighbourhoods of the Future Greenhill Go Ultra Low City Scheme. 24 residential charge points were installed using On-Street Residential Charge Point (ORCS) funding. 1 rapid charge point was commissioned in March 2023.

The table below details the type of charge points that have been installed by Harrow:

No of	<b>Charge Point</b>	Year of	Charging	Power
Chargepoints	Operator	Installation	type	Output
2	BP Pulse	2018	Slow	7kW
3	BP Pulse	2018	Fast	22kW
24	Char.gy	2021	Slow	5.1kW
1	BP Pulse	2023	Rapid	50kW

Slow chargers are up to 7Kw units mounted on or in streetlighting columns providing for a slow overnight charge. Fast chargers, typically around 22kw, are bollard sized units located on dedicated parking spaces, providing a charge to 80% in 3-4 hours. Rapid chargers 50Kw and over, are a petrol pump sized unit providing charge to 80% in under an hour for most electric vehicles.

The Council has taken the opportunity to apply to various funds to provide support with EV installations. In 2018 the Go Ultra Low City Scheme (GULCS) provided funding for the first 5 on-street chargers as part of the Greenhill Go Ultra Low City Scheme. In 2019 the On-Street Residential Chargepoint Scheme (ORCS) provided funding for 24 Lamp Column charge and GULCS 1 rapid charge point. An additional 225 residential lamp column chargers will be delivered in 2024 at various locations in Harrow. Delivery of the charge points is supported by ORCS.

Frameworks save significant time and money, while delivering specific services that not only meet local requirements but support local decision making. The recommendation for this report is to secure a provider through a call for competition under the Oxford City Council DPS.

## Rapid and Ultra Rapid Charging Provision in Council Car Parks and other locations

The installation of residential on street charging provision, which is suitable for longer stay and overnight charging, should also be supplemented by faster charging options. The Council has carried out market engagement with rapid charging providers with a view to better understanding the market and identifying suitable locations across our car park estate, and other on and off-street locations close to town centres and high footfall sites. The key findings from these initial discussions are:

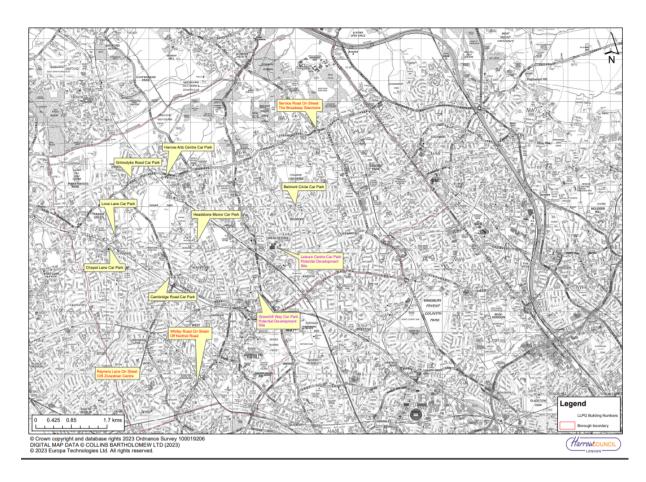
- To justify the higher capital levels of investment required in the equipment for rapid and ultra rapid charging providers generally require licence or lease terms of 10-20 years. Sites therefore require careful selection to ensure they are not likely to be subject to development within those timescales, and otherwise offer the shorter visitor dwell times appropriate for rapid and ultra rapid charging.
- 2. Electricity capacity upgrades are almost always required for installation of all types of rapid chargers, which can range in output from 50kw to 300kw, and sites need to be selected where this is economically viable to achieve. The timescales for installation of rapid and ultra rapid charging provision are generally around 12 months allowing for capacity upgrade works, although this can be shorter for smaller installations.
- 3. Subject to securing the length of tenure required, costs of installation and capacity upgrades are borne by the provider, with an annual rental and / or profit share arrangement paid to the landowner.
- 4. The potential for expansion of rapid charging in the borough is good and providers are keen to work within Harrow.

The council-controlled locations where rapid and ultra rapid charging infrastructure can potentially be installed, and which will be included in the tender recommended by this report are set out in the table and map below. The indicative location and numbers of EV bays within the specific sites are further shown on the plans at Appendix 3. The final locations and numbers of bays instructed via the contract will be subject to the detailed responses from market and discussions with operators once the contract has been awarded. This will take into account viability assessments as to the location of electrical infrastructure as well as accessibility considerations for users. It is highly likely that all sites will require electrical upgrades, to include new substations and cabling where multiple faster chargers are to be installed.

The proposed sites and wards are as follows:

Site Name	Ward
Belmont car park	Belmont
Cambridge Road car park	North Harrow
Chapel Lane car park	Pinner South
Greenhill Way car park	Greenhill
Leisure Centre car park	Wealdstone
Headstone Manor car park	Headstone
Harrow Arts Centre car park	Hatch End
Grimsdyke car park	Hatch End
Stanmore Broadway and car park	Stanmore
Whitby Road and Northolt Road	Roxeth
Love Lane car park	Pinner

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It is conceivable that some sites may be subject to development proposals within the timescales that operators are likely to require for licence arrangements, in order to recoup their upfront capital costs. It is proposed therefore that the contractual documentation details compensation arrangements that would be payable by the Council for early termination, so that a fully informed decision can be made whether to proceed with more sensitive sites.

#### Why a change is needed.

Many residents have made the decision to switch to EV or use an EV for work purposes.

Fast and rapid charge points offer a solution to commuters travelling longer distances and those who need to charge quickly. As highlighted by the Electric Vehicle Strategy, Harrow needs to expand its provision of rapid charge points. The current rapid charge points in Harrow operate in the following way:

Tarrif (£/kWh)	Subscribers	Pay as you go	Contactless/Guest
AC 7kW	£0.44	£0.59	£0.59
Rapid (AC 43kW / DC 50kW)	£0.63	£0.77	£0.79
Ultra-rapid (DC 150kW+)	£0.69	£0.83	£0.85

As the charge point market continues to expand, the availability of funding is gradually being reduced, with the expectation that installation and operational costs are met by Councils and the market, especially for rapid charging solutions. Harrow will continue to make the most of funding schemes for residential charging, however the council should be prepared to look for alternative ways to ensure the continuing viability in future years. In the context of the recommendations in this report, it is assumed that the rapid and ultra rapid charge points and associated electrical infrastructure will be 100% funded by the market.

#### **Reasons for Recommendation**

- The rollout of further rapid and ultra rapid charge points directly implements the EV Charging Strategy and plays a key role in the reduction of transport-based emissions and is integral to meeting net zero targets. Furthermore, it will support the council in meeting transport decarbonisation objectives set out in the Climate and Nature Strategy.
- 2. Ad-hoc development of EV charging in Harrow to date means an accelerated and effective programme is required to work towards a net zero transport system. Harrow are in the process of supporting residents who already own electric vehicles through new lamp post charging solutions. While lamp columns are currently the preferred type of infrastructure for charging in residential areas, and residential charging provision will remain the mainstay of future charging infrastructure locally and nationally, faster charging provision in other areas such as Town Centres, Council Car Parks and main routes are also crucial in expanding options in Harrow and enabling the progressive electrification of road transport in the borough. This will help commuters and businesses needing to charge more quickly or for longer journeys. The availability of greater numbers of rapid and ultra rapid chargers locally will encourage the uptake of EV ownership in the borough.

Harrow will establish a concession through which one or more private sector charge point operators (CPO) will secure a licence to fund, install and operate EV charging infrastructure on identified sites throughout the Borough. The Concession will include as few as 11 and as many as 50 rapid and ultra rapid charge points rated at 50kW or faster. All EV charge infrastructure within the Concession is to be installed by year-end 2027. The Concession's term, to be proposed by the CPO, will be concurrent with estimated useful life of the installed EV charge infrastructure and should not exceed the time that the CPO could reasonably be expected to take to recoup the investments made in operating the charging points with a return on invested capital taking into account the investments required to achieve the specific contractual objectives. The licensed CPO will operate a retail EV charging infrastructure operation from installed EV charging bearing responsibility for energy procurement, pricing and revenue collection, device maintenance, customer experience and all other operational activities associated with the Project. The licensed CPO will also bear all commercial, technical and regulatory risk for the Project. As remuneration for the licence, the licensed CPO will pay the

Council a monthly fee (the Licence Fee) proposed by the CPO and accepted by the Council.

#### Implications of the Recommendation

#### Resources, costs

This report requests that Cabinet approves proposals to procure and delegates authority to award a contract for the installation and maintenance of rapid and ultra rapid charging infrastructure in Harrow.

The proposed procurement will secure a partner that can meet project deliverables and will enable the installation of between 11 and 50 charge points by 2027.

By undertaking the procurement exercise, Harrow would not obligate itself to enter a contract until a decision to award has been made by the Corporate Director for Place in consultation with the Portfolio Holder for Highways, Infrastructure and Community Safety, and in accordance with the Council's Contract procedure rules.

The proposed commercial model is a concession contract that provides for CPOs to pay all up-front capital costs for installation of the charge points along with ongoing maintenance costs.

#### Ward Councillors' comments

Relevant ward councillors will be informed of any sites to be taken forward within their wards as a result of this procurement and prior to the commencement of any works on site.

#### **Environmental Implications**

The installation of charge points will directly facilitate the decarbonisation of transport in the borough, and over time will also improve air quality and public health outcomes locally.

#### **Risk Management Implications**

Risks included on corporate or directorate risk register? **No** 

Separate risk register in place? Yes

The relevant risks contained in the register are attached/summarised below. **Yes** 

The following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
Project delays - Without Rapid and ultra rapid charging infrastructure there is a risk that the councils transport network will not be able to respond to changes in the environmental, economic, health and social context. In understanding this, it allows the Harrow transport network to evolve in response to this for the benefit of users.	■ Agree to procure, award and roll out a rapid and ultra rapid charge point programme.	Amber
community support/opposition Not rolling out rapid and ultra rapid charging infrastructure in Harrow gives residents, visitors and investors the impression that Harrow does not care about its transport network and might discourage them from wanting to live in, work in and visit Harrow.	Agree to procure, award and roll out a rapid and ultra rapid charge point programme.	Green
Delays in procurement - If the proposed recommendation(s) are not agreed, the expansion of electric vehicle charging on Council owned assets in the borough will not proceed, or be delayed, and wider progress on the LBH Climate and Nature Strategy and EV Strategy slowed	<ul> <li>Agreement to the report's proposed recommendation(s) will mitigate this risk</li> </ul>	Green

Risk Description	Mitigations	RAG Status
No responses to procurement - Council unable to procure a suitable Charge Point Operator and concession agreement.	<ul> <li>Making use of the Oxford City Council DPS as pre- qualified providers have been appointed to the DPS and the DPS contains a concession call-off contract template.</li> </ul>	Green

#### **Procurement Implications**

The procurement strategy to appoint a charge point operator is to use the Oxford City Council Dynamic Purchasing System (DPS). This DPS is an award-winning framework that provides the Council with a compliant route to run a competitive tender. The DPS is an open framework which enables any supplier to join, providing they pass financial and technical vetting. This ensures that the Council has access to a number of market-leading and capable chargepoint operators.

This route to market is compliant with the Procurement Contract Regulations 2015 and provides an opportunity for the Council to select a capable supplier. It will require all tenderers to provide technical and commercial submissions, with all tenders evaluated for both technical and commercial suitability in relation to the Council's requirements. More information can be found in Appendix 1

The evaluation criteria will be split across Quality, Social Value and Commercial using the below proportions.

Quality: 40%

Social Value: 10%Commercial: 50%

As per s.18 Concession Contracts Regulations 2016, the length of this contract has been considered so as to ensure it does not exceed the time that the contractor could reasonably be expected to take to recoup the investment, taking into account a reasonable return on invested capital. The length of this contract is expected to be between 10 and 20 years. This has been deemed appropriate for the substantial capital investment that the contractor will need to provide. The contractor will incur substantial costs during the lifetime of the contract. This includes the provision of 50 rapid or ultra-rapid chargepoints, which will require a full upgrade and installation at least once during the lifetime of the contract. This infrastructure installation and upgrade is estimated to cost approximately £3.75 million. The estimated lifetime for a chargepoint is between seven and ten years. We have estimated the cost of a charge point cabinet (provides two chargers) over the length of the contract to be £70k each, totalling between £3.5m and £5.25m. The contractor is also required by contractual obligation to provide a number of Service Levels,

which cover maintenance and energy management throughout the contractual period. Back Office support for customers will also be provided and covered by the charge point operator. This is required to be available 24 hours a day and available all year round and will incur further costs.

The contract length is line with contract lengths for comparable contracts awarded by other London boroughs and local authorities. The Council will be requiring a revenue share as part of the chargepoint contract for the use of the chargepoints. This is estimated to be between 10 and 20 percent of revenue and this substantial share will lengthen the time required for the contractor to recoup their investment and a reasonable return.

## **Legal Implications**

The Traffic Management Act 2004 places obligations on highway authorities to ensure the expeditious movement of traffic on their road network. Authorities are required to make arrangements as they consider appropriate for planning and carrying out the action to be taken in performing the duty.

Under section 16 of the London Local Authorities and Transport for London Act 2013, the Council has the power to provide and operate, or grant permission to a person to provide and operate, charging apparatus for electric vehicles.

The Council must comply with its Constitution and Contract Procedure Rules (CPRs). A concession arrangement, greater or equal to the financial threshold (£5,372,609) must also comply with The Concession Contracts Regulations 2016 (CCR). The value of the concession is the total turnover of the concessionaire generated over the duration of the contract, inclusive of VAT, as estimated by the Council, in consideration for the works and services and for the supplies incidental to such works and services. If this exceeds the financial threshold of £5,372,609 the CCR will apply.

Legal is satisfied that the Council can lawfully access the Oxford City Council DPS as it is open to all UK public sector bodies including local authorities and the Council has signed the relevant Access Agreement enabling the Council to use the DPS, providing that the Council complies with the rules of the DPS. The DPS currently expires on 30th August 2025 (subject to extension or reprocurement).

As the estimated value of the procurement meets or exceeds £500,000, approval to procure must be obtained by way of a Cabinet Report and a Cabinet decision must be obtained prior to any tender activity commencing, as required under the Council's CPRs (Table 1 Authorisation and Acceptance Thresholds).

## **Financial Implications**

Soft market testing has indicated that the market will be able to fully fund the installation costs of new rapid and ultra rapid charge points in exchange for a licence of a defined term of years (typically 10-20) of particular sites. This enables the operator to have surety of operation for sufficient time to recoup its operational investment and make a return. In addition, a licence fee and / or profit share arrangements would yield a return to the council. The commercial terms offered will be tested at tender stage and form part of the tender evaluation.

In the current Medium Term Financial Strategy (MTFS), there is a target of £300k to be achieved over 2 years (2024/25 and 2025/26) from EV charging Points. The resulting savings from this procurement will be expected to meet this MTFS target.

## **Equalities implications / Public Sector Equality Duty**

A draft Equalities Impact Assessment (EQIA) has been prepared for the longterm Transport Strategy, which considers the impact of transport and future changes (including the electrification of vehicles) upon those with protected characteristics, and has therefore informed the development of the EV Strategy. The elderly, disabled and those who are pregnant are currently more reliant upon vehicular transport than the population at large, and this will remain the case over coming years. Whilst the provision of a comprehensive electric vehicle charging network will benefit Harrow residents with or without those protected characteristics, it will benefit these groups to a greater degree, for whom non-vehicular methods of transport are not easily accessible. Similarly, a failure to provide adequate electrical vehicle charging infrastructure within Harrow will (as fossil fuel vehicles become more expensive and less common over time) disproportionately affect them. The draft EQIA will be kept under review and updated as necessary in light of consultation feedback relating to the long-term transport strategy. In the context of the rapid and ultra rapid charge points to be procured, accessibility considerations for the mobility impaired will be considered at the design stage.

## **Council Priorities**

The expansion of EV charging provision aims to deliver a lower carbon borough. It will help deliver the Council's overall vision of Restoring Pride in Harrow by realising the opportunities of new jobs and investment in Electric Vehicles and associated infrastructure, improved health and air quality and a more pleasant, thriving environment for local people.

The increase in public charging helps to put residents first by delivering much needed infrastructure to enable greater levels of green mobility in Harrow and contributes to a borough that is clean and safe.

## **Section 3 - Statutory Officer Clearance**

**Statutory Officer: Comie Campbell**Signed on behalf of the Chief Financial Officer

Date: 26 January 2024

**Statutory Officer: Mellissa Trichard** Signed on behalf of the Monitoring Officer

Date: 26 January 2024

**Chief Officer: Dipti Patel**Signed off by the Corporate Director

Date: 26 January2024

**Head of Procurement: Matthew Hazelton** Signed on \*behalf of the Head of Procurement

Date: 18 January 2024

**Internal Audit: Neale Burns** 

Signed on behalf of the Head of Internal Audit

Date: 19 January 2024

Has the Portfolio Holder(s) been consulted? Yes

## **Mandatory Checks**

Ward Councillors notified: NO, as it impacts on all Wards

**EqIA** carried out: YES

EqIA cleared by: No (part of the Long Term Transport Strategy

EQIA)

# Section 4 - Contact Details and Background Papers

**Contact: Mehmet Mazhar, Head of Traffic, Highways and Asset** 

Management

**Tel**: 07549629678

Email: Mehmet.mazhar@harrow.gov.uk

Background Papers: None Call-in waived by the Chair of

**Overview and Scrutiny Committee: No** 





## Harrow Rapid/Ultra Rapid Chargepoint Procurement – Evaluation Methodology and KPI's

#### **Key Performance Indicators**

The Operator's licence to provide EV charging services will be subject to their compliance with key performance indicators to be set by LBH. Such KPI will generally include:

- Compliance with the agreed installation schedule
- Charging station uptime 99% on Rapids (as per the regulations)
- Service and maintenance in line with defined service standards real-time status updates to customers and a 24-hour phone line with maximum wait time of 10 minutes
- Resolution of device faults within specified parameters
- Maintenance of tariffs within guidelines and
- Other issues.

Quarterly performance meetings will be held, and the contract will be scored on an annual basis. Performance against these KPIs will be monitored and used to inform a decision on the continued performance of the Operator and contract extension.

#### **Tender Evaluation Approach**

Any Contract awarded as a result of this procurement will be awarded on the basis of value for money, quality, capacity to deliver and the extent it addresses identified need. Tenderers are required to submit a Tender strictly in accordance with the requirements set out in this document to ensure Harrow has the correct information to make the evaluation. Evasive, unclear or hedged Tenders may be discounted in evaluation and may, at the Council's discretion, be taken as a rejection by the Tenderer of the terms set out in document. The evaluation criteria and the maximum scores attributable to each question is set out below.

#### 1. Procurement Evaluation Criteria

The weighting for this tender is as follows:

Quality: 40%Social Value: 10%

Commercial Response: 50%







Report for: Cabinet

Date of Meeting: 15 February 2024

Subject: Disposal of a freehold council interest:

Vernon Lodge, 654, Kenton Lane, Harrow,

Middlesex, HA3 7LH

**Key Decision:** Yes

**Responsible Officer:** Dipti Patel – Corporate Director Place

Portfolio Holder: Cllr Norman Stevenson - Portfolio Holder for

Business, Employment & Property; Cllr David Ashton - Portfolio Holder for

Finance & Human Resources.

**Exempt:**Public with exempt Appendix 1 in that it

contains exempt information by virtue of Paragraph 3 of Schedule 12A to the Local Government Act 1972 as it contains

information relating to the financial or

business affairs of the Council
Yes

**Decision subject to** 

Call-in:

Wards affected: Belmont

**Enclosures:** Appendix 1 (exempt)

## **Section 1 – Summary and Recommendations**

 This report recommends the sale of the freehold interest at Vernon Lodge, 654, Kenton Lane, Harrow, Middlesex, HA3 7LH ("the property")

The property is vacant and has been identified as being surplus to the Council's service needs. The costs of bringing the property back into use is significant. It is no longer economically viable and there is no alternative use identified at a lesser cost. Following a formal appropriation to the General Fund, the proceeds from the sale of this property will contribute to the capital receipt requirement in the three year Medium Term Financial Strategy (MTFS) and Capital Programme. A full open marketing exercise will be undertaken to ensure best value is achieved and the council complies with its fiduciary duties.

#### Recommendations:

Cabinet is requested to:

- 1. Give authority to appropriate the property from the Housing Revenue Account (HRA) to the General Fund (GF), seeking all necessary consents as required.
- 2. Declare that the property is surplus to the Council's requirements.
- 3. Delegate authority to the Corporate Director of Place, following consultation with the Portfolio Holder for Business, Employment & Property, to market the property, negotiate terms and approve the final terms of the disposal, and to enter into the contract and any associated documentation in connection with the disposal, subject to the sale of being on the basis of best consideration reasonably obtainable.
- 4. Delegate authority to the Corporate Director of Place, following consultation with the Portfolio Holder for Business, Employment & Property, to procure specialist agent or agents to market the property where required.

**Reason:** The appropriation of the property from the Housing and Revenue Account to the General Fund is recommended as the property is no longer used for housing purposes. Following on from this disposal of the property is recommended as the property is deemed surplus to the Council's service needs. The sale will reduce the ongoing revenue cost burden as well as providing a capital receipt.

## **Section 2 - Report**

## 1. Introductory paragraph

- 1.1 The new Corporate Property Strategy (approved at Cabinet in July 2023) provides much needed strategic direction, providing a platform for decision making, both to retain buildings, and when required, to release buildings through a targeted disposal programme. The Council needs to modernise its buildings to ensure they are fit for purpose and energy efficient. We cannot afford to invest in all our buildings and we will need to reduce the size of our estate, ensuring we retain buildings in the right locations, which are efficient to run, to deliver crucial services to residents. To achieve this, we will release costly and inefficient buildings and use the savings and receipts to reduce the burden of our tax payers and invest in our existing estate.
- 1.2 In identifying a first set of potential disposals, priority has been given to:
  - Vacant, non-income producing assets
  - Assets which have the potential for more intensive use/redevelopment through the planning system, and therefore the recycling of capital receipts from sales of underperforming assets into existing but better performing assets.

#### 2. Ward Councillors' comments

Ward Councillors are supportive.

## 3. Options considered

Option 1: Do Nothing.

The property is currently vacant and will continue to deteriorate. In addition, the Council is incurring holding costs in terms of security, outgoings and the opportunity cost.

Option 2: Direct delivery of housing by LB Harrow

This option has been considered but ruled out: The Council is bringing forward new housing through its partnership with Wates Residential via the HSDP. There is no identified funding source or capacity to deliver a medium-sized scheme in this location. Similarly, the Council has no other plans or budget for direct delivery of a school (too small) or other uses at this site.

Option 3: Refurbish and utilise for service delivery

This former hostel was used as emergency accommodation for homeless households which became unsuitable for use during the pandemic and has now been vacant for at least three years. It is in a dilapidated condition and is the subject of frequently fly tipping, graffiti and other anti-social behaviour.

Housing Services have concluded that the location is less suitable for a homeless hostel and a previous planning application to redevelop it for emergency accommodation was withdrawn. The Council has no emergency accommodation within its ownership in Harrow and relies on using privately owned nightly paid accommodation. However, other sites, within the Council's ownership, are better suited for this and are being actively considered.

Option 4: Apply for planning permission for a particular use prior to sale. This has been ruled out because although it would help clarify potential planning issues, it would be resource intensive and generate considerable costs. The Council cannot influence what is to be built as landowner (that is for the planning system) and, moreover, any new owner would not be obliged to carry out the approved scheme and could apply for a new permission.

#### Option 5: Dispose on the open market

Sell the property on the open market through informal tender, with the benefit of a planning brief which would provide guidance on acceptable potential future uses of the site, as well as the appropriate scale and massing of any development. The Council will procure marketing advice from property agent(s) to ensure the site is sold in the most appropriate way for the market and planning conditions, and type of asset. Following an appropriation of the property from the Housing Revenue Account to the General Fund, the proceeds from the sale will contribute to the capital receipt identified in the MTFS for 24/25. Proceeding with this option will form a vital part of the future capital investment in the borough including reinvesting the capital proceeds in new, fit for purpose accommodation. This is considered the most costeffective approach and is the recommended option. The agents will provide their view of the selling price, and as the campaign will be open and widely targeted, so there is no practical need to undertake a valuation prior because the bids will demonstrate the market value of the property. Overage will be included in the marketing particulars to ensure the Council has the benefit of potential future uplift in values.

Whilst Option 5 is recommended, this is on the basis that a sale represents the best consideration reasonably obtainable.

## 4. Risks

Risks included on corporate or directorate risk register? **No** 

Separate risk register in place? No

The relevant risks contained in the register are attached/summarised below. **Yes** 

The following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
If the recommendation(s) of the report are not agreed, anticipated revenue savings and capital receipts (to be reinvested in the Council's estate) that are identified for the MTFS for 24/25 would not materialise	<ul> <li>Agreement to the report's proposed recommendation(s) will mitigate this risk</li> </ul>	GREEN
Sale will not complete due to proposed buyer failing to proceed with the purchase.	<ul> <li>Undertaking due diligence on the buyer prior to seeking authority to dispose and ensuring that provisional Heads of Terms are agreed.</li> <li>Maintaining competitive tension throughout and/or securing buyer 'tie-in' through non-refundable deposits etc.</li> </ul>	AMBER
Reduction in receipts owing to a downturn in market conditions/values	<ul> <li>Acceleration of the programme so that where anticipated receipts are significantly below expectations, alternative options are considered</li> </ul>	AMBER
Delay in a disposal owing to an unforeseen serious defect with the asset or title such that it cannot be resolved within the financial period.	<ul> <li>Commence pre-marketing due-diligence, including legal searches as soon as possible.</li> </ul>	AMBER

## 5. Procurement Implications

5.1 The disposal programme will largely be delivered by existing Council resources in Corporate Estates, working closely with Legal and Finance. However, some activities will need to be provided by external property consultants including the preparation of due diligence and marketing packs in order to meet the desired timescale. Any external property consultants will be procured in accordance with the Council's Contract Procedure Rules.

## 6. Legal Implications

6.1 In contemplation of the Council's ability to appropriate the property from the Housing Revenue Account (where it is currently held) to the General Fund, the Council has the power to do this pursuant to section 122 Local

Government Act 1972 ("Section 122"). Section 122 states that a Council may appropriate for any purpose for which the Council is authorised, any land which belongs to the Council and is no longer required for the purpose for which it is held immediately before the appropriation, subject to the requirement to obtain Secretary of State consent (if required). As the property is no longer considered appropriate for housing purposes, the Council may exercise its power under section 122 Local Government Act 1972.

With regard to subsequent disposal of the property, pursuant to Section123 of the Local Government Act 1972 the Council has the power to dispose of land in any manner it wishes, subject to certain provisions. The Council has the statutory duty to obtain the best price reasonably obtainable subject to certain exemptions.

- obtainable in any particular case depends entirely on the facts of the transaction. Case law has determined that whilst there is no absolute requirement to market the land or obtain an independent valuation, if valuation evidence is obtained, it should be up to date and that there should not have been any material and significant changes in circumstances since it was obtained. In addition, obtaining proper professional advice throughout the process on how to maximise its receipts is a material consideration and the Council should limit itself to taking account of those elements of a transaction which are of commercial or monetary value and should disregard irrelevant factors such as "job creation" when assessing whether it is obtaining the best consideration reasonably obtainable. The deliverability or credibility of a bid are commercial factors which are relevant to an assessment.
- 6.3 A report on title will be commissioned to ascertain whether there are any impediments to the disposal of the asset.
- 6.4 If it is intended for the property to be developed and the Council disposes of the freehold, it will no longer have control over its use as land owner. Any future development will be subject to planning permission, as required. An overage clause would likely be appropriate in the sale contract. Overage is a means by which a seller can receive additional funds after the sale has been completed if an agreed event takes place, for instance the value of the property increases within a set period of time.

## 7. Financial Implications

7.1 The appropriation of a housing asset from the HRA to the general funds would require the debt financing costs to be transferred as well. Vernon lodge hostel debt financing costs have always been charged to the general fund and the property has never been included within the Councils HRA stock records. This means there are no debt financing charges to be transferred to the general fund. The HRA land the hostel resides on will also be transferred to the general fund.

The MTFS assumes revenue savings from the application of capital receipts to fund the Capital Programme as well as transformational costs under Capital Receipts Flexibility Scheme. These are summarised in the table below.

	2023/24	2024/25	2025/26
	£'000	£'000	£'000
Applying capital receipts to fund the Capital Programme	-1,700	-1,300	-1,300
Capital Receipts Flexibilities	-1,250	0	1,250

- 7.2 The Council is currently holding a number of accrued capital receipts (£4.5m) and will receive a further sum estimated at £15.4m from the sale of properties at Leefe Robinson Mews (formerly known as Haslam House) and Pinnora Mews (formerly known as Waxwell Lane Car Park) together with the potential proceeds from the two approved disposals pursuant to the July 2023 Cabinet decision. The capital receipts in hand and those due will be used to fund short life assets in the Capital Programme and will realise revenue savings against the capital financing budget over the three years of the MTFS.
- 7.3 In 2016 the government announced the Capital Receipts Flexibility Scheme to support local authorities to deliver more efficient and sustainable services by allowing them to spend up to 100% of their fixed assets receipts on the revenue costs of reform projects. The flexibility has been extended on numerous occasions and is currently in place until 31 March 2025.
- 7.4 The 2024/25 Budget and MTFS to 2026/27 assumes that the cost of Regeneration Team of £1.250m is funded under the Scheme for both 2024/25 and 2025/26, because the nature of this spend meets the capital flexibility criteria. This sum is re-instated in 2026/27.. Therefore, the first call on the capital receipts generated through this report will be used to support this.
- 7.5 The property is currently vacant, so there is no loss of rental income from the disposal. The proposed disposal will also reduce the on-going revenue cost burden in General Fund including security costs. Since 2020, the Facilities Management team has spent £26k on maintaining and securing the building.

## 8. Equalities implications / Public Sector Equality Duty

8.1 The property will be openly marketed. All opportunities to promote equality are addressed through an open marketing process (e.g. signboards, information on the LB Harrow website, agents' websites etc). Moreover, the proceeds will be reinvested in the Council's capital programme which includes programmes and schemes which will improve the prospects for people across the Borough. Whilst the site was historically used for specific service users, the property is not considered suitable for continued use and it is considered that it would be better both financially and practicable to sell the asset and invest in other buildings or uses.

## 9. Council Priorities

## A place where those in need are supported

Sales receipts will contribute to our capital programme which will help create better spaces for our most vulnerable residents.

## **Section 3 - Statutory Officer Clearance**

**Statutory Officer: Sharon Daniels** 

Signed by the Interim Chief Financial Officer

Date: 12 January 2024

**Statutory Officer: Amanpreet Lally** Signed on behalf of the Monitoring Officer

Date: 12 January 2024

Chief Officer: Dipti Patel
Signed by the Corporate Director

Date: 13 January 2024

**Head of Procurement: Nimesh Mehta**Signed by the Head of Procurement

Date: 12 January 2024

**Head of Internal Audit: Neale Burns** 

Signed on behalf of the Interim Head of Internal Audit

Date: 12 January 2024

## Has the Portfolio Holder(s) been consulted? Yes

## **Mandatory Checks**

Ward Councillors notified: Yes

**EqIA** carried out: No

As the property will be openly marketed, this minimises any potential for discrimination or negative impact and all opportunities to promote equality are addressed through an open marketing process (e.g. signboards, information on the website, agents etc.).

## Section 4 - Contact Details and Background Papers

Contact: Sophie Linton, Estates Manager,

Sophie.linton@harrow.gov.uk

Background Papers: none

Call-in waived by the Chair of Overview and Scrutiny Committee **No** 





REPORT FOR: CABINET

Date of Meeting: 15 February 2024

**Subject:** Final Capital Programme 2024/25 to

2026/27

**Key Decision:** Yes

Responsible Officer: Sharon Daniels, Interim Director of Finance

and Assurance

Portfolio Holder: Councillor David Ashton - Portfolio Holder

for Finance and Human Resources

Exempt: No

**Decision subject to** 

Call-in:

Yes

Wards affected:

**Enclosures:** Appendix 1 – Proposed Capital Programme

2024/25 to 2026/27 (including new additions

in Appendix 2)

Appendix 2 – Additions to the Capital

Programme

## **Section 1 – Summary and Recommendations**

This report sets out proposals for the capital programme for the financial years 2024/25 to 2026/27.

#### Recommendations:

Cabinet is requested to:

1. Note the Capital Programme, as detailed within Appendix 1, and recommend it to Council for approval.

**Reason (for recommendations):** To enable the Council to have an approved Capital Programme for 2024/25 to 2026/27.

## **Section 2 – Report**

#### **Capital Programme 2024/25 to 2026/27**

1. This report sets out the Council's proposals for capital investment over the financial years 2024/25 to 2026/27, which provide significant investment in the General Fund and Housing Revenue Account (HRA). The focus of this report and the implications relate to the General Fund as the HRA has already been covered in a separate report at the Cabinet meeting in January 2024. The HRA Capital Budgets are included in Appendix 1 for completeness.

## **Development of the Capital Programme**

- 2. The Capital Programme agreed at Cabinet and Council in February 2023 included provision for capital proposals for 2023/24 to 2025/26. Although it is the intention to maintain a 3-year Capital Programme, it is considered that the 3<sup>rd</sup> year of the Programme, in this case 2026/27, is too far ahead for any detailed investment proposals to be developed in order to provide accurate capital budget estimates. In addition, the capital financing costs arising from 2026/27 capital proposals will not be incurred until 2027/28 which falls outside the period of the 2024/25 Medium Term Financial Strategy (MTFS).
- 3. As detailed in the Draft Capital Programme 2024/25 to 2026/27 report (December 2023 Cabinet), a review was undertaken on the existing Capital Programme and the outcome of which was used to refresh the programme by re-profiling existing budgets where applicable into 2026/27 to form a 3-year Capital Programme in the MTFS. Any new capital allocation for 2026/27 will form part of the 2025/26 budget and MTFS process. The review has also identified a reduction of £2.1m in the existing Capital Programme (£1.65m in 2023/24 and £450k in 2024/25 to 2025/26).
- 4. Since the preparation of the Draft Capital Programme 2024/25 to 2026/27 report, new capital proposals have been developed and therefore will be included in the Final Capital Programme. These are detailed in a separate section in this report. Appendix 2 sets out all new capital proposals being added to the programme over and above that agreed by Cabinet in February 2023.

- 5. The criteria used for the inclusion of new capital bids remain unchanged from previous years which is for capital to be contained within the following categories.
  - a. Life and Limb/Health and Safety
  - b. Statutory Requirement/legislation
  - c. Schemes fully funded by external sources
  - d. Invest to Save Schemes (the capital expenditure must generate a revenue stream to cover the capital financing costs and make a savings contribution)
- 6. In addition, with the approval of the Council's Corporate Plan, capital investment in the borough aims to support the delivery of our priorities to residents and businesses. The Corporate Plan includes a number of flagship actions, many of which will be supported by the investment in the Final Capital Programme.
  - a. A council that puts residents first
    - Investment in IT to deliver organisational efficiencies and improvements in residents experience on IT channels.
    - Investment in Regeneration Programme to deliver new homes including affordable ones as part of the Harrow Strategic Development Partnership.
  - b. A borough that is clean and safe
    - Investment in parks infrastructure to achieve Green Flag status on further parks and open spaces, to enhance biodiversity and to deliver flood defence and water quality schemes.
    - Investment in highways, street lighting and transport to improve our road and cycling network.
    - Investment in Housing retrofit decarbonisation programme to improve energy efficiencies of our council homes.
  - c. A place where those in need are supported
    - Investment in Property Acquisition Programme to provide better housing for homelessness.

## **Cost of the Capital Programme**

- 7. The Capital Programme can be funded from a variety of funding sources. Where the Capital Programme is funded from capital grants, external partnership funding, Borough Community Infrastructure Levy (BCIL), S106 funding (developer contributions) and revenue funding such as reserves, this will not attract any form of capital financing cost and has no impact on the revenue budget. Schemes funded from borrowing will attract a capital financing cost and therefore a direct impact on the revenue budget.
- 8. Although there are no specific limits to borrowing in order to fund capital expenditure, the Council must be prudent when considering the revenue implications in the context of the overall revenue budget commitments in the medium term, and the Capital Programme must be affordable.

9. Table 1 shows the revised capital financing cost budgets that are factored into the MTFS from 2024/25 to 2026/27 in relation to the Capital Programme that is to be agreed in February 2024 and it shows what proportion of the 2024/25 net revenue budget of £202.6m is made up of Capital Financing costs.

Table 1 - Capital Financing Costs as % of the Net Revenue Budget for 2024/25 of £202.6m

101 2027/20 01 220	/ <b>L</b> .UIII	
	Capital Financing Costs	Capital financing costs as % of 2024/25 Net
	• • • • • • • • • • • • • • • • • • • •	Budget
	£m	%
2024/25	33.1	16.3%
2025/26	34.1	16.8%
2026/27	36.0	17.8%

- 10. The capital financing cost of the Capital Programme 2024/25 to 2026/27 (**to be agreed at Council in February 2024**) is £33.1m in 2024/25 and then increases to £36.0m by 2026/27. These figures include the cost of historic capital programmes.
- 11. The figures in Table 1 will also include capital financing costs which relate to projects put into the programme to generate enough revenue to cover their capital financing costs and therefore are cost neutral and do not impact on the revenue budget as a direct cost. If these costs were removed from the figures in Table 1, it would reduce the overall percentage figure. However, for prudence the figures are included on the basis that the requirement on borrowing is definite but the requirement to generate revenue is not guaranteed.

#### Capital proposals put forward 2024/25 to 2026/27

12. The total proposed Capital Programme for 2024/25 to 2026/27 is detailed in Appendix 1 and summarised in Table 2. The additions to the Programme, which are over and above what was in the existing Capital Programme (agreed February 2023) are detailed in Appendix 2.

Table 2 – Total Capital Programme 2024/25 to 2026/27

		2024/25			2025/26			2026/27			Total	
Project Title	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000
Total Resources Directorate	2,300	0	2,300	2,300	0	2,300	0	0	0	4,600	0	4,600
Total Schools Total People's Directorate	2,700 2,700	2,700 2,700	0	9,071 9,071	9,071 9,071	0	0	0	0	11,771 11,771	11,771 11,771	0
Total Environment Total Inclusive Economy,	9,866	2,141	7,725 163	14,152 366	2,641	11,511		0	214	,	4,782 144	19,450 559
Leisure & Culture Total Regeneration & Development	1,925	1,925	0		1,900	650		0	650		3,825	1,300
Total Housing General Fund	11,655	1,722	9,933	12,528	1,722	10,806	0	0	0	24,182	3,443	20,739
Total Place Directorate	23,753	5,932	17,821	29,596	6,263	23,333	894	0	894	54,242	12,194	42,048
Total General Fund	28,753	8,632	20,121	40,967	15,334	25,633	894	0	894	70,613	23,965	46,648
Total Housing Revenue Account	20,524	16,091	4,433	47,206	25,393	21,813	62,181	18,412	43,769	129,911	59,896	70,015
Total General Fund & HRA	49,277	24,723	24,554	88,173	40,727	47,447	63,075	18,412	44,663	200,524	83,861	116,663

13. The gross value of the General Fund proposed Capital Programme for 2024/25 to 2026/27 as detailed in Appendix 1 and summarised in Table 2 is £70.613m. Of the total cost, £23.965m is funded by external sources such as grants as well as internal sources such as the Borough Community Infrastructure Levy (BCIL). This leaves a net cost of £46.648m. The net cost figure is the element of the Programme which requires financing from borrowing.

## Change to the original Capital Programme agreed in February 2023

14. Overall, the net increase in the Programme in relation to new proposals is £20.619m as detailed in Appendix 2 and summarised in Table 3. The total of capital proposals across the 3-year period amounts to £23.319m, of which £2.700m can be funded from external grants, which leaves a net figure £20.619m which would require funding from borrowing.

Table 3 – New Capital Proposals for 2024/25 to 2026/27

		2024/25			2025/26			2026/27			Total	
Project Title	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000		Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000
People's Directorate:												
Total Schools	2,700		0		-			-	0	-,,,,,,		0
Total People's Directorate	2,700	2,700	0	0	0	0	0	0	0	2,700	2,700	0
Total Housing General Fund	9,873	0	9,873	10,746	0	10,746	0	0	0	20,619	0	20,619
Total Place Directorate	9,873		9,873			· ·		0	0		0	20,619
Total General Fund	12,573	2,700	9,873	10,746	0	10,746	0	0	0	23,319	2,700	20,619
Housing Revenue Account :												
Planned investment												
Main Programme	3,602		3,602	3,602		3,602	3,472		3,472	10,676	0	10,676
Decarbonisation-Retrofit	2,630	2,630	0	3,050	3,050	0	3,050	3,050	0	8,730	8,730	0
Aids & Adaptations												
Total Planned Investment	6,232	2,630	3,602	6,652	3,050	3,602	6,522	3,050	3,472	19,406	8,730	10,676
Grange Farm Infrastructure and Costs	75		75	0		0	0		0	75	0	75
Total Housing Revenue Account	6,307	2,630	3,677	6,652	3,050	3,602	6,522	3,050	3,472	19,481	8,730	10,751
Total General Fund & HRA	18,880	5,330	13,550	17,398	3,050	14,348	6,522	3,050	3,472	42,800	11,430	31,370

- 15. The new proposals are profiled across 2024/25 and 2025/26, as £12.573m and £10.746m respectively.
- 16. The new capital proposals are summarised below.

## Property Acquisition Programme PAP (Housing General Fund) £20.619m

The Council has previously delivered the PAP to help alleviate the budget pressure on temporary accommodation. Since 2015, around 170 properties have been bought within and near Harrow to house homeless families.

It is proposed to extend the PAP to purchase further 50 properties. Total capital costs are estimated at £20.619m (£9.873m in 2024/25 and £10.746m in 2025/26). The capital financing costs of this investment are assumed to be met from savings in the temporary accommodation budget, resulting in a cost neutral position.

At the time of this report, external grants are being explored to part fund this project. The outcome of funding applications is not yet known. The authority to commence this project will be subject to a further cabinet report confirming any grant funding towards the project costs and an updated financial model to reflect that.

#### Schools Condition Allocation (SCA) £2.700m

The SCA capital grant is provided by the Department for Education to help local authorities maintain and improve the condition of maintained school buildings and grounds. Funding is announced annually, and is usually

notified in late February or early March prior to the start of the new financial year. In 2023-24 the grant is £2.700m, therefore it is proposed to add an additional £2.700m to the 2024-25 Capital Programme in order that maintenance to buildings is not impacted. The final grant allocation will be reported to Cabinet in the new financial year and the Capital Programme will be updated.

As the capital cost is fully funded from external grant, the project will not increase capital financing costs.

17. Table 4 sets out the changes between the existing Capital Programme (which covers the period 2024/25 to 2025/26) and the proposed programme which extends a further year to 2026/27. The reconciliation below shows that there is a net increase of £20.169m between the 2 Programmes which is the total of the additions in Appendix 2 (£20.619m) minus the capital saving (£450k) arising from the review of the existing Capital Programme undertaken during the financial year. There has also been some movement between years where some existing capital projects have been realigned between financial years to better reflect when the spend will take place.

Table 4 - Changes to the Capital Programme between February 2023 and February 2024

		2024/25			20225/26	5		2026/2	7	20	24/25 to 20	26/27
	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowin g £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Original General Fund Capital Programme agreed by Cabinet in February 2023	28,767	15,253	13,514	18,978	6,013	12,965				47,744	21,265	26,479
Total General Fund Capital Programme to be agreed by Cabinet in February 2024	28,753	8,632	20,121	40,967	15,334	25,633	894	0	894	70,613	23,965	46,648
Movement between 2023 and 2024 Programmes	-14	-6,621	6,607	21,989	9,321	12,668	894	0	894	22,869	2,700	20,169
Analysis of the Movement												
New Capital Proposals from Appendix 2	12,573	2,700	9,873	10,746	0	10,746	0	0	0	23,319	2,700	20,619
Capital Programme Review:												
Realignment of IT projects	250		250	-700		-700			0	-450	0	-450
Realignment of Schools Expansion Programme	-9,071	-9,071	0	9,071	9,071	0			0	0	0	0
Realignment of cremators at Breakspear Crematorium	-700		-700	700		700			0	0	0	0
Realignment of Climate Emergency energy emissions schemes	-250	-250	0	250	250	0			0	0	0	0
Realignment of Vehicle Procurement	-2,086		-2,086	1,872		1,872	214		214	0	0	0
Realignment of Libraries & Leisure capital	-20		-20	-10		-10	30		30	0	0	0
Realignment of High Priority Plan Maintenance	-650		-650	0		0	650		650	0	0	0
Realignment of Empty Property Grant	-60		-60	60		60			0	0	0	0
Total Movement	-14	-6,621	6,607	21,989	9,321	12,668	894	0	894	22,869	2,700	20,169

#### New Capital proposals and the impact on the Revenue Budget

18. The new capital proposals in Appendix 2 of £23.619m are funded by borrowing as well as other sources (government grants).

- 19. The projects funded by other sources (excluding borrowing) amount to £2.700m as follows:
  - Schools Condition Allocation £2.700m Govt grant
- 20. The remaining new project to be funded from borrowing totals £20.619m.
  - Property Acquisition Programme (PAP) £20.619m
- 21. The additional capital financing cost associated with the proposed Capital Programme is £543k in 2025/26, increasing to £1.134m in 2026/27. As the PAP is an invest to save initiative, the capital financing cost is assumed to be funded from revenue savings on the temporary accommodation budget. Therefore this will not increase the net revenue budget requirement. A saving target of the equivalent amount has been included in the MTFS to reflect cost neutrality.

Table 5 – Additional Capital Financing Costs of the Proposed Capital Programme and funding source

	202/26	2026/27	Total
	£'000	£'000	£'000
MRP	197	215	412
Interest	346	376	722
Total Capital Financing Costs	543	591	1,134
Funded from:			
Temporary accommodation budget saving in the MTFS	-543	-591	-1,134

## Community Infrastructure Levy (CIL) Funding

- 22. The Community Infrastructure Levy (CIL) enables the council to raise funds for infrastructure from new development. It is levied on the net increase in floor space arising from new developments and is paid when that development starts. The Community Infrastructure Levy (CIL) is a tool for local authorities to support the development of their area by funding the provision, improvement, replacement, operation or maintenance of infrastructure. The focus of CIL is on the delivery of new infrastructure to meet and mitigate the impacts of new development in an area.
- 23.CIL receipts can be used to fund a wide range of infrastructure including transport, schools, health and social care facilities, libraries, play areas, green spaces and sports facilities.
- 24. Of all CIL monies collected, 85% is used to fund strategic borough wide infrastructure projects, which includes a 5% allowance to cover the administrative costs of CIL. The decisions on where to spend CIL at a borough-wide level is determined by the Council. The remaining 15% is allocated to Neighbourhood CIL (NCIL) and must be spent on projects that have taken account of the views of the communities in which the income was

- generated, and these projects (capital and revenue) should support the development of the area.
- 25. In 2017, the principle was adopted by the Major Development Panel (14<sup>th</sup> November 2017) and Cabinet (7<sup>th</sup> December 2017) that the allocation of Borough and Neighbourhood CIL is included as part of the Annual Budget Setting process and included in the Capital Programme report which goes to Cabinet in draft (in December each year) and in its final version in February (this report). In agreeing the Borough CIL allocations process, Cabinet also indicated that this should be informed by the Harrow Local Plan, Infrastructure Delivery Plan (IDP), corporate priorities and external funding opportunities.
- 26. In this regard, a new Local Plan is currently being prepared and this will be informed by an updated IDP (due mid-2024). The IDP will provide an up to date assessment of infrastructure required to support the development envisaged in the new Local Plan, including the increased housing targets set by the London Plan. In this context, it is considered prudent not to fully allocate current BCIL balances / anticipated receipts as the forthcoming IDP may identify infrastructure needs that would benefit from BCIL to ensure timely provision.
- 27. In terms of the Neighbourhood element of CIL (NCIL) a review of the process was undertaken during 2022/23, and the outcomes and recommendations were presented to Cabinet in February 2023. A new process of NCIL allocation and project delivery is now in place.
- 28. The Borough CIL element is used to fund the core Capital Programme where projects relate to infrastructure to support development in accordance with CIL Regulations. Schemes in the Capital Programme that have been funded by BCIL between 2017/18 to 2022/23 are set out in Table 6 and total £18.176m. Of this total, £2.076m of schemes remain outstanding as at 31st March 2023 and this sum has been carried forward as a commitment for 2023/24 and included in Table 8. Therefore, for the period covering 2017/18 to 2022/23, BCIL of £16.100m has been used to fund the Capital Programme.

Table 6 – Schemes funded from BCIL up to 2022/23

Financial year	Description	BCIL	17/18 Actual Exp	18/19 Actual Exp	19/20 Actual Exp	20/21 Actual Exp	21/22 Actual Exp	22/23 Actual Exp	Outstanding commitment
2017/18	Highway projects	4,800,000	4,800,000						0
2018/19	Headstone Manor (Parks for People)	300,000		51,293	233,081	15,626			0
2018/19	Rayners Lane Triangle project	40,000		40,000					0
2018/19	Parks Infrastructure (Playground replacement)	545,000		219,138	325,862				0
2019/20	Parks Infrastructure (Playground replacement)	350,000			227,458	122,542			0
2019/20	Harrow Arts Centre - refurbishment & new build	1,150,000			71,737	841,490	26,978		209,795
2019/20	Flood Defence	300,000			300,000				0
2019/20	Highway Drainage	200,000			199,999				1
2019/20	Green Grid	75,000			39,761	35,239			0
2019/20	New Town Centre Library	2,090,000			1,569,662	520,338			0
2020/21	Headstone Manor (Flood alleviation scheme)	500,000				30,574	469,426		0
2020/21	Parks Infrastructure (Playground replacement)	250,000				204,329			45,671
2020/21	Harrow Arts Centre - refurbishment & new build	599,000						599,000	0
2020/21	Harrow Arts Centre Capital Infrastructure	300,000				266,212	11,201	22,587	0
2020/21	Flood Defence	300,000				300,000			0
2020/21	Highway Drainage	200,000				149,607	38,067	12,326	0
2020/21	Green Grid	150,000				150,000			0
2020/21	High Street Fund	250,000				152,733	97,267		0
2021/22	Green Grid	150,000					130,270	19,697	33
2021/22	Flood Defence and Highway Drainage	500,000					414,953	12,410	72,637
2021/22	High Street Fund	1,300,000					568,199	731,801	0
2021/22	Wealdstone Major Transport Infrastructure projects - Bus Improvement	900,000						666,039	233,961
2021/22	Harrow Arts Centre - refurbishment & new build	1,177,000						749,885	427,115
2022/23	Green Grid	150,000						149,999	1
2022/23	Flood Defence & Highway Drainage	500,000						428,584	71,416
2022/23	High Street Fund	1,100,000						84,546	1,015,454
Total		18,176,000	4,800,000	310,431	2,967,560	2,788,690	1,756,361	3,476,874	2,076,084

29. Table 7 sets out the balance of CIL funding remaining as at 31<sup>st</sup> March 2023, plus CIL received in 2023/24 to 10<sup>th</sup> January 2024, which shows that £9.967m of BCIL and £3.063m of NCIL is available to fund projects in Table 8, from 2023/24 onwards.

Table 7 - CIL Funding available as at 10 January 2024

	BCIL	NCIL	Total
	£'000	£'000	£'000
Balance as at 31.3.2023	7,650	2,672	10,322
2023/24 Receipts (up to 10.01.2024)	2,317	391	2,708
Total Balance (up to 10.01.2024)	9,967	3,063	13,030

30. The projects in the Capital Programme covering the period 20223/24 to 2026/27, to be funded from BCIL totals £6.471m. In addition, there are revenue projects of £627k being funded from BCIL, resulting in total BCIL funding commitments of £7.044m. These are set out in Table 8 below.

Table 8 - Schemes funded from BCIL from 2023/24 to 2026/27

	2023/24	2024/25	2025/26	2026/27	Total
(N.B. Amount shown in the BCIL element only)	£'000	£'000	£'000	£'000	£'000
Flood Defence and Highway Drainage	644	500	500		1,644
Green Grid	150	150	150		450
Harrow Arts Centre - refurbishment & new build	637				637
Parks Playground replacement	46				46
Harrow High Street Fund (capital £638k; revenue £377k)	1,015				1,015
Wealdstone Future High Street Fund	1,135				1,135
Wealdstone Major Transport Infrastructure projects - Bus	234				234
Improvement	254				234
Biodiversity Net Gains in Harrow	300	275	250		825
Chandos Recreation Ground Infrastructure	200				200
Additional Carriageway Surfacing Programme	608				608
Leisure Investment Strategy (revenue spend)	250				250
Total BCIL funding requirements	5,219	925	900	0	7,044
Split into:					
Projects in Capital Programme	4,592	925	900	0	6,417
Projects of revenue nature	627	0	0	0	627

- 31. The total BCIL available as at 10<sup>th</sup> January 2024 amounts to £9.967m as set out in Table 7. The total requirement for BCIL funding to cover the total commitments of the Capital Programme and other revenue projects is £7.044m. This means that there is uncommitted BCIL funding of £2.923m available for further eligible projects at the time of writing this report.
- 32. Given that BCIL averages £2m per annum, a further estimated £6m could be received in the 3 years from 2024/25 to 2026/27 which would be available to either fund existing projects in the Capital Programme or could be used for future Capital Programme additions. In the case, where schemes currently funded from borrowing could be substituted for BCIL funding instead, this would then lead to a reduction in borrowing costs. As detailed in paragraph 25, considerations should also be given on the allocation of BCIL funding while the updated IDP and Harrow Local Plan are being prepared.
- 33. With any source of capital funding, if the estimated level is not received, then it would be necessary to fund the schemes from other sources or remove them from the Capital Programme. If the alternative source is borrowing, then this will impact upon future year's budgets as it will increase the cost of borrowing and impact the revenue budget.

#### **Housing Revenue Account (HRA)**

34. The proposed HRA Capital Programme was approved by Cabinet in January 2024 and is included in Appendix 1 for completeness. Any implications from the HRA Capital Programme are funded from the Housing Revenue Account and do not impact upon the General Fund Budget.

#### **Options considered**

35. A review of the current Capital Programme was undertaken during the budget settling process. The outcomes form the basis for preparing the Final

Capital Programme 2024/25 to 2026/27. A number of capital proposals were considered during the budget setting process before finalisation on which would be taken forward. As detailed in paragraph 5, capital proposals were assessed to determine if they met the criteria to be included in the Capital Programme. This assessment results in the proposed Capital Programme that addresses these criteria. The capital proposals also support the delivery of flagship actions included in the Corporate Plan. The proposals in this report are to enable the Council to have an approved Capital Programme for 2024/25 to 2026/27.

## **Legal Implications**

36. Under the Council's Constitution, Part 4K - Financial Regulations, paragraph B2 states that Full Council is responsible for agreeing the authority's policy framework which is proposed by the Cabinet and this includes the Capital Programme. Under paragraph B41 in the Financial Regulations, the Chief Finance Officer (Director of Finance) is responsible for producing an annual capital strategy for Cabinet to recommend to Council.

## **Financial Implications**

37. Financial matters are integral to the report. The capital financing costs of all capital investment must be provided for within the revenue budget.

## **Procurement Implications**

38. There are no procurement implications arising from this report.

#### **Performance Issues**

- 39. The capital programme proposed represents a significant investment by the Council in infrastructure. This will have an impact on a range of performance indicators across the Council's services.
- 40. Monitoring of the approved programme is ongoing and is essential for good financial management.

## **Risk Management Implications**

- 41. Risks included on corporate or directorate risk register? Yes/No
- 42. Separate risk register in place? Yes/No
- 43. The relevant risks contained in the register are attached/summarised below. **Yes/No/n/a**
- 44. The following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
		<b>AMBER</b>
Proposals put forward by Directorates are not part of an	<ul> <li>Two of the key criteria for including projects in the capital Programme are</li> </ul>	

agreed Corporate Asset those projects that are needed to Management Plan(s) and therefore ensure that we continue to invest in it is not possible to confirm that the our capital assets to ensure the proposals put forward cover the full Council meets its requirements for estate which could lead to an both Life and Limb/Health and Safety increase in health and safety risks requirements and to fulfil the and additional costs in replacing Council's Statutory and legislative assets if they deteriorate too much duties. to repair. **GREEN** The cost of the Capital The additional capital financing costs Programme is not affordable. (borrowing) of the Capital proposals are included in the 3 year MTFS up to 2026/27. There is no new capital proposal for 2026/27 that impacts the Revenue Budget in 2027/28. **GREEN** The risk that the required level of As the Capital Programme is an BCIL does not materialise. annual process and the BCIL funding is now included in the report each year to Cabinet, the availability of BCIL to fund the Capital Programme is kept under review. In normal circumstances, should the level of BCIL not be sufficient then either the schemes can be removed from the programme or funded from an alternative source. If that source is borrowing, then the revenue cost of borrowing will need to be included in the revenue budget. However, as set out in paragraph 30, the BCIL already received is more than sufficient to fund the commitments in the Final Capital Programme 2024/25 to 2026/27.

## **Equalities implications / Public Sector Equality Duty**

45. One of the aims of the Capital Strategy is to ensure the responsible allocation of funding in line with the Council's priorities and legislative requirements such as equalities legislation. Equalities implications form part of the way that the projects are prioritised. Initial views are that no protected group is adversely affected by the proposals in this report. The projects proposed in the programme may require full Equality Impact Assessments before they commence.

46. Decision makers should have due regard to the public sector equality duty in making their decisions. Consideration of the duties should precede the decision. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:

A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race.
- Religion or belief
- Sex
- Sexual orientation
- Marriage and Civil partnership (to a limited extent)

#### **Council Priorities**

- 47. The Council's Final Capital Programme for 2024/25 to 2026/27 has been prepared in line with the Council's priorities:
  - A council that puts residents first
  - A borough that is clean and safe
  - A place where those in need are supported

## **Section 3 - Statutory Officer Clearance**

**Statutory Officer: Sharon Daniels**Signed by the Chief Financial Officer

Date: 18/01/2024

**Statutory Officer: Paresh Mehta**Signed on behalf of the Monitoring Officer

Date: 23/01/2024

Chief Officer: Alex Dewsnap Signed by the Managing Director

Date: 22/01/2024

**Head of Procurement: Nimesh Mehta** 

Signed by the Head of Procurement

Date: 19/01/2024

**Head of Internal Audit: Neale Burns**Signed on behalf of the Head of Internal Audit

Date: 22/01/2024

Has the Portfolio Holder(s) been consulted? Yes ⊠

## **Mandatory Checks**

Ward Councillors notified: NO, as it impacts on all Wards

**EqIA carried out:** NO as these capital proposals are in the main rolling programme items which will improve the Council's infrastructure and assets

EqIA cleared by: N/A

## **Section 4 - Contact Details and Background Papers**

**Contact: Jessie Man**, Interim Head of Strategic and Technical Finance (Deputy S151), jessie,man@harrow.gov.uk

**Background Papers:** None

Call-in waived by the Chair of Overview and Scrutiny Committee - NO



		2024/25			2025/26			2026/27			Total	
Project Title	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000
1111 1050 51												
New Council Head Office refit – Flexible Futures	100		100	100		100	0		0	200	0	200
My Harrow Account upgrade	0		0	150		150	0		0	150	0	150
Ongoing ICT Refresh - to include core Network upgrade and Migration of remaining azure applications into SaaS.	500		500	600		600	0		0	1,100	0	1,100
Ongoing ICT refresh - to cover improvements and refresh of cyber security, rolling device and peripheral refresh of IT equipment (W10/O365 & Sharepoint)	1,500		1,500	500		500	0		0	2,000	0	2,000
Dynamics F&D Improvement projects	0		0	750		750	0		0	750	0	750
Ongoing ICT Refresh	200		200	200		200	0		0	400	0	400
Total Resources Directorate	2,300	0	2,300	2,300	0	2,300	0	0	0	4,600		
			-									-
People's Directorate:												
Schools:												
Schools Capital Maintenance	2,700	2,700	0	0	0	0	0	0	0	2,700	2,700	0
Schools Expansion Programme - Phase 2	0		0	9,071	9071	0	0		0	9,071	9,071	0
Total Schools	2,700	2,700	0	9,071	9,071	0	0	0	0	11,771	11,771	0
Total People's Directorate	2,700	2,700	0	9,071	9,071	0	0	0	0	11,771	11,771	0
Place Directorate:												
Environment:												
Breakspear Crematorium -	0		0	700		700	0		0	700	0	700
Replacement of 3 cremators	75		75	75		75	0		0	150		150
CA Site Infrastructure Climate Emergency - Energy	75	252				75	0		0	150		150
emissions reduction measures	250	250	0	750	750	0	0		0	1,000	1,000	0
Flood Defence & Highways Drainage	500	500	0	500	500	0	0		0	1,000	1,000	0
Highway Improvement	6,000		6,000	6,000		6,000	0		0	12,000	0	12,000
Programme	,		•	<u> </u>		,				, , , , , , , , , , , , , , , , , , ,		<u> </u>
Parking Management Programme	300		300	300		300	0		0	600	0	600
Parks Infrastructure	350		350	350		350	0		0	700	0	700
Street Lighting Improvement Programme	1,000		1,000	2,000		2,000	0		0	3,000	0	3,000
TfL Transport Capital (LIP)	1,391	1,391	0	1,391	1,391	0	0		0	2,782	2,782	0
Vehicle Procurement	0	,	0	2,086		2,086	214		214			2,300
Total Environment	9,866	2,141	7,725	14,152	2,641	11,511	214	0	214	24,232	4,782	19,450

COT

	2024/25			2025/26				2026/27		Total		
Project Title	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000
Inclusive Economy, Leisure &												
Culture:												
Harrow Arts Centre Capital	20		20	60		60	0		0	80		80
Infrastructure												00
Libraries and Leisure Capital	130		130	140		140	30		30	300	0	300
Infrastructure											_	
Leisure Centre Infrastructure -	40		40	4.66		4.55						470
Harrow Leisure Centre/Hatch	13		13	166		166	0		0	179	0	179
End Swimming Pool/ Banister	1.1.1	111	0	0			0		0	444	444	0
UK Shared Prosperity Fund	144	144	0	0		U	0		0	144	144	0
Total Inclusive Economy, Leisure & Culture	307	144	163	366	0	366	30	0	30	703	144	559
Regeneration & Development:												
Biodiversity Net Gains in Harrow	275	275	0	250	250	0	0		0	525	525	0
Harrow Green Grid	150	150	0	150	150	0	0		0	300	300	0
High Priority Plan Maintenance	0		0	CEO		CEO	CEO		CEO	1 200	0	1 200
Corporate Property	0		O	650		650	650		650	1,300	U	1,300
Investment in HNC	0		0	0		0	0		0	0	0	0
Borough CIL Schemes	1,000		0	1,000	<del> </del>	0	0		0	2,000	2,000	0
Neighbourhood CIL Schemes	500	500	0	500	500	0	0		0	1,000	1,000	0
Total Regeneration & Development	1,925	1,925	0	2,550	1,900	650	650	0	650	5,125	3,825	1,300
Housing General Fund:												
Disabled Facilities Grants	1,722	1,722	0	1,722	1,722	0	0		0	3,443	3,443	0
Empty Property Grant	60		60	60		60	0		0	120	0	120
Property Acquisition Programme	9,873		9,873	10,746		10,746	0		0	20,619	0	20,619
Total Housing General Fund	11,655	1,722	9,933	12,528	1,722	10,806	0	0	0	24,182	3,443	20,739
Total Place Directorate	23,753	5,932	17,821	29,596	6,263	23,333	894	0	894	54,242	12,194	42,048
Total General Fund	28,753	8,632	20,121	40,967	15,334	25,633	894	0	894	70,613	23,965	46,648
Housing Revenue Account :												
Planned investment												
Main Programme	11,422			12,030	<u> </u>		11,900				25,690	
Decarbonisation-Retrofit	4,739	2,630	2,109	5,050	3,050	2,000	5,550		2,500	15,339	8,730	6,609
Aids & Adaptations	645		645	645		645	645		645		0	1,935
Total Planned Investment	16,806	12,781	4,025	17,725	10,545	7,180	18,095	11,094	7,001	52,626	34,420	18,206

Final Capital Programme 2024-25 - 2026-27

	2024/25			2025/26				2026/27		Total			
Project Title	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	
Building Council Homes for													
Londoners (BCHfL)													
Grange Farm phase 2	0		0	13,495	7,113	6,382	18,348	610	17,738	31,843	7,723	24,120	
Other schemes	3,643	3,310	333	0		0	0		0	3,643	3,310	333	
Total BCHfL	3,643	3,310	333	13,495	7,113	6,382	18,348	610	17,738	35,486	11,033	24,453	
Grange Farm Infrastructure and Costs	75		75	0		0	0		0	75	0	75	
Homes for Harrow - Phase 2	0		0	15,986	7,735	8,251	25,738	6,708	19,030	41,724	14,443	27,281	
Total Housing Revenue Account	20,524	16,091	4,433	47,206	25,393	21,813	62,181	18,412	43,769	129,911	59,896	70,015	
Total General Fund & HRA	49,277	24,723	24,554	88,173	40,727	47,447	63,075	18,412	44,663	200,524	83,861	116,663	

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		2024/25			2025/26			2026/27			Total	
Project Title	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000
People's Directorate:												
Schools:												
Schools Capital Maintenance	2,700	2,700	0	0		0	0		0	2,700	2,700	0
Total Schools	2,700	2,700	0	0	0	0	0	0	0	2,700	2,700	0
Total People's Directorate	2,700	2,700	0	0	0	0	0	0	0	2,700	2,700	0
Place Directorate:	<u> </u>											
Regeneration & Development:												
Total Regeneration & Development	0	0	0	0	0	0	0	0	0	0	0	0
Housing General Fund:												
Property Acquisition Programme	9,873		9,873	10,746		10,746	0		0	20,619	0	20,619
Total Housing General Fund	9,873	0	9,873	10,746	0	10,746	0	0	0	20,619	0	20,619
Total Place Directorate	9,873	0	9,873	10,746	0	10,746	0	0	0	20,619	0	20,619
Total General Fund	12,573	2,700	9,873	10,746	0	10,746	0	0	0	23,319	2,700	20,619
Housing Revenue Account :												
Planned investment				<u> </u>								
Main Programme	3,602		3,602	3,602		3,602	3,472		3,472	10,676	0	10,676
Decarbonisation-Retrofit	2,630							3,050				
Aids & Adaptations					-			-				
Total Planned Investment	6,232	2,630	3,602	6,652	3,050	3,602	6,522	3,050	3,472	19,406	8,730	10,676
Grange Farm Infrastructure and Costs	75		75			0	0		0	75	0	75
Total Housing Revenue Account	6,307	2,630	3,677	6,652	3,050	3,602	6,522	3,050	3,472	19,481	8,730	10,751
Total General Fund & HRA	18,880	5,330	13,550	17,398	3,050	14,348	6,522	3,050	3,472	42,800	11,430	31,370

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Report for: Cabinet

Date of Meeting: 15 February 2024

**Subject:** Final Revenue Budget 2024/25 and final Medium Term

Financial Strategy to 2026/27

**Key Decision:** Yes

Responsible Officer: Sharon Daniels-Interim Director of Finance (S151 Officer)

Portfolio Holder: Councillor David Ashton – Portfolio Holder for Finance and

**Human Resources** 

Exempt: No

**Decision subject to** 

Call-in:

No - decisions reserved to Council

Wards affected: All

**Enclosures:** Appendix 1A – Savings and Growth 2024/25 to 2026/27

Appendix 1B – Savings and Growth from the 2023/24

**Budget Process** 

Appendix 2 - Medium Term Financial Strategy 2024/25 to

2026/27

**Appendix 3** – Revenue Budget Summary 2024/25

**Appendix 4** – Levies, contributions, and subscriptions

**Appendix 5** – Policy on use of contingency

Appendix 6 - Schools Budget 2024/25

Appendix 7 - Public Health Budget 2024/25

**Appendix 8** – Reserves Policy

Appendix 9 – Reserves Forecast

**Appendix 10** – Report of the Chief Finance Officer

**Appendix 11** – Model Council Tax Resolution

Appendix 12 - Annual Pay Policy Statement for 2024/25

**Appendix 13** – Flexible Use of Capital Receipts

**Appendix 14 - Summary of Resident Consultation** 

**Appendix 15** – Employees' Consultative Forum

Recommendation

**Appendix 16** – Harrow Business Consultative Panel

Recommendation

**Appendix 17** – Overview and Scrutiny Committee Reference

Appendix 18 - Performance & Finance Scrutiny Sub-

Committee reference

## **Section 1 – Summary and Recommendations**

This report sets out the final revenue budget for 2024/25 and Medium Term Financial Strategy (MTFS) to 2026/27. In December 2023, Cabinet approved the draft version of the revenue budget and MTFS for general consultation.

#### **Recommendations:**

Cabinet is requested to:

- 1) Recommend the 2024/25 budget to Council for approval, to enable the Council Tax for 2024/25 to be set.
- 2) Recommend the Model Council Tax Resolution 2024/25 to Council for approval as set out in Appendix 11.
- 3) Recommend to Council that, in accordance with Section 38 (2) of the Local Government Finance Act 1992, the Managing Director be instructed to place a notice in the local press of the amounts set under recommendation 2 above within a period of 21 days following the Council's decision.
- 4) Cabinet refer to Council to make a determination to apply the new council tax premium for empty furnished properties (under section 11C of the Local Government Finance Act 1992) at a premium of 100% from 1<sup>st</sup> April 2025 (Paragraphs 1.21-1.24).
- 5) Note additional funding, namely Social Care Grant and Funding Guarantee, announced by Government on 24<sup>th</sup> January 2024 for Local Government at the Final Settlement, which was published on 5<sup>th</sup> February 2024 (Paragraph 1.05).
- 6) Approve the Medium-Term Financial Strategy for referral to Council (Appendix 2).
- 7) Note the balanced budget position for 2024/25 and the estimated budget gap of £10.880m and £6.732m for 2025/26 and 2026/27 respectively (Table 2).
- 8) Note the intention to increase core Council Tax by 2.99% in 2024/25 (Paragraph 1.17).
- 9) Note the intention to increase Council Tax by a further 2% in 2024/25 in respect of the Adult Social Care Precept (Paragraph 1.19).
- 10)Note the 2024/25 budgets for Schools and Public Health as set out in Appendices 6 & 7.
- 11)Note the proposal to increase funding to Additionally Resourced Mainstream Units by 3.4% (within the High Needs Block) (Paragraph 1.43).

- 12)Note the proposal to provide additional funding for pupils with Education, Health and Care Plan (EHCP) in mainstream schools of 7% (Paragraph 1.46).
- 13) Note the assumed funding for the protection of social care 2024/25 through the Better Care Fund (Paragraphs 1.58 to 1.61).
- 14) Recommend the 2024/25 Annual Pay Policy Statement to Council for approval (Appendix 12).
- 15)Recommend the Capital Receipts Flexibility Strategy to Council (Appendix 13).

## **Reason: (For recommendations)**

To ensure that the Council sets a balanced budget for 2024/25.

# **Section 2 – Report**

#### **BACKGROUND**

- 1.01 Harrow remains one of the lowest funded Councils both within London and nationally. The Council does not benefit from large reserves compared with other London Borough's and is at the lower end of the lower quartile for reserve balances held.
- 1.02 Over the last 10 years, up to 2024/25:
  - The Council's revenue support grant has reduced from £50.5m to £2.2m
  - The Council does receive other grant funding to support services, in 2023/24 this totalled £375m. However, these grants are all ring fenced to areas of activity and cannot be used to support the core budget, for example the Dedicated Schools Grant of £152m.
  - The Council does not receive specific funding to meet demographic growth and demand led pressures. In addition, inflation has increased significantly creating unfunded budget pressures.
  - For many years Council Tax has been increased to just below the referendum limits and full use has been made of the Adults Social Care Precept, both of which were in line with central government expectations. The impact of this is that the Council is heavily reliant on Council Tax to fund its core services. In 2023/24 78% of the Council's net revenue budget of £196.4m is funded from Council Tax.

#### **SUMMARY**

1.03 This report sets out the final budget and MTFS, which have been adjusted since draft documents were presented to Cabinet in December 2023. Cabinet are asked to note the adjustments. After all adjustments, the MTFS shows a balanced budget position for 2024/25 and an estimated budget gap of £10.880m for 2025/26 and £6.732m for 2026/27. It is important to note that for both 2025/26 and 2026/27 several of the budget adjustments are

estimated at a high level due to the challenges of forecasting complex issues such as inflation, demand, and demographic changes so far in advance. For example, the pay award has only been agreed in October 2023 for the 2023/24 pay award so for all 3 years 2024/25 to 2026/27 the pay award assumptions are estimated. As the budget is approved annually, the latter two years of the MTFS, will be subject to review and adjustment before being finally approved.

- 1.04 The final MTFS and budget gaps of £10.880m in 2025/26 and £6.732m in 2026/27 are based on the Local Government Indicative Financial Settlement received 18 December 2023.
  - 1.05 On 24<sup>th</sup> January 2024, Government announced additional funding for councils with responsibility for adults and children's social care (Social Care Grant) and the increase in minimum Funding Guarantee from 3% to 4%. The new funding is part of the Final Local Government Finance Settlement. The Final Settlement was published on 5<sup>th</sup> February 2024. The additional funding totals £2.308m and is summarised below. This will be included in the corporate budgets in 2024/25.
    - Social Care Grant £2.020m
    - Funding Guarantee £0.263m
    - There is also a revision to the Services Grant from £0.252m to £0.277m, an increase of £25k

In addition, there is also a one-off business rates surplus arising from the 2023/24 business rates levy account and will be distributed in 2024/25. Harrow's share of this is estimated at £0.332m.

#### **AUTUMN STATEMENT 2023**

- 1.06 The Chancellor of the Exchequer, Jeremy Hunt, delivered the 2023 Autumn Statement on 22nd November 2023. As well as the usual updates on the state of public finances and the performance of the economy, the Chancellor organised his policies into five key areas: reducing debt; cutting tax and rewarding hard work; backing British business; building domestic and sustainable energy; and delivering world-class education.
- 1.07 The key policy announcements relating to public spending and local government are summarised below:

#### **Local Government Funding**

• There was no new funding for 2024-25 for adult or children's social care or any general local government funding beyond what was announced in the Autumn Statement 2022.

#### **Housing and Homelessness**

- Local Housing Allowance rates will be raised to a level covering 30% of local market rents.
- Additional funding of £120m for homelessness prevention (UK-wide) in 2024-25. The details of the allocations are not yet known and therefore the Harrow allocation is still to be confirmed.

- Local Authority Housing Fund to be extended with a third round worth £450m to deliver new housing units and temporary accommodation for Afghan refugees.
- For the Housing Revenue Account, there is a rate extension of £5m to June 2025 of the Public Works Loan Board policy margin announced in Spring 2023.
- There are plans to allow local authorities to be able to fully recover the cost of planning fees for major planning applications if decisions are made within certain timelines.
- Local Planning Authorities to receive £32m to tackle planning backlogs.

#### **Business Rates**

- The standard business rate multiplier will be increased by September CPI (6.7%) and the small business rate multiplier will be frozen for a fourth consecutive year.
- The 75% Retail, Hospitality and Leisure relief will be extended for 2024-25.
- Local authorities will be fully compensated for the loss of income because of these two measures and will receive new burdens funding for administrative and IT costs.

#### **Local Government Pension Schemes**

 Reforms are anticipated to the Local Government Pension Scheme, including confirmation of guidance that will implement a 10% allocation ambition for investments in private equity, and establishing a March 2025 deadline for the accelerated consolidation of LGPS assets into pools.

#### **National Living Wage and Benefits**

- From April 2024, the National Living Wage will increase by 9.8% to £11.44 an hour and the age threshold lowered from 23 to 21 years old.
- The triple-lock for pensions will be continued (an increase of 8.5%) and benefits will increase in line with the September CPI (6.7%).

#### **DELIVERY OF THE 2023/24 BUDGET**

- 1.08 The budget for 2022/23 was originally based on drawing down £14.7m of reserves to bring in a balanced position. The final position for 2022/23 improved significantly as a result of careful control and oversight of budgets, which meant that only £5.8m of reserves were needed (as opposed to £14.7m) to bring the budget into a balanced position.
- 1.09 The position against the current 2023/24 revenue budget is detailed in a separate report on this agenda, 'Revenue and Capital Budget Monitoring Report 2023-24 Q3'. This report forecasts a net overspend of £0.581m as at 31st December 2023. If the position does not improve before year end, it would be necessary to draw down this amount from the MTFS Budget Planning Reserve to bring in a balanced position, but it is anticipated that 2023/24 can be balanced with no draw down from reserves other than those already built into the budget.

- 1.10 In line with the national picture, the Council is being heavily impacted by inflation. Budget provision for pay inflation was £4m (4%). The 2023/24 pay award equated to an increase of 7% against the pay bill and has created a budget pressure of £3.2m. The bulk of this pressure has been funded from the general corporate budget and the non-pay inflation provision, but still leaves an £800k shortfall to be carried forward into 2024/25.
- 1.11 In addition, there are very substantial pressures on demand in adult services. Such is the scale of the demand, that across the 3 years of the MTFS from 2024/25 to 2026/27, a further £9.7m has been added in as a budget growth, as set out in Table 1.

#### **BUDGET PROCESS 2024/25**

- 1.12 In preparing the 2024/25 budget and rolling forward the MTFS to cover the three-year period to 2026/27, the current MTFS has been the starting point for the process. Council has a statutory obligation to agree and publish a balanced budget for 2024/25, and approval for this is being sought from Council in February 2024.
- 1.13 The Council's financial position and its operational environment has always been affected by several financial uncertainties and adjustments that impact upon its financial position over the short and medium term. In preparing the final budget for 2024/25 the existing MTFS has been:
  - Refreshed and rolled on a year
  - Updated to reflect the estimated impact of the Provisional Financial Settlement
- 1.14 The draft budget was presented to Cabinet in December 2023. For completeness, the adjustments required to set the draft budget, are repeated in this report and summarised in Table 1 below followed by a narrative explanation. These adjustments are also set out in Appendix 2 along with adjustments included within the previous MTFS agreed as part of the 2023/24 Budget process:

Table 1: Changes to the MTFS (Prior to Indicative Settlement)			
	2024/25	2025/26	2026/27
	£'000	£'000	£'000
Budget Gap (February 2023)	0	6,321	0
Reversal out of Social Care Grant  Budget Gap (February 2023)	0	6,822 <b>13,143</b>	0
		,	
Council Tax Changes			4.005
Core CT @2.99% Increase 2024/25 by 1 % to 4.99%	-1.545		-4,995
Residual Tax Base Increase for 2024/25	-21		
Increase in CT base - 150 band D equivalents	700	-312	-250
Council Tax Collection Fund Surplus (one off)	-790	790	
Grants and Technical Adjustments			
Council Wide Growth			1,000
One off reduction of contingency Assume Social Care Grant will remain with LA	-175	175 -6822	
Assume that Capital Flexibilites will be extended on one off basis		-1250	1,250
Assume temporary savings on capital financing cost from slippage (one off)	-3000	3,000	1,230
Reverse Council wide Mgt saving	650		
Increase TM savings to offset Mgt saving - additional investment income being achieved through improved investment returns	550		
West London Waste Authority energy income (electricity)	-650 -1000		1000
Capital Programme Review			
Resources - reduction of £600k in the Capital Programme. Therefore			
reducing capital financing cost in the revenue budget.  Place - reduction of £1.964m in the Capital Programme. Therefore reducing	-34	92	-196
capital financing costs in the revenue budget.	-148		
2026/27 Capital Programme Cost			1,500
_			
Pay award 2023/24			
£6.4m budget available. pay award £7.2.m. Gap for 2023/24 pay award of	800		
£800k.  Reduction of council wide growth 2024/25 to fund pay award	-755		
Pay award 2024/25			
£5.5m provision for pay and £1.0m for non pay - already assumed in the			
previous 2023/24 budget setting.			
Pay award 2025/26			
£5m provision for pay and £1m for non pay - already assumed in the			
previous 2023/24 budget setting.			
Pay award 2026/27			
Pay award @ 3%			3000
Description for Non-Develophing			
Provision for Non Pay Inflation  Non Pay inflation provided for £1m in line with previous provisions.			1000
<u>Directorate Pressures plus Mitigations</u>			
Resources and Managing Director			
Resources - Access Harrow saving was not progressed as a result of a decision to keep the phone lines open for residents accessing the Revenues			
and Benefits service	180		
Managing Director (Finance and Assurance) - increase in external audit fees	250		
Managing Director (Finance and Assurance) - internal audit & CAFT	260		
Resources - one off budget for payroll staff ( staff previously working on schools payroll retained to work on general payroll)	230	-230	
Discretionary Freedom Pass - reversal of saving	12	6	
People's Directorate			
Adults Adults demand pressures (£9.787m over 3 years)	5440	2347	2000
Additional award of Market Sustainibility and Improvement Fund (MSIF)	3440	2347	2000
grant for adults.	-828		
MSIF grant assumed as permanent grant but add to adults base for 2025/26		828	
Care Provider Inflation for Social care - in line with prior year allocations			1800
Children's			
Children's Placements & Accommodation budget - reduction of growth			
provided for placements in previous years - in 2023/24 £4.35m was provided	1000		
and £1m of this is now being reversed.  Growth in Education for staffing re: statutory duties	-1000 100		
Place			
Parking PCN 23/24 income shortfall - rephase £1m saving into 2025/26  Parking P&D income shortfall	1,000	-1000	
Planning & Building Control income (£116k attributable to MTFS savings)	341		
Potential Homelessness demand pressure		2,325	
Housing staffing resource - one off requirement	180	-180	2.76
Local Plan review	91	80	-171
Local Plan review Saving to reduce waste disposal costs through behavioural change (residents)	1	-250	
Saving to reduce waste disposal costs through behavioural change (residents) Rephasing of £0.5m saving over 2 years	250		1
Saving to reduce waste disposal costs through behavioural change (residents) Rephasing of £0.5m saving over 2 years Additional Street Cleaning funding	250 250		-206
Saving to reduce waste disposal costs through behavioural change (residents) Rephasing of £0.5m saving over 2 years		-276	-206

#### Published Budget Gap as at February 2023

1.15 The 2023/24 Final Budget and MTFS, which was approved by Council in February 2023, estimated there to be budget gaps of zero for 2024/25 and £13.143m for 2025/26. This therefore forms the starting point for the update of the MTFS.

#### Council Tax, National Non-Domestic Rate (NNDR) and Collection Fund

- 1.16 For 2023/24, despite an increase in Council tax of 4.99% which raised additional revenue of £7.8m (Council tax income increased from £146.2m to £154.0m), the cost of the 2023/24 pay award (only agreed in October 2023) is £7.2m and therefore, this left very little funding available for other demand pressures that have emerged in adult services, and other inflationary pressures.
- 1.17 The assumed Council tax levels built into the MTFS agreed in February 2023 were based on 3.99% for 2024/25 and 2.99% for 2025/26. The changes made in Table 1 reflect an assumed Council tax of 2.99% in 2026/27 and an additional 1% assumed for 2024/25 which would take the increase from 3.99% to 4.99% for 2024/25. There is no change to the assumed 2.99% for 2025/26. This therefore provides for Council tax increases of 4.99%, 2.99% and 2.99% for the 3-year period 2024/25 to 2026/27.
- 1.18 In Table 1, the additional 1% in 2024/25 achieves additional income of £1.545m, whilst the original 3.99% achieves income of £6.144m. Therefore, the total council tax to be achieved from the 4.99% increase is £7.689m. The addition of 2.99% in 2026/27 provides £4.995m of council tax income in 2026/27.
  - In addition, the Council's tax base has been calculated, (according to the relevant procedures and guidance) at 89,375 band D equivalent properties, which is an increase of 290 Band D equivalents on the 2023/24 Band D of 89,085. This will generate additional income of £0.521m in 2024/25. Because £0.5m had already been included in the 2024/25 assumptions when the MTFS was set last year in Feb 2023, Table 1 only includes a further £21k. There are further tax base increases assumed for 2025/26 and 2026/27 of £312k and £250k included in Table 1, which will be revisited as part of the 2025/26 budget process.
- 1.19 A maximum Council Tax increase of 4.99% is budgeted for 2024/25 in line with announcements made as part of the 2024/25 Finance settlement in December 2023. This covers 2.99% for core Council Tax and a 2% for the Adult Social Care Precept. There was no guidance as to the maximum level of Council Tax increase for 2025/26 and 2026/27 and for this reason, the working assumption has been left at 2.99% for both of these years.
- 1.20 The Collection Fund and its impact on the 2024/25 budget was subject to a separate report in December 2023 (Report: Estimated Surplus / (Deficit) on the Collection Fund 2023/24). The estimated impact on the 2023/24 Collection Fund is a surplus of £0.790m which must be accounted for as a one-off income against the 2024/25 budget.

#### **Council Tax Premium**

- 1.21 The Levelling-up and Regeneration Act 2023 has amended the Local Government Finance Act 1992 by amending section 11B and introducing section 11C.
- 1.22 Section 11B has been amended by reducing the period a council tax dwelling has to be unoccupied and substantially unfurnished from 2 years to 1 for a 100% premium to be charged. This means that from 1st April 2024 the 100% premium on these unoccupied dwellings will commence 1 year after they first became unoccupied and substantially unfurnished. It does not matter whether the unoccupied period starts prior to the 1st of April 2024, the 1 year clock will commence from the date it was unoccupied and substantially unfurnished. Harrow already apply this premium from the 2 year period so the change to 1 year requires no formal decision from Cabinet or Council.
- 1.23 Section 11C has been introduced for dwellings where there is no resident, and the dwelling is substantially furnished (periodically occupied). This addition to the 1992 Act requires billing authorities to have decided to apply this premium of up to 100%, at least one year before the beginning of the financial year to which it relates. Cabinet is therefore asked to note that a recommendation will go to Full Council for a determination be made to apply this premium with effect 1st of April 2025. The charging of a premium will be in line with any regulations made by the Secretary of State relating to classes of dwelling where the premium may not apply. A further Cabinet report may be required upon the finalisation of the regulations.
- 1.24 The changes above are estimated to generate an additional income of approximately £0.750m, although this will be reviewed and included in the 2025/26 MTFS process.

#### **Technical Changes**

- 1.25 A number of other adjustments have been included in Table 1 which are explained as follows:
  - £1m of council wide growth in 2026/27 this is a general allowance for growth as, other than for adults, there is no other departmental growth included.
  - £175k one off reduction of the contingency budget to balance the 2024/25 budget whilst awaiting the outcome of 2024/25 Finance settlement.
  - In 2023/24, £6.822m of social care funding was awarded for 2 years and initially it was felt that it was possible that the grant might have to be repurposed in 2025/26 for Social Care reform. Therefore, in arriving at the original budget gap of £13.143m in 2025/26, it had been assumed that the grant would be removed, resulting in an increase of the gap from £6.321m to £13.143m. It is now widely assumed that this grant will not be removed and therefore Table 1 reverses that assumption which improves the 2024/25 position by £6.822m.

- Capital Flexibilities are assumed for a further year in 2025/26, which enables the Council to charge transformation costs to capital and thereby reduce the cost to the revenue budget. £1.25m is assumed for 2025/26 on a one-off basis.
- Capital financing savings of £3m are assumed on a one-off basis as a result of slippage expected in the capital programme based on past experience.
- The Investment income budget that sits within treasury management has been overachieving on income as a result of the higher interest rates being achieved (the Bank of England base rate is currently 5.25%). As a result of this, a previously identified management saving of £650k which has not been achieved, will be managed as part of the treasury management budget and the investment income budget will be increased by £650k to offset this unachieved management saving. The Investment income budget will be reviewed as part of the 2025/26 budget setting process to ensure the £650k income can still be achieved as the expectation is that the Bank of England base rate will start to fall and therefore this will reduce investment income.
- The Council has received some cash rebates from West London Waste Authority of £1.6m and £1.9m respectively in 2022/23 and 2023/24 as a result of energy income. The energy from waste facility generates electricity which then generates an income for the WLWA. A decision was made to reimburse a proportion of the energy income to the six constituent boroughs. Therefore, the budget assumes £1m for a further 2 years but then this is reversed out in 2026/27, since it cannot be assumed to continue indefinitely.
- As a result of a review of the existing Capital Programme, it has been possible to remove some surplus capital budgets and therefore reduces capital financing costs by a net £286k across the MTFS period (-£182k 2024/25, £92k 2025/26 and -£196k 2026/27).
- The cost of the 2023/24 Capital Programme was approved as part of the 2023/24 budget setting process, but as the cost of £1.5m fell into 2026/27 which was last year outside of the MTFS period, the cost of £1.5m is now included.
- The pay award for 2023/24 has recently been agreed and cost £7.2m, an approximate 7% uplift against the pay bill. The 2023/24 budget included a provision of £4m and there were other budgets (non-pay inflation and corporate budgets) of £2.4m available to fund the pay award, which leaves an £800k shortfall that needs to be built into the 2024/25 budget. To offset the pressure, a corporate growth budget of £755k is being reduced to fund it
- In terms of 2024/25,2025/26 and 2026/27, pay award budgets have been assumed of £5.5m, £5m and £3m respectively. Over the past few years, the pay awards have been agreed very late in the financial year and for both 2022/23 and 2023/24, the pay agreements have been reached around October time which makes it very difficult for budgeting purposes.

- Non pay inflation, which covers areas such as energy costs and contractual up lifts, is set at £1m pa in 2024/25 and 2025/26 and is increased by a further £1m for 2026/27.
- Cabinet in June 2023 agreed a three-year strategy for the inflationary uplift approach covering the period 2023-24 to 2025-26, together with increased funding for social care providers for 2023-24 as a one-off additional payment. This report detailed the Council's commitment to working with providers and set out the guiding principles in this respect. Members agreed the approach which committed to a 7% increase over the three-year period providing uplifts of 2.7% in 2023-24, 2.35% in 2024-25 and 2% for 2025-26. In addition, there was a one off additional payment of 2.3% for 2023-24.
- The uplift in 2024-25 will be based on the ongoing uplifted rates of 2.7% and will exclude the one-off uplift (of 2.3%). In practice this will mean that in cash terms, providers will not see an increase in rates in 2024-25 as the 2.35% uplift will be largely equivalent to the one-off increase of 2.3% from 2023-24. The MTFS includes annual provision for care provider inflation in this respect with £2.086m for 2024-25 and £1.8m for each of 2025-26 and 2026-27 in this respect.

#### **Directorate Pressures/Savings**

- 1.26 The rest of the figures in Table 1 relate to Directorate pressures in the main, with a small number of savings which are detailed in Appendix 1A. As can be seen from Table 3, there is growth of £7.1m, £3.9m and £1.6m built into the MTFS across the 3 years 2024/25 to 2026/27, which total £12.7m. Growth in the Adult social care budget accounts for £9.8m of the net growth.
- 1.27 After all the adjustments, the result is an estimated gap across the MTFS of £19.198m (prior to the Indicative Finance Settlement) as follows:

2024/25 £0m 2025/26 £12.466m 2026/27 £6.732m

# Adjustments to the Budget following the Indicative Local Government Settlement announcement.

1.28 The Indicative settlement was announced on 18 December 2023 and provided funding allocations for local authorities for 2024/25 but with no indications of the level of funding for 2025/26 and 2026/27. This is the sixth year in a row of single year settlements, which does not help with financial planning. The adjustments to the draft MTFS are summarised in table 2 below and supported by explanatory text which follows the table:

<u>Table 2: Changes to the MTFS (Post Indicative Finance Settlement on 18 December 2023)</u>

	2024/25	2025/26	2026/27
	£'000	£'000	£'000
Published Budget Gap - December 2023	0	12,466	6,732
Adjustments:			
Changes as a result of the December Finance Settlement			
Increase in NNDR Multiplier - compensation for under-			
indexing (increased from £7.011m to £8.647m)	-1,636		
Social Care Grant			
£14.962m 2024/25 allocation. Previous budget assumed £14.843m, therefore an increase of £119k.	-119		
Additional Social Care Grant (announced by Government on 24/01/2024). Final Settlement is £16.982m, an increase of £2.020m	-2,020		
Additional RSG (increased from £2.081m to £2.219m)	-138		
Additional NDR Top up grant (increased from £23.195m to £24.120m)	-925		
Increase in Retained NNDR and S31 grant	-800		
Reduction in New Homes Bonus (from £2.245m to £82k)	2,163		
Reduction in Services Grant. £252k 24/25 allocation, a reduction of £1.353m. Previous budget assumed a reduction of £770k, therfore a movement of £583k	583	-583	
Services Grant - Difference between Indicative Settlement allocation and Final Settlement allocation, an increase of £25k	-25	25	
Funding Guarantee (to provide a minimum 3% increase in core spending power, before council tax level decisions and changes to funding from rolled in grants)	-2,011		
Funding Guarantee (increased from 3% to 4%, announced by Government on 24/01/2024). Final Settlement allocation is £2.274m	-263		
Other Changes:			
Freedom Passes	37		
Reverse the one-off use of contingency budget in 24/25	175	-175	
Provision for increases in various levies in 24/25	200		
Increase in Contingency (from £1.248m to £2.461m)	1,213		
Increase in Corporate Budgets	2,308	-25	
Directorate savings/growth:			
Adults growth relating to Market Sustainability & Improvement Fund (MSIF) grant re-profiled from 25/26 to 24/25. Net nil	828	-828	
impact overall in the MTFS. Place - Increase in WLWA levy	610		
Place - Savings from temporary accommodation budget	010		
arising from Property Acquisition Programme (additional 50 homes)		-543	-591
Corporate - Additional capital financing costs arising from Property Acquisition Programme (additional 50 homes)		543	591
Place - Investment in enforcement activities	200		
Place - Increase in Garden Waste income Place - Additional income arising from 24/25 Fees & Charges	-100 -300		
proposals	-300		
Place - Investment in Street Cleaning (increased from £250k	20		
already included in Draft Budget to £270k in Final Budget)	ļ.		

#### Changes as a result of the December 2023 Finance Settlement

- 1.29 There were the following changes:
  - An increase in the NNDR Multiplier Grant of £1.636m which is a grant to compensate authorities for the fact that the indexation of NNDR has been kept low to assist businesses, but reduced the level of business rates that would be collected. The grant has increased from £7.011m to £8.647m.
  - An increase in the social care grant of £119k. The main increase in the grant was assumed when the 2023/24 budget was set back in February 2023, as the adult social care grant allocations were provided for 2 years. The increase was from £12.808m to £14.843m between 2023/24 and 2024/25. Therefore, with a revised allocation of £14.962m, this provides for a further £119k (£14.843m to £14.962m). As noted in paragraph 1.05, additional social care grant was announced in January 2024. The allocation of £14.962m represents the grant before this announcement. On 5<sup>th</sup> February 2024, the Final Finance Settlement confirms the additional social care grant of £2.020m. Therefore total social care grant allocation is now £16.982m.
  - An increase in Revenue Support Grant (RSG) of £138k with an increase from £2.081m to £2.219m.
  - An increase in the Top up grant of £925k with an increase from £23.195m to £24.120m.
  - An increase in the Council's Retained Business Rates which is the 30% of NDR which the Council is allowed to retain. The increase is £800k with the NDR increasing from £17.641m to £18.441m.
  - A reduction in the New Homes Bonus grant of £2.163m with the grant reducing from £2.245m in 2023/24 to £82k in 2024/25.
  - There has been a reduction in the Services Grant, of £1.353m, with the grant reducing from £1.604m to £252k. However, when the budget for 2023/24 was set, there was already an assumption that the grant would be phased out over 2 years with a reduction of £770k in 2024/25. As the actual reduction is £1.353m there is a requirement for an increase of £583k, which is a one-off impact, as the MTFS previously assumed growth to remove the grant fully over a 2 year period. The Services Grant in the Final Finance Settlement is slightly higher at £277k, an increase of £25k.
  - In 2023/24, a grant was introduced called the Core Spending Power guarantee. The purpose of the grant is to ensure authorities receive a minimum funding increase of 3% (before local council tax decisions). Harrow did not receive this grant in 2023/24, but is one of 7 London Boroughs to receive the grant in 2024/25. This grant is £2.011m for 2024/25. As noted in paragraph 1.05, the additional funding announced by Government in January 2024 also confirms that the minimum threshold is increased from 3% to 4%. On 5th February 2024, the Final Finance Settlement confirms the additional Funding Guarantee of £0.263m. Therefore total Funding Guarantee allocation is now £2.274m.

#### Other Budget Changes - not connected to the Indicative Settlement

- Since the draft budget an updated estimate for the Concessionary Fares /
  Freedom Pass Schemes has been received from London Councils and the
  MTFS has been updated in line with the revised information. In the 2023/24
  budget setting process, a growth of £2.59m was added to 2024/25 in the
  MTFS to reflect the anticipated increase in costs. The actual increase from
  the latest information is £2.627m for 2024/25, therefore an increase in
  growth of £37k is required.
- The draft budget assumed the need to use £175k of Contingency budget on a one-off basis in 2024/25. The funding assumptions in the MTFS have since been updated following the December 2023 Indicative Finance Settlement. The result of these is that the one-off use of Contingency is no longer needed and therefore reversed in the 2024/25 budget. The one-off nature of this also means that there is a corresponding adjustment in the 2025/26 budget.
- A budget provision of £200k is made for the increase in various 2024/25 levies that have not yet been notified to Harrow. More details of the levies are shown in Appendix 4. Where the 2024/25 levies have not been notified, an increase in line with September 23 CPI% is assumed for budgeting purposes.
- The Central Contingency has been increased by £1.213m, from £1.248m in 2023/24 to £2.461m in 2024/25. This is a result of updating funding assumptions and directorate adjustments in the MTFS following the December 2023 Indicative Finance Settlement.
- Adults budget is increased by £828k in 2024/25 to reflect the reprofiling of the Market Sustainability & Improvement Fund (MSIF) from 2025/26 to 2024/25. This is offset by a reduction of the same amount in 2025/26, resulting in a net nil impact in the MTFS.
- The 2024/25 budget report from West London Waste Authority confirms an increase in waste disposal levy and an additional budget of £610k is provided to fund this.
- As a result of a new capital proposal on Property Acquisition Programme (additional 50 homes) included in the Final Capital Programme 2024/25 to 2026/27, the revenue impact associated with this is reflected in the MTFS but on a cost neutral basis. The capital financing costs are assumed to be funded from revenue savings on temporary accommodation budget.
- Following the success of the priority enforcement team, the funding for this
  is to be made permanent in 2024/25 and therefore a growth of £200k is
  included for investment in enforcement activities.
- 2024/25 Fees & Charges proposals were approved by Cabinet in January 2024. The increases in Fees & Charges are expected to generate additional income of £100k from garden waste subscriptions and £300k from other chargeable activities. These income targets are added to the 2024/25 budget.

• In the Draft Budget report, a growth of £250k was included for the investment in street cleaning. The business case confirms that the total funding required is £270k, therefore an additional budget of £20k is allocated the Final Budget report.

## **Budget Refresh, Growth & Savings**

1.30 There is a commitment to refresh the three-year MTFS annually to ensure it remains reflective of the changing Harrow and Local Government landscape.

The current MTFS is made up of:

- Savings / Growth that have been identified as part of the 2024/25 budget setting process, some of which were approved as part of the Draft Budget / MTFS (December Cabinet 2023) and the remainder as part of this report. These are summarised in tables 3 to 5 below and detailed in Appendix 1A.
- Savings /Growth that were approved as part of the 2023/24 budget setting process. These are summarised in table 6 below and detailed in Appendix 1B:

Table 3: Savings/Growth - agreed	at December 202	23 Cabinet		Appendix 1A
	2024-25	2025-26	2026-27	Total
	£000	£000	£000	£000
Savings				
People - Children	-	-	-	-
People - Adults	-	-	-	-
Place	(448)	(276)	-	(724)
Resources	-	-	-	-
Managing Director	-	-	-	-
Corporate	-	-	-	-
Total Savings	(448)	(276)	-	(724)
Growth				
People - Children	(900)	-	-	(900)
People - Adults	4,612	3,175	2,000	9,787
Place	2,472	975	(377)	3,070
Resources	410	(230)	-	180
Managing Director	522	6	-	528
Corporate	-	-	-	-
Total Growth	7,116	3,926	1,623	12,665
Net Total Savings and Growth	6,668	3,650	1,623	11,941

Table 4: Savings/Growth for appro		Appendix 1A		
-	2024-25	2025-26	2026-27	Total
	£000	£000	£000	£000
Savings				
People - Children	-	-	-	-
People - Adults	-	-	-	-
Place	(400)	(543)	(591)	(1,534)
Resources	-	-	-	-
Managing Director	-	-	-	-
Corporate	-	-	1	-
Total Savings	(400)	(543)	(591)	(1,534)
Growth				
People - Children	-	-	-	-
People - Adults	828	(828)	-	-
Place	830	-	-	830
Resources	-	-	-	-
Managing Director	-	-	-	-
Corporate	-	-	-	-
Total Growth	1,658	(828)	-	830
Net Total Savings and Growth	1,258	(1,371)	(591)	(704)

Table 5: Total Savings/Growth from		Appendix 1A		
	2024-25	2025-26	2026-27	Total
	£000	£000	£000	£000
Savings				
People - Children	-	-	-	-
People - Adults	- 1	-	-	-
Place	(848)	(819)	(591)	(2,258)
Resources	-	-	-	-
Managing Director	-	-	-	-
Corporate	-	-	-	-
Total Savings	(848)	(819)	(591)	(2,258)
Growth				
People - Children	(900)	-	-	(900)
People - Adults	5,440	2,347	2,000	9,787
Place	3,302	975	(377)	3,900
Resources	410	(230)	-	180
Managing Director	272	6	-	278
Corporate	250	-	-	250
Total Growth	8,774	3,098	1,623	13,495
Net Total Savings and Growth	7,926	2,279	1,032	11,237

Table 6: Savings/Growth from the 2022/23 and 2023/24 Budget Appendix 1B 2025-26 2024-25 Total £000 £000 £000 Savings People - Children -2,070 -1,570 -500 People - Adults -2.284 -1.989 -295 -4.075 Place -3,775 -300 -816 Resources -708 -108 Managing Director -499 -505 -6 Corporate 0 0 0 **Total Savings** (8,541)(1,209)(9,750)Growth People - Children 500 500 People - Adults -Place \_ Resources Managing Director \_ Corporate 250 250 750 **Total Growth** 750 (1.209)**Net Total Savings and Growth** (7,791) (9,000)

#### CAPITAL RECEIPTS FLEXIBILITY

- 1.31 In 2016 the government announced the Capital Receipts Flexibility Scheme to support local authorities to deliver more efficient and sustainable services by allowing them to spend up to 100% of their fixed assets receipts on the revenue costs of reform projects. The flexibility has been extended on numerous occasions. In December 2023, the government announced the extension of this scheme to March 2030 and would also explore additional capital flexibility options to enable invest-to-save and transformation initiatives. There is currently a consultation on these options which will close on 31 January 2024.
- 1.32 The Corporate Property Strategy was approved by Cabinet in July 2023. One of the workstreams is to undertake a review of the Council's property assets, and part of this review aims to release buildings through a targeted disposal programme if they are no longer economically viable. The Council is also progressing on its Regeneration projects through the Harrow Strategic Development Partnership (HSDP). The 2024/25 MTFS includes a budget of £1.250m to fund the Regeneration Team. The nature of this spend meets the capital flexibility criteria and the team will be funded under the capital flexibilities scheme and the £1.250m provision has been removed from the budget. The sum is re-instated in 2026/27 but will be reviewed as part of the 2025/26 budget process.
- 1.33 The Council may seek to use further capital flexibilities to support its MTFS, in line with Appendix 13 Flexible Use of Capital Receipts.
- 1.34 The Department for Levelling Up, Housing and Communities (DLUHC) has recently published a call for views on new local authority capital flexibilities, which include a set of options with respect to capital flexibilities and borrowing, to be managed locally, that could be used to encourage and enable local authorities to invest in ways that reduce the cost of service

delivery and provide more local levers to manage financial resources. At the time of writing this report, the outcome of this is not yet known.

#### **SCHOOLS FUNDING FOR 2024/25**

- 1.35 In 2018/19 the government introduced a new National Funding Formula (NFF) for Schools, High Needs and the Central Schools services Block. For the Schools Block this means Councils are funded based on the total of the NFF for all schools, academies, and free schools in its area. However, the final formula for distribution is determined by each Council following consultation with schools and Schools Forums.
- 1.36 The Council carried out a consultation in Autumn 2017 which sought views on whether the LA should continue to use the Harrow Schools Funding Formula or introduce the National Funding Formula from 2018/19. 76% of schools responded to the consultation and 89% voted in favour of introducing the NFF from 2018/19. This was approved by Cabinet in February 2018 and school budgets have been set on this basis since 2018.
- 1.37 The NFF will therefore continue to be used to distributed school budgets for 2024/25. There are no proposed changes to the structure of the formula for 2024/25 with the exception of the mandatory introduction of the Split Sites Factor for which additional funding is provided to schools which operate over more than one school site. The Schools Budget for 2024/25 is attached in Appendix 6 for approval.

# DEDICATED SCHOOLS GRANT AND HIGH NEEDS BLOCK FUNDING AND DEFICIT

- 1.38 The Dedicated Schools Grant (DSG) is a ring-fenced grant of which the majority is used to fund individual school budgets in maintained schools, academies, and free schools in Harrow. It also funds Early Years nursery free entitlement places for 2-, 3- and 4-year-olds in maintained council nursery classes and private, voluntary, and independent (PVI) nurseries as well as provision for pupils with High Needs.
- 1.39 In Q3 there is a projected in year overspend of £2.773m. This means that the cumulative deficit is expected to be £5.396m by the end of 2023-24.
- 1.40 Any deficits an authority may have on its DSG account is expected to be carried forward and does not allow or require a local authority to cover this from its general reserves. This arrangement has been extended for three years to March 2026 beyond which LAs will need to demonstrate they have enough reserves to balance any deficit unless an alternative funding solution is proposed by Government.
- 1.41 The DfE requires local authorities to explain their plans for bringing the DSG account back into balance. The updated DSG projections which align with the updated SEND Strategy will be presented to Cabinet later this year. Despite the significant proposals and measures planned over the next ten years, it is unlikely that the plan will fully mitigate the deficit. This is due to the following contributory factors:

- historical underfunding
- current budgets being based on historical budgets rather than historical spend
- extension of age range to include 0-5 and post 19 pupils which are not included in historical budgets on which current funding is based
- current and projected formulaic funding which does not keep pace with demand
- significant historical and projected growth in number of Education, Health & Cre Plans (EHCPs)
- continued growth in complexity of pupils' needs
- limitations about creating cost effective provision in borough due to capacity and site limitations

#### SEND Funding Proposals 2024/25

- 1.42 During 2023 the Council commissioned an independent review of SEND funding for in-borough provision as funding had not been reviewed for many years (partially delayed due to Covid) and schools were of the view that funding had not kept pace with increasing costs, particularly in relation to pay inflation for teaching and non-teaching staff. As an interim proposal for 2023/24 funding increases of 10% were applied to the place/top up funding for ARMs resources (which had not been reviewed for 10 years) and 10% on the banding/hourly rate for EHCPs in mainstream schools.
- 1.43 In 2024/25 Special School and Pupil Referral Unit (PRU) budgets will be increased by 3.4%. This is a mandatory requirement within the High Needs Operational Guidance and will be an additional cost to the High Needs Block (HNB) of £528k. There are approximately 591 places in Harrow special schools and the PRU.
- 1.44 The funding review provided benchmarking data that identified that, despite the previous years' increases, Harrow funding was below the average of its statistical neighbours for Additionally Resourced Mainstream (ARMs) provision and EHCPs in mainstream schools.
- 1.45 For ARMs provision it is proposed to increase ARMs provision place/top up funding by a further 3.4% in 2024/25 in line with mandated funding increases for special and alternative provision which would be at an additional cost to the HNB of £128k. There are approximately 150 children in ARMs resources in Harrow schools.
- 1.46 It is also proposed to provide additional funding for pupils with EHCPs in mainstream schools of 7% at an additional cost to the HNB of £1m. The funding review benchmarking data suggests that this increase would place Harrow somewhere in the average of the statistical neighbour comparator group. This would mean there has been a 17% increase in funding provided to mainstream schools since 2022/23. In addition, during this period schools have faced inflationary increases for non-teaching staff of over 20% in the last two years, many of whom are directly employed to support pupils with SEND. There are approximately 850 children with EHCPs in mainstream schools in Harrow.

- 1.47 Consultation was carried out with schools in the Autumn Term in respect of these proposals. It should be noted that that whilst the majority of schools supported proposals to increase funding to schools, they felt that the % increases fell below the increase in costs schools are facing, in particular in relation to non-teaching pay awards. The main theme of responses stated that the increases represent a below inflation rise in costs and that Harrow should have a higher aspiration than the ambition of bringing funding up to the average of the comparator groups in the benchmarking data.
- 1.48 The LA's response to the consultation concluded that:
  - It is not the responsibility of the High Needs Block to meet the cost of inflation. The growth in the HNB for 2024-25 is below 3% and this not only needs to support inflationary pressures but also growth in demand/complexity of need.
  - High Needs funding is part of a larger system of funding in schools.
  - The 7% rise (which effectively equates to 10%-13% top up increase) is in addition to a 10% rise in the previous financial year
  - The intention of the two years' of % rises was to bring Harrow in line with other boroughs.
- 1.49 Despite this, the Schools Forum expressed disappointment with the % increases in the funding proposals. However, the LA has to also consider the financial implications of the funding proposals and the impact on the HNB deficit. The independent review also emphasised the importance of strategic planning with all providers on SEND provision to manage the HNB in a sustainable way moving forward.
- 1.50 Mainstream schools and ARMS are critical components of our SEND Strategy to ensure more in-borough places for children and young people with high needs and to reduce future pressure on the HNB and, through SEN Transport needs, on the General Fund. By agreeing these funding proposals, it supports these settings to continue to deliver education for children with EHCPs and prevents the need for out of borough more expensive provision, leading to an increased projected deficit in addition to the projected figures provided below.

#### **High Needs Block Funding & Deficit**

1.51 In Q3 there is a projected in year overspend of £2.773m. This means that the cumulative deficit is expected to be £5.396m by the end of 2023-24 The projected position on the HNB is as follows:

Projections	Spend
Deficit brought forward 1 April 2023	£2,622,763
2023/24 in year deficit	£2,773,064
Deficit carried forward 31 March 2023	£5,395,826
2024/25 in year deficit projection	£9,191,911
2025/26 in year deficit projection	£12,504,901
Cumulative deficit 31 March 2026	£27,092,639

- 1.52 The figures above assume that there will be a projected 100-120 additional pupils with EHCPs per annum, that additional ARMs will be opened but assume beyond 2023/24 that provision in the borough will be at capacity and thus the majority of additional children would need to be educated out of borough at Independent Non-Maintained Specialist Schools (INMSS). This is where the significant spike in spend is projected to occur from 2024/25 as a disproportionate number of the additional growth in children would have to be placed at INMSS provision.
- 1.53 The cost of INMSS provision is estimated to increase to around £70,000 compared to £30,000-£35,000 in Harrow special school provision and £20,000-£25,000 in ARMs resources. The average cost of a mainstream EHCP is £10,000-£15,000. If schools decide not to continue providing ARMs provision or agree to open new provision, then the projected deficit figures above will be significantly higher as pupils who could go to ARMs provision would go to Harrow special schools and pupils who could go to Harrow special schools would have to go to INMSS provision.
- 1.54 An updated SEND Strategy will be presented to Cabinet in 2024 and will refresh the actions being taken to mitigate the deficit which includes:
  - opening more ARMS provision at mainstream schools
  - changing the character of special Moderate Learning Difficulties (MLD) schools to take more children with Severe Learning Difficulties (SLD)
  - continued support to mainstream schools to make provision for more pupils with EHCPs
  - bid to DfE for special free school
  - exploring further options to create in borough specialist provision including increased post 16 opportunities
  - a stronger focus on integrated work with other agencies, including health services, to ensure that children with SEND have needs met locally
  - more integrated approaches to school attendance, including for children with Social, Emotional & Mental Health (SEMH) challenges so that more intensive provision is not required

#### **PUBLIC HEALTH FUNDING 2024/25**

- 1.55 In 2023/24 the total public health grant to local authorities totalled £3.529bn, with £12.007m being allocated to Harrow. The grant is ringfenced for use on public health functions exclusively for all ages of the population and must be spent in accordance with grant conditions on expenditure incurred by local authorities for the purposes of their public health functions, as specified in Section 73B (2) of the National Health Service Act 2006.
- 1.56 The Public Health commissioning intentions detailed in Appendix 7 are based on the grant allocation for 2024-25 of £12.288m as advised by DHSC in February 2024. These commissioning intentions reflect alignment with the Health & Wellbeing Strategy, Borough Plan, and evidence of population priorities.

1.57 The Council consider that this level of funding enables the Council's overarching statutory duties (including equality duties) to be maintained, taking account of the joint strategic needs assessment. However, if additional duties are required by Councils, and if these were unfunded, the commissioning intentions would need to be reviewed in light of the allocated grant envelope.

#### **BETTER CARE FUND (BCF) 2024/25**

- 1.58 The framework for the Better Care Fund (BCF) derives from the government's mandate to the NHS which sets an objective for NHS England to ring fence funding to form the NHS contribution to the BCF. The NHS Long Term Plan, published in January 2019 set out the priorities for transformation and integration, including plans for investment in integrated community services and next steps to develop Integrated Care Systems.
- 1.59 The BCF continues to provide a mechanism for personalised, integrated approaches to health and care that support people to remain independent at home or to return to independence after a period in hospital. The continuation of the national conditions and requirements of the BCF provides opportunities for health and care partners to build on their plans to embed joint working and integrated care further, including how to work collaboratively to bring together funding streams to maximise the impact on outcomes for communities and sustaining vital community provision.
- 1.60 Following submission of the planning template covering the period 2023-2025 in August 2023, and assurance by NHS England, the 2024/25 Adults budget assumes that funding for the Protection of Social Care through the BCF will be £7.954m an increase of 5.66% on the funding for 2023-24, reflecting the NHS funding commitments made within the spending review.
- 1.61 The total value of the Better Care Fund in Harrow for 2024-25 is £31.406m and includes a range of grants (including the Disabled Facilities and Adults Discharge Grants) and schemes across both Health and Social Care. The Better Care Fund Policy statement and Policy Framework and Planning Requirements will provide the detailed guidance when published in early 2024 (usually March). The requirements around integration and collaborative working are expected to continue.

#### **RESERVES AND CONTINGENCIES**

- 1.62 Reserves and contingencies need to be considered in the context of their role to protect the Council's financial standing and in the context of the overall risks that the Council faces during a continuing period of economic uncertainty. The MTFS reflects the Council's need to ensure an adequate level of reserves and contingencies which will enable it to manage the risks associated with delivery of the budget including equalities impacts and unforeseen events.
- 1.63 The Council's overall reserves position is reported to Cabinet quarterly as part of the revenue monitoring update. At Q3 (end of December 2023), total reserves forecast for carry forward into 2024/25 are £58.6m after

accounting for draw downs in 2023/24. A number of the earmarked reserves are planned to be used across the period of the MTFS and therefore the revised figure is estimated to be £43.0m following the estimated draw downs.

- 1.64 The non-specific earmarked reserves have been reviewed and as a result a number of reserves are no longer needed for the original intention which means it has been possible to boost the Budget Planning Reserve by £2.9m. Appendix 9 sets out the details of the reserves. After accounting for earmarked reserves, this leaves the Councils remaining non earmarked reserves at the following level:
  - Budget Planning Reserve £19.599m
  - General Fund £10.008m
- 1.65 There are savings required to deliver the budgets 2024/25 and 2025/26 and these will require the use of earmarked reserves to support capacity, implementation, and redundancy costs, which have been factored in the figures in Appendix 9.
- 1.66 There is also an ongoing revenue budget for Contingency for Unforeseen items, which is increased from £1.248m in 2023/24 to £2.461m in 2024/25.
- 1.67 At the end of the financial year, when preparing the outturn report, all reserves will be subject to a further review including a focus on earmarked reserves to ensure they are still required for the purpose to which they are designated or can be moved to support the MTFS. The report of the Director of Finance and Assurance, which includes the adequacy of Council reserves and contingencies is detailed in Appendix 10.

#### LEVIES, CONTINGENCIES AND SUBSCRIPTIONS

1.68 Appendix 4 sets out the main levies, contributions to other bodies, and subscriptions that the Council will pay in 2024/25. These sums are set by other bodies and are outside the Council's control. Except for the subscriptions to London Councils and the Local Government Association, the payments are compulsory.

#### **COUNCIL TAX MODEL RESOLUTION**

- 1.69 The Council Tax Model Resolution is attached at Appendix 11 which proposes the Band D council tax of £1,814.92 for Harrow Council. The proposed GLA precept of £471.40 takes the overall proposed Band D council tax to £2,286.32. The GLA precept is still subject to confirmation and is expected to be confirmed on 22 February 2024. The relevant basic amount of council tax is under the threshold in the Referendum relating to Council Tax Increases (Principle) (England) Report 2024/25.
- 1.70 The proposed GLA precept is an increase of 8.6% taking the aggregate Council Tax increase to 5.71% for 2024/25.

#### **MEMBER ALLOWANCES**

1.71 The proposal for the basic allowance and the different bands of the Special Responsibility Allowance and Mayoral Allowances for 2024/25 is to be considered in a separate report to Council in February 2024. Any additional cost implications will be met from the Contingency.

#### ANNUAL PAY POLICY STATEMENT

- 1.72 Under the Localism Act, all public authorities must publish annual pay policy statements. The statement must set out the Authority's policies for the financial years relating to:
  - Remuneration of Chief Officers
  - Renumeration of its lowest paid employees
  - The relationship between the remuneration of its Chief Officers and the remuneration of those employees who are nor Chief Officers.

The proposed statement is attached at Appendix 12 and Cabinet is requested to recommend it to Council for agreement.

#### LONDON BOROUGHS GRANTS COMMITTEE

1.73 London Councils require formal notification of the Council's agreement to their contribution for 2024/25. Harrow's contribution to the London Borough Grants Scheme is £196,434 for 2024/25 which has increased by £9,527 from the 2023/24 level of £186,907. This is included within the levies at Appendix 4.

#### 2.0 CONSULTATION

- 2.1 As a matter of public law the duty to consult with regards to proposals to vary, reduce or withdraw services will arise in 4 circumstances:
  - Where there is a statutory requirement in the relevant legislative framework:
  - Where the practice has been to consult or where a policy document states the council will consult then the council must comply with its own practice or policy;
  - Exceptionally, where the matter is so important that there is a legitimate expectation of consultation and;
  - Where consultation is required to complete an equalities impact assessment.
- 2.2 Regardless of whether the council has a duty to consult, if it chooses to consult, such consultation must be carried out fairly. In general, a consultation can only be considered as proper consultation if:
  - Comments are genuinely invited at the formative stage;
  - The consultation documents include sufficient reasons for the proposal to allow those being consulted to be properly informed and to give an informed response;

- There is adequate time given to the consultees to consider the proposals;
- There is a mechanism for feeding back the comments and those comments are conscientiously taken into account by the decision maker / decision making body when making a final decision;
- The degree of specificity with which, in fairness, the public authority should conduct its consultation exercise may be influenced by the identity of those whom it is consulting and;
- The consultation is clear on the reasons and extent to which alternatives and discarded options have been discarded.
- 2.3 The Council held a five-week consultation to provide residents with the opportunity to comment on the draft budget proposals. The consultation ended on 24 January 2024.
- 2.4 The Draft Budget Report was available to view on the Council's consultation portal MyHarrow Talk, and the consultation was advertised by social media, a news release and via the MyHarrow weekly e newsletter which is sent to c.130,000 MyHarrow email accounts and other subscribers and Harrow Online. There were 63 respondents (2023/24: 230 respondents) to the budget consultation survey so the results below should be taken in this context.
- 2.5 A summary of the response data is included in Appendix 14.
- 2.6 Over the two main questions respondents were slightly more in agreement with how the council plans to spend the budget in 2024/25. While more disagreed about raising Council Tax, respondents appreciated the need to spend more on adult social care and core council services due to demand, as well as the need to set a balanced budget for the next financial year.
- 2.7 Question 1 The London Borough of Harrow has a Corporate Plan for Restoring Pride in Harrow. And it has three priorities to be:
  - a council that puts residents first,
  - · a borough that is clean and safe, and
  - a place where those in need are supported.
- 2.8 The 2024/25 budget has been put together to ensure funds are available and resources are committed to deliver these priorities.
  - Do you agree with how the council plans to spend the budget in 2024/25? 26 agree (41%), 20 disagree (32%), 12 (19%) neither agree nor disagree, 2 (3%) not sure, 3 (5%) did not answer the question.
- 2.9 Question 2 Having read the draft budget proposals and the information about the council's financial position, please answer the following statements:
- 2.10 I understand the need to increase council tax in 2024/25 by 2.99% for council services plus the 2% adult social care levy a total increase of 4.99%. 16 agree (25%), 38 disagree (60%), 7 (11%) neither agree nor disagree, 1 (2%) not sure, 1 (2%) did not answer the question.

- 2.11 I understand the need to spend more on adult social care. 30 agree (48%), 21 disagree (33%), 11 (17%) neither agree nor disagree, 0 (0%) not sure, 1 (2%) did not answer the question.
- 2.12 I understand the need to spend more on core council services because of growing demand. 26 agree (41%), 22 disagree (35%), 11 (17%) neither agree nor disagree, 3 (5%) not sure, 1 (2%) did not answer the question.
- 2.13 I understand the need to deliver a balanced budget. 45 agree (71%), 8 disagree (13%), 8 (13%) neither agree nor disagree, 1 (1.5%) not sure, 1 (1.5%) did not answer the question.
- 2.14 The comments received from those who responded were around these key themes:
  - Concerns around services and initiatives not being run as efficiently as possible
  - Concerns about the visibility / quality of services received in return for Council Tax paid
  - Calls for the Council to approach central government for more funding.
  - Concerns about the impact on households of an increased Council Tax bill, in light of pressures on finances. Question about what support there is for those struggling.
- 2.15 As explained in this report, the overall challenging financial position leaves the Council with limited options in terms of Council Tax and its proposed increase which is following central government expectations. However, the Council is very mindful of the impact on household budgets of inflationary pressures and is protecting those on the lowest income from the increase in Council Tax through its Council Tax Support Scheme.
- 2.16 Key stakeholder consultation meetings have taken place as detailed below:

**Table 7: Key Stakeholder Consultation** 

Stakeholder	Meeting		Date
Local Businesses	Harrow Business C Panel	Consultative	23/01/24
Unions / Employees	Employees C Forum	Consultative	10/01/24

2.17 In terms of service specific consultations, the council has a duty to consult with residents and service users in a number of different situations including where proposals to significantly vary, reduce or withdraw services. Consultation is also needed in other circumstances, for example to identify the impact of proposals or to assist with complying with the council's equality duties. There may be in year projects that will be subject to a separate cabinet report and separate consultation and quality impact assessment.

#### 3.0 PERFORMANCE ISSUES

3.1 In terms of financial performance, Cabinet is updated quarterly of forecast spend against the agreed budget and achievement of savings built into the budget. The same information is also presented to the Performance and Finance Scrutiny Sub Committee regularly throughout the year.

#### 4.0 RISK MANAGEMENT IMPLICATIONS

4.1 Risks included on corporate or directorate risk register? Yes – Inability to deliver the Council's MTFS is included in the Corporate Risk Register

Separate risk register in place? No

The relevant risks contained in the register are attached/summarised below. Yes

The following key risks should be considered when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
Inability to deliver the Council's approved MTFS - over the next 3 years leading to an inability to set a balanced budget and provide core services	<ul> <li>In-year Revenue &amp; Capital monitoring reported to CLT monthly, as well as the Portfolio Holder for Finance and HR, and Cabinet on a quarterly basis.</li> <li>Budget challenge sessions were held to tackle in year pressures in August and Sept 2023.</li> <li>Savings are tracked on a monthly basis via the MTFS savings tracker</li> <li>Budget for 2024/25 is balanced so the focus is on the 2025/26 and 2026/27 budget gaps.</li> </ul>	Amber
The final budget and MTFS is based on the Indicative Finance Settlement to be followed by the Final Settlement in early February which may require change.	The Final Settlement was received on 5th February 2024. Additional funding of £2.308m was allocated.	Green
Balanced budget for 2023/24 not achieved adversely impacting on the 2024/25 budget	The 'Q3 Revenue and Capital Report' forecasts a net overspend of £0.581m. It is anticipated that this should reduce by year end as	Green

	forecasts build in anticipated spend which may not happen.  The estimated impact of 2023/24 pressures into 2024/25 are accounted for in the draft budget and MTFS  There is a contingency for unforeseen items in 2023/24 (£1.248m) which has not been called upon.	
The saving proposals within the MTFS that are still subject to consultation, EQIA and potentially a further Cabinet Report may not be able to proceed and / or deliver their full estimated value	<ul> <li>There are a number of saving proposals that can immediately implemented to ensure full delivery of their value in the MTFS.</li> <li>Budget provision for capacity, implementation costs etc is provided to support those savings requiring further consultation etc can be seen through to delivery.</li> <li>There is a contingency for unforeseen items in 2024/25 (£2.461m) which can be used in the interim if proposals cannot proceed as planned.</li> <li>Monthly tracking and reporting of saving proposals will identify if proposals are on track allowing alternative solutions to be found.</li> </ul>	Amber

#### 5.0 LEGAL IMPLICATIONS

- 5.1 Section 31A of the Local Government Finance Act 1992 requires billing authorities to calculate their council tax requirements in accordance with the prescribed requirements of that section. This requires consideration of the authority's estimated revenue expenditure for the year; in order to perform its functions, allowances for contingencies in accordance with proper practices, financial reserves and amounts required to be transferred from general fund to collection fund.
- 5.2 Local authorities owe a fiduciary duty to council tax-payers, which means it must consider the prudent use of resources, including control of expenditure, financial prudence in the short and long term, the need to strike a fair balance between the interests of council tax payers and ratepayers and the community's interest in adequate and efficient services and the need to act in good faith in relation to compliance with statutory duties and exercising statutory powers.
- 5.3 Cabinet is approving these proposals having considered the consultation responses. These proposals will be referred to Council so that Council can approve the budget envelope and set the Council Tax. Individual proposals

within the budget will be subject to their own decision-making paths such as cabinet, committees or officer delegated decisions as appropriate with consultation and equality impact assessments as required. There will be contingencies within the budget envelope so that decision makers have some flexibility should any decisions have detrimental equalities impacts that cannot be mitigated.

- 5.4 Section 151 of the Local Government Act 1972 states that: "without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". Section 111 of the Local Government Act 1972 relates to the subsidiary powers of local authorities.
- 5.5 Under Section 114 of the Local Government Finance Act 1988, the chief finance officer (S151 Officer) of a relevant authority shall make a report under this section if it appears to them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

#### 6.0 FINANCIAL IMPLICATIONS

6.1 Financial Implications are integral to this report.

#### 7.0 PROCUREMENT IMPLICATIONS

7.1 There are no procurement implications arising from this report.

#### 8.0 EQUALITIES IMPLICATIONS / PUBLIC SECTOR EQUALITY DUTY

8.1 Decision makers should have due regard to the public sector equality duty in making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome. The equalities impact will be revisited on each of the proposals as they are developed. Consideration of the duties should precede the decision. It is important that Cabinet has regard to the statutory grounds in the light of all available material such as consultation responses. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:

A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act:
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

  Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard to the need to:

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it:
- (c) Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

  The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

  Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard to the need to:
- (a) Tackle prejudice, and
- (b) Promote understanding.

Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

The relevant protected characteristics are:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation
- Marriage and Civil partnership
- There are a number of directorate proposals which may require separate consultation and will be subject to a full equalities impact assessment and further report to Cabinet, committee or subject to officer delegated power decisions where appropriate. These are detailed in Appendix 1A and 1B. Council will be setting the budget envelope that cabinet will work within. Should any of the proposals that the decision makers do not proceed with due to equality impacts then alternative proposals or taking money from reserves will be considered.

#### 9.0 COUNCIL PRIORITIES

#### 9.1 Council Priorities:

- A Council that puts residents first
- A Borough that is clean and safe
- A Place where those in need are supported

## **Section 3 - Statutory Officer Clearance**

**Statutory Officer: Sharon Daniels**Signed by the Chief Financial Officer

Date: 26/01/2024

**Statutory Officer: Jessica Farmer** 

Signed by the Monitoring Officer

Date: 01/02/2024

Managing Director: Alex Dewsnap

Signed by the Managing Director

Date: 25/01/2024

**Head of Procurement: Nimesh Mehta** 

Signed by the Head of Procurement

Date: 25/01/2024

**Head of Internal Audit: Neale Burns**Signed on behalf of the Head of Internal Audit

Date: 25/01/2024

Has the Portfolio Holder(s) been consulted? Yes ⊠

**Mandatory Checks** 

Ward Councillors notified: NO, as it impacts on all Wards

EqIA carried out: N/A

EqIA cleared by: N/A

**Section 4 - Contact Details and Background Papers** 

**Contact:** Sharon Daniels, Interim Director of Finance,

Sharon.Daniels@harrow.gov.uk

**Background Papers:** None

Call-in waived by the Chair of Overview and Scrutiny
Committee – NOT APPLICABLE (decisions reserved to Council)



# 503

## **Summary Proposed savings/growth proposals**

### **APPENDIX 1A**

	2024-25	2025-26	2026-27	Total	
	£000	£000	£000	£000	
Savings				-	
Resources				-	
Managing Director				-	
Place	(848)	(819)	(591)	(2,258)	
Adults				-	
Childrens				-	
Corporate/Council Wide				-	
Total Savings	(848)	(819)	(591)	(2,258)	
Growth					
Resources	410	(230)	-	180	
Managing Director	272	6	-	278	
Place	3,302	975	(377)	3,900	
Adults	5,440	2,347	2,000	9,787	
Childrens	(900)	-	-	(900)	
Corporate	250	-	-	250	
Total Growth	8,774	3,098	1,623	13,495	
Net Total Savings and Growth	7,926	2,279	1,032	11,237	

				Prop	osals				
ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2024-25	2025-26	2026-27	Total	EIA required Y/N?	Does this proposal impact on another directorate?	Further consultation with Key Stakeholders Yes/No/N/A
			£000	£000	£000	£000			
		Savings Proposals							
		PLACE							
PLACE 2024-25_S01	Community Engagement	Removal of Ward Priority Fund budget Ward Priority Fund (WPF) is an annual fund, allocated across the borough, available to support small-scale ward-level projects or initiatives that have community and councillor support. The fund is apportioned equally between Wards, with each Ward receiving £4,545, for Ward Members to apply. With the removal of WPF, ward members can still deliver projects using other funding such as Neighbourhood Community Infrastructure Levy (NCIL)	(100)			(100)	N	N	No
PLACE 2024-25_S02	Corporate Estates	Review of leases and rent for corporate property portfolio	(50)			(50)	N	N	No
PLACE 2024-25_S03	Planning Service	Introduction of new Fees and Charges for tree documents.  To supply and charge for environmental information relating to Tree Preservation Orders (TPOs).	(10)			(10)	N	N	No
PLACE 2024-25_S04	Planning Service	Review of Technical Support resources and future requirements following the full implementation of the new planning software system	(38)	(76)		(114)	Υ	N	Yes, staff consultation
PLACE 2024-25_S05	Directorate wide	Place Directorate Restructure 2023 Following the approval of the restructuring proposal, total saving is estimated to be in the region of £500k. £250k has already been included in 23/24 MTFS, therefore an additional saving of £250k can be generated.		(200)		(200)	Υ	N	Yes, staff consultation
PLACE 2024-25_S06	Corporate Estates	<b>Net reduction in Business Rates</b> following the closure of Civic Centre and the opening of the Harrow Council Hub	(250)			(250)	N	N	No
PLACE 2024-25_S07	Housing General Fund	Property Acquisition Programme (PAP) - Saving on temporary accommodation budget arising from PAP (additional 50 homes).		(543)	(591)	(1,134)	N	N	No
PLACE 2024-25_S08	Waste Services	Garden Waste subscription – Increase in income following the implementation of 2024/25 Fees & Charges	(100)			(100)	N	N	No
PLACE 2024-25_S09	Directorate wide	Additional income arising from 2024/25 Fees & Charges proposals	(300)			(300)		N	No
		PLACE SAVINGS PROPOSALS	(848)	(819)	(591)	(2,258)			
		TOTAL SAVINGS PROPOSALS	(040)	(010)	(E01)	(2.250)			
		TOTAL SAVINGS PROPOSALS	(848)	(819)	(591)	(2,258)			

				Prop	osals				
ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2024-25	2025-26	2026-27	Total	EIA required Y/N?	Does this proposal impact on another directorate?	Further consultation with Key Stakeholders Yes/No/N/A
			£000	£000	£000	£000			
		Growths Proposals							
		RESOURCES							
RES1	Access Harrow	Access Harrow - Reversal of a previous saving relating to the closure of phone lines as the second part of the programme to reduce capacity within Revenues & Benefits was not progressed.	180			180			
RES2	Payroll Services	Loss of income due to the cessation of schools payroll service. Staff previously working on schools payroll service are retained to support the wider service. A one-off growth for 24/25 whilst efficiencies are being identified through the procurement of the Payroll system.	230	(230)		1			
		RESOURCES GROWTH PROPOSALS	410	(230)	-	180			
		MANAGING DIRECTOR'S				-			
MD2	Finance & Assurance	Rationalise the Discretionary Freedom Pass provision - reversal of savings included in 23/24 MTFS. Following public consultation of the proposal, it was decided not to go ahead with this.	12	6		18			
MD3	Finance & Assurance	Internal Audit & Corporate Anit Audit Fraud Team - Restructure to create sufficient capacity to delivery the service, following a review of current structure benchmarking exercise	260			260			
		MANAGING DIRECTOR'S GROWTH PROPOSALS	272	6	-	278			
		PLACE							
PLACE_2024- 25_G01	Parking Services	<b>Parking Review</b> - Rephasing of the saving target in the MTFS (£1m) from 2024/25 to 2025/26	1,000	(1,000)		-			
PLACE_2024- 25_G02	Parking Services	Paid for Parking Income - Income pressure for On Street and Car Park facilities across the borough	360			360			
PLACE_2024- 25_G03	Planning Services	Planning and Building Control application fees Income pressures due to a reduction in application numbers	341			341			
PLACE_2024- 25_G04	Clean & Green	Street Cleaning Additional investment to provide a more streamlined service and better ownership & accountability by the team.	270			270			

				Prop	osals				
ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2024-25	2025-26	2026-27	Total	EIA required Y/N?	Does this proposal impact on another directorate?	Further consultation with Key Stakeholders Yes/No/N/A
			£000	£000	£000	£000			
PLACE_2024- 25_G05	Planning Services	Local Plan Review Additional support to the new Harrow Local Plan on Tall Buildings assessment, Views assessment, External Communications support an Kings Counsel representation at examination.	91	80	(171)	-			
PLACE_2024- 25_G06	Planning Services	Local Plan Review Reversal of growth in 26/27 - budget provided in 2023/24 MTFS for 3 years only for additional staff resources required to complete Local Plan Review			(206)	(206)			
PLACE_2024- 25_G07	Housing	Homelessness demand pressures - baseline pressure (assuming at current homelessness level) once the one-off grant reserve has been exhausted.		2,325		2,325			
PLACE_2024- 25_G08	Housing	Housing - Additional staff resource to support additional work due to a considerable increase in the approaches and formal applications to the Housing Needs Services.	180	(180)		1			
PLACE_2024- 25_G09	Waste Services	Behavioural change (residents) for reducing waste disposal cost - Original saving of £0.5m in 24/25. Rephasing of this over 2 years due to the delay in the recruitment of the recycling team. Communications plan and resident engagement to reduce waste and divert to recycling.	250	(250)		-			
PLACE_2024- 25_G10	Waste Services	West London Waste Authority (WLWA) - Increase in waste disposal costs	610			610			
PLACE_2024- 25_G11	Licensing & Enforcement	Investment in enforcement activities	200			200			
		PLACE GROWTH TOTAL	3,302	975	(377)	3,900			
		DECOME ADMITS							
ASC01	Placements	PEOPLE - ADULTS Older Adults - Increased budget for social care costs	1,955	2,000	2,000	5,955			
ASC01	Placements	All Age Disabilities - Increased budget for social care costs	2,920		2,000	2,920			
ASC03	Workforce	All Age Disabilities - Additional staffing requirements	77	-	-	77			
ASC04	Placements	Community Equipment - increased cost / volume for issues	115	-	-	115			
ASC05	Workforce	Social Work Realignment - to ensure consistency across Peoples in the grade costs for social work staff to support recruitment & retention	223	347	-	570			
ASC06	Workforce	DoLS & Safeguarding	150	-	-	150			
		ADULTS GROWTH PROPOSALS	5,440	2,347	2,000	9,787			

				Prop	osals				
ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2024-25	2025-26	2026-27	Total	EIA required Y/N?	Does this proposal impact on another directorate?	Further consultation with Key Stakeholders Yes/No/N/A
			£000	£000	£000	£000			
		PEOPLE - CHILDREN SERVICES							
PCG01	Education Services	Education Services Staffing Propoosals	100			100			
PCG02	CYPS	Reduction of PC01 2023-24 Growth for Children's Placements & Accommodation	(1,000)			(1,000)			
		CHILDREN SERVICES GROWTH PROPOSALS	(900)	-	-	(900)			
		PEOPLE GROWTH TOTAL	4,540	2,347	2,000	8,887			
		CORPORATE							
MD1	Finance & Assurance	Increase in External audit fees as a result of procurement exercise by Public Sector Audit Appointments	250			250			
		CORPORATE GROWTH PROPOSALS	250	-	-	250			
		TOTAL GROWTH	8,774	3,098	1,623	13,495			
		NET SAVINGS/GROWTH PROPOSALS	7,926	2,279	1,032	11,237			

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## Summary Savings and Growth from the 2022-23 & 2023-24 Budget Process

## **APPENDIX 1B**

	2024-25	2025-26	Total
	£000	£000	£000
Savings			
People - Children	(1,570)	(500)	(2,070)
People - Adults	(1,989)	(295)	(2,284)
Place	(3,775)	(300)	(4,075)
Resources	(708)	(108)	(816)
Managing Director	(499)	(6)	(505)
Corporate			-
Total Savings	(8,541)	(1,209)	(9,750)
Growth			
People - Children	500	-	500
Corporate	250	-	250
Total Growth	750	-	750
Net Total Savings and Growth	(7,791)	(1,209)	(9,000)

				Pr	oposa	ls			
Item No	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2024-25	2025-26	Total	EIA required Y/N	Does this proposal impact on another directorate?  Y/N	Further Consultation with Key Stakeholders Yes/No/N/A
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				£000	£000	£000			
			Savings Proposals						
			Resources						
1	RES L1	BSS	Reduction of the cost of post through digitalisation	_	-	-	N	Y	No
2	RES L2	IT	<b>Integrated Apps -</b> IT is in the process of agreeing a new corporate approach to management of business systems which are currently managed within departments. This new approach is expected to result in rationalisation and centralisation of budgets and deliver savings through reduction in contract spend.	(200)	-	(200)	N	N	No
3	RES 9	IT	IT Expenditure review and consolidation this is a back office saving which is not expected to have an impact on residents.	(100)	-	(100)	N	N	No
4	RES 12	Resources	Redesign of Resources Directorate - An exercise to redesign the Resources Directorate is currently underway. Although this is being driven to make sure that the Directorate is fit for purpose for the ongoing needs of the Council, it is also important to consider that one of these needs is to address affordability. This will be subject to HR procedures and consultaion and an Equailty Impact Assessment.	(408)	(108)	(516)	Y	Y	Yes
			RESOURCES SAVINGS PROPOSALS	(708)	(108)	(816)			
			Managing Director's			-			
5	CEO 10	Registration Services	<b>Land Charges -</b> this savings relates to transfer to Land Registry of local land charges register that records obligations affecting properties within their administrative area	(100)		(100)	N	N	No
6	CEO 4	Revs & Benefits	The Inflation Negating Scheme for Working Age Households in receipt of Council Tax Support at the end of 2022/23 will be replaced with a one off cost of living grant for 2023/24. Harrow has previously used its discretionary powers to administer a local inflation negating scheme to ensure that working age recipients of council tax support were awarded additional relief to cover the Harrow council tax inflationary increases.	(310)	-	(310)	Y	N	No
7	CEO 2	Revs & Bens	Rationalise the Discretionary Freedom Pass provision - Currently Discretionary Freedom passes are issued to approximately 200 residents. The scheme will continue for existing users but will not be offered to new applicants from 1.04.2023. Subject to cabinet report, consultation and Equality Impact Assesment.(EQIA)	(6)	(6)	(12)	Y	N	Yes
			Note: Following public consultation in 2023, the proposal is not to go ahead. These savings are reversed by growth included in Appendix 1a of the budget report.						
8	CEO 8	Governance	Efficiencies in legal and Governance	(20)		(20)	N	N	Yes
9	CEO 9	Registration Services	Registry Office - saving relates to review of service operating model and staffing levels.  Subject to EQIA and consultaion with staff and residents if required.	(63)		(63)		N	Yes
			MANAGING DIRECTOR'S SAVINGS PROPOSALS	(499)	(6)	(505)			

				Pr	oposa	ls			
Item No	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2024-25	2025-26	Total	EIA required Y/N	Does this proposal impact on another directorate?	Further Consultation with Key Stakeholders Yes/No/N/A
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				£000	£000	£000			
			People						
			Adults						
10	ASC02	ASC	Freezing senior post in Adult social care. Statutory Director of Adults Social Care (DASS) role to be held by Corporate Director Peoples for six months	88	-	88	N	N	No
11	ASC03	ASC	Management Review during 2023/24 (all M grades & above) . HR procedures will be followed with consultaion and eqia	(60)	-	(60)	Y	N	Yes
12	ASC04	ASC	Review Adult Social Care pathway during 2023/24 (all G grades) HR procedures will be followed with consultaion and eqia. Will be subject to a separate cabinet decision.	(302)	-	(302)	Y	N	Yes
13	ASC06	NRC's	Neighbourhood Resource Centre (NRC) reprofiling (Kenmore & Vaughan) to provide the most complex support	(800)	-	(800)	Υ	N	Yes
14	ASC07	NRC's	Public Health wellbeing support model - short term funding (2 years) to support the changes to the new NRC operating model	-	100	100	Y	N	No
15	ASC08	NRC's	Harrow Alliance Community Model (New Bentley).  External utilisation and management of New Bentley by the third sector following appropriate procurement exercise	(220)	-	(220)	Y	N	Yes
16	ASC10	Health Funding	Use of Better Care Fund to protect of Social Care Services (via Better Care Fund) - uncommitted resources and 2% annual uplift allocated against existing social care expenditure	(145)	(145)	(290)	N	N	Yes
17	ASC11	CYAD	Review out of borough post 18 residential placements and provide alternative accommodation within Harrow to enable relocation back in borough. Placements equality impacts will be considered on an individual basis.	(250)	(250)	(500)	Y	Y	Yes
18	ASC12	Inhouse Residential	De-register Bedford House (20 bedded CQC registered residential unit) to provide supported living accommodation for the most complex & challenging. Subject to a separate cabinet report and EQIA.	(300)	-	(300)	Y	N	Yes
			ADULTS TOTAL	(1,989)	(295)	(2,284)			
			Childrens			-			
19	PC01	CYPS	Placements & Accommodation Increased demand management - reduction in the cost of placements through reducing demand and stepping down young people into more cost effective provision where it is safe to do so	(500)	(500)	(1,000)	Y	Y	No
20	PC02	CYPS	Social Care Staffing HR policies will be followed. Service redesign delivering increased preventative models of care to reduce demand on formal care services resulting in reduction of management posts. Suhect to separate cabinet report and EQIA. HR policies will be followed.	(1,070)		(1,070)	Y	N	Yes
			CHILDRENS SERVICES TOTAL	(1,570)	<u> </u>	· · ·			
			PEOPLE SAVINGS PROPOSALS	(3,559)	(795)	(4,354)			

				Pr	oposa	ls			
Item No	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2024-25	2025-26	Total	EIA required Y/N	Does this proposal impact on another directorate?  Y/N	Further Consultation with Key Stakeholders Yes/No/N/A
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				£000	£000	£000			
			PLACE						
21	PLACE_S01	THAM & Parking	Transport Strategy: Parking Charge Notices - Proposed move from Band B to Band A, subject to endorsement by London Councils, the Mayor of London, and the Secretary of State for Transport. Subject to a separate decision. There are currently Band A and Band B charges for PCNs. Some London boroughs have moved to Band A while some are still in Band B (Harrow being one of them). The proposal is to move to Band A in order to support better compliance of traffic management.	(1,500)		(1,500)	Y	N	Yes
22	PLACE_S02	THAM & Parking	Transport Strategy: Moving Traffic Contraventions (MTC) Review - review of all MTCs in the borough and evaluate if they meet transport needs. The introduction of schemes including school streets and other measures following consultation from early 2023 including increasing ANPR / CCTV cameras. Schemes will be subject to s separate decison making process and consulation and EQIA as required.	(500)		(500)	Y	N	Yes
23	PLACE_S03	Waste Services	Behavioural change (residents) for reducing waste disposal cost.  - Increase recycling / food waste to flats  - Waste minimisation  To invest in a recycling team to engage with and support residents on waste reduction and increased recycling through behavioural change on how to deal with waste.	(500)		(500)	N	N	No
24	PLACE_S06	Parking	Transport Strategy: Electric vehicle charging points - Increase installation using government funding (DfT) and supplier's match fund; and charge for the spaces. Concession contract. subject to a separate decison making process.  Savings assume £3k per annum per bay, and a total of 100 bays following full roll out	(150)	(150)	(300)	Y	N	Yes

				Pr	oposa	ls			
ON mot		Specific Service Area	Headline Description re: saving / reduction INTERNAL	2024-25	2025-26	Total	EIA required Y/N	Does this proposal impact on another directorate?  Y/N	Further Consultation with Key Stakeholders Yes/No/N/A
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				£000	£000	£000			
2	5 PLACE_S08	Parking	Parking Review - Improvement on current parking enforcement activity and performance.  Immediate actions to review current enforcement:  1. Review the effectiveness of deployment plan of civil enforcement officers  2. Identify areas of low compliance and formulate enforcement plan  3. Review and amend current PCN cancellation procedure  5. Review and improve debt recovery rate  Deep dive:  1. Review structure to create a streamlined team  2. Develop Parking Services Strategy and CCTV Strategy  3. HGV Enforcement and Littering from Vehicles (via CCTV). Subject to a separate deciosn making process EQIA and consulation as required.  Subject to a detailed business case.	(1,000)		(1,000)	Y	Y	Yes
2	S PLACE_S11	Trading Standards	Review of the current shared Trading Standards service  Trading standards is currently provided as a joint service between Brent and Harrow, with an annual payment of £300k to Brent under the SLA.  It would be prudent to review the costs of this service and whether there could be savings and service improvement bringing back in house.  Under the SLA, a 2 year notice period is required if Harrow wishes to terminate the contract. The Service will continue to explore the in-house option including the costs of staff, IT and other running costs. TUPE implications, cost of adding Trading Standard module to Public Protection & Licensing IT system etc. Subject to a separate Cabinet report and HR policies.		(150)	(150)	Y	N	Yes
2	7 PLACE_S20	Place Review	Overarching review of the management tiers below Directors across the entire Place Directorate.  High level estimate only at this stage, to be worked through to confirm final savings and one-off redundancy costs. HR procedures will be followed EQIA and consulation.  PLACE SAVINGS PROPOSALS	(125)		(125)		N	Yes
				, ,	` '				
			TOTAL SAVINGS PROPOSALS	(8,541)	(1,209)	(9,750)			

				Pr	oposa	ls			
Item No	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2024-25	2025-26	Total	EIA required Y/N	Does this proposal impact on another directorate?	Further Consultation with Key Stakeholders Yes/No/N/A
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				£000	£000	£000			
			Growths Proposals						
			People-Childrens						
28		Education	Reduction in Special Needs Transport growth Growth was previously provided at £750k for 23/24 and £750k for 24/25 Appendix 1B.However following a review the full growth is not required. After these reductions of £550k and £250k this leaves £200k in 23/24 and £500k in 24/25 of the original growth.	(250)		(250)			
			DECRUE ORGANIZATIONAL	(050)		(050)			
			PEOPLE GROWTH TOTAL  CORPORATE	(250)	-	(250)			
29	Corporate	Corporate	Inflationary Growth in relation to care provider inflation	250		250			
	30.60.00	Corporate	Initiation and State and S						
			TOTAL CORPORATE GROWTH PROPOSALS	250	-	250			
			TOTAL GROWTH	-	-	-			
			NET SAVINGS/GROWTH PROPOSALS	(8,541)	(1,209)	(9,750)			
Sav	ings and gro	owth propos	als from the 2022-23 Budget Process						
			Growths Proposals						
			People-Childrens						
30		Education	Special Educational Needs Transport There are over 1,800 children and young people with Education Health & Care Plans (EHCPs) and approximately 40% of these are accessing SEN Transport. It is anticipated that the number of children and young people with EHCPs will increase to over 2,000 by 2023 which on the same ratio could mean a further 80 to 100 children requiring transport by 2023. It is estimated a further £750k pa will be required for each of the 3 years of the MTFS.			750			
			PEOPLE GROWTH TOTAL	750	-	750			
			TOTAL SAVINGS PROPOSALS	(8,541)	(1,209)	(9,750)			
			TOTAL GROWTH	750		750			
			NET SAVINGS/GROWTH PROPOSALS	(7,791)	(1,209)	(9,000)			

## MEDIUM TERM FINANCIAL STRATEGY 2024/25 to 2026/27

	2024/25	2025/26	2026/27
	£000	£000	£000
Budget Requirement Brought Forward	196,354	202,558	206,619
Corporate & Technical	6,069	13,870	10,695
People	1,481	1,552	2,000
Place	-1,321	-144	-968
Resources	-298	-338	0
Managing Director	-227	0	0
Corporate	500	0	0
Total	6,204	14,940	11,727
FUNDING GAP	0	-10,880	-6,732
Total Change in Budget Requirement	6,204	4,060	4,995
Revised Budget Requirement	202,558	206,619	211,614
Collection Fund Deficit/-surplus	-790	0	0
Revenue Support Grant	-2,219	-2,219	-2,219
Top Up	-24,120	-24,120	-24,120
Retained Non Domestic Rates	-13,221	-13,221	-13,221
Amount to be raised from Council Tax	162,208	167,059	172,054
Council Tax at Band D	£1,814.92	£1,869.19	£1,925.08
Increase in Council Tax (%)	4.99%	2.99%	2.99%
Tax Base	89,375	89,375	89,375
Tax Dasc	09,010	09,010	09,070
	98.00%	98.00%	98.00%
	33.3370	23.0075	23.0070
Gross Tax Base	91,199	91,199	91,199

Capital and Investment	MTFS 2024/25 to 2026/27 – Proposed investments / savings			Appendix 2
Capital and Investment   E000	Technical Adjustments	2024/25	2025/20	2026/27
Capital and Investment				
Implications of Capital Programme agreed for 2021/22 to 2023/24 budget process   225	Capital and Investment	2000	2000	2000
25/26 Capital Programme costs from 22/23 refresh   1,747		225		
28/27 Capital Programme costs from 23/24 refresh			1.747	
Capital Programme saving from 23/24 Review (£2.1m capital saving)			.,	1 500
24/25 Capital Programme - Inclusion of PAP (50 additional homes)  543  556  One off saving on Capital Financing costs due to underspends on Capital Programme  4,1,000  4,1,000  4,1,000  Assume temporary savings on capital financing cost from slippage (one off)  5,000  3,000  2,250  Assume Capital Receipts Flexibilities extended but on one-off basis  1,250  1,250  Assume Capital Receipts Flexibilities extended but on one-off basis  1,250  1,257  7,250  1,257  7,250  1,257  7,257  7,267  7,267  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7,277  7	·	-182	92	-196
One off saving on Capital Financing costs due to underspends on Capital Programme 3,000   Applying capital receipts to fund the Capital Programme -1,300   Applying capital receipts to fund the Capital Programme -1,300   Applying capital receipts to fund the Capital Programme -1,300   Applying capital receipts to fund the Capital Programme -1,300   Assume temporary savings on capital financing cost from slippage (one off)   -1,250   Assume Capital Receipts Flexibilities   -1,250   Assume Capital Receipts Flexibilities   -1,250   -1,250   -1,250   -1,250   -1,250   -1,250   -1,257   -1,257   -1,257   -1,258   -1,257   -1,257   -1,258   -1,257   -1,257   -1,258   -1,257   -1,257   -1,257   -1,258   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,258   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257   -1,257		-102	-	591
Applying capital receipts to fund the Capital Programme		3 000	343	391
Assume temporary savings on capital financing cost from slippage (one off)		-	1 200	
Assume Capital Receipts Flexibilities				
Assume Capital Receipts Flexibilities extended but on one-off basis		-3,000		
A				
Grant Changes   Core Spending Grant   -6,000   Reverse out £6m core grant   -6,000   Reverse out £6m core grant   -6,000     -6,000				1,250
Increase - Core Spending Grant	Total Capital and Investment Changes	-1,257	4,082	3,145
Increase - Core Spending Grant	0.001.000000			
Reverse out £6m core grant   6,000		6,000		
Increase in NNDR Multiplier - compensation for under-indexing (increased from £7.011m to £8.647m)   Capital Section				
Reduction in Services Grant.   2525k 242/5 allocation, a reduction of £1.353m. Previous budget assumed a reduction of £1.353   188	Increase in NNDR Multiplier - compensation for under-indexing (increased from £7.011m to	,		
Services Grant - Difference between Indicative Settlement allocation and Final Settlement allocation, an increase of £25k   25   28   Additional S31 grant   -2,720   2,720   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163   2,163	Reduction in Services Grant. £252k 24/25 allocation, a reduction of £1.353m. Previous budget assumed a reduction of	1,353	188	
Additional S31 grant	Services Grant - Difference between Indicative Settlement allocation and Final Settlement	-25	25	
Funding Guarantee Funding Guarantee Funding Guarantee (increased from 3% to 4%, announced by Government on 24/01/2024). Final Settlement allocation is £2.274m  Social Care Grant - £14.962m allocation for 24/25, an increase of £2.154m  Additional Social Care Grant (announced by Government on 24/01/2024). Final Settlement is £16.982m, an increase of £2.020m  Adult Social Care Market Sustainability Improvement Fund  Adult Social Care Market Sustainability Improvement Fund (spend of 25%)  BISCF (50% of the national allocation of £600m in 2023/24, increasing to £1bn by 2024/25)  BISCF Contribution to pool  Cost of Living Grant funded by Council Tax Support Fund (external grant)  Total Grant Changes  Freedom Passes - estimated reduction in usage (2022/23 process)  Freedom Passes - revision to usage figures from London Council update (2022/23 process)  Growth 24/25  Growth 25/26  November 22 update on Freedom passes - improvement for 2023/24 and 2024/25 but worse in 2025/26.  November 23 update on Freedom passes - increase of £37k in 2024/25, 2024/25 is still to be finalised.  Use of Reserves  West London Waste Authority income from electricty - assume one-off income in 23/24  West London Waste Authority income from electricty - assume income to continue for 2 more years  Total Other Technical Changes  Pay Amd Inflation  Pay Award @ 2.75% pa for 2023/24 and 2024/25 to fund pay award  Pay award 2023/24 & 2024/25 - 4% / 2025/26 - 3%  Pay award - Budget gap for 23/24 pay award  Book and the first and the first pay award  Book and the first page and the first pay award  Book and the first page and the first pay award  Book and the first page and the first page award  Book and the first page and the first page award  Book and the first page and the first page award  Book and the first page and the first page award  Book and the first page and the first page award  Book and the first page and the first page award  Book and the first page and the first page award  Book and the first page and the first page award  Book and th	Additional S31 grant	-2,720		
Funding Guarantee (increased from 3% to 4%, announced by Government on 24/01/2024). Final Settlement allocation is £2.274m Social Care Grant - £14.962m allocation for 24/25; an increase of £2.154m -2,154 Additional Social Care Grant (announced by Government on 24/01/2024). Final Settlement is £16.962m, an increase of £2.020m Adult Social Care Market Sustainability Improvement Fund Adult Social Care Market Sustainability Improvement Fund (spend of 25%) BIBCF (50% of the national allocation of £600m in 2023/24, increasing to £1bn by 2024/25) -616 BIBCF contribution to pool 616 Cost of Living Grant funded by Council Tax Support Fund (external grant) Total Grant Changes Freedom Passes - estimated reduction in usage (2022/23 process) Freedom Passes - revision to usage figures from London Council update (2022/23 process) Freedom Passes - revision to usage figures from London Council update (2022/23 process) Freedom Passes - revision to reedom passes - improvement for 2023/24 and 2024/25 but worse in 2025/26. November 22 update on Freedom passes - increase of £37k in 2024/25. 2024/25 is still to be finalised. Use of Reserves West London Waste Authority income from electricty - assume one-off income in 23/24 West London Waste Authority income from electricty - assume income to continue for 2 more years  Total Other Technical Changes Pay Award @ 2.75% pa for 2023/24 and 2024/25 of 4% / 2025/26 - 3% Pay award 2023/24 & 2024/25 - 4% / 2025/26 - 3% Pay award - Budget gap for 23/24 pay award Book and the first passed of £375 by a for 2018/24 pay award Book awa	Reduction in New Homes Bonus (from £2.245m to £82k)	2,163		
Final Settlement allocation is £2.274m  Social Care Grant -£14.962m allocation for 24/25; an increase of £2.154m  Additional Social Care Grant (announced by Government on 24/01/2024). Final Settlement is £16.982m, an increase of £2.020m  Adult Social Care Market Sustainability Improvement Fund  Adult Social Care Market Sustainability Improvement Fund (spend of 25%)  BCF (50% of the national allocation of £600m in 2023/24, increasing to £1bn by 2024/25)  BCF contribution to pool  Cost of Living Grant funded by Council Tax Support Fund (external grant)  Total Grant Changes  Freedom Passes - estimated reduction in usage (2022/23 process)  Freedom Passes - revision to usage figures from London Council update (2022/23 process)  Freedom Passes - revision to usage figures from London Council update (2022/23 process)  Freedom Passes - revision to usage figures from London Council update (2022/23 process)  From Passes - revision to usage figures from London Council update (2022/23 process)  Freedom Passes - revision to usage figures from London Council update (2022/23 process)  From Passes - revision to usage figures from London Council update (2022/23 process)  Freedom Passes - revision to usage figures from London Council update (2022/23 process)  Freedom Passes - revision to usage figures from London Council update (2022/23 process)  Freedom Passes - revision to usage figures from London Council update (2022/23 process)  Freedom Passes - revision to usage figures from London Council update (2022/23 process)  Freedom Passes - revision to usage figures from London Council update (2022/23 process)  Freedom Passes - revision to usage figures from London Council update (2022/23 process)  Freedom Passes - revision to usage figures from London Council update (2022/25 but worse in 2,000  Total Other Technical Changes  Freedom Passes - revision to usage figures from London Council update (2022/25 to 4% / 2025/26 - 3% 1,000  Pay award Dugde day Freedom Passes - increase of £37k in 2024/25 to fund pay award  Freedom Passes - re		-2,011		
Additional Social Care Grant (announced by Government on 24/01/2024). Final Settlement is £16,982m, an increase of £2.020m	Final Settlement allocation is £2.274m			
S £16.982m, an increase of £2.020m		-2,154		
Adult Social Care Market Sustainability Improvement Fund		-2,020		
Adult Social Care Market Sustainability Improvement Fund (spend of 25%)  IBCF (50% of the national allocation of £600m in 2023/24, increasing to £1bn by 2024/25)  -616  IBCF contribution to pool  Cost of Living Grant funded by Council Tax Support Fund (external grant)  Total Grant Changes  -7,861  213  Other Technical Changes  Freedom Passes - estimated reduction in usage (2022/23 process)  Freedom Passes - revision to usage figures from London Council update (2022/23 process)  Growth 24/25  Growth 24/25  Growth 25/26  November 22 update on Freedom passes - improvement for 2023/24 and 2024/25 but worse in 2025/26.  November 23 update on Freedom passes - increase of £37k in 2024/25. 2024/25 is still to be finalised.  Use of Reserves  West London Waste Authority income from electricty - assume one-off income in 23/24  West London Waste Authority income from electricty - assume income to continue for 2 one years  Total Other Technical Changes  Pay Award @ 2.75% pa for 2023/24 and 2024/25 as 3,000  Pay award 2023/24 & 2024/25 - 4% / 2025/26 - 3%  Pay award 2023/24 & 2024/25 - 4% / 2025/26 - 3%  Pay award 2023/24 by award  Reduction of council wide growth 2024/25 to fund pay award  -755		-1.144		
BCF (50% of the national allocation of £600m in 2023/24, increasing to £1bn by 2024/25)   -616   BCF contribution to pool   616   Cost of Living Grant funded by Council Tax Support Fund (external grant)   310   Total Grant Changes   -7,861   213   Cotal Changes   -7,861   -7,861   213   Cotal Changes   -7,861   -7,861   213   Cotal Changes   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861   -7,861				
IBCF contribution to pool   616   Cost of Living Grant funded by Council Tax Support Fund (external grant)   310   Total Grant Changes   -7,861   213				
Cost of Living Grant funded by Council Tax Support Fund (external grant)   310     Total Grant Changes   -7,861   213		I		
Other Technical Changes Freedom Passes - estimated reduction in usage (2022/23 process) Freedom Passes - revision to usage figures from London Council update (2022/23 process) Freedom Passes - revision to usage figures from London Council update (2022/23 process) Freedom Passes - revision to usage figures from London Council update (2022/23 process) Freedom Passes - revision to usage figures from London Council update (2022/23 process) Freedom Passes - revision to usage figures from London Council update (2022/23 process) Freedom Passes - revision to usage figures from London Council update (2022/23 process) Freedom Passes - revision to usage figures from London Council update (2022/23 process) Freedom Passes - revision to usage figures from London Council update (2022/25 but worse in 2022/24 and 2024/25 is usual to 2024/25 but worse in 2024/25 is usual 2024/25	Cost of Living Grant funded by Council Tax Support Fund (external grant)			
Freedom Passes - estimated reduction in usage (2022/23 process)   1,000	Total Grant Changes	-7,861	213	0
Freedom Passes - estimated reduction in usage (2022/23 process)   1,000				
Freedom Passes - revision to usage figures from London Council update (2022/23 process)   1,000				
Growth 24/25		1 000		
Company				
November 22 update on Freedom passes - improvement for 2023/24 and 2024/25 but worse in 2025/26.   1,050		2,022	1.000	
November 23 update on Freedom passes - increase of £37k in 2024/25. 2024/25 is still to be finalised.   37	November 22 update on Freedom passes - improvement for 2023/24 and 2024/25 but worse	-732		
West London Waste Authority income from electricty - assume one-off income in 23/24       1,000         West London Waste Authority income from electricty - assume income to continue for 2 more years       -1,000         Total Other Technical Changes       2,627       2,050       1,000         Pay and Inflation       2,750       2,750       2,750         Non Pay Inflation       1,000       1,000         Pay award 2023/24 & 2024/25 - 4% / 2025/26 - 3%       1,250       3,000         Pay award - Budget gap for 23/24 pay award       800       800         Reduction of council wide growth 2024/25 to fund pay award       -755       -755	November 23 update on Freedom passes - increase of £37k in 2024/25. 2024/25 is still to be finalised.	37		
West London Waste Authority income from electricty - assume income to continue for 2 more years       -1,000       1,000         Total Other Technical Changes       2,627       2,050       1,000         Pay and Inflation       2,750       2,750         Non Pay Inflation       1,000       1,000         Pay award 2023/24 & 2024/25 - 4% / 2025/26 - 3%       1,250       3,000         Pay award - Budget gap for 23/24 pay award       800       800         Reduction of council wide growth 2024/25 to fund pay award       -755       -755	Use of Reserves			
Total Other Technical Changes   2,627   2,050   1,000     Pay and Inflation   2,750   2,750     Pay Award @ 2.75% pa for 2023/24 and 2024/25   2,750     Non Pay Inflation   1,000     Pay award 2023/24 & 2024/25 - 4% / 2025/26 - 3%   1,250   3,000     Pay award - Budget gap for 23/24 pay award   800     Reduction of council wide growth 2024/25 to fund pay award   -755	·	1,000		
Pay and Inflation       2,750         Pay Award @ 2.75% pa for 2023/24 and 2024/25       2,750         Non Pay Inflation       1,000         Pay award 2023/24 & 2024/25 - 4% / 2025/26 - 3%       1,250       3,000         Pay award - Budget gap for 23/24 pay award       800         Reduction of council wide growth 2024/25 to fund pay award       -755	West London Waste Authority income from electricty - assume income to continue for 2 more years	-1,000		1,000
Pay and Inflation       2,750         Pay Award @ 2.75% pa for 2023/24 and 2024/25       2,750         Non Pay Inflation       1,000         Pay award 2023/24 & 2024/25 - 4% / 2025/26 - 3%       1,250       3,000         Pay award - Budget gap for 23/24 pay award       800         Reduction of council wide growth 2024/25 to fund pay award       -755	Total Other Technical Changes	2,627	2,050	1,000
Non Pay Inflation       1,000         Pay award 2023/24 & 2024/25 - 4% / 2025/26 - 3%       1,250       3,000         Pay award - Budget gap for 23/24 pay award       800       800         Reduction of council wide growth 2024/25 to fund pay award       -755       -755	Pay and Inflation			
Pay award 2023/24 & 2024/25 - 4% / 2025/26 - 3%       1,250       3,000         Pay award - Budget gap for 23/24 pay award       800         Reduction of council wide growth 2024/25 to fund pay award       -755				
Pay award - Budget gap for 23/24 pay award  Reduction of council wide growth 2024/25 to fund pay award  -755			3 000	
Reduction of council wide growth 2024/25 to fund pay award -755			3,000	
i ,				
Pay award 2026/27 @ 3% 3,00	Pay award 2026/27 @ 3%			3,000

Technical Adjustments			
•	2024/25	2025/26	2026/27
	£000	£000	£000
Non Pay Inflation - Additional £1m 2024/25, 2025/26 and 2026/27	1,000	1,000	1,000
Total Pay and Price Inflation	6,045	4,000	4,000
<u>OTHER</u>			
Gayton Road Income - Reprofiling of income	-11		
Growth London Living Wage	1,000		
- No LLW provision in 23/24 and reduced by 50% for 2024/25	-500	1,000	
Directorate growth	3,788		
Reverse out Directorate growth	-3,788		
Reverse Council wide Mgt saving	650		
Increase TM savings to offset Mgt saving - additional investment income being achieved	-650		
Council Tax Base increase	-500		
Council Tax Base increase	500	-250	-250
One off reduction of contingency budget	-175	175	
Reverse the one off reduction of contingency budget	175	-175	
Provision for increases in various levies in 24/25	200		
Increase in Contingency budget (from £1.248m to £2.461m)	1,213		
Increase in Corporate Budgets	2,308	-25	
Directorate Adjustments:			
Adults care provider	1,550	1,800	1,800
General growth provision	1,000	1,000	1,000
Reduction in Council wide growth provision	-245		
Total Corporate & Technical	6,069	13,870	10,695

People			
	2024/25	2025/26	2026/27
	£000	£000	£000
Children & Families			
Proposed Savings - see appendix 1a	0	0	0
Proposed Growth - see appendix 1a	-900	0	0
Proposed Savings - see appendix 1b	-1,570	-500	
Proposed Growth - see appendix 1b	500	0	
Sub total Children & Families	-1,970	-500	0
Adults			
Proposed Savings - see appendix 1a	0	0	0
Proposed Growth - see appendix 1a	5,440	2,347	2,000
Proposed Savings - see appendix 1b	-1,989	-295	
Sub total Adults	3,451	2,052	2,000
Total People Directorate	1,481	1,552	2,000

Place			
	2024/25	2025/26	2026/27
	£000	£000	£000
Proposed Savings - see appendix 1a	-848	-819	-591
Proposed Growth - see appendix 1a	3,302	975	-377
Proposed Savings - see appendix 1b	-3,775	-300	
Proposed Growth - see appendix 1b	0	0	
Total Place	-1,321	-144	-968

Resources			
	2024/25	2025/26	2026/27
	£000	£000	£000
Proposed Savings - see appendix 1a	0	0	0
Proposed Growth - see appendix 1a	410	-230	0
Proposed Savings - see appendix 1b	-708	-108	
Proposed Growth - see appendix 1b	0	0	
Total Resources	-298	-338	0

Managing Director			
	2024/25	2025/26	2026/27
	£000	£000	£000
Proposed Savings - appendix 1a	0	0	0
Proposed Growth - appendix 1a	272	6	0
Proposed Savings - see appendix 1b	-499	-6	
Proposed Growth - see appendix 1b	0	0	
Total Chief Executives	-227	0	0

Corporate			
	2024/25	2025/26	2026/27
	£000	£000	£000
Proposed Savings - appendix 1a	0	0	0
Proposed Growth - appendix 1a	250	0	0
Proposed Savings - see appendix 1b	0	0	
Proposed Growth - see appendix 1b	250	0	
Total Corporate	500	0	0

	2023/24 Net Budget	Gross Controllable Expenditure	Gross Income	Net Controllable Expenditure	Uncontroll - able Expenditure	2024/25 Net Budget
	£'000	£'000	£'000	£'000	£'000	£'000
ocal Demand - Borough Services		2000		2000		
Managing Director	11,866	194,397	-178,381	16,016	-3,771	12,245
Resources	8,952	24,423	-3,959	20,464	-15,275	5,189
Place	61,639	101,422	-66,685	34,737	23,835	58,572
People Product	126,349	334,421	-226,094	108,327	16,388	124,715
Total Service Budget Corporate And Technical Adjustment	208,806	654,664	-475,119	179,544	21,177	200,721
Council Wide Staff efficiencies	-650					0
Corporate Budgets (Levies & Subscriptions inc. Audit fees)	-030					
Coroners Court	227					419
Freedom pass	-129					2,627
LPFA levy	298					298
Corporate Democratic Core	1,735					1,735
Levies,grants, subscriptions	269					469
External Audit Fees	191					441
London Borough Grant Committee	187					187
Apprenticship Levy	400					400
Pay Inflation	2,200					5,500
Employer's Pension Contribution	-1,118					0
Other Corporate budget	245					0
Goods And Service Inflation	5,850					1,000
Treasury Management expenses	2,012					2,135
Treasury Management Income						-650
Capital Financing Cost	31,298					30,041
Capital Financing adjustments	-36,385					-26,037
Grants						
Sec.31 Grant Business Rate Reliefs	-2,500					-5,220
New Homes Bonus	-2,245					-82
Reduction in grant for council tax subsidy admin	256					0
Multiplier Cap Funding - Compensation for underindexing the						
business rates multiplier	-7,011					-8,647
Cost of Living Grant	-310					310
Social Care Grant	-4,787					-4,174
Adult Social care market sustainibility grant and Improvements	-2,271					-1,144
Adults Social Care Market sustainablity grant & improvements						,
(spend of 25%)	560					286
IBCF (50% of National allocation)	-934					-616
IBCF contribution to pool	934					616
New Service Grant	-1,541					-277
Funding Guarantee Grant						-2,274
Other Budget Adjustments						
Other Reserves	-1,000					-1,000
Contingency - General	1,248					2,461
Other Corporate Budgets	0					2,308
Litigation Budget	250					250
Adult social care growth - Care Provider Inflation	1,750					1,800
General Growth	371					538
Use of Capital Receipt Flexibility	-1,250					-1,250
Gayton Road Income	-602					-613
bub Total Corporate and Technical Adjustment	-12,452					1,837
Funding Gap						
OTAL BUDGET REQUIREMENT	196,354					202,558
SUDGET REQUIREMENT FUNDED BY	1.000					700
Contribution re Collection Fund Deficit/Surplus(-) b/f Revenue Support Grant	-1,939	-				-790
	-2,081	-				-2,219
Business Rates Top-up Grant Retained Business Rates	-23,195					-24,120
	-15,141					-13,221
Council Tax Income  Total Funding	-153,998 - <b>196,354</b>					-162,208
otal Funding Council Tax for Band D Equivalent	-190,354					-202,558
General (£)	1 507 00					1,558.69
ACS(£)	1,507.00 221.66					1,558.69 256.23
Harrow Increase (£)	1,728.66					1,814.92
GLA (£)	434.14					471.40
otal after Increase (£)	454.14					47 1.40
	2,162.80					2,286.32
Increase					<u></u>	
General (%)	2.99%					2.99%
ASC (%)	2.00%					2.00%
GLA (%)	9.70%					8.58%
		1				
otal Ingrasas (9/)	E 0401					
otal Increase (%)	5.91%					5.71%
ax base	89,085					89,375
ax base collection Rate	_					89,375
ax base	89,085					



## Levies, Contribution and Subscription

	2023/24	2024/25	Changes	Changes	Comments
	£'000	£'000	£'000	%	
Freedom Pass Levy	5,418	8,044	2,626	48.48%	London Councils Circular dated 14th December 23
West London Waste Authority Levy	2,104	2,275	171	8.13%	WLWA budget report 2024/25
Apprentice Levy	400	427	27	6.70%	Levy calculated based on 0.5% of Salaries. Estimated levy in 2024/25 calculated based on the average pay award increase in 2023/24.
Lee Valley Levy	226	233	7	3.00%	Lee Valley Regional Park Authority 2024/25 revenue budget and levy report
London Boroughs Grant Scheme	187	196	10	5.10%	London Councils Circular dated 14th December 23
London Pension Fund Authority Levy	298	318	20	6.70%	Figures due February 2024. Assume increase at 6.7% (CPI September 2023)
London Council Borough Subscription	47	47	-	0.00%	London Councils Circular dated 14th December 23
Joint Committee Subscription	115	115	-	0.00%	London Councils Circular dated 14th December 23
Environment Agency Levy	211	213	2	1.02%	Environment Agency circular dated 2nd February 2024
Coroners Court Levy	373	398	25	6.70%	Figures due February/March 2024. Assume increase at 6.7% (CPI September 2023)
Traffic Control Levy	333	304	- 29	-8.76%	London Councils' TEC (18/10/23) -Traffic Signals Maintenance Budget 2024/25

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### **Policy on Use of Contingency**

#### **General Principles**

- 1. As a general principle, directorate budgets should be structured to cover business as usual, investment and efficiency programmes that have been agreed as part of the budget and service planning round and administration priorities. Contingency budgets should not be included in financial planning as part of a service's annual operational revenue budget.
- 2. Budgets which are "demand led" should be set to deal with the forecast level of activity. For example the predicted client numbers and needs in Adults and Children's social care, the usual level of activity for planning appeals and winter gritting average weather conditions.
- 3. Income budgets should be set to take into account likely activity levels and any changes in fees and charges.
- 4. The contingency is there to deal with unforeseen/exceptional items which occur during the financial year.

### **Appropriate uses**

- 5. It is recommended that the contingency is used for the following purposes:
  - To deal with demographic risk, where the number of clients or cost per client varies from the estimate in Children's or Adults services beyond what has been budgeted for
  - To deal with unexpected increases in demand for services due to policy changes, for instance an increase in homelessness due to the housing benefit changes beyond what has been budgeted
  - To deal with seasonal risks, such as exceptionally bad weather or a flu pandemic
  - To deal with tonnage risk, where the number of tonnes disposed of via West London Waste Authority varies from the estimate in the Place Directorate
  - To deal with the consequences of a recession
  - To deal with major planning appeals and litigation
  - Cost pressures in relation to the services delivered jointly with Health partners
  - To deal with uncertainty due to consultation and equality impact on proposals
  - To deal with unexpected budget shortfalls due to changes in the external environment or changes in the law/regulations
  - To fund small one-off projects which are high priority and have the approval of the portfolio holder with responsibility for Finance.
  - Any other unforeseen items / pressures

#### Criteria

6. Clear evidence will be required to support variations from estimated demand agreed as part of the budget review process.

7. Contingency funds will not be used where there has been a failure to deliver planned savings (except where this is due to the outcome of consultation) or properly manage spending.

### **Approval Process**

8. Use of the contingency will be reported to Cabinet as part of the quarterly budget monitoring report by the S151 officer. The S151 officer will liaise with the Portfolio Holder with responsibility for finance and make proposals to Cabinet for virements from Contingency as appropriate.

### **Unspent balances**

9. If there is an underspend at the end of the year a contribution to general balances will be considered with regard to the size of the underspend, the underlying strength of the balance sheet and the need to support other priorities.

#### School Budgets - Dedicated Schools Grant (DSG) 2024-25

#### Introduction

1. The Dedicated Schools Grant (DSG) is a ring-fenced grant of which the majority is used to fund individual schools' budgets in maintained schools and academies in Harrow. It also funds Early Years nursery entitlement for 2-, 3- and 4-year-olds in maintained council nursery classes and private, voluntary and independent (PVI) nurseries as well as provision for pupils with High Needs including those with Education, Health & Care Plans (EHCPs) in special schools, special provision and mainstream schools in Harrow and out of borough. The DSG is split into four blocks: Schools Block, Central School Services Block, Early Years Block and High Needs Block.

#### **DSG Settlement 2024-25**

2. The 2024-25 DSG settlement is based on the number of pupils on the October 2023 schools census for the Central School Services Block and Schools Block as well as a lump sum for historical items related to premises, the January 2023 Early Years census for the Early Years Block and a combination of a historical lump sum and per pupil funding for the High Needs Block. The total DSG allocation for 2024-25 is £285.148m.

Table 1 – 2024-25 Dedicated Schools Grant allocation

Blocks	Unit of	f funding	Pupil numbers		Total
	Primary	Secondary	Primary	Secondary	
Schools Block – per pupil	£5,118.25	£7,079.49	21,490.00	13,397.00	£204,835,120
Schools Block – lump sum pre	emises				£3,136,355
Schools Block – NNDR deduc	-£475,941				
Schools Block – growth fund f	£618,107				
Total Schools Block	£208,113,642				
Central Schools Block	£1,510,259				
High Needs Block (after impor	£47,390,899				
Early Years Block	£28,133,187				
Total Dedicated Schools Gra	£285,147,987				

- 3. In 2024-25 the National Funding Formula factor values have increased by 1.4% with the exception of Free School Meals which has increased by 1.6%. In addition, the Mainstream Schools Additional Grant (MSAG) has been rolled into the NFF in 2024-25.
- 4. In 2018-19 the Government introduced a new National Funding Formula (NFF) for Schools, High Needs and Central Services Blocks. For the Schools block this means that LAs are funded on the basis of the total of the NFF for all schools, academies and free schools in its areas but the final formula for distribution is determined by each LA, subject to prescribed limits, following consultation with schools and Schools Forum.

- 5. From 2020 the government had intended to implement the NFF in full which means that school allocations will be determined by the DfE rather than LAs. However, this has been delayed and there is currently no confirmed date for this.
- 6. In 2018-19 the LA implemented the NFF after consultation with schools and Schools Forum. There is one mandatory change to the structure of the formula which is the introduction of the Split Site Factor which provides funding to eligible schools who operate over two sites. The factors and values are set out at Table 2.

Table 2 – proposed funding formula and factor values 2024-25

Factors	202	3-24	2024	4-25	% Cha	ange
1 401010	Pri	Sec	Pri	Sec	Pri	Sec
Primary	£3,739.75		£3,919.84		5%	
KS3 AWPU		£5,272.45		£5,526.51		5%
KS4 AWPU		£5,942.38		£6,229.70		5%
FSM	£528.90	£528.90	£539.23	£539.23	2%	2%
Ever6	£776.82	£1,134.93	£902.38	£1,320.55	16%	16%
IDACIF	£253.43	£369.13	£258.61	£374.16	2%	1%
IDACIE	£308.52	£490.33	£313.63	£495.21	2%	1%
IDACID	£484.82	£683.16	£489.70	£693.29	1%	1%
IDACIC	£528.90	£749.27	£533.72	£759.32	1%	1%
IDACIB	£561.95	£804.37	£566.74	£814.34	1%	1%
IDACIA	£738.25	£1,024.74	£748.31	£1,039.93	1%	1%
LPA	£1,272.66	£1,928.27	£1,287.54	£1,953.32	1%	1%
EAL	£639.08	£1,724.43	£649.27	£1,744.23	2%	1%
Mobility	£1,041.27	£1,498.54	£1,056.44	£1,518.63	1%	1%
Lump Sum	£141,039.36	£141,039.36	£147,901.82	£147,901.82	5%	5%
Split Site	Basic		£59,094.70	£59,094.70		
Split Site	Distance		up to £29,602	up to £29,602		

7. In 2024-25 mainstream schools and academies can expect to receive an additional £10.406m through the National Funding Formula however £6.6m of this represents the MSAG being rolled into the formula.

### **Minimum Funding Guarantee**

- 8. In 2024-25 the Minimum Funding Guarantee (MFG) will continue to protect schools from *per pupil* losses between years. The MFG must be between 0% and +0.5%.
- 9. In the overall formula it is only affordable to set the MFG at the minimum 0% and therefore 2024-25 school budgets have been prepared on this basis. This means that all schools be protected from *per pupil* losses compared with the 2023-24 budget. Gains in excess of 0% have not been capped, which is consistent with the approach in previous years.

#### **Central Schools Block**

10. The CSSB totals £1.510m and is used to support the LA with general duties in respect of all schools, the admissions service, centrally provided funding for schools including licences and funding to support LAs with teachers' pay and pension grant increases for teaching staff employed within the council.

#### **High Needs Block**

- 11. High Needs funding is designed to support a continuum of provision for pupils and students with special educational needs and disabilities (SEND) from 0-25 years old. The following are funded from the High Needs Block (HNB) of the DSG:
  - Harrow special schools and academies
  - Additionally Resourced Mainstream (ARMs) units in mainstream schools and academies
  - Places in out of borough special schools and independent school provision
  - EHCPs in mainstream schools and academies
  - Post 16 provision including further education
  - SEND Support services and support for inclusion
  - Alternative Provision including Pupil Referral Units and education other than at school
- 12. There is a duty to admit a child or young person if the institution is named in a statutory EHCP. LAs use the HNB to provide the most appropriate support package for an individual in a range of settings, taking account of parental and student choice whilst avoiding perverse incentives to over-identify high needs pupils and students.
- 13. The HNB budget allocation for 2024-25 is set out at Table 3

Table 3 – 2024-25 High Needs Block Funding

Description	Value
High Needs Block Allocation (excl basic entitlement factor)	£46,143,781
Basic Entitlement Factor (excl TPG/TPECG)	£3,324,262
Basic Entitlement related to TPG/TPECG Special Schools	£436,202
Import/Export Adjustments	-£1,200,000
Additional Funding for Special Free Schools	£6,000
Hospital Education	£230,208
AP & INMSS TPG/TPECG allocation	£130,445
Total HNB before academy recoupment	£49,070,899
Academy recoupment for SEN units, special schools and FE	-£1,680,000
Net High Needs Block 2024-25	£47,390,899

- 14. It should be noted that the import/export adjustment figure will be updated in June 2024 to reflect the January census.
- 15. In 2024-25 there is an increase in funding of approx £3.312m however this includes £1.987m of High Needs Block Additional Grant received in 2022-23 which is now rolled into the formula.

#### **DSG Deficits**

- 16. The government consulted on the accounting treatments of deficits on the DSG. The consultation focussed on changing the conditions of grant and regulations applying to the DSG so as to clarify that the DSG is a ring-fenced specific grant separate from the general funding of local authorities. Therefore, any deficits an authority may have on its DSG account is expected to be carried forward and does not require to be covered by the authority's general reserves. The ring-fence was due to end March 2023 but has been extended for a further three years.
- 17. Harrow's projected cumulative deficit at the end of 2023-24 is £5.396m.
- 18. An updated management plan is being drafted with the latest projections and will align with the updated SEND Strategy being presented to Cabinet later this year.
- 19. Despite the significant proposals and measures planned over the next ten years, it is unlikely that the plan will fully mitigate the deficit. This is due to the following contributory factors:
  - historical underfunding
  - current budgets being based on historical budgets rather than historical spend
  - extension of age range to include 0-5 and post 19
  - current and projected formulaic funding which does not keep pace with demand
  - significant historical and projected growth in number of EHCPs
  - continued growth in complexity of pupils' needs
  - limitations about creating cost effective provision in borough due to capacity and site limitations

#### **Early Years Block**

- 20. The government introduced a new National Funding Formula for Early Years from April 2017.
- 21. In 2024-25 two new Early Years entitlements will be introduced. The full list of entitlements is shown below:
  - the 15 hours entitlement for eligible working parents of children from 9 months to 2 years old (new entitlement from 1 September 2024)
  - the 15 hours entitlement for eligible working parents of 2-year-old children (new entitlement from 1 April 2024)
  - the 15 hours entitlement for disadvantaged 2-year-olds
  - the universal 15 hours entitlement for all 3 and 4-year-olds
  - the additional 15 hours entitlement for eligible working parents of 3 and 4year-olds

- 22. The entitlement hours are up to 15 hours of childcare a week over 38 weeks of the year (equivalent to a maximum 570 hours a year) or, for 3 and 4-year-olds, up to 30 hours of childcare a week over 38 weeks of the year for qualifying children of working parents (equivalent to a maximum 1,140 hours a year).
- 23. From September 2025, eligible working parents of children aged 9 months and above will be able to access 30 hours (over 38 weeks a year) form the term following their child turning 9 months to when they start school).
- 24. The provisional Early Years Block in 2024-25 is shown at Table 4 below

**Table 4 – provisional Early Years Block 2024-25** 

Entitlement	Hourly	Pupil PTE	Funding
	Rate to LA	Estimate	
3- & 4-year-old entitlement - universal 15 hours	£6.60	3,872.86	£14,569,700
3- & 4-year-old entitlement - additional 15 hours	£6.60	1,184.95	£4,457,782
2-year-old entitlement - disadvantaged	£9.38	400.17	£2,139,549
2-year-old entitlement - working parents	£9.38	723.66	£3,869,121
Under 2s entitlement - working parents	£12.77	366.65	£2,668,809
EY Pupil Premium - 3- & 4-year-olds			£84,121
EY Pupil Premium - 2-year-olds			£51,733
EY Pupil Premium - under 2s			£2,586
Disability Access Fund - 3- & 4-year-olds			£70,980
Disability Access Fund - 2-year-olds			£29,120
Disability Access Fund - under 2s			£4,550
Maintained Nursery Schools Supplementary Grant			£185,136
Provisional Early Years Block 2024-25			£28,133,187

- 25. There are no proposed changes to the funding mechanism or Early Years Single Funding Formula for 3- and 4-year-olds. However, there are changes to the current distribution of funding for disadvantaged 2-year-olds which requires a funding formula as well as the introduction of the two new entitlements which also require funding formulae.
- 26. Local authorities must determine their funding formulae before the beginning of the financial year and it must first consult with its schools' forum, maintained schools and early years providers. This consultation is currently underway. The final decision on the funding formulae, following any consultation, rests with the local authority
- 27. All funding changes as a result of the consultation will be implement from 1 April 2024.



Public Health Funding 2024-25		Appendix 7
Mandatory Services		
Sexual Health (incl Family Planning)	2,000	
0-19 Services	3,996	
Health Checks	184	
		6,180
Discretionary Services		
Tobacco Control	103	
Drug & Alcohol Misuse	1,903	
Physical Activity	30	
		2,037
Staffing & Support Costs		
Staffing	1,375	
Non-Staffing	28	
Overheads	163	
		1,566
Health Improvement	854	
Wider Determinants of Health	1,651	
	<u>-</u>	2,505
Total Expenditure	-	12,288
Funded by		
Department of Health Grant	-12,288	
Contribution from Reserve		
Total Income		-12,288



#### **Reserves Policy**

The recommended reserves policy is as follows:

The first call on any under spend at the end of the year will be to add to reserves. A contribution to general balances will then be considered with regard to the size of the under spend, the underlying strength of the balance sheet and the need to support other priorities.

The rationale for this policy is set out below.

Councils need balances so that they can deal with unforeseen calls on resources without disrupting service delivery. It is the responsibility of each authority to set its level of reserves based on local conditions, but taking into account national factors. Although advice can be sought from the external auditor, it is not their responsibility to prescribe the appropriate level. However, the External Auditor expects the Council to review its reserves on an annual basis.

There is no statutory definition of a minimum level of reserves. The level of reserves is a balance between the risk facing the Authority and the opportunity costs of holding these balances.

The Council should at least be able to cope with a modest overspend in any one year and still be in a stable financial position.

The target level of reserves depends on:

- The degree of risk contained in the budget
- The effectiveness of budget monitoring and control during the year
- The effectiveness of balance sheet management during the year
- The extent to which the Council has earmarked reserves and provisions to deal with specific items.

The Council is continually working to improve financial management and in 2024/25 will continue to focus on accurate, timely and robust management of its revenue budget, capital programme, savings tracker and trading activities.

As at 31 March 2024 the forecast level of General Fund Balances will be £10.008m, which represents 4.9% of the Council's net revenue budget for 2024/25 (£203m), which is the recommended minimum level. In addition, the Authority holds a limited number of earmarked reserves as detailed in Appendix 9.

A decision will be made at year end on the best use of any available capacity in the revenue budget and where this will be transferred to reserve.

The S151 officer has responsibility for the establishment of earmarked reserves. The S151 officer is responsible for ensuring that detailed controls are established for the creation of new reserves and provisions and any disbursements therefrom.

All contributions to, and appropriations from, General Fund reserves must be approved by the S151 Officer and Portfolio Holder with Responsibility for Finance, subject to any limitations set by the Council in the approved budget framework.

Reserves Forecast Appendix 9

Description	Balance Carry Forward 31/03/2023	Directorate Reserve Movements	Corporate Reserves Movements	Other Reserves movement	Balance Carry Forward 31/03/2024	Realign- ment	Committed to 3 year MTFS 2024/25 to 2026/27	Revised Balances
	£	£	£	£	£	£	£	£
CIL Harrow	-11,053,401			1,000,000	-10,053,401		7,044,000	-3,009,401
CIL Mayor	-192,259				-192,259			-192,259
Total Earmarked Reserve for CIL	-11,245,660	0	0	1,000,000	-10,245,660	0	7,044,000	-3,201,660
HRA Hardship Fund	-2,330				-2,330			-2,330
HRA Regeneration Reserve	-199,531				-199,531			-199,531
HRA Repair Reserve	-277,428				-277,428			-277,428
Total Earmarked Reserve for HRA	-479,289	0	0	0	-479,289	0	0	-479,289
Revenue Grant Reserve	-5,161,951	2,402,000			-2,759,951		2,226,536	-533,415
PFI Schools Sinking Fund	-2,071,676	655,000			-1,416,676		1,416,676	0
Public Health Reserve	-2,848,296	371,000	400,000		-2,077,296			-2,077,296
PFI NRC Sinking Fund	-1,823,836				-1,823,836		250,000	-1,573,836
Legal Services Contingency	-500,000				-500,000			-500,000
Borough Election	-159,847				-159,847			-159,847
Harvist Reserve Harrow Share	-88,613				-88,613			-88,613
Proceeds Of Crime Reserve	-63,000				-63,000			-63,000
Proceeds Of Crime Reserve Planning	-430,172	95,000			-335,172		285,000	-50,172
3G Pitch	-50,000	-25,000			-75,000		-75,000	-150,000
Total Earmarked Reserves (Specific)	-13,197,390	3,498,000	400,000	0	-9,299,390	0	4,103,212	-5,196,178
Collection Fund Reserve	-2,246,846				-2,246,846	2,246,846		0
Compensatory Added Year Reserve	-162,782				-162,782	162,782		0
Carryforward Reserve	-1,396,857	73,000	999,793	324,064	0			0
Public Mortuary Expansion Reserve	-500,000				-500,000	500,000		0
Vehicle Fund	-1,250,478				-1,250,478			-1,250,478
PAP Sinking Fund	-712,500				-712,500		-1,029,600	-1,742,100
Business Risk Reserve	-155,000				-87,000		87,000	0
Capacity Build/ Transformation Reserve	-527,927	51,000		300,000	-176,927		176,927	0
Equalities Diversity & Inclusion Reserve	-26,000	26,000			0			0
Decommissioning Accommodation	-561,000	539,000			-22,000		22,000	0
Adults Social Care Reserve	-1,800,475				-1,800,475			-1,800,475
People Services MTFS Implementation	-2,099,000	1,513,000			-586,000		586,000	0
Children's Social Care Reserve	-2,620,771	103,000	1,000,000		-1,517,771			-1,517,771
Insurance Reserve	-1,304,124	250,000			-1,054,124		1,025,000	-29,124
Place MTFS Implementation Reserve	-1,595,000	445,000	1,000,000	-1,000,000	-1,150,000		1,150,000	0
Investment Property Reserve	-1,122,960		75,000	, ,	-1,047,960		225,000	-822,960
Corporate MTFS Implementation Reserve	-3,000,000				-2,203,000		2,203,000	
Total Earmarked Reserves (Non Specific)	-21,081,720	3,865,000	3,074,793	-375,936	-14,517,863	2,909,629	4,445,327	-7,162,907
Budget Planning Reserve MTFS gap	-18,342,606	1,653,000			-16,689,606	-2,909,629		-19,599,235
Total Non Earmarked Reserves	-18,342,606		0	0	-16,689,606			
General Fund Reserves	-10,008,000				-10,008,000	•		-10,008,000
Total General Fund Reserves	-10,008,000		0	0	-10,008,000	0	0	
DSG Deficit Recovery	-1,384,105				-1,384,105			-1,384,105
DSG Overspend	4,006,867				4,006,867			4,006,867
Total Net DSG Deficit Reserve	2,622,762	0	0	0	2,622,762		0	
Grand Total All Reserves	-71,731,904		3,474,793	624,064		0		



### Report of the Chief Finance Officer – 2024/25 Budget

Section 25 of the Local Government Act 2003 requires that the Chief Financial Officer (in their capacity as the Chief Finance Officer under S151 of the Local Government Act 1972) reports the following matters to members when agreeing its annual budget:

- The robustness of estimates made for the purposes of the budget calculation, and
- The adequacy of the proposed financial reserves.

# Robustness of estimates made for the purposes of the Budget Calculation

The 2024/25 budget and MTFS has been compiled against a backdrop of continued and significant economic uncertainty with the national cost-of-living crisis continuing to severely impact residents and the council. High inflation has remained for a period beyond initial government forecasts. This has impacted council pay settlements, major contract inflation costs and other costs of service provision.

Alongside this has been an unprecedented level of service demand in key services such as Adult Social Care and there have been significant challenges in income budgets with parking income particularly badly impacted in the 2023/24 in-year financial position.

Developing the budget estimates for a given financial year is an ongoing, iterative process within the medium-term financial planning cycle. It considers the most recently available budget monitoring information and the latest assumptions for the forthcoming financial year.

The latest 2023/24 forecast at Q3 is a £0.581m net overspend. The Directorate overspend is £5.7m which is made up of overspends in adult services and parking services in Place Directorate and underspends in Childrens services and legal and governance.

The cost of the pay award has been another big factor in setting the budget in recent years with the last 2 years pay awards being higher than the budgeted 2%. The latest pay award agreed for 2023/24 (which was only settled in October 2023), cost £7.2m based on a flat cash increase of £2,226 for staff paid up to £49k and 3.88% for staff earning in excess of £49k. The cost of £7.2m averages out at an overall cost of 7%. For 2024/25, £5.5m has been budgeted for the pay award. This estimate is reasonable given the Bank of England view that inflation is expected to slow and be back to normal by the end of 2025. Normal means that average prices will rise by 2% per annum. CPI has dropped between December 2022 when it was 10.5% to the current level at December 2023 of 4% (Office for National Statistics data released 17/01/2024.)

Budget challenge sessions were held in August/September 2023. These sessions reviewed the current 2023/24 financial position and all savings put into the MTFS as part of the 2023/24 budget process. Further budget challenge sessions were held in October 2023 where growth was put forward where required for demand pressures in adult services and growth was also put forward to reverse and reprofile income savings where required. The overspend in adult services and parking income have both been factored into the 2024/25 budget with growth being added to the budget and MTFS savings in parking having been rephased across 2 years

The medium-term local government funding outlook is negative following the Autumn statement and no further funding has been announced beyond 2024/25. The Council's MTFS therefore assumes no increase in Government funding for 2025/26 and 2026/27 which is a prudent estimate and Council tax is estimated at 2.99% across the 2 years until confirmation is provided as to the maximum level that Council tax can be increased by.

A balanced budget position has been achieved for 2024/25 but there remains a budget gap for 2025/26 and 2026/27 of £10.880m and £6.732m respectively.

In respect of the 2024/25 budget, the advice of the S151 Officer is that it is sufficiently robust. All income and grant adjustments are in line with the Indicative Settlement, known growth and inflationary pressures have been provided for within financial constraints and the budget includes a contingency for unforeseen items of £2.461m which has been increased by £1.213m from the 2023/24 level.

Directorate budget proposals have been through robust challenge sessions with Members and Officers. Specifically, in relation to the 2024/25 budget, the robustness assessment is provided following the consideration of several factors:

- The 2024/25 budget includes a mix of corporate and technical savings alongside proposals from the directorates balancing the risk over the MTFS.
- Growth requirements have been scrutinised in detail to ensure growth is enough to ensure the safe delivery of services.
- However, growth requirements will be monitored closely to ensure the provisions are enough and any over provision will be held corporately to support the MTFS.
- Every effort has been made to ensure that the technical assumptions underpinning the budget are robust.
- Prudent assumptions have been made about capital financing costs and investment income.
- Key financial risks are managed and reported as part of the Corporate Risk Register.
- The recommended increases in fees and charges are in line with the assumptions in the budget.
- The budget for 2024/25 includes a general contingency of £2.461m which has increase by £1.213m from the 2023/24 level of £1.248m.
- There is a commitment within the organisation to robust financial management with any potential adverse budget variations been reported, tightly controlled and contained within service budgets unless there is an agreement the variation is managed pan organisation.
- There is a commitment within the organisation to ensure all new budget proposals are supported by a robust business case that has been scrutinised pan organisation and, unless specifically stated, makes a clear net financial contribution to the MTFS after considering all costs.
- The commitment of maintaining expenditure within budget is shared by both officers and Members.

# **Adequacy of Reserves**

There is no statutory definition of a minimum level of reserves and it is for this reason that the matter falls to the judgement of the S151 Officer. The level of reserves is a balance between the risk facing the Authority and the opportunity costs of holding those balances. Reserves can only be spent once and are therefore only available to support one off expenditure or to allow time for management actions to be implemented.

The General Fund balances are adequate however the balances should not drop below the current £10.0m level. This reserve represents the balance of last resort in the event of any major and unforeseen event that compromises the delivery of the council's budget. At current levels, this balance represents 5.1% of the council's budget net revenue budget for 2023/24 (£196m). This balance of £10.0m does place Harrow Council in the lower quartile of general fund balances when benchmarked with other authorities. The advice of the S151 Officer is that General Fund balance of £10.0m must remain intact to provide an element of safety net for the Council and any opportunities to increase it must be considered to increase the Council's future financial resilience.

The Council is forecasting to hold balances / reserves of £58.6m to carry forward into 2024/25. The gross level of reserves is £61.2m but is reduced to £58.6m after allowing for the £2.6m DSG deficit.

The reserves have been reviewed as part of the 2024/25 budget process and £2.9m of reserves are no longer required for the original purpose they were set aside for which has meant that the Budget planning reserve has been increased by £2.9m to almost £20m (£19.599m).

In conclusion, the 2024/25 budget has been prepared as robustly as possible and it achieves its legally required balanced position. The Council must remain committed to its agreed strategy of maintaining its tight grip on the budget to ensure saving proposals are delivered, expenditure remains within the budget envelope and the Council provides safe services.

# **Budget Monitoring**

The Local Government Act 2003 also introduced requirements in relation to budget monitoring and management action. The Council has robust budget monitoring procedures in place with revenue budgets being monitored monthly and the capital programme quarterly. The financial position can change relatively quickly, and any adverse variations must be identified and addressed promptly by Service Managers and directorates to avoid a call on reserves. Financial performance is reported in detail to Cabinet quarterly and monthly to the Corporate Leadership team as well as the Portfolio holder for Human Resources and Finance. These robust arrangements will continue into 2024/25 and will remain under review to ensure they keep pace with the requirements of the organisation.



### **Model Council Tax Resolution**

# **London Borough of Harrow**

#### Council Tax Resolution 2024/2025

To approve as part of the Summons for Council, the model budget and Council Tax resolutions reflecting the recommendations of Cabinet and the GLA precept.

Council is requested to determine the level of the Council Tax for 2024/2025 in the light of the information on the precept and make the calculations set out in the resolution shown below.

- (1) To note that at its meeting on 19 December 2023 the Council calculated the amount of **89,375** as its Council Tax Base for the year 2024/2025 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012 made under Section 31B(3) of the Local Government Finance Act 1992 (The Act).
- (2) That the following amounts be now calculated by the Council for the year 2024/2025, in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992:
  - (i) Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act. (Gross expenditure)

£698,454,000

(ii) Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3)(a) to (d) of the Act. (Gross income including use of reserves)

£536,245,525

(iii) Being the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax Requirement for the year.

£162,208,475

(iv) Being the amount at (iii) divided by the Council Tax Base, calculated by the Council at its meeting on 19 December 2023 in accordance with Section 31B(1) of the Local Government Finance Act 1992, as the basic amount of its Council tax for the year. (The average Band D Council Tax)

£1,814.92

(v) Valuation Bands

	Α	В	С	D	E	F	G	Н
£	1,209.95	1,411.60	1,613.26	1,814.9 <b>2</b>	2,218.24	2,621.55	3,024.87	3,629.84

Being the amounts given by multiplying the amount at (iv.) above by the number which, in the proportion set out in Section 5(1) of the Local Government Finance Act 1992, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Local Government Finance Act 1992, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

That it be noted that for 2024/2025 the Greater London Authority stated the following amount in precept issued to the Council, in accordance with section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below

### **Valuation Bands**

	Α	В	С	D	Е	F	G	Н
t 3	14.27	366.64	419.02	471.40	576.16	680.91	785.67	942.80

(4)
That, having calculated the aggregate in each case of the amounts at (2)(v) and (3) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2024/2025 for each of the categories of dwellings shown below

### Valuation Bands

	Α	В	С	D	Е	F	G	Н
£	1524.22	1778.24	2032.28	2286.32	2794.40	3302.46	3810.54	4572.64

(5)
Determine for the purposes of 52ZB and Section 52ZC of the Local Government Finance Act that the Council's basic amount of Council Tax for 2024/25 is not excessive in accordance with the principles approved under Section 52ZB and 52ZC of the Local Government Finance Act 1992 and the Referendums Relating to Council Tax Increases (Principles) (England) Report 2024/2025.

# LONDON BOROUGH OF HARROW PAY POLICY STATEMENT 2024/253/2024

### Introduction

In compliance with the statutory provisions of the Localism Act 2011 and in support of openness and transparency in accordance with Local Government Transparency Code 2015 this statement outlines the Council's policy on pay and benefits for Council employees (excluding Schools)<sup>1</sup> and specifically for its lowest paid employees, Chief Officers and Senior Management.

This Pay Policy is reviewed annually and agreed at Full Council.

### **Annual Pay Award 2023**

The 2023-24 national pay award negotiations for Local Government Services ('Green Book') employees, Officers and Chief Officers have concluded and the following details of the pay award were agreed with effect from 1 April 2023:

- Local Government Services ('Green Book') employees on salaries up to £49,999 received an Outer London flat rate pay increase of £2,226. For employees on above £49,999 received a pay increase of 3.88%.
- Chief Officers received a pay increase of £3.5%.
- Increase in allowances by 3.88%.

Harrow pay scales have been increased accordingly backdated from 1 April 2023.

- Agency Staff pay uplift is subject to the worker:
  - is engaged under PAYE employment type.
  - have reached parity pay (engaged by Harrow for more than 12 weeks)
  - have an hourly rate of pay that is based on the Harrow PayScale.

Please note: Agency workers paid an hourly rate higher than the pay grade of the post they occupy are not eligible for the pay award. If you have any questions, please email Harrow@pertemps.co.uk

### London Living Wage update 2023-2024

From October 2022, the London Living Wage foundation increased the London Living Wage from £11.95 per hour to £13.15 to be implemented as soon as possible or at the latest from 1<sup>st</sup> of May 2024.

Harrow Council is a fully accredited London Living Wage employer having paid the London Living Wage hourly rate to its lowest paid employees since 2013.

Harrow Council's lowest paid employees are currently paid on the first point of Harrow pay scales at £13.46 per hour, higher than the London Living Wage of £13.15 per hour, backdated from April 2023.

<sup>&</sup>lt;sup>1</sup> The Pay Accountability provisions of the Localism Act 2011 do not apply to the staff of local authority schools and therefore teaching staff do not need to be brought within the scope of this pay policy statement.

Following agreement of the National Joint Council's annual pay award, Harrow's lowest spinal points are no less than the current London Living Wage from 1 April 2023.

### Context

The Council's vision is 'Restoring Pride in Harrow" and is focussed on this overarching vision to support delivery of the Council's work through a refreshed Corporate Plan. This means that all actions and service delivery will be embedded in this new vision, whether it be handling customer enquiries, cleaning the streets or new initiatives; everything should be able to show that residents are at the heart of the way we do things.

Over the course of three years, the following new priorities will help to deliver the Council's new vision:

- A council that puts residents first
- A borough that is clean and safe
- · A place where those in need are supported.

Together, this vision seeks to deliver a well-run Council that provides good value for money. It will put residents first by treating them as valued customers and deliver high standards of service. Improving the environment and the Council's enforcement approach will help make Harrow clean and ensure residents feel safe and, where people need support the most, our services for vulnerable residents and families will be made more accessible.

Working closely with partners, voluntary and community groups will not only play a vital role in making Harrow a pleasant place to live, work and visit – it will help create a better sense of pride in the borough and improve the quality of life for many people.

In determining its grading structure and setting overall pay levels for all posts, set out in this Pay Policy, the council takes into account the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community and to be able to deliver those services effectively and efficiently.

As a Council we are committed to ensuring equality and diversity is integral to everything we do so our Pay Policy seeks to reduce income inequality and ensure that the pay, terms and conditions of Council employees comply with the Council's duties under the Equality Act 2010. Additionally, the Council recognises that a significant proportion of our workforce lives locally and that therefore our Pay Policy helps support a strong local economy of diverse residents.

### **Background**

# **Modernising Terms & Conditions Review 2011/12**

In 2011/12 the Council undertook a review of pay and terms and conditions for employees and in 2012 the Council reached a collective agreement with the relevant recognised trade unions, which established new pay and terms and conditions for all employees covered by this Pay Policy, including those of senior management, from January 2013.

The collective agreement is published online: collective agreement (harrow.gov.uk)

The changes introduced through the collective agreement included the following key provisions:

- Revised grading structure so that the Council's lowest paid employees are paid not less than the London Living Wage.
- A scheme making incremental pay progression subject to satisfactory performance
- Reduced enhancements for overtime or weekend working except for Bank Holidays and night work
- Reduced redundancy compensation payments
- Improved salary sacrifice schemes and other employee benefits

Prior to this in July 2005, the Council implemented the Single Status agreement. Full time hours of work were changed to 36 hours<sup>2</sup> per week for all employees and the salary grades were changed from NJC 'H' Grades to GLPC 'G' grades. London Weighting was incorporated with Basic Pay as part of this exercise.

# **Council Pay Rates / Scales**

The Council considers it important to be able to locally determine pay rates to underpin Harrow's priority to ensure value for money to residents, whilst understanding the current challenges around cost of living. The Council benchmarks its pay rates with other London Boroughs to ensure that it is able to recruit and retain qualified and competent employees and to be able respond to regional and local labour market conditions.

The Council applies the national (JNC/NJC) GLPC national and regional pay award agreements to our locally determined pay scales. The Harrow pay structure applies to all staff with the exception of a small amount of staff such as TUPE transferred staff who have not yet been integrated on to the Harrow pay structure, Educational Psychologists<sup>3</sup> and some centrally employed teaching staff<sup>4</sup>

The pay scales are revised annually from April 1<sup>st</sup> of each year. The officers and managers scales are published online: Officer's Pay Scales 2023

### Remuneration of Senior Management (Chief Officers)

The Council defines its senior management as the top tiers in the management structure. This includes the Managing Director, Corporate Directors, Directors and Divisional Directors, comprising all statutory and non-statutory Chief Officer posts.

All Chief Officers are appointed by Members through the Chief Officer Employment Panel. (COEP). Additionally, the Chief Officer's employment panel has the authority to approve remuneration packages of £100,000 or over for any Council post.

The Council may, in exceptional circumstances, employ senior managers under contracts for services.

The senior management structure is published online www.harrow.gov.uk/seniormanagementstructure

Senior management pay is published online: Senior Manager's Pay March 2022-23

<sup>&</sup>lt;sup>2</sup> Some ex manual workers work 36 hours plus 4 hours contractual overtime to 40 hours per week.

<sup>&</sup>lt;sup>3</sup> Educational Psychologists are paid according to the national Soulbury Committee terms and conditions - annually at 1 September

<sup>&</sup>lt;sup>4</sup> Teachers are paid according to the national Teachers Pay and Conditions pay scales – annually at 1 September, except for centrally employed music service teaching staff who are paid on locally determined Harrow terms and conditions.

# **Remuneration of Lowest Paid Employees**

The Council defines its lowest paid employees as those paid at the lowest pay spine column point on the lowest Harrow pay grade.

The Council's lowest paid employees are paid not less than the London Living Wage.

Harrow Council increased its lowest points of scale to the London Living Wage during the implementation of a collective bargaining agreement in 2013. There was a temporary hiatus in the payment of the LLW in 2014, when due to financial constraints in local government Harrow Council adopted a pay freeze.

Harrow is fully accredited by the Living Wage Foundation as a London Living Wage employer. Since 2015, the Council increased the lowest points on its salary scales to meet the London Living Wage and has continued to pay the London Living Wage to directly employed staff consistently to date. Recently the Council has fulfilled the requirements for accreditation by extending the London Living Wage to agency procured staff paid on Harrow pay scales.

# **Pay Multiple**

The 'pay multiple' is the ratio between the highest-paid employee's pay and the median average pay of the Council's workforce and is currently 1:6. The Council's highest paid post is the Managing Director (Head of Paid Service)

# **Pay Grading**

In 2004 the Council entered into a single status agreement with its recognised trade unions, introducing common job evaluation schemes<sup>5</sup> and pay scales for the Council's former manual workers, administrative, professional, technical and clerical employees with the exception of Education Psychologists, Nursery Nurses, Youth & Community Workers, Chief Officers and the Chief Executive.

In 2007 job evaluation was extended to include Chief Officers using independent Hay Group Job Evaluation process

From April 2013 the Council took over specific public health functions from the NHS and staff transferred from the NHS to the Council on NHS grades and pay scales. New public health posts are being recruited to on the local government grades and pay scales.

### **National / Regional Pay Agreements**

The Council supports the national (JNC/NJC<sup>6</sup> and Soulbury) and regional (GLPC) collective bargaining arrangements for pay and conditions of service and the pay scales for all employees, including the Chief Executive and Chief Officers, are increased in line with national and regional pay agreements. Some conditions of service are negotiated locally.

# Pay on Appointment

All employees, including Chief Officers are normally appointed on the lowest pay spine column point for their job evaluated grade. In exceptional circumstances employees may be appointed at a higher point within the evaluated grade. Instances where to attract the most experienced and sought-after skills for the good of the Council and where there is competition or shortages across London Boroughs may determine a higher starting spinal point.

4

<sup>&</sup>lt;sup>5</sup> The Greater London Provincial Council (GLPC) Scheme is used for all Harrow graded jobs and the Hay Scheme for senior professional and managerial jobs.

<sup>&</sup>lt;sup>6</sup> Joint Negotiating Committee / National Joint Council

The Council delegates authority to the Chief Officers' Employment Panel to make recommendations to Council on the appointment of the Head of Paid Service, (Chief Executive) and make appointments of Chief Officers in accordance with the Council's Pay Policy.

The Council's delegations to the Chief Officers' Employment Panel also include, determination of any remuneration package of £100,000 or greater. Remuneration packages of £100,000 or greater are also reported to full Council.

# **Pay Progression**

All employees are able to incrementally progress through the pay spine column points for their job evaluated grade.

Progression will normally be one increment (pay spine column point) on the 1<sup>st</sup> of April each year until they reach the top of their grade. During the first year of service, employees who start between 1<sup>st</sup> October and 31<sup>st</sup> March will receive their incremental progression after 6 months service

The criteria for pay progression for all staff is subject to satisfactory performance and can be withheld if there is a current sanction such as a written warning in place or where performance is being addressed through formal procedures.

Progression for Chief Officers is subject to the following qualifications:

- i. Increments may be accelerated within a Chief Officer's scale at the discretion of the council on the grounds of special merit or ability.
- ii. An increment may be withheld following an adverse report on a Chief Officer (subject to that Chief Officer's right of appeal). Any increment withheld may be paid subsequently if the Chief Officer's services become satisfactory.

# **Performance Related Pay**

Council employees including the Managing Director and Chief Officers do not currently receive performance related payments or bonuses. However, the Council's employment policies and procedures are reviewed on a regular basis in the light of service delivery needs and any changes in legislation etc.

The Council operates a Reward and Recognition Scheme for employees who, subject to meeting the criteria of the scheme, may receive payments of £300 or £600. Details of Reward and Recognition payments to senior management are published online: <u>Senior Managers Pay</u> 2022-23 (harrow.gov.uk)

### Other Payments

The Head of Paid Service may authorise other payments as necessary, in accordance with the Council's delegations.

Details of any other payments to senior management are published online: <u>Senior Managers</u> <u>Pay 2022-23 (harrow.gov.uk)</u>

### **Market Supplements**

The Council may apply market supplement payments to jobs with recruitment or retention difficulties. Market supplements are applied following a robust evidenced business case that meets criteria defined in the Market Supplement policy and agreed by the Corporate Director, Director of HR and the portfolio holder of the directorate.

#### **Fees for Election Duties**

The Council's policy for payment of fees for election duties is published online: <u>Election fees</u> and Charges.

The Council's Director of Legal and Governance is the Returning Officer for Harrow Elections.

#### **Pension**

All eligible employees are auto enrolled into the Local Government Pension Scheme and employees who remain in the Scheme receive benefits in accordance with the provisions of that Scheme as applied by the Council. Details of the Council's policy and decisions in respect of discretionary elements of the Scheme are published online:

- Harrow Pension Fund Policy on Discretions
- Microsoft Word Annual Report and Pension Fund Final Accounts 2022-23 (harrowpensionfund.org)

From April 2013 the Council took over specific public health functions from the NHS and staff who transferred from the NHS to the Council and were members of the NHS Pension Scheme continue to be members of that Scheme and receive benefits in accordance with the provisions of that Scheme.

Centrally employed teaching and education services staff who are eligible to join the Teachers' Pension Scheme (TPS) are auto enrolled into the TPS. Existing staff including music service Teaching staff continue to remain in the TPS and to receive benefits in accordance with the provisions of that Scheme.

### Other Terms and Conditions of Employment

The pay, terms and conditions of council employees are set out in employee handbooks. Handbooks are produced for all employees, including managers, Chief Officers and the Chief Executive.

# Payments on Termination of Employment - Redundancy

In the event that the Council terminates the employment of an employee, including a Chief Officer, on the grounds of redundancy or efficiency of the service they will be entitled to receive compensation and benefits in accordance with the Council's Redundancy and Early Retirement schemes, which are published online:

Harrow Pension Fund - Policy on Discretions

The Council's Redundancy scheme was changed as a result of the modernising review and compensation payments to employees reduced in 2014 and 2015.

The method of calculating redundancy payments is based on the Statutory 30 week table using age and service years to calculate redundancy payments using a multiplier of  $1.5 \, x$  actual weekly pay.

Further information on the scheme is published online: Red Payments Agreed

The Council's delegations to the Chief Officers' Employment Panel, include determination of any payments on termination of £100,000 or greater.

Severance payments or remuneration packages of £100,000 or greater are also reported to full Council.

Details of compensation payments paid to senior management are published at: <u>Senior Managers Pay 2021-22 (harrow.gov.uk)</u>

### **Re-employment of Employees**

Section 7 of the Local Government and Housing Act 1989 requires that every appointment to paid office or employment in a local authority shall be made on merit.

Should a successful candidate be in receipt of a redundancy payment the Council will refer to the provisions of the Redundancy Payments (Continuity of Employment in Local Government etc.) (Modification) Order 1999 (as amended) regarding the recovery of redundancy payments.

The rules of the Local Government Pension Scheme also have provisions to reduce pension payments in certain circumstances to those who return to work within local government service.

Redundancy Payments will be affected if an employee receives an unconditional offer of employment from this or any other Local Authority (or any other employer covered by the Modification Order), on or before their last day of service with this Council **and** takes up such employment within 4 weeks of their last day of service.

If an employee in receipt of an augmented pension (i.e. pensions attributed to an award of compensatory added years) from the Council is re-employed, the augmented pension will cease during the period of re-employment.

### **Further Information**

Harrow's annual Pay Policy Statement will be published on the council's website. For further information on the Council's Pay Policy please contact the Council's Human Resources Service by email to askhr@harrow.gov.uk



#### INTRODUCTION

In the Spending Review 2015, it was announced that to support local authorities to deliver more efficient and sustainable services, the government will allow local authorities to spend up to 100% of their fixed asset receipts on the revenue costs of reform projects.

The flexibility was initially offered to the sector for the three financial years 2016/17 to 2018/19. In December 2017, the Secretary of State announced, alongside the provisional local government finance settlement, the continuation of the capital receipts flexibility programme for a further three years, covering 2019/20 to 2021/22. The flexibility has been extended on numerous occasions. In December 2023, the government announced the extension of this scheme to March 2030 and would also explore additional capital flexibility options to enable invest-to-save and transformation initiatives. There is currently a consultation on these options which will close on 31 January 2024.

Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.

Local authorities are given the power to use capital receipts from the disposal of property, plant and equipment assets received in the years in which this flexibility is offered, to spend up to 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of reform projects. Local Authorities may not use their existing stock of capital receipts to finance the revenue costs of reform.

The key criteria to use when deciding whether expenditure can be funded by the capital receipts flexibility is that it is forecast to generate ongoing savings to an authorities', or several authorities, and/or to another public sector body's net service expenditure.

Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.

#### **EXAMPLES OF QUALIFYING PROJECTS**

There are a wide range of projects that could generate qualifying expenditure and the list below is not prescriptive. Examples of projects include:

- Sharing back-office and administrative services with one or more other council or public sector bodies;
- Investment in service reform feasibility work, e.g. setting up pilot schemes;
- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation;
- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;

- Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy this could include an element of staff training;
- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others); and

#### **RULES OF QUALIFICATION**

Local authorities cannot borrow to finance the revenue costs of service reform.

For any financial year the Strategy ("the initial Strategy") should be prepared before the start of the year.

The authority should prepare an annual strategy that includes separate disclosure of the individual projects that will be funded or part funded through capital receipts flexibility and that the strategy is approved by full Council or the equivalent.

Set up and implementation costs of any new processes or arrangements can be classified as qualifying expenditure. The ongoing revenue costs of the new processes or arrangements cannot be classified as qualifying expenditure.

All services must ensure that they have adequate available resources to maintain the ongoing revenue requirement for all capital projects.

Where possible, the Council will be looking to fund the revenue costs from within revenue resources and therefore the use of capital receipts will only be utilised where all other funding streams have been exhausted.

### STRATEGY FOR USE OF FUNDS

Where the Council is looking to capitalise pump priming costs, additional surplus assets may be identified and sold.

The council will have due regard to the requirements to the Prudential Code and the impact on the prudential indicators. Capital receipts from the sale of assets are built into the Council's current capital programme and so the utilisation of receipts for capital receipts flexibility will need to be considered alongside the use of receipts already built into the Capital Programme.

All schemes which are eventually deemed to qualify under this programme would have the required costs funded through capital receipts rather than revenue funding streams.

Approval of projects and allocation of funds arising from the use of flexible capital receipts will be at the discretion of the Section 151 Officer.

Any revenue expenditure, which falls within the criteria of qualifying expenditure, can be attributed as eligible for applying against capital flexibilities where this expenditure leads to ongoing efficiency savings or service transformation.

The 2024/25 MTFS includes a budget of £1.250m to fund the Regeneration Team. The nature of this spend meets the capital flexibility criteria and the team will be funded under the

capital flexibilities scheme. The £1.250m provision/cost has been offset by a corresponding credit which will result in the cost being removed from the budget and funded by capital receipts. The sum is re-instated in 2026/27 but will be reviewed as part of the 2025/26 budget process as there will be more information on additional capital flexibility options following the consultation on these proposals (see section below).

In addition, there are also a number of revenue costs in 2024/25 associated with the implementation of revenue budget savings and therefore, where a revenue cost arises which meets the rules of qualification set out in the strategy, these costs might also be funded from capital receipts. The costs will be associated with the savings set out in Appendix 1A.

#### PROPOSALS ON NEW LOCAL AUTHORITY CAPITAL FLEXIBILITIES

On 19 December 2023, the Department for Levelling Up, Housing and Communities (DLUHC) published a call for views on new local authority capital flexibilities. The call for views invites local authorities, sector representatives and other stakeholders to provide views on a set of options with respect to capital flexibilities and borrowing, to be managed locally, that could be used to encourage and enable local authorities to invest in ways that reduce the cost of service delivery and provide more local levers to manage financial resources. The proposals are summarised below, and the calls for view close on 31 January 2024.

- Extending capitalisation flexibilities to include a wider set of eligible costs, in particular general revenue costs, in exchange for the authority putting in place and committing to delivering an efficiency plan to reduce costs, with a defined payback period on any capitalised spend within the Medium Term Financial Plan. This would provide local authorities with a route to capitalise such costs without resorting to exceptional financial support discussions with DLUHC.
- Extending the flexible use of capital receipts to allow authorities to borrow for the revenue costs of invest-to-save projects, as an extension of the current framework which allows councils to borrow for such costs.
- Allowing additional flexibilities for the use of the proceeds of selling investment assets, treating them in a similar way to capital receipts, where investment property refers to property held under accounting standard IAS 40.
- Introducing a reduced interest rate for borrowing from the Public Works Loans
  Board for invest-to-save projects. This would be limited only to the capital costs of
  expenditure on projects. It is likely that local authorities would not have to apply to
  Government to use the rate, but should reflect this in their capital plans provided to
  DLUHC, but they would not be able to borrow in advance of need. The discount
  would not be worth more than 40 basis points (the discount currently applied to HRA
  borrowing).

The Government is also considering the following controls against unintended consequences of further flexibility:

• Full transparency, including submission of plans to use flexibilities to Government (but not for approval), regular updates on progress against the efficiency plan and other transparency measures.

- Mandation of a payback period for efficiency and invest-to-save plans.
- A requirement of a self-commissioned independent review of efficiency plans, with mandatory publication of findings.
- · Limiting flexibilities to certain types of expenditure
- Government-commissioned independent reviews.



# **London Borough of Harrow Draft Budget 2024/25 - Public Consultation Results**

#### What was the consultation about?

The consultation presented London Borough of Harrow's draft budget for 2024/25. The consultation ran for five weeks from 20 December 2023 to 24 January 2024.

We legally must share with Harrow residents our plans and ask what residents think of them to set a balanced budget in February.

Every year, we deliver services to more than 261,000 people.

Some are statutory that we must deliver by law, others essential and some are what we consider important - they all help us restore pride in Harrow and deliver our key priorities:

- A council that puts residents first
- · A borough that is clean and safe
- A place where those in need are supported.

In planning our spending for the year ahead, and future years, we asked residents some questions on budgets. We provided information that explains where our money comes from, and more importantly where it goes.

#### How was the consultation advertised?

The consultation was available on the council's consultation platform MyHarrow Talk. The project page hosted the consultation documents, including, the December 2023 Cabinet Report and Appendices, background information, videos and an online survey.

The consultation was promoted via the council's weekly enewsletter MyHarrowNews to c.130,000 MyHarrow account holders and subscribers, the council's social media channels, news on the council's website and by Harrow Online.

Some 1,000 individuals visited the consultation pages on MyHarrowTalk, nearly half of them looked at the information contained on the pages. Some 63 responses were received from the online survey.

### What feedback was received?

Six questions were presented to respondents. The graphs below summarise the results received.

In summary, the majority of respondents said they understood the budget pressures the council was facing, and the council's plans to spend the budget were supported. But there was not majority support that council tax should rise by 4.99% (2.99% for Council services and

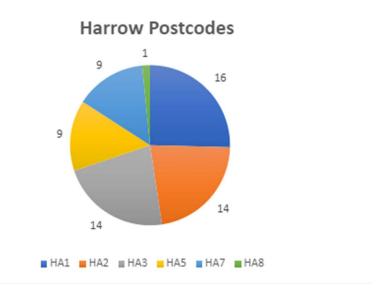
the 2% social care levy) to fund it. More respondents (41%) agreed with how the council planned to spend the budget in 2024/25, compared to those who disagreed (32%).

Almost half (48%) said they understood the need to increase council tax to spend more on adult social care. But only one-quarter (26%) agreed that a growing demand on services meant more needed to be spent on core council services.

Only one-quarter (25%) of respondents agreed that a rise in council tax should pay for the budget increases, with six out of 10 respondents disagreeing.

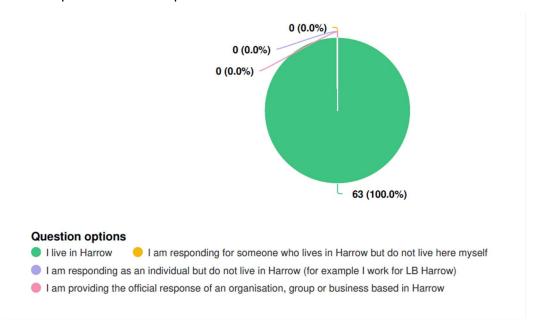
# Q1. Please provide your postcode, or if you prefer, the first four characters from your postcode

There were 63 responses to this question. Most respondents live in the HA1 postcode area of Harrow.



### Q2. In what capacity are you taking part in this consultation?

All 63 respondents to this question identified themselves as a Harrow resident.

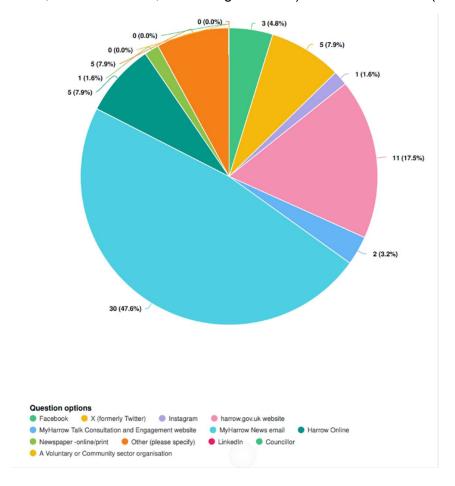


### Q3. How did you find out about this consultation?

There were 63 responses to this question.

Nearly half of the respondents (47.6%) found out about the consultation via MyHarrow News, with the council website (17.5%) the next highest response.

People also found out about the consultation through social media (X (formerly Twitter) 7.9%, Facebook 4.8%, and Instagram 1.6%) and Harrow Online (7.9%).



Q4. The London Borough of Harrow has a Corporate Plan for Restoring Pride in Harrow. And it has three priorities – to be: ✓ a council that puts residents first, ✓ a borough that is clean and safe, and ✓ a place where those in need are supported. The 2024/25 budget has been put together to ensure funds are available and resources are committed to deliver these priorities. Do you agree with how the council plans to spend the budget in 2024/25?

There were 63 responses to this question. 26 (41%) agree with how the council plans to spend the budget next year, 20 (32%) disagree, 12 (19%) neither agree nor disagree, 2 (3%) not sure, 3 (5%) did not answer the question.

Q5. Please share any comments you have on the budget proposals for 2024/25. For example, do you have ideas on where or how we can save money, or generate more income? Is there anything in our plans that might adversely or unfairly impact you or your family? Please don't give us any personal details that may identify you.

There were 49 responses to this question – the themes in the responses were:

🛮 Not sure 🌑 Strongly disagree 💮 Somewhat disagree 💮 Neither agree nor disagree 👶 Somewhat agree 🐞 Strongly agree

- Concerns around services and initiatives not being run as efficiently as possible.
- Concerns about the visibility / quality of services received in return for Council Tax paid.
- Calls for the Council to approach central government for more funding.
- Concerns about the impact on households of an increased Council Tax bill, considering pressures on finances. Question about what support there is for those struggling.

# Q6. Having read the draft budget proposals and the information about the council's financial position, please answer the following statements:

There were 63 responses to this question. Here are the responses to the statements:

I understand the need to increase council tax in 2024/25 by 2.99% for council services plus the 2% adult social care levy – a total increase of 4.99%.

16 (25%) agree, 38 (60%) disagree, 7 (11%) neither agree nor disagree, 1 (2%) not sure, 1 (2%) did not answer the question.

### I understand the need to spend more on adult social care.

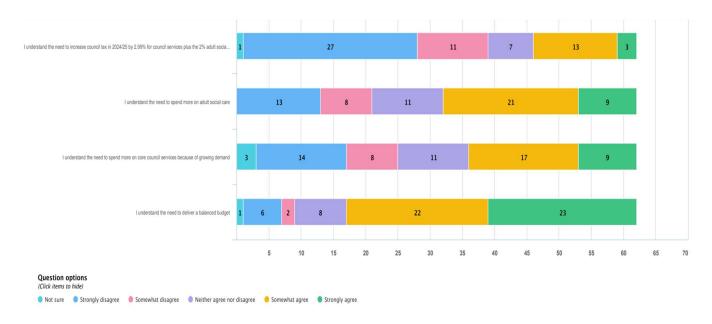
30 (48%) agree, 21 (33%) disagree, 11 (17%) neither agree nor disagree, 0 (0%) not sure, 1 (2%) did not answer the question.

# I understand the need to spend more on core council services because of growing demand.

26 (41%) agree, 22 (35%) disagree, 11 (17%) neither agree nor disagree, 3 (5%) not sure, 1 (2%) did not answer the question.

# I understand the need to deliver a balanced budget.

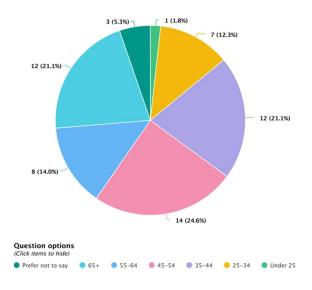
45 (71%) agree, 8 (13%) disagree, 8 (13%) neither agree nor disagree, 1 (1.5%) not sure, 1 (1.5%) did not answer the question.



# **Equalities Monitoring questions:**

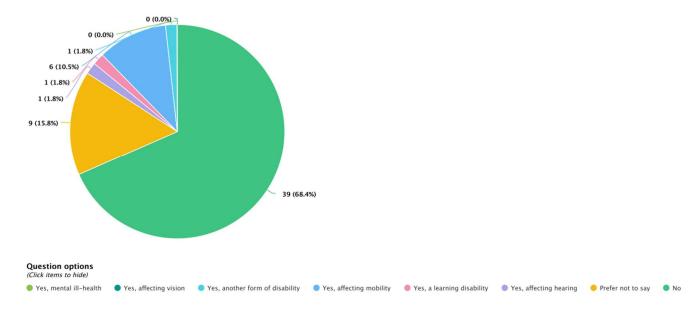
# Age - Please indicate your age group.

There were 57 responses to this question. Nearly a quarter of respondents (24.6%) were in the 45-54 age group, one in five 65+ and just over a third of the respondents (33%) who answered this question are below 45.



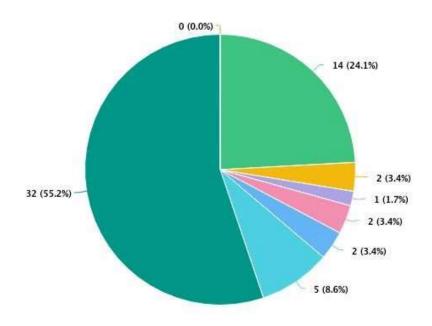
# Disability - Are your day-to-day activities limited because of a health problem or disability which has lasted or is expected to last at least 12 months?

There were 57 responses to this question. Most respondents (68.4%) indicated they have no disability which limits their activities day-to-day, with nine respondents (15.8%) preferring not to say and six respondents (10.5%) indicating they have another form of disability.



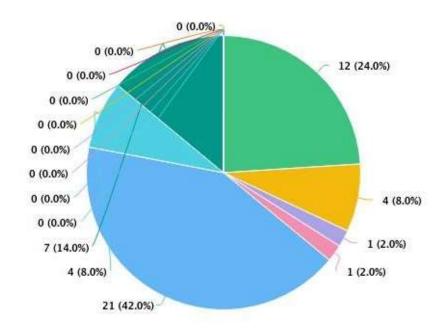
# Do you have caring responsibilities?

There were 58 responses to this question. Over half (55.2%) said they have no caring responsibilities, nearly a quarter (24.1%) are the primary carer for an older person.



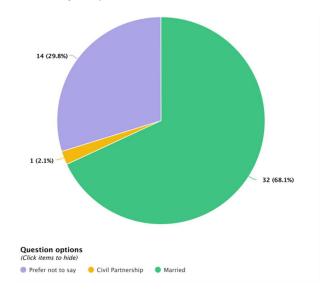
# Ethnic origin - What is your ethnic origin?

There were 50 responses to this question. From the respondents (42.6%) identified themselves as White British, with nearly a quarter (24%) as Asian or Asian British Indian and (14%) preferred not to say.



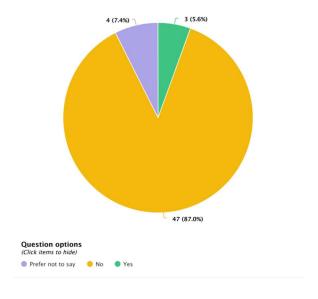
# Marriage and Civil Partnership - What is your marital status?

There were 47 responses to this question. Most respondents (68.1%) indicated they are married, with just under a third (29.8%) preferring not to say and one respondent (2.1%) indicating they are in a civil partnership.



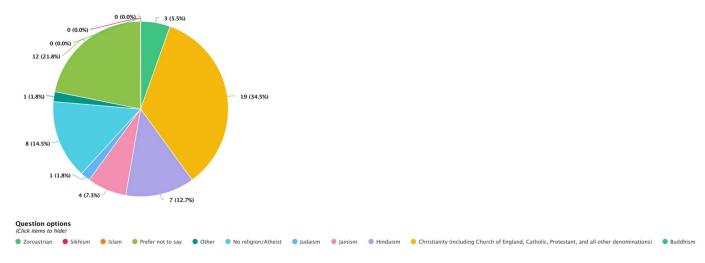
# Pregnancy or Maternity - Have you been pregnant and / or on maternity leave during the past 2 years?

There were 54 responses to this question with most respondents (87%) replying no to the question. Three respondents (5.6%) responded 'yes' to the question, with four respondents (7.4%) preferring not to say.



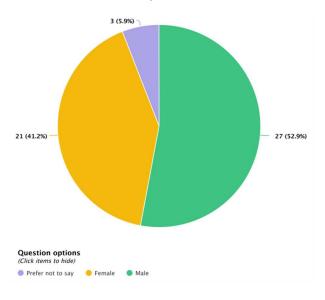
# Religion and belief - What best describes your religion/belief?

There were 55 responses to this question with just over a third (34.5%) describing their belief as Christianity. Nearly a quarter (21.8%) preferred not to say, with 14.5% answering as No religion/Atheist and seven as Hinduism (12.7%). Four respondents (7.3%) described their belief as Jainism, with three respondents (5.5%) as Buddhism and one respondent (1.8%) as Judaism.



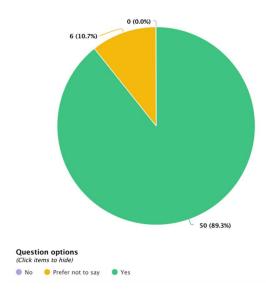
Sex - Are you?

There were 51 responses to this question with just over half (52.9%) responding as Male with 41.2% responding as Female. A small number (5.9%) preferred not to say.



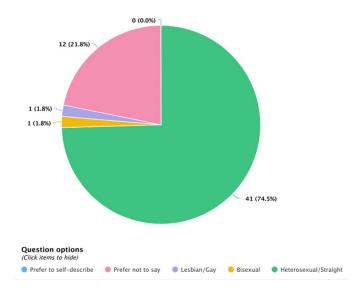
# Is your gender identity the same as the gender you were assigned at birth?

There were 56 responses to this question with most respondents (89.3%) answering Yes and 10.7% preferring not to say.



### Sexual orientation - What is your sexual orientation?

There were 55 responses to this question with nearly two-thirds of responses (74.5%) answering Heterosexual/Straight and nearly a quarter (21.8%) preferring not to say.



### **Conclusions**

Through our consultation we are satisfied that we have explained the budget pressures facing the council in the next financial year and beyond and, while we hear people's concerns, we propose to raise Council Tax for 2024/25 to ensure the budget we put together is balanced. We are taking onboard feedback about how we can look at further efficiencies and growth opportunities. We will continue to work in partnership with local partners and liaise with central government about funding for Harrow.

# **Assessment of Equality Impacts**

# Responses to the main questions by Sex

Of the 63 total respondents of the survey, 51 answered the question about Sex, with 12 people skipping it. Of those who responded, 21 people responded as female, with 27 as male and 3 preferred not to say.

The main questions have been filtered by Female and Male and the responses are set out below:

Main questions	Female responses	Male responses
The London Borough of	20 responses, 1 skipped	26 responses, 1 skipped
Harrow has a Corporate		
Plan for Restoring Pride in		
Harrow. And it has three		
priorities – to be:√ a	Agree: 11	Agree: 9
council that puts residents		
first, ✓ a borough that is	Disagree:	Disagree: 10
clean and safe, and √ a		
place where those in need	Neither agree nor disagree:	Neither agree nor disagree:
are supported. The 2024/25	6	5
budget has been put		
together to ensure funds	Not Sure: 3	Not Sure: 2
are available and resources		
are committed to deliver		
these priorities. Do you		
agree with how the council		
plans to spend the budget in 2024/25?		
Having read the draft	21 responses	27 responses
budget proposals and the	211000011000	27 1000011000
information about the		
council's financial		
position, please answer the		
following statements		
I understand the need to	Agree: 12	Agree 7
increase council tax in		
2024/25 by 2.99% for council	Disagree: 7	Disagree: 16
services plus the 2% adult		
social care	Neither agree nor disagree:	Neither agree nor disagree:
	2	3
	Not Sure:	Not Sure: 1
I understand the need to spend more on adult social	Agree: 11	Agree: 15
care	Disagree: 6	Disagree: 7
	Neither agree nor disagree:	Neither agree nor disagree:
	4	5
	Not Sure -	Not Sure -
	11	

I understand the need to spend more on core	Agree 10	Agree 11
council services because of	Disagree: 6	Disagree: 8
growing demand	Neither agree nor disagree: 4	Neither agree nor disagree: 6
	Not Sure: 1	Not Sure: 2
I understand the need to deliver a balanced budget	Agree 16	Agree 20
	Disagree: 2	Disagree: 3
	Neither agree nor disagree: 3	Neither agree nor disagree: 3
	Not Sure	Not Sure: 1

# Responses to the main questions by Disability

Of the 63 total respondents of the survey, 57 answered the question about whether day-today activities are limited because of a health problem or disability which has lasted or is expected to last at least 12 months, with 6 people skipping it.

Of those who responded, 39 people responded with a no to the question, while 9 indicated they do have a health problem or disability, and 9 preferred not to say.

The main questions have been filtered by those who indicated either Yes or No to whether their day-to-day activities are limited because of a health problem or disability which has lasted or is expected to last at least 12 months. The responses are set out below:

	Responses indicating No to	Responses indicating Yes to
	"Are your day-to-day activities	"Are your day-to-day activities
	limited because of a health	limited because of a health
	problem or disability which	problem or disability which has
	has lasted or is expected to	lasted or is expected to last at
	last at least 12 months?"	least 12 months?"
Q5. The London Borough	6 responses	22 responses, 2 skipped
of Harrow has a		
Corporate Plan for		
Restoring Pride in	Agree: 3	Agree: 10
Harrow. And it has three	Disagree: 2	Disagree: 7
priorities – to be: <b>√</b> a	Neither agree nor disagree: 1	Neither agree nor disagree: 4
council that puts	Not Sure	Not Sure: 1
residents first, 🗸 a		
borough that is clean and		
safe, and <b>√</b> a place where		
those in need are		
supported. The 2024/25		
budget has been put		
together to ensure funds		
are available and		
resources are committed		

to deliver these priorities. Do you agree with how the council plans to spend the budget in 2024/25?		
Having read the draft budget proposals and the information about the council's financial position, please answer the following statements	6 responses	24 responses
I understand the need to increase council tax in 2024/25 by 2.99% for council services plus the 2% adult social care	Agree: Disagree: 5 Neither agree nor disagree: 1 Not Sure:	Agree: 8 Disagree: 14 Neither agree nor disagree: 1 Not Sure: 1
I understand the need to spend more on adult social care	Agree: 5 Disagree: 1 Neither agree nor disagree: Not Sure:	Agree: 12 Disagree: 6 Neither agree nor disagree: 6 Not Sure:
I understand the need to spend more on core council services because of growing demand	Agree: Disagree: 2 Neither agree nor disagree: 4 Not Sure:	Agree: 12 Disagree: 8 Neither agree nor disagree: 2 Not Sure: 2
I understand the need to deliver a balanced budget	Agree: 4 Disagree: Neither agree nor disagree: 2 Not Sure:	Agree: 17 Disagree: 3 Neither agree nor disagree: 3 Not Sure: 1

# What happens next?

The information gathered through the consultation will be used to inform our final budget which will be reported to Council on 22 February 2024.

We will publish the outcome of the consultation and the final Budget Report on MyHarrow Talk in February 2024.

Regular financial updates on the council's budget position are provided at Cabinet meetings throughout the year. These agendas and reports can be found via harrow.gov.uk





# Cabinet - 15 February 2024

# Minute Extract from Employees' Consultative Forum – 10 January 2024

# 17. Draft Revenue Budget 2024/25 and Draft Medium Term Financial Strategy to 2026/27

The Forum received a report of the Interim Director of Finance and Assurance which set out the draft revenue budget for 2024/25 and draft Medium Term Financial Strategy (MTFS) to 2026/27 that had been considered by Cabinet on 18 December 2023. The budget and MTFS would be submitted to Cabinet in February 2024 for approval along with a recommendation to Council.

The report was introduced by the Chair who highlighted that the Council continued to face financial challenges, however, compared to the 2022/23 financial year the Council had a more complete budget to present the Forum. It was maintained that challenges for future years remained for years 2 and 3 within the current budget.

The Portfolio Holder for Finance and Human Resources added that the budget for 2024/25 was balanced with a council tax increase of 4.99% proposed. Figures for years 2026 and 2027 were mostly assumptions due to a lack of direction from Government. The Council's biggest challenges was the provision of Adults and Children Services – a national challenge also – the Council had planned to increase the budgets for these services by circa £5.5m for 2024/25 and an extra £4m over the following 2 years. There was confidence that this funding would support these services.

The Portfolio Holder for Finance and Human Resource continued by raising that fees and charges had increased by an average of 7% which was based on inflation. In addition, the final settlement received was better than expected and had been put aside as a contingency to support the balancing of future budgets. The Chair explained that the current financial year had a knock on effect for future years. Th average overspend for a London Council was £10m but the London Borough of Harrow had an overspend of £1.3m as at the last period. There was confidence that financial pressures for the Council would be reduced for future financial years. Furthermore, it was explained that unlike other council's, this council did not have the reserves to support the budget and therefore emphasised the need for the budget to be balanced and to not overspend.

It was noted that the Council's reserves stood at roughly £16m and that 80% of it's income came from council tax. The Interim Director of Finance and Assurance added that the financial year for 2024/25 was balanced but there was a budget gap for years 2025/26 and 2026/27 which totalled to £19m.

The Chair invited members of the Forum to ask question, with the following raised:

It was asked if there was confidence that council tax would not rise again. The Leader explained that inflation had an impact because it was estimated last year that inflation would be lower and to date this had not happened. The Portfolio Holder for Finance and Human Resources added that inflation had impacted the Council and noted that in future years there might be a possibly that increases could go back to a 2.99% increase as there was a preference for smaller increases on council tax to either match or be below the rate of inflation. Looking at the minutes of the previous meeting, it was asked why the budget gap had increased. It was explained that the figures mentioned were from last year's proposed budget and that since then this gap had been filled and resulted in a balanced budget for years 2023/24 and 2024/25.

An update was sought on the Council's restructure and aim for a 10% reduction in senior management. The Interim Director of Finance and Assurance explained that a lot of the restructures were implemented in February 2023 and were due to be presented in the quarter 3 budget monitoring report. In addition it was confirmed that all restructures had been implemented or were due to be implemented.

That there was an aim for the number of agency staff used within the Council to be reduced as they were more expensive compared to permanent staff. That interim positions would be replaced with permanent positions and that there was an aim to use as fewer agency staff as possible. It was added that there was a commitment to protect front line services.

It was reiterated that this time last year the Council was in a position where it needed to fill a £10m gap. However, now there is time for years 2 and 3 to be looked into. For example, buying assets rather than spending money on temporary accommodation such as B&Bs relieves financial pressures on homelessness for the Council and retained a capital asset.

The Council's recruitment freeze was raised and it was asked if business cases still occurred. The Chair explained that there was not a recruitment freeze but every new position had to be signed off and that recruitment freezes created pressures within a service and could actually result in savings not being made.

### **Resolved to RECOMMEND:** (to Cabinet)

That report be noted and the Forum's comments be submitted to Cabinet for consideration.

### For Consideration

### **Background Documents:**

Minutes of Employees' Consultative Forum – 10 January 2024

### **Contact Officer:**

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# Cabinet - 15 February 2024

# Minute Extract from Harrow Business Consultative Panel – 23 January 2024

# 17. Draft Revenue Budget 2024/25 and Draft Medium Term Financial Strategy to 2026/27

Members received a report of the Director of Finance which set out the Council's proposed Draft Revenue Budget 2024/25 and the Medium-Term Financial Strategy 2026/27.

Harrow remained one of the lowest funded Councils both within London and nationally. The Council does not benefit from large reserves compared with the rest of London and was in the lower end of the lower quartile for reserve balances held.

Over the past 10 years, the Council's revenue support grant had reduced from £50.5m to £2m in 2023/24 and whilst the Council does receive other grant funding to support services, these grants are all ring fenced to areas of activity and could not be used to support the core budget, for example the Dedicated Schools Grant of £143m. In 2023/24 these grants total £366m.

The Council does not receive specific funding to meet demographic growth and demand led pressures. In addition, inflation had increased substantially and creating unfunded budget pressures.

In previous years, Council Tax had been increased to just below referendum limits and full use has been made of the Adults Social Care Precept, both of which were in line with central government expectations. The impact of was that the Council was heavily reliant on Council Tax to fund its core budget. In 2023/24 approximately 78% of the Council's net revenue budget of £196.3m was funded from Council Tax.

Members asked what information was provided in the business rates newsletter and to whom it was sent. The business rates newsletter provided information on relief measures, rate multipliers and other details relevant to businesses. It was sent to the largest 200 business traders and was part of the communication strategy for business rate payers.

Members also wanted to know if there was any relief for new tech startups in Harrow, and what were the factors affecting this. Officers advised that there

was no specific relief for new tech startups in Harrow unless there was a designated special zone. Business rates were determined by central Government and current trends in Harrow involve smaller tech businesses run from home rather than offices.

Members also asked if there would be more focus on attracting tech entrepreneurs and startups to Harrow in the future. Officers advised that attracting tech entrepreneurs and startups to Harrow were not within the local authority's remit regarding business rates. While the desire may exist, it was not an area where the local authority had direct control or influence.

Members thanked Officers for all their hard work in getting the report ready.

**RESOLVED:** That the report be noted.

### For Consideration

### **Background Documents:**

Minutes of Harrow Business Consultative Panel - 23 January 2024

### **Contact Officer:**

Rita Magdani, Senior Democratic Services Officer

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# Cabinet - 15 February 2024

# Minute Extract from the Overview and Scrutiny Committee – 9 January 2024

# 69. Question and Answer Session with the Leader of the Council and the Managing Director of the Council

The Chair welcomed the Leader of the Council, the Portfolio Holder for Finance and Human Resources, as well as the Managing Director to the meeting. This would be a Question and Answer session in accordance with Committee Procedure Rules 43 and 44.

Questions on the Draft Revenue Budget 2024/25 and draft Medium Term Financial Strategy (MTFS) to 2026/27 could be asked as well as on other issues.

The Leader explained that the draft revenue budget for 2024/25 and draft Medium Term Financial Strategy (MTFS) to 2026/27 would be submitted to Cabinet again in February 2024 for final approval and recommendation to Council.

Members asked if the uncertainty of not having a multi-year financial funding commitment for adult social care from central Government made planning challenging, and whether longer term funding from Government had been requested.

The Committee were advised that it would be preferable to have a 3-4 year commitment for adult social care to be certain that it would continue to receive funding for that time-frame. Other Councils in London were equally concerned. Furthermore, there was a need to balance funding for inner-London and outer-London boroughs.

Members inquired about the funding formula, whether Harrow was getting an appropriate amount to match its needs and what discussions were being held with central Government on revising the funding formula.

The Committee were advised that there was need to revise the funding formula to consider actual needs in Harrow, as the current model was outdated and did not reflect the needs in the borough. Furthermore, as far

back as 15 years ago, discussions had been held with central Government but nothing much had changed. Harrow remained one of the lowest funded Councils both within London and nationally. The Council did not benefit from large reserves compared with the rest of London and was in the lower end of the lower quartile for reserve balances held. The Leader and senior Council officers continued to hold discussions with ministers and civil servants on revising the funding formula.

Members wanted to know what the biggest risks were to the Draft Revenue Budget 2024/25 and draft Medium Term Financial Strategy (MTFS) to 2026/27, and how any unexpected expenditure would affect the budget.

The Committee were advised that the three biggest risks were: adult social care; children's care; and homelessness. All were demand-led and therefore it was difficult to predict what changes would occur in the future. Moreover, the borough was likely to have an Office for Standards in Education, Children's Services and Skills (Ofsted) inspection during the year, which could have a further impact on the Council if there was an adverse change in the Council's judgement. Furthermore, the Council did not receive specific funding to meet demographic growth and demand-led pressures. In addition, inflation had increased substantially and this created unfunded budget pressures.

Members wanted to know what discussions had been held with central Government to protect statutory services if there were more demands on finances and some services were to be cut.

The Committee were advised that the Leader and senior management team continued to hold discussions with ministers and senior civil servants on the need to protect statutory services with increased funding. Furthermore, Members of Parliament representing Harrow constituencies were lobbied to present the borough's issues to ministers.

Members asked about installing more electric charging points and pothole mending.

The Committee were advised that 200 extra on-street charging points would be installed, including 10 ultra charging ones. Resources had been allocated for pothole mending in the borough.

Members requested an update on the active transport strategy.

The Committee were advised that the strategy was out for consultation. It was envisaged that more cycle lanes and routes would be opened. However, it was important to consult residents as such measures would impact on traffic flow in Harrow.

Members wanted to know how fly-tipping in Harrow, particularly in South Harrow, was being addressed and whether better enforcement could stop the problem.

The Committee were advised that a new borough-wide enforcement Public Spaces Protection Order (PSPO) was due to take effect to deal with persistent anti-social behaviour, which was detrimental to the community's quality of life. Furthermore, it had been established that the waste being dumped was mostly house-hold, implying it most likely came from unlicensed Houses of Multiple Occupation (HMOs), without sufficient bin capacity. Enforcement of HMOs would therefore be enhanced to clamp down on illegal ones.

Members were concerned about the effect of homelessness on children and questioned whether the Council had houses where homeless families could go when declared homeless.

The Committee were advised that there were houses that homeless families could utilise. There was a lack of adequate supply but increased demand, which meant that some families were housed in temporary accommodation and hotels.

Members asked about the "Right To Buy Back" (RTBB) scheme from the Mayor.

The Committee were advised that "Right To Buy Back" scheme was a historic fund through the Greater London Authority. This was to buy back ex-council properties sold under RTBB. Properties had to completed by March 2023.

It was further advised that an update would be provided after the meeting.

Members wanted to know if the Special Educational Needs (SEN) transport review had been completed, and whether a SEN school would be established in Harrow to reduce the cost of transporting students to facilities outside the borough. The use of taxis in transporting SEN students was increasing, and this could be reduced by having a local SEN school.

The Committee were advised that SEN transport was still being reviewed, and proposals had been submitted for a SEN facility in Harrow to the Department for Education.

Members queried the household support fund which would end in March 2024, and whether this would be extended.

The Committee were advised that the Council was lobbying for the fund to continue beyond March 2024 – preferably for another year. However, it was important to recognise that the scheme would end at some point.

The Chair thanked the Leader of the Council, the Portfolio Holder for Finance and Human Resources, as well as the Managing Director, for their attendance and responses.

**RESOLVED:** That the Committee's comments be forwarded to Cabinet for consideration.

#### For Consideration

# **Background Documents:**

Minutes of Overview and Scrutiny Committee – 9 January 2024

# **Contact Officer:**

Mwim Chellah, Senior Democratic Services Officer
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# Cabinet – 24 January 2024

# Extract from Performance & Finance Scrutiny Sub-Committee – 14 December 2024

# Minute Item 38 - Draft Revenue Budget 2024/25 & Draft Medium Term Financial Strategy to 2026/27

Members received the Draft Revenue Budget 2024/25 and draft Medium Term Financial Strategy (MTFS) to 2026/27, which would be presented to Cabinet on 19 December 2023. The budget and MTFS would be submitted to Cabinet in February 2024 for final approval and recommendation to Council.

The Interim Director of Finance and Assurance (S151 Officer), and Councillor David Ashton, the Portfolio Holder for Finance and Human Resources, presented the report to the Sub-Committee and responded to questions and comments made by Members.

Members were concerned that some residents would struggle to meet their Council Tax obligations given the current cost of living crisis, and queried what measures were in place to assist such residents. On another note, clarification was sought on the impact of the pay award for staff in 2023/24 have on the Council's budget.

It was advised that in previous years, Council Tax had been increased to just below referendum limits. Full use had been made of the Adults Social Care Precept, both of which were in line with central Government expectations. The impact of this was that the Council was heavily reliant on Council Tax to fund its core budget. In 2023/24 approximately 78% of the Council's net revenue budget of £196.3m was funded from Council Tax. Residents having problems paying Council Tax could approach the Council and receive assistance through the Council Tax Support scheme if they were eligible. In 2023/24, the increase in Council Tax of 4.99% raised additional revenue of £7.8m, Council Tax income increased from £146.2m to £154.0m.

The Sub-Committee were advised that the cost of the 2023/24 pay award (which was only agreed in October 2023) was £7.2m, which, therefore, left little funding available for other demand pressures that had emerged in adult services and other inflationary pressures.

Members queried what impact inflation would have on Council finances, and whether demographic changes, particularly an ageing population, would affect Council budgets in future.

It was advised that the Council did not receive specific funding to meet demographic growth and demand led pressures. In addition, inflation had increased substantially, creating unfunded budget pressures. Moreover, in line with the national picture, the Council was heavily impacted by inflation.

The budget provision for pay inflation was £4m (4%). The 2023/24 pay award which had recently been announced equated to an increase of 7% (£7.2m) against the pay bill. The bulk of this pressure of £3.2m had been funded from the general corporate budget and the non-pay inflation provision. However, this still left an £800,000 shortfall to be carried forward into 2024/25.

Members asked if the Council's reserves would be drawn upon to meet budget gaps, with specific reference to the budget gap of £12.446 million for 2025/26 and £6.732 million for 2026/27.

The Sub-Committee was advised that Harrow had had a good track record of robust financial management and had not reported a revenue budget overspend for many years. The budget for 2022/23 was originally based on drawing down £14.7m of reserves to bring in a balanced position. The final position for 2022/23 improved significantly as a result of careful control and oversight of budgets, which meant that only £5.8m of reserves were needed, as opposed to £14.7m, to bring the budget into a balanced position. Harrow did not benefit from large reserves compared with some London boroughs, and was in the lower end of the lower quartile for reserve balances held.

As the budget would be approved annually, the latter two years of the Medium Term Financial Strategy (MTFS) would be subject to substantive review and adjustment before finally being approved.

Members inquired about grant funding, and whether this had increased over the years. The Sub-Committee was advised that over the past 10 years, the Council's revenue support grant had reduced from £50.5m to £2m in 2023/24. Where the Council received other grant funding to support services, these were all ring fenced to areas of activity and could not be used to support the core budget, for example, the Dedicated Schools Grant of £143m.

Members asked if the Council had a "Plan B" in meeting some budgetary estimates if the original plan would not be achieved. It was advised that for 2025/26 and 2026/27, many of the budget adjustments were estimated at a high level due to the challenges of forecasting complex issues such as inflation, demand, and demographics so far in advance.

Members asked if any homeless persons were housed in hotels, and how much Harrow would receive from central Government towards addressing the issue. It was advised that homelessness was less of a problem in Harrow compared to other London boroughs. There was additional funding of £120m for homelessness prevention nationally in 2024-2025. The details of the allocations were not yet known, and the Harrow allocation would be confirmed in due course.

Members sought clarity on the budget saving put forward to remove the Ward Priority Fund, which would be replaced by bidding for the Neighbourhood Community Infrastructure Levy (NCIL) fund. This was centrally based, and bids were subject to approval by the Leader of the Council. It was advised that the Leader would be munificent regarding applications, and that Wards could submit bids for consideration for schemes requiring funding.

Members thanked the Interim Director of Finance and Assurance (S151 Officer), and the Portfolio Holder for Finance and Human Resources, for their attendance and responses to their questions.

**RESOLVED:** That the report be noted.

**Background Papers:** Minutes of the meeting of the Performance & Finance Scrutiny Sub-Committee – 14 December 2024

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Report for: Cabinet

Date of Meeting: 15 February 2024

Subject: Revenue and Capital Budget Monitoring Report

2023-24 Q3

**Key Decision:** No

**Responsible Officer:** Sharon Daniels - Interim Director of Finance

and Assurance

Portfolio Holder: Councillor David Ashton - Portfolio Holder for

Finance and Human Resources

Exempt: No

**Decision subject to** 

Call-in:

Νo

Wards affected:

**Enclosures:** Appendix 1 – Summary of Grants 2023-24

Appendix 2 – MTFS Savings Tracker 2023-24 Appendix 3 – Capital Programme 2023-24

Appendix 4 – Trading Company Update 2023-24

# **Section 1 – Summary and Recommendations**

This report sets out the Council's projected revenue and capital outturn position for 2023-24, based on all information known at the end of Q3 31 December 2023.

#### **Recommendations:** That Cabinet

- 1. notes the forecast revenue and capital outturn positions set out in the report.
- 2. notes the amendment to the 2023/24 Capital Programme as set out in paragraphs 3.19-3.23.
- 3. notes the Council's Trading Update as detailed in Appendix 4.

# **Reason: (For recommendations)**

To report the 2023-24 financial forecast position at Q3 and to update Cabinet on trading company performance.

# **Section 2 – Report**

## 1.0 **INTRODUCTION**

- 1.1 This is the third budget monitoring report for 2023-24.
- 1.2 The revenue budget in 2023-24 at Q3 is £196.354m which is net of external grants. A list of external grants is shown at Appendix 1. The net forecast position on the revenue budget for 2023-24, after the planned use of reserves, is a net overspend of £581k. This sum will need to be drawn down from the budget planning reserve if it is not mitigated by year end.
- 1.3 The general fund capital programme budget in 2023-24 is £106.085m. The net forecast position on the capital budget at Q3 is £58.970m which represents 56% of the total capital programme budget. The variance of £47.115m is made up of proposed slippage of £45.441m and an underspend of £1.674m.
- 1.4 The Housing Revenue Account (HRA) revenue budget in 2023-24 at Q3 is an in-year surplus of £423k. The forecast at Q3 is an increased surplus of £1.606m and reporting a favourable variance of £1.183m.
- 1.5 The Housing Revenue Account (HRA) capital programme budget is £57.505m. The net forecast position on the HRA capital budget at Q3 is £42.421m which represents 74% of the total HRA capital programme budget. The variance of £15.084m relates to proposed slippage.

# 2.0 **REVENUE MONITORING**

- 2.1 As at Q3 the forecast revenue budget outturn, after the planned use of reserves, is a net overspend of £581k.
- 2.2 This is a reduction of £798k from the position reported in Q2 which relates to a £798k reduction in the directorates' forecasts. This is set out in more detail in the relevant sections.

Table 1: Summary of Revenue Budget Monitoring - Forecast at Q3 2023-24

Service Area	Revised Budget	Outturn	Variance	Contribution/ Drawdown From reserves	Revised Outturn	Variance to budget at Q3	Q2 Variance to budget	Movement from Q2
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Managing Director	20,081	19,745	-336	-321	19,424	-657	-565	-92
Resources	20,369	21,370	1,001	-821	20,549	180	180	0
Place	36,858	43,103	6,245	-3,692	39,411	2,553	2,435	118
People's Services	106,846	114,675	7,829	-4,182	110,494	3,648	4,472	-824
Total Directorate Budgets	184,154	198,893	14,739	-9,016	189,878	5,724	6,522	-798
Corporate	4,320	3,106	-1,214	-1,000	2,106	-2,213	-2,213	0
Contingency for Unforeseen	1,248	0	-1,248	0	0	-1,248	-1,248	0
Technical	14,007	13,642	-365	-2,400	11,242	-2,765	-2,765	0
Investment Properties	-2,876	-2,801	75	-75	-2,876	0	0	0
Pay Inflation	-3,278	-68	3,210	0	-68	3,210		0
Non-Pay Inflation	2,625	498	-2,127	0	498	-2,127	-2,127	0
Total Corporate Budgets	16,046	14,377	-1,669	-3,475	10,902	-5,143	-5,143	0
Uncontrollable Budgets	-3,846	-3,846	0	0	-3,846	0	0	0
Grand Total	196,354	209,424	13,070	-12,491	196,934	581	1,379	-798

- 2.3 Table 1 shows a projected net draw down from reserves of £12.491m (which does not include the draw down of £581k for the projected overspend). Out of the £12.491m, £1m relates to planned draw down to support the 2023-24 budget. The remainder of the draw downs from reserves generally relate to planned use, for example
  - £2m MTFS Implementation to support delivery of savings
  - £2.4m ringfenced grants to support planned spend
  - £1.4m Adults budget in relation to a one-off payment to be made to care providers in 2023-24 in relation to inflation pressures.
  - £1.4m of budget carried forward from the 2022-23 budget to complete projects or ensure grant is fully spent.
  - £1m Children's Social Care to support overall pressures.
  - £2.8m Implementation Reserve
  - £1.4m Other draw downs including planned PFI contributions, use of the public health reserve and other projects.

# **MANAGING DIRECTOR**

Table 2: Managing Director Forecast Outturn Q3 2023-24

Division	Revised Budget	Forecast	To/ (From) Reserves	Revised Forecast	Q3 Variance	Q2 Variance	Movement from Q2
	£000	£000	£000	£000	£000	£000	£000
Managing Director	274	274	0	274	0	0	0
Finance and Insurance	3,619	3,869	-250	3,619	0	0	0
Revenues and Benefits	9,906	9,906	0	9,906	0	0	0
Procurement	707	707	0	707	0	0	0
Internal Audit & CAFT	674	674	0	674	0	0	0
Legal and Governance	4,901	4,315	-71	4,245	-657	-565	-92
Total	20,081	19,745	-320	19,425	-657	-565	-92

- 2.4 As at Q3 the directorate is reporting a net underspend of £657k after drawdown from reserves.
- 2.5 The reserve movements are shown in Table 3.

Table 3: Managing Director Reserve Movements 2023-24

Description	Movement £'000
Insurance Reserve	-250
MTFS Implementation Reserve	-71
Managing Director net draw down	-321

- 2.6 The net underspend of £657k is made up as follows:
  - Legal & Governance £429k net underspend due to additional Land Charges and Registrars income and delayed recruitment and £228k increased demand for HBPL services
- 2.7 The movement between Q2 and Q3 is a net increase in underspend of £92k. This is mainly due to delayed recruitment in Democratic Services and increased demand for HB Public Law legal practice services and Registration services resulting in extra income.

# **RESOURCES**

Table 4: Resources Forecast Outturn Q3 2023-24

Division	Revised Budget	Forecast	To/ (From) Reserves	Revised Forecast	Q3 Variance	Q2 Variance	Movement from Q2
	£000	£000	£000	£000	£000	£000	£000
Business Support	4,172	4,461	-289	4,172	0	0	0
Access Harrow	3,983	4,158	0	4,158	175	175	0
Director of Resources	-248	-408	-39	-447	-199	-199	0
Strategy	2,383	2,481	-125	2,356	-26	-26	0
ICT	7,713	7,713	0	7,713	0	0	0
HR	2,366	2,965	-368	2,597	231	231	0
Total	20,369	21,370	-821	20,549	180	180	0

- 2.8 As at Q3 the directorate is reporting a net overspend of £180k after draw down from reserves.
- 2.9 The position has remained the same as that reported at Q2.
- 2.10 The reserve movements are shown in Table 5.

Table 5: Resources Reserve Movements 2023-24

Description	Movement £'000
Corporate MTFS Implementation Reserve	-684
Equalities, Diversity & Inclusion Resrve	-26
Decommissioning Accommodation Reserve	-39
Carry Forward Reserve	-72
Managing Director net draw down	-821

- 2.11 The net overspend of £180k is made up as follows:
  - Access Harrow £175k overspend due to the decision to not implement a prior year MTFS saving to close the telephone lines for Revenues and Collections.
  - HR £231k overspend due to the loss of income from schools for payroll services.
  - Management £200k underspend due to vacancies.
  - **Strategy** £26k underspend due to vacancies.

### **PLACE**

Table 6: Place Forecast Outturn Q3 2023-24

Division	Revised Budget	Forecast	To/ (From) Reserves	Revised Forecast	Q3 Variance	Q2 Variance	Movement from Q2
	£000	£000	£000	£000	£000	£000	£000
Directorate Management	500	693	-68	625	125	125	0
Environment	20,761	23,223	-513	22,710	1,949	1,631	318
Inclusive Economy, Leisure & Culture	4,672	4,669	-26	4,643	-29	8	-37
Regeneration & Development	7,199	8,368	-650	7,718	519	686	-167
Housing General Fund	3,726	6,150	-2,435	3,715	-11	-15	4
Total	36,858	43,103	-3,692	39,411	2,553	2,435	118

- 2.12 As at Q3 the directorate is reporting a net overspend of £2.553m after contributions to from reserves and cross-divisional adjustments.
- 2.13 The reserve movements are shown in Table 7.

Table 7: Place Reserve Movements 2023-24

Description	Movement £'000
Capacity Building Reserve	-51
Business Risk Reserve	-81
Place MTFS Implementation Reserve	-445
Revenue Grant Reserve	-2305
3G Pitch	25
Decommissioning Accommodation Reserve	-500
Budget Planning Reserve	-240
Proceeds Of Crime Reserve Planning	-95
Place Directorate net drawdown	-3692

- 2.14 **Directorate Management** £125k net overspend due to the delay in finalising and implementing the new directorate-wide restructure, meaning the £125k MTFS savings target profiled for 2023-24 is unlikely to be met. This pressure will be offset via savings made from vacant posts held elsewhere in the directorate.
- 2.15 **Environment** £1.949m net overspend. This is made up as follows:
  - Parking Services £2.260m net overspend due to an under achievement of income generated from penalty charge notices (PCNs) of £1.9m and a reduction in car parking income of £360k as a result of fewer paid parking transactions.

- Highways £329k net overspend due to demand for reactive maintenance works across the borough's roads, carriageways, and footpaths.
- **Network Management** £200k net underspend due to £100k overachievement of income from street works arising from increased work activities. The service currently has a number of vacant posts, which results in a forecast underspend of salaries by £100k.
- Clean & Green £300k net underspend due to a historical one-off income for cemeteries owed from Brent and Hillingdon councils relating to the service level agreements (SLAs) in place for Carpenders Park Cemetery and Breakspear Crematorium respectively.
- Strategy, Development & Performance £115k net underspend on staffing costs owing to vacant posts across the service. These posts have been kept vacant pending the review of a directorate wide reorganisation. This saving will be used to partially mitigate against the MTFS target of £125k for the directorate restructure.
- Head of Transport & Environmental Operations £25k net underspend on employer pension contributions.
- 2.16 **Inclusive Economy, Leisure, and Culture -** £29k net underspend. This is made up as follows:
  - Harrow Museum £134K net overspend due to a salary pressure of £48k arising from the use of additional agency staff to support activities/events and an income pressure of £86k as income generated from facility hire and catering is below budget. Mitigating actions are being drawn up to increase income at the site.
  - Community Engagement and Economic Development £163k underspend. Vacant posts in these service areas have resulted in an underspend on salaries.
- 2.17 **Regeneration and Sustainable Development -** £519k net overspend. This is made up as follows:
  - Planning £430k net overspend due to a forecast underachievement of income of £400k, driven by a reduction in applications due to market conditions. Legal costs arising from appeals are forecast to create a budget pressure of £30k.
  - **Building Control** £154k net overspend due to a forecast underachievement of income from building control applications, due to market conditions and competitions from the private sector.

- Facilities Management £30k net underspend. The building repair & maintenance budget is forecast to overspend by £400k based on historical trend on spend. This has been offset by a forecast underspend on other staffing costs of £120k as a result of vacant posts and a net credit of £310k relating to the annual NNDR bill for the Civic Centre.
- Catering Services £278k net overspend due to reduced sales from the canteen at HCH which has resulted in £167k loss of income. In addition, following the cessation of Meals on Wheels service, there are one-off residual costs and redundancy costs in 2023-24 totalling £111k.
- **Corporate Estate** £313k net underspend as a result of an overachievement on rent income from corporate property portfolio, driven by some one-off backdated rents and additional income from various leases.

# 2.18 Housing General Fund

- 2.19 As at Q3 Housing General Funding is projecting a slight net underspend of £11k after a projected draw down from the Homelessness Prevention Grant (HPG) reserve of £2.305m, which is in addition to the full use of the 2023-24 HPG of £2.312m and the HPG Ukraine of £627k. In addition, there is corporate funding of £130k. This will leave a balance on the HPG reserve of £2.010m.
- 2.20 The £2.305m increase in the use of HPG in 2023/24 is towards the prevention of homelessness; keeping vulnerable households in their current accommodation. The provision of the temporary accommodation (TA) is currently the highest spending area of the Housing Services. Based on the net number of people entering and leaving temporary accommodation per year, if there is no change in current practices the number of households in temporary accommodation will continue to grow.
- 2.21 Temporary accommodation is becoming difficult to source to meet demand, as private sector rents escalate, and an increased number of landlords are exiting the market. These variables have had a big impact on the Council's ability to retain existing TA (and are also putting more households at risk of homelessness in the first place).
- 2.22 The movement between Q2 and Q3 is a net reduction of £118k for Place Directorate. This is due to a reduction of £12k in the overall forecast underachievement of income, £203k relating to a net reduction in staffing costs and £4k due to a change in the temporary accommodation cost forecast, but being offset by £333k relating to an increased demand reported on highway reactive maintenance works.

# **PEOPLE SERVICES**

Table 8: People Services Forecast Outturn Q3 2023-24

Division	Service Area		Outturn	To/ (From) Reserves	Revised Forecast	Q3 Variance	Q2 Variance	Movement from Q2
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adults	Strategic Management & Governance	863	846		846	-17	0	-17
	Workforce (Social Care & Safeguarding)	12,311	13,695	-1,408	12,287	-24	21	-45
	Grants & Better Care Fund	-29,122	-32,240		-32,240	-3,118	-3,027	-91
	Community Equipment	967	1,758		1,758	791	500	291
	Purchased Care - Adults	38,062	42,564	0	42,564	4,502	5,771	-1,269
	Purchased Care - LD, CYAD & shared lives	28,009	32,258	-1,400	30,858	2,849	2,002	847
	CNWL s75	4,457	4,365		4,365	-92	152	-244
	Inhouse Services	4,466	4,254		4,254	-212	-194	-18
	Transport	1,055	936		936	-119	-114	-5
	Contracts	721	721		721	-0	0	0
	Complaints	188	188		188	-0	-13	13
Adults Total		61,978	69,345	-2,808	66,537	4,559	5,098	-539
Public Health Total		-163	208	-371	-163	0	0	0
	Children & Young People Services	32,626	31,506	-68	31,438	-1,188	-944	-244
Children's Services	Education Services	10,623	11,730	-855	10,875	252	215	37
OCI VIOCO	People Services Mgt	1,782	1,886	-79	1,807	25	103	-78
Children's Se	rvices Total	45,031	45,122	-1,002	44,120	-911	-626	-285
People Service	ces Total	106,847	114,675	-4,182	110,494	3,648	4,472	-824

- 2.23 As at Q3 the directorate is reporting a net overspend of £3.648m after drawing down £4.182m from reserves.
- 2.24 The reserve movements are shown in Table 9.

Table 9: People Services Reserve Movements 2023-24

Description	Movement £'000
Adults – People Services MTFS Implementation Reserve	-1,366
Adults – Budget Planning Reserve	-1,400
Adults – Corporate Implementation Reserve	-42
Public Health Reserve	-371
Childrens – People Services MTFS Implementation Reserve	-147
Children's - Children's Social Care Reserve	-103
Children's – Schools PFI Reserve	-655
Children's – Revenue Grant Reserve	-97
People Services net draw down	-4,182

2.25 The variations are explained in more detail at the following paragraphs.

#### **Adult Services**

- 2.26 As at Q3 the service is reporting a net overspend of £4.559m after draw down from reserves of £2.808m.
- 2.27 **Strategic Management** £17k underspend. This reflects the delay in recruiting to the recruitment to the DASS position and interim cover from beginning of January.
- 2.28 **WorkForce** £24k underspend (after the draw down of £1.408m from the implementation reserves, reflecting costs associated with delivery of the MTFS savings). The MTFS savings are expected to be achieved in full, albeit a shortfall of approximately £130k will be mitigated through vacancies.
- 2.29 **Equipment** £791k overspend based on forecast split of costs for all equipment which will be 45% for Harrow Council and 55% Integrated Care Board (ICB) based on the actual invoiced costs for the period April to November.
- 2.30 **Mental Health** £622k overspend. This is the latest forecast position provided by Central North West London (CNWL) which assumes new care packages of £132k. The service was managed by CNWL until June 2023, and is now managed directly by the Council. The forecast assumes new care packages of £54k to year end.
- 2.31 **Grants & Better Care Fund** £3.118m additional income reflecting the annual BCF uplift of the funding of social care services £240k together with the Integrated Care Board (ICB) Discharge funding of £1.312m and additional Market Sustainability Improvement Fund (Workforce) grant of £1.475m and uncommitted BCF funding of £91k. This additional funding partially offsets the overspend in relation to care support costs reported within the purchasing budget below.
- 2.32 **Purchasing (Adults)** £4.502m overspend. The full year impact of the 2022-23 overspend resulted in an immediate pressure of £3.491m, which has now increased by £1.009m to £4.502m at Q3.
- 2.33 The Adults budget is volatile and there are a number of variables which impact the forecast outturn position:
  - Hospital discharges a total of 887 discharges between April and December, requiring a package of support. Of these packages 655 were new services to residents not previously in receipt of care support (with 491 now ended). Winter pressures are likely to see the numbers increase as Northwick Park seek to ensure prompt discharges and dependent on the severity of the season. In December there were 104 discharges, an increase of 19 on the November discharge figure of 85.

- Deaths during the period April to December 2023, 119 fewer deaths than in the same period last financial year.
- Cost of care The average weekly cost of bedded care (residential and nursing) at the end of December was £1,140 per week compared with £1,009 per week at the end of March 2023, with the number of beds commissioned since April increasing by 26 from 419 to 445.
- The impact of inflationary uplifts, together with the increased cost of new packages, reflecting the increase in the weekly costs.
- The forecast includes capacity of £1.187m for further new packages of care together with a further £370k for support for respite, carers and reablement for Q4.
- The outstanding level of debt associated with unpaid client contribution continues to increase and age. At the beginning of December, the outstanding debt totalled £10.161m of which £4.347m had been outstanding for more than a year. As a result, a provision for bad debt of £4.633m needs to be set aside, requiring an increase in the bad debt provision of £870k (budgeted £500k).
- 2.34 **Purchasing (LD, CYAD & Shared Lives)** £2.848m overspend. This is made up as follows:
  - LD £2.226m overspend. At the beginning of the financial year, the full year impact of the 2022-23 overspend of £732k resulted in an immediate pressure of £1.374m (there was no MTFS growth in 23-24 for LD). This variation has increased by £852k to the £2.226m now being reported and reflects an increase in the number of people receiving care (40), a number of package changes (including transfer to fully health funded care), a shortfall on the MTFS savings offset by a lower level of college costs. Part of this movement will also reflect inflationary uplifts for which a virement from the Adults budget above will be required.

The forecast includes capacity of £325k for support for respite and carers for Q4.

• CYAD - £2.032m overspend. At the beginning of the financial year, the full year impact of the 2022-23 overspend of £824k resulted in an immediate pressure of £1.667m (there was no MTFS growth in 2023-24 for CYAD). This variation has increased by £365k to the £2.032m now being reported and reflects new packages since 1st April 2023 (£771k), service users turning 18 and moving to LD budget (-£387k) and a net reduction in other packages since 1st April 2023 (-£27k). At Q3 there were 109 people received a costed care package – an increase of 3 on that reported at Q2.

The forecast includes capacity of £77k for the new packages of care for Q4.

- Contribution from reserves £1.4m this represents an agreed contribution from reserves (as noted in table 9 above) in relation to care provider inflation, reduced from the original agreed £2m. This reduced draw down should enable this to be utilised in 2024-25 to mitigate further uplift requests,
- 2.35 **Transport** £119k underspend largely related to staffing vacancies and offsets the non-delivery of the day care savings reported within the LD overspend above.
- 2.36 **Complaints** balanced position.
- 2.37 **Inhouse Services** £212k underspend which reflects in the main a lower level of staffing costs arising from vacancies, reduced by the non-achievement of Bedford House deregistration (MTFS £100k). This underspend offsets the non-delivery of the MTFS day care savings (approved at £400k with a shortfall on delivery of £265k) reported within the LD overspend reported above.
- 2.38 The movement between Q2 and Q3 is a net reduction of £541k. The variation largely reflects a decrease in the forecast for older people (including a higher bad debt provision), together with a lower level of expenditure on inhouse and transport services arising from recruitment delays, offset by the increased cost of all age disability placements and equipment issues.

#### **Public Health**

- 2.39 As at Q3 Public Health is reporting a balanced position after a planned draw down of £371k from the Public Health reserve to fund the continuation of improvement projects and increased funding for wider determinants of health, above the underspend on sexual health services staffing.
- 2.40 The forecast outturn position leaves a forecast balance of £2.447m on the Public Health reserve as at 31st March 2024.
- 2.41 The draw down has reduced by £111k to that reported at Q2 due to 0-19 Agenda for Change contract cost being lower than anticipated, as well as anticipate project start dates being pushed back and increased staffing underspends.
- 2.42 The position has remained the same as that reported at Q2.

#### Children's Services

- 2.43 As at Q3 the service is reporting a net underspend of £911k after draw down from reserves of £1.002m.
- 2.44 The main variances are summarised in the following paragraphs.
- 2.45 Children and Young People Services £1.188m net underspend
  - Children's Placements & Accommodation £1.021k net underspend. Permanent growth was added to the placements budget through the 2023-24 MTFS of £3.450m which was based on the estimated number of children and young people requiring accommodation in 2023-24 however this is currently lower than originally projected.
  - **Frontline Staffing** £166k net underspend. There are underspends in the frontline social work teams due to vacancies.
- 2.46 **Education Services SEN Transport -** £215k net overspend due to projected in growth in the number of children and number of routes from the 2023-24 academic year as well as the full year impact of growth in the number of children and routes from the 2022-23 academic year. In addition to this, there are contract inflation pressures linked to the rise in London Living Wage.
- 2.47 **Other** £62k net overspend. This relates staffing pressures in relation to the Mosaic Team and the Safeguarding Team.
- 2.48 The movement between Q2 and Q3 is a net reduction of £285k. This is made up as follow:
  - Placements £146k reduction due to lower actual cost of implementing foster carer allowance uplift than estimated
  - Early Support Service £98k reduction due to staffing budget pressures managed within the overall service
  - Various other reductions across the service £41k

#### **Dedicated Schools Grant**

2.49 The Dedicated Schools Grant (DSG) is a ring-fenced grant of which the majority is used to fund individual school budgets in maintained schools, academies, and free schools in Harrow. It also funds Early Years nursery free entitlement places for 2-, 3- and 4-year-olds in maintained council nursery classes and private, voluntary, and independent (PVI) nurseries as well as provision for pupils with High Needs.

Block	Budget £'000	Forecast £'000	Variance £'000
Central	£1,470	£1,470	£0
Early Years	£19,254	£19,254	£0
High Needs	£46,060	£49,797	£3,737
Schools Growth	£813	£813	£0
Schools ISB	£86,129	£86,129	£0
Total	£153,726	£157,463	£3,737
Use of contingency		-£964	-£964
Revised	£153,726	C156 400	£2,773
Forecast	£155,726	£156,499	£2,773
Cumulative deficit	£2,623		
Projected High N	£5,396		

- 2.50 There is a projected overspend on the High Needs Block of £3.736m in 2023-24 which added to the cumulative deficit of £2.623m brought forward from previous years will take the total projected deficit at the end of March 2024 to £6.359m. This will be partially offset by £964k uncommitted contingency funding which is made up of underspends from previous years taking the projected deficit at the end of March 2024 to £5.396m.
- 2.51 Any deficits an authority may have on its DSG account is expected to be carried forward and does not allow or require a local authority to cover this from its general reserves. This is a fixed term arrangement ending in March 2026.
- 2.52 The DfE requires local authorities to explain their plans for bringing the DSG account back into balance. An updated recovery plan is being drafted with the latest projections and will align with the updated SEND Strategy being presented to Cabinet later this year. Despite the significant proposals and measures planned over the next ten years, it is unlikely that the plan will fully mitigate the deficit. This is due to the following contributory factors:
  - historical underfunding
  - current budgets being based on historical budgets rather than historical spend
  - extension of age range to include 0-5 and post 19
  - current and projected formulaic funding which does not keep pace with demand
  - significant historical and projected growth in number of EHCPs
  - continued growth in complexity of pupils' needs
  - limitations about creating cost effective provision in borough due to capacity and site limitations

#### CORPORATE AND TECHNICAL

- 2.53 As at Q3 the forecast for Corporate & Technical budgets is a net underspend of £5.143m as detailed below.
- 2.54 The position has remained the same as that reported at Q2.

# **Corporate Items**

- 2.55 As at Q3 the forecast is a net underspend of £2.213m on the corporate items.
- 2.56 This includes a draw down from the Children's Social Care Reserve of £1m. This funding was originally planned to be drawn down in 2022-23 to offset Children's Services pressures. However, this was not required and is therefore uncommitted and available to support overall council pressures. In addition, there is £2.4m rebate from the West London Waste Authority from the sale of electricity of which £1.4m will be used to manage overall council pressures and the remaining £1m added to the Place MTFS Implementation reserve to support the Place directorate with delivery of savings in the MTFS. There is also excessive deaths grant income of £41k. This has been offset by an increase in external audit fees of £228k.
- 2.57 The position has remained the same as that reported at Q2.

#### **Contingency for Unforeseen Items**

- 2.58 As at Q3 the forecast is a net underspend of £1.248m as this budget is uncommitted and will be used to manage overall council pressures.
- 2.59 The position has remained the same as that reported at Q2.

#### **Technical Budgets**

- 2.60 As at Q3 the forecast is an underspend of £2.765m of which the majority relates to additional treasury management income and reduced interest charges.
- 2.61 The underspend of £2.765m is made up as follows:
  - Net underspend on capital financing costs of £2.042m. The gross underspend on Treasury management is £2.692m which has been partially offset by the non-achievement of the £650k residual management savings.
  - £400k draw down from Public Health reserve.
  - Release of £323k against the corporate growth budget and in the main is to offset the impact of the pay award detailed below.
- 2.62 The position has remained the same as that reported at Q2.

#### Pay & Non-Pay Inflation Budgets

- 2.63 There is a net underspend on the non-pay inflation budget of £2.127m as forecast energy prices are lower than originally anticipated.
- 2.64 The pay award for 2023-24 (effective 1/4/2023) was agreed at the end of October and will cost £7.21m against the original budget of £4m, therefore creating an overspend of £3.2m which is offset by the £2.127m non-pay underspend and £283k underspend from corporate growth budget leaving a pressure of £800k.

The budget pressure of £800k is managed within 2024-25 budget process and MTFS.

2.65 The position has remained the same as that reported at Q2.

#### **Investment Properties**

2.66 As at Q3 the forecast for investment properties is a balanced position. This is after allowing for a draw down of £75k from the Investment Properties Reserve to fund a loss in rental income as a result of vacant space.

# **HOUSING REVENUE ACCOUNT (HRA)**

- 2.67 The HRA budget was set with an in-year surplus for £423k in 2023-24. The forecast at Q3 is an increased surplus of £1.606m and now reporting a favourable variance of £1.183m.
  - This is a positive movement from Q2 of £506k due to a lower charge for depreciation of £700k offset by reduction in recharges of £43k and revenue contribution of £151k to the Housing ICT project due to the revised go live date of April 2024. The depreciation reduction follows a reassessment of component life cycles. This underspend of £700k will be set aside in the R&M reserve at the year end to fund future disrepair costs.
- 2.68 The favourable variance of £1.183m is made up as follows:
  - Supervision & Management £215k reduced expenditure due to lower forecast of utilities spend £125k following management action and lower energy prices, staff vacancies £295k, offset by £54k charges to capital and a £151k revenue contribution to the Housing ICT project.
  - Capital Charges £268k reduction as a result of the review and rephasing of the BCHFL Capital programme based on current information.
  - **Depreciation** £700k net reduction due to reassessment of component life cycles.

#### **RESERVES**

Table 10: Summary of Reserves 2023-24

Table 10: Summary of Reserve		<del>'</del>		1	_
Description	Balance Carry Forward	Directorate Reserve Movements	Corporate Reserves Movements	Other Reserves movement	Balance Carry Forward 31/03/2024
	31/03/2023				
CII Harraw	£ -11,053,401	£	£	£ 1,000,000	£ -10,053,401
CIL Harrow CIL Mayor	-192,259			1,000,000	-10,033,401
Total Earmarked Reserve for CIL	-11,245,660	0	0	1,000,000	
HRA Hardship Fund	-2,330			1,000,000	-2,330
HRA Regeneration Reserve	-199,531				-199,531
HRA Repair Reserve	-277,428				-277,428
Total Earmarked Reserve for HRA	-479,289	0	0	0	-479,289
Revenue Grant Reserve	-5,161,951	2,402,000			-2,759,951
PFI Schools Sinking Fund	-2,071,676	655,000			-1,416,676
Public Health Reserve	-2,848,296	371,000	400,000		-2,077,296
PFI NRC Sinking Fund	-1,823,836				-1,823,836
Legal Services Contingency	-500,000				-500,000
Borough Election	-159,847				-159,847
Harvist Reserve Harrow Share	-88,613				-88,613
Proceeds Of Crime Reserve Proceeds Of Crime Reserve Planning	-63,000 -430,172	95,000			-63,000 -335,172
3G Pitch	-50,000	-25,000			-75,000
Total Earmarked Reserves (Specific)	-13,197,390	3,498,000	400,000	0	
Collection Fund Reserve	-2,246,846				-2,246,846
Compensatory Added Year Reserve	-162,782				-162,782
Carryforward Reserve	-1,396,857	73,000	999,793	324,064	0
Public Mortuary Expansion Reserve	-500,000				-500,000
Vehicle Fund	-1,250,478				-1,250,478
PAP Sinking Fund	-712,500				-712,500
Business Risk Reserve	-155,000	68,000			-87,000
Capacity Build/ Transformation Reserve	-527,927	51,000		300,000	-176,927
Equalities Diversity & Inclusion Reserve	-26,000	26,000			0
Decommissioning Accommodation	-561,000	539,000			-22,000
Adults Social Care Reserve	-1,800,475				-1,800,475
People Services MTFS Implementation	-2,099,000	1,513,000			-586,000
Children's Social Care Reserve	-2,620,771	103,000	1,000,000		-1,517,771
Insurance Reserve	-1,304,124	250,000			-1,054,124
Place MTFS Implementation Reserve	-1,595,000	445,000		-1,000,000	, , , , , , , , , , , , , , , , , , ,
Investment Property Reserve	-1,122,960		75,000		-1,047,960
Corporate MTFS Implementation Reserve	-3,000,000	797,000			-2,203,000
Total Earmarked Reserves (Non Specific)	-21,081,720	3,865,000	3,074,793	-375,936	-14,517,863
Budget Planning Reserve MTFS gap	-18,342,606	1,653,000			-16,689,606
Total Non Earmarked Reserves	-18,342,606	1,653,000	0	0	-16,689,606
General Fund Reserves	-10,008,000				-10,008,000
Total General Fund Reserves	-10,008,000	0	0	0	-10,008,000
DSG Deficit Recovery	-1,384,105				-1,384,105
DSG Overspend	4,006,867				4,006,867
Total Net DSG Deficit Reserve	2,622,762	0			· · · · · ·
Grand Total All Reserves	-71,731,904	9,016,000	3,474,793	624,064	-58,617,047

2.69 Table 10 shows the balance brought forward on the Council reserves and the projected reserve balances at the end of the financial year. The drawdowns from reserves of £9.016m and £3.475m in table 10 are already incorporated in the overall forecast for 2023-24 as reflected in Table 1 (which shows the total use of reserves of £12.491m). The "other reserves movement" in Table 10, are

further use or reserves not reflected in the current revenue forecast. For example, £1m planned use of BCIL will support the Capital programme. The forecast year end balance on the budget planning reserve is £16.690m after allowing for a £1.653m draw down already included in the forecast. If the Q3 forecast overspend is not mitigated by the end of the year, then the budget planning reserve would be reduced by a further £581k.

# **GRANTS**

2.70 Attached at Appendix 1 is a schedule of all the revenue grants the Council expects to receive in 2023-24. The majority of these grants are received and paid out and don't impact on the bottom line. For example, the Dedicated Schools Grant is £152m and is paid out to education providers.

#### **SAVINGS TRACKER**

2.71 Attached at Appendix 2 is the MTFS Savings Tracker.

Summary 2023-24 MTFS Tracker

Rag Rating	Resources	Managing Director	People	Place	Council Wide	Total	%
	£000	£000	£000	£000	£000	£000	
Red	0	0	0	(2,616)	0	(2,616)	28%
Orange	0	0	(60)	(65)	0	(125)	1%
Amber	(506)	0	(1,444)	(875)	0	(2,825)	30%
Green	(365)	(366)	(1,594)	(959)	(650)	(3,934)	41%
Total	(871)	(366)	(3,098)	(4,515)	(650)	(9,500)	100%

2.72 28% of the savings are rated Red which means they will not be achieved either fully or only partially achieved in 2023-24. These assumptions are already included within the directorate forecasts as follows:

Directorate	Savings Proposal	2023-24 £'000	Comments
Place	Parking Review	-2,500	Partially achieved in 2023-24 and is part of directorate overspend.
Place	Building Control Fees & Charges	-68	Not achieved in 2023-24 and is part of directorate overspend. Unlikely to be achieved in full in future.
Place	Development Management Fees & Charges	-48	Not achieved in 2023-24 and is part of directorate overspend. Unlikely to be achieved in full in future.
Total		-2,616	

2.73 1% of the savings are rated Orange which means they will not be achieved as per original proposal, however the saving will be delivered by alternative means in part or fully or saving has been implemented as per original proposal but not

all of the savings can be achieved These assumptions are already included within the directorate forecasts as follows:

Directorate	Savings Proposal	2023-24 £'000	Comments
People	Review of	-60	Saving will not be delivered as per original
	Occupational		proposal, however the saving will be delivered
	Therapy		by alternative means in fully.
Place	Remove Principal	-65	Saving will not be delivered as per original
	Conservation		proposal, however the saving will be delivered
	Architect post		by alternative means in fully.
Total		-125	

Future MTFS savings are also being tracked and shown in the tables below:

**Summary 2024-25 MTFS Tracker** 

Rag Rating	Resources	Managing Director	People	Place	Council Wide	Total	%
	£000	£000	£000	£000	£000	£000	
Red	0	0	0	(1,000)	0	(1,000)	12%
Orange	0	0	0	0	0	0	0%
Amber	(608)	(63)	(3,502)	(2,650)	0	(6,823)	83%
Green	(100)	(126)	(57)	(125)	0	(408)	5%
Total	(708)	(189)	(3,559)	(3,775)	0	(8,231)	100%

**Summary 2025-26 MTFS Tracker** 

Rag Rating	Resources	Managing Director	People	Place	Council Wide	Total	%
	£000	£000	£000	£000	£000	£000	
Red	0	0	0	0	0	0	0%
Orange	0	0	0	0	0	0	0%
Amber	0	0	(895)	(300)	0	(1,195)	99%
Green	(108)	(6)	100	0	0	(14)	1%
Total	(108)	(6)	(795)	(300)	0	(1,209)	100%

# **CAPITAL PROGRAMME**

The revised capital budget for 2023-24 is £163.589m as set out at Table 11 and in more detail at Appendix 3:

Table 11: Capital Programme Budget 2023-24 Q3

Directorate	Grant Funding/CiL/ S106 (A)	Harrow Borrowing (B)	Revised Budget (A+B)	Forecast Outturn	Forecast Variance	Slippage to 24/25	Over/ Underspend after Slippage
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
RESOURCES TOTAL	0	11,026	11,026	7,253	-3,773	-3,623	-150
PEOPLE:							
Adults	100	268	368	100	-268	-268	0
Public Health	61	0	61	61	0	0	0
Children	18,772	129	18,901	5,545	-13,356	-13,356	0
PEOPLE TOTAL	18,933	396	19,330	5,706	-13,624	-13,624	0
PLACE:							
Environment	12,777	22,500	35,278	30,171	-5,106	-5,081	-25
Inclusive Economy, Leisure & Culture	2,343	3,764	6,108	2,693	-3,414	-2,887	-527
Regeneration & Development	3,046	17,739	20,785	4,439	-16,345	-15,434	-912
Housing General Fund	5,047	8,513	13,560	8,707	-4,853	-4,793	-60
PLACE TOTAL	23,213	52,516	75,729	46,011	-29,719	-28,195	-1,524
TOTAL GENERAL FUND	42,146	63,938	106,085	58,970	-47,115	-45,441	-1,674
TOTAL HRA	16,964	40,540	57,505	42,421	-15,084	-15,084	0
TOTAL GENERAL FUND & HRA	59,111	104,479	163,589	101,391	-62,198	-60,524	-1,674

3.0 The general fund capital programme budget in 2023-24 is £106.085m. The net forecast position on the capital budget at Q3 is £58.970m which represents 56% of the total capital programme budget. The variance of £47.115m is made up of proposed slippage of £45.441m and an underspend of £1.674m.

The underspend of £1.674m in the 2023/24 capital programme has been accounted for as part of the 2024/25 budget setting process. The revenue saving on capital financing costs of £230k has been included in the 2024/25 MTFS.

3.1 The Housing Revenue Account (HRA) capital programme budget is £57.505m. The net forecast position on the HRA capital budget at Q3 is £42.421m which represents 74% of the total HRA capital programme budget. The variance of £15.084m is made up of proposed slippage.

# **RESOURCES**

3.2 As at Q3 the projected spend is £7.253m which represents 66% of the capital budget. £3.623m will all be slipped into next financial year of which £1.249m relates to the council wide capital budget which is used to fund various schemes across the council which have not received a capital allocation during the normal budgeting cycle. This is currently uncommitted and therefore will be slipped to 2024-25. £2.374m relates to current IT projects. There is a net underspend of £150k relating to IT projects.

## **PLACE**

3.3 As at Q3 the projected spend is £46.011m which represents 61% of the capital budget. Of the variance to budget of £29.719m, a total of £28.195m of funding will be slipped to 2024-25 and there is an underspend of £1.524m.

#### **Environment**

- 3.4 The services forecast to spend £30.171m against a budget of £35.278m. £5.082m is forecast to be slipped to 2024-25 and £25k is an underspend.
  - Climate Emergency £350k slippage relates to energy emissions reduction measures. A number of solar projects are planned to be implemented this year and survey works are underway. Subject to a procurement exercise, it is anticipated that £400k of the budget will be utilised to improve energy efficiencies of our buildings through installing solar panels. The forecast to be slipped to 2024-25 is to undertake further energy efficiency projects.
  - Parks Infrastructure £450k slippage. Improvement works at the Green Flag parks are underway and the majority of these are anticipated to be completed in 2023/24. Within this year's budget allocation, there is an externally funded project at Chandos Recreation Ground. This is a 2-year project funded by the GLA's Green and Resilient Spaces Fund and BCIL, and the forecast slippage primarily relates to this as the construction phase is scheduled for 2024-25.
  - Vehicle Procurement £2.367m slippage. The budget of £2.867m was originally set up based on the data in the vehicle replacement programme. Of this, £500k is forecast to be spent this year on the replacement of grounds maintenance vehicles and machines. A number of minibuses for delivering Brent's special needs transport service are almost 7 years old and are due to be replaced. However, options are to be explored with Brent, considering their service requirements and the potential move to greener vehicles as part of the re-procurement process. Given the replacement value of the vehicles, this will be subject to a separate Cabinet decision in future. £2.367m is therefore forecast to be slipped to 2024-25.

- Future High Street Fund (FHSF) Harrow Town Centre £1.135m slippage. All 3 projects in the revised FHSF programme are underway following the approval of the project and adjustment request by DLUHC that all grant is spent by 31 March 2024. The budget of £8.319m is made up of FHSF of £7.184m and BCIL of £1.135m. As the grant condition requires the FHSF to be committed no later than 31 March 2024, the FHSF is forecast to be spent this year and the BCIL fund is slipped to 2024-25 to meet the remaining costs of the projects.
- **Depot Redevelopment** £500k slippage. The main redevelopment project has been completed. Additional works including the transformation of the external areas are being progressed this year. Any further works to enhance the site will be reviewed and decided later, and therefore a budget allowance of £500k is forecast to slip to 2024-25.
- **Public Sector Decarbonisation Scheme** £280k. This is due to final retention invoices and underspent budget which is planned to be spent in 2024/25 on the public sector decarbonisation programme
- Street Lighting Programme £25k underspend. Lighting columns already planned to be replaced in the Town Centre are now assumed to be part of the wider Public Realm project and funded from the FHSF programme, therefore a net £25k is reported as budget underspend.
- 3.5 Unless stated otherwise, the slippage has no implications on the revenue budget.

#### **Inclusive Economy, Leisure, and Culture**

- 3.6 As at Q3 the forecast is £2.693m against a budget of £6.108m. £2.887m is forecast to be slipped to 2024-25 and a forecast underspend of £527k.
  - Leisure Centre Infrastructure £2.806m slippage. Capital budgets have been allocated for health & safety and operational improvement works at Harrow Leisure Centre, Hatch End Swimming Pool and Bannister Sports Centre. Preliminary works and surveys are planned in 2023/24 before any procurement exercise will take place. Given the value of works, a separate Cabinet approval will likely be required. Therefore, the funding of £2.805m for delivery phase is forecast to be slipped to 2024-25.
  - Harrow High Street Fund £608k, consisting of £81k slippage and £527k underspend. The delivery of 2023-24 agreed programme is underway. At the same time, a review has been undertaken on some of the current projects to assess their suitability and/or delivery timeline. Therefore £81k is

forecast as a slippage to 2024-25. Within this year's budget allocation, £638k is assumed to be funded from BCIL and £527k from borrowing. At this stage, the working assumption is that the programme will be delivered and funded from the remaining BCIL, therefore releasing £527m Council borrowing as budget underspend.

#### **Regeneration and Development**

- 3.7 As at Q3 the service forecasts to spend £4.439m against a budget of £20.785m. The remaining £15.434m is forecast to be slipped to 2024-25 and £912k forecast to underspend.
  - Investment in Harrow New Civic and 3 core sites £14.184m slippage. Following the Cabinet report in November 2022 on the review and progress of the Harrow Strategic Development Partnership (HSDP), it was agreed that £10.735m of the budget was earmarked for Grange Farm Phase 2 (private homes) and Grange Farm Phase 3 design and planning (private homes) respectively. This is profiled to be spent in future years. The remaining budget of £3.448m will remain in the capital programme for future schemes.
  - **High Priority Planned Maintenance** £1.562m, consisting of £650k slippage and £912k underspend). A planned investment programme on corporate buildings and the associated costings are to be developed. Works will be prioritised based on investment criteria. It is proposed that the capital budget is re-profiled to provide an annual allocation of £650k per annum over the next 3 years. This results in a net £912k being reported as budget underspend in 2023-24.
  - Waxwell Lane Development (Pinnora Mews) £600k slippage. The
    main contractor has gone into administration so sub-contractors are in the
    process of being booked to fulfil the work. Currently a new scope of works
    is being pulled together which will ascertain the cost to put right existing
    building works and continue the remaining work required.
- 3.8 Unless stated otherwise, the slippage has no implications on the revenue budget.

#### **Housing General Fund**

- 3.9 As at Q3, the services forecast to spend £8.707m against a budget of £13.560m. £60k is forecast as an underspend and, £4.793m to be slipped into 2024-25.
  - **Empty Properties Grant** £60k underspend. Demand has reduced due to landlords in London exiting the rental market. The rent levels offered by Harrow are no longer competitive even with the guaranteed rent and bond schemes.

- Disabled Facilities Grant £1.144m slippage. This relates to unallocated external grant to be slipped to 2024-25 to be added to next year's programme. The service is currently undergoing peer review to establish best practice and efficiencies and effective ways of allocating the DFG budget allocation.
- **Property Acquisition Programme** £3.649m slippage. The project will continue to identify and purchase appropriate properties in 2024-25.

#### PEOPLE SERVICES

3.10 As at Q3 the projected spend is £5.706m which is 30% of the total budget.

#### **Adult Services**

- 3.11 As at Q3 the forecast spend is £100k which is 27% of the total budget. The remaining £268k is reported as slippage.
- 3.12 The slippage relates to funding for In House Residential and Assistive Technology which largely represents a placeholder in the event of any unforeseen requirements There are no revenue implications as a result of this slippage.

#### **Public Health**

3.13 As at Q3 the projected spend is £61k which represents 100% of the budget.

#### Children's Services

- 3.14 As at Q3 the projected spend is £5.545m which is 29% of the total budget. The remaining £13.356m will be slipped to future years.
- 3.15 The majority of the slippage relates to grant funding for Special Educational Needs capital projects which are planned for 2024-25.

# **HOUSING REVENUE ACCOUNT (HRA)**

- 3.16 The HRA capital programme budget is £57.505m. As at Q3 the net forecast spend position is £42.421m which is 74% of the total budget. The remaining £15.084m is made up of slippage.
- 3.17 The slippage of £15.084m relates to the following schemes:
  - Planned Investment £2.490m slippage.
    - Meadfield & Cornell £1.051m Delay is due to specialist contractors carrying out detailed ground surveys which impacts on the delivery of the programme.

- Various estate renewal schemes £269k Delay to s20 consultation notice and schemes to go out to tender in November 2023
- Roof renewal schemes (Pinner Green & Tapley & Cornell) £450k -Tender currently being evaluated and work due to start in new year for Pinner Green. Tapley & Cornell about to go to tender via framework, revised expected SOS January 2024.
- Windows & Doors £720k Tenders currently being evaluated with proposed start on site (SOS) early in new year, resulting in slippage of £720k into 2024-25.
- Retrofit for Energy £3.053m slippage. The HRA budget report set aside £1.0m placeholder budget as match funding to support bids to the government for energy efficiency/decarbonisation related works. The budget has been reprofiled following a successful bid to the Social Housing Decarbonisation Fund (SHDF) Wave 2, at £2.147m contributing to a contract circa £5.1m of which £2.93m will be co-funding by Harrow to delivery energy efficiency works across over 226 homes over 2 years.
- **Grange Farm Phase 2** £942k slippage and **Grange Farm Phase 3** £108k slippage. The budget has been reprofiled to reflect the later than anticipated handover of Phase 1 and pause in design and planning application for Phase 2 and 3 related to the HSDP review.
- **Housing IT phase 2** £600k slippage. Phase 1 of the Housing IT systems replacement is at the user acceptance testing stage and 'Go live' is not anticipated until April 2024, resulting in Phase 2 of scheme being pushed back into 2024-25.
- Homes for Harrow Phase 2 £1.079m slippage. The budget has been reprofiled to reflect the HSDP review and reprofiling of GLA grant agreed with the GLA to match with start on sites being reprofiled to 2024-25.
- Building Council Homes for Londoners £6.812m slippage.
  - Slippage on Brookside Close and Charles Crescent, £909k and £2.334m respectively, due to cash flow forecast from contractor being over estimated. SOS completed in line with GLA grant requirements. 90% of grant has been claimed. Assuming lost time may be made up later in the project so currently predicting practical completion will be on target.
  - Milton Road(£3.569m)- Milton Road reprofiled following move to fixed rate contract, £3.41m in 24/25 and £159k in 25/26.

3.18 Unless stated otherwise, the slippage has no implications on the revenue budget.

#### **AMENDMENT TO THE CAPITAL PROGRAMME 2023-24**

- 3.19 The following amendment required to the Capital Programme is funded by external grant and therefore no additional capital financing costs will be incurred.
- 3.20 Additional Basic Need Grant Funding of £14.973m was allocated to Harrow in 2021/22 to enable the council to meet its statutory duty of providing sufficient mainstream school places. This budget was included in the 2021/22 Capital Programme. However, the school roll projects did not indicate that there was a requirement for any permanent expansion at that stage. Therefore the budget was reported as a slippage into future years, in both the 2021/22 and 2022/23 outturn reports which were presented to Cabinet in July 2022 and July 2023 respectively.
- 3.21 In light of the above, the carry forward funding has been profiled to 2024/25 in the Capital Programme for future projects.
- 3.22 Due to recent developments on school expansion programme, it is therefore necessary to re-profile this funding from 2024/25 to 2023/24 to fund any expenditure during this financial year.
- 3.23 Cabinet is asked to note that a budget of £14.973m is to be included in the 2023/24 Capital Programme and the same amount will be removed from 2024/25 when the budget slippage was originally profiled. As this is not a new project, the inclusion in the 2023/24 Capital Programme does not represent an addition to the programme.

#### **COUNCIL TRADING STRUCTURE UPDATE 2023-24**

4.1 The Council's Trading Structure update is attached at Appendix 4 and summarises the financial position and provides a general update on the activities of all the Council's trading entities.

#### 4.0 REPORTING FOR THE 2023-24 FINANCIAL YEAR

- 4.1 This is the third revenue and capital budget monitoring report for 2023-24
- 4.2 Cabinet will receive quarterly monitoring reports during the year as follows:
  - Q4/Final Revenue & Capital Monitoring July 2024

#### 6.0 Implications of the Recommendation

Implications of recommendation are set out in the body of this report.

#### 7.0 Performance Issues

Good financial monitoring is essential to ensuring that there are adequate and appropriately directed resources to support delivery and achievement of Council priorities and targets as set out in the Corporate Plan. In addition, adherence to the Prudential Framework ensures capital expenditure plans remain affordable in the longer term and that capital resources are maximized.

As at Q3 the forecast on the revenue budget is a net overspend of £581k.

The projected spend on the Capital Programme is £101.391m which represents 62% of the total budget.

#### 8.0 Environmental Implications

There is no direct environmental impact.

# 9.0 Risk Management Implications

Risks included on corporate or directorate risk register. No

Separate risk register in place? No

The relevant risks contained in the register are attached/summarised below. **Yes** 

The following key risks should be taken onto account when noting the report:

Risk Description	Mitigations	RAG Status
Failure to deliver the budget on target (this includes a projected net revenue overspend of £581K for FY 23/24 and also an anticipated proportion of savings targets not being fully achieved)	<ul> <li>It is anticipated that by the end of the year this overspend can be contained within budget through continued robust budget monitoring and challenge.</li> <li>This sum will need to be drawn down from the budget planning reserve if it is not mitigated by year end.</li> </ul>	Amber
Pay inflation impact on budget	<ul> <li>The pay award for 2023-24 (effective 1/4/2023) was agreed at the end of October and will cost £7.21m against the original budget of £4m, therefore creating an overspend of £3.2m which is offset by the £2.127m non-pay underspend and £283k underspend from corporate growth budget leaving a pressure of £800k.</li> <li>The budget pressure of £800k is managed within 2024-25 budget process and MTFS.</li> </ul>	Green

Trading companies' failure to deliver required contribution to the MTFS	<ul> <li>Income target reprofiled over four years rather than three</li> <li>Impact of reprofiling on 2023-24 budget is already assumed in the overall outturn</li> <li>Quarterly stakeholder groups</li> <li>Review of financial and non-financial performance information</li> </ul>	Green
Projects within the Capital Programme exceed their budget, potentially resulting in additional capital financing costs	If projects exceed their costs, Directorates would be asked to find compensatory savings elsewhere in the programme to cover the overspend. In the worst-case scenario, a council wide capital budget is held and a virement would be carried out to offset the overspend.	Green

#### 10.0 Procurement Implications

Any procurement arising from this report will be supported by the Procurement Team and will be undertaken compliant with the Public Contract Regulations 2015 and the Council's Contract Procedure Rules.

## 11.0 Legal Implications

Section 151 of the Local Government Act 1972 states that without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". Section 28 of the Local government Act 2003 imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against budget calculations.

Under the Financial Regulations B54 the CFO is responsible for providing appropriate financial information to enable budgets to be monitored effectively and for presenting consolidated monitoring reports to the Executive on a regular basis.

#### 12.0 Financial Implications

Financial matters are integral to this report.

#### 13.0 Equalities implications / Public Sector Equality Duty

13.1 Decision makers should have due regard to the public sector equality duty in making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome. The equalities impact will be revisited on each of the budget proposals as they are developed. Consideration of the duties should precede the decision. It is important that Cabinet has regard to the statutory grounds in the light of all available material such as consultation responses. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:

- 13.2 A public authority must, in the exercise of its functions, have due regard to the need to:
- 13.3 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
  - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
  - Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
  - The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
  - Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - Tackle prejudice, and
  - Promote understanding.
- 13.4 Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act. The relevant protected characteristics are:
  - Age
  - Disability
  - Gender reassignment
  - Pregnancy and maternity
  - Race,
  - Religion or belief
  - Sex
  - Sexual orientation
  - Marriage and Civil partnership
- 13.5 Equality assessments were undertaken for the budget proposals agreed by Council listed as part of the MTFS process and an overall equality assessment was undertaken on the MTFS.

# **Section 3 - Statutory Officer Clearance**

**Statutory Officer: Sharon Daniels**Signed by the Interim Chief Financial Officer

Date: 26/01/2024

**Statutory Officer: Caroline Eccles**Signed on behalf of the Monitoring Officer

Date: 24/01/2024

Chief Officer: Alex Dewsnap Signed off by the Managing Director

Date: 26/01/2024

**Head of Procurement: Nimesh Mehta** Signed on behalf of Head of Procurement

Date: 23/01/24

**Head of Internal Audit: Neale Burns**Signed on behalf of the Head of Internal Audit

Date: 23/01/24

Has the Portfolio Holder(s) been consulted? Yes

# **Mandatory Checks**

Ward Councillors notified: NO as it impacts on all Wards

EqIA carried out: NO

# **Section 4 - Contact Details and Background Papers**

**Contact:** Sharon Daniels, Interim Director of Finance & Assurance (S151 Officer), Telephone 020 8424 1332, <a href="mailto:Sharon.Daniels@harrow.gov.uk">Sharon.Daniels@harrow.gov.uk</a>

# **Background Papers:**

<u>Final Revenue Budget 2023/24 and Final Medium Term Financial Strategy 2023/24 to 2025/26 Report</u>

# Call-in waived by the Chair of Overview and Scrutiny Committee – No

EXTERNAL GRANTS 2023-24 APPENDIX 1

Directorate	Division	Awarding Body	Grant Name	Ringfenced Y/N	2023/24 Value	Purpose of grant
Corporate	Corporate	DLUHC	S31 Business Rates Relief	Y	£ 2,500	,000 Compensation from governemnt to billing authorities for the cos of reliefts
Corporate	Corporate	DLUHC	NNDR Multiplier inflation	Y	£ 7,011	,000 A Section 31 grant to compensate local authorities for under- indexation of the business rates multiplier
Corporate	Corporate	DLUHC	Lower Tier Grant	Y	£	- Funding to councils with responsibility for services such as homelessness, planning, recycling, refuse collection and leisure services
Corporate	Corporate	DLUHC	New Services Grant	Y	£ 1,541	,000 One off grant to support local government costs including for the increase in employer NI contributions
Corporate	Corporate	DLUHC	Revenue Support Grant	Y	£ 2,081	,000 government grant given to LAs to support revenue expenditure
Corporate	Corporate	DLUHC	Business Rates Top Up Grant	Y	£ 23,195	,000 a local authority will receive a top-up if its baseline funding level i greater than its individual authority business rate baseline.
Corporate	Corporate	DLUHC	Business Rates Retention	Υ	£ 15,141	,000 The amount that an authority is entitled to receive to reflect their
Corporate	Corporate		New Homes Bonus		£ 2,245	own Business Rates. ,000 a grant paid by central government to local councils to reflect and
People	Adults	DHSC	Market Sustainability and Fair Cost of Care	Y	£ 2,271	incentivise housing growth in their areas. ,015 the primary purpose of the fund is to support local authorities to
			Fund			move towards paying providers a fair cost of care and to prepare their markets for adult social care reform
People	Adults	DHSC	Local Reform and community voices	Y	£ 166	,514 • Funding for Deprivation of Liberty Safeguards (DOLS) in Hospitals; • Local Healthwatch funding, and; • Funding for Independent NHS Complaints Advocacy Services (ICAS).
People People	Adults Adults	DLUHC DLUHC	PFI Improved Better Care Fund	Y		,648 To help fund costs of historic PFI projects for NRC's ,537 Meeting adult social care needs, supporting people to be
					,,,,,,	discharged from hospital when they are ready, ensuring the social care provider marker is supported
People	Adults	DLUHC	Social Care Grant	Y	£ 12,807	,955 The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurre by them
People	Adults	DHSC	Adult Social Care Discharge Fund	Y	£ 934	,217 prioritise those approaches that are most effective in freeing up the maximum number of hospital beds and reducing bed days los within the funding available, enable more people to be discharge to an appropriate setting, boost workforce capacity to help reduce delayed discharges
People	Adults	DfT	Bus Service Operators (BSOG)	Y		,160 Payment made to LA for community transport.
People	Children	Home Office	Unaccompanied Aslyum Seeking Children	Y		TBC To support UASC and 18+ Asylum sekeers. Grant as is claimed in arrears based on agreed support days.
People People	Children Children	YJB DFE	Youth Justice Grant Holiday Activities & Food Programme	Y		,064 Delivery of youth justice services ,050 Local co-ordination of free activities and healthy food for
People	Children	ESFA	Children Looked After Pupil Premium Grant	Y	£ 339	disadvantaged children.  810 Grant per child for looked after children by LA for at least 1 day.  LAC premium is managed by Virtual School Head for the benefit of the child. Grants to be paid to schools and also can be held centrally to be pay for staffing, tutors training etc. Grant needs to be fully spent. Unspent grant is recovered by ESFA.
People	Children	DLUHC	Supporting Families (was Troubled Families)	Y	£ 789	,533 Provision of intensive family support services and increasing the maturity of the Early Help system. Also bringing services togethe around families to deliver whole family working. £534k Advance payment and up to £255k Payments by Results.
People	Children	DWP	Reducing Parental Conflict	Y	£ 33	,091 To develop staff skills and capability to identify parents experiencing parental conflict, deliver specialist interventions and
People	Children	DfE	Social Workers in Schools	Y	£ 128	provide other support to reduce parental conflict  867 A team of social workers based in schools (SWIS) with the aim they work more effectively with education colleagues and with children and families. Grant can be claimed for salary costs only. Funding is for April to August 2023.
People	Children	DfE	Extended Rights for Home to School Travel	Y	£ 6	,500 To promote sustainable travel for children and young people of compulsory school age who travel to receive education or trainin
People People	Children Children	DfE DfE	Schools PFI Sec 31 Extension of the Role of Virtual School Heads	Y	-	,316 Credit to contriubte to the Schools PFI contract ,000 The purpose of this grant is to provide support to local authoritie in England, to help them meet their duty to appoint a Virtual School Head for previously looked-after children and make information and advice available to the following parties for the purposes of promoting the education of eligible previously looked after children
People	Children	DfE	Sec 31 Extension of the Role of Virtual School Heads to children with a social worker Implementation Grant	Y	£ 100	,000 Extend the role of the Virtual School Head to promote the educational outcomes of the cohort of children with a social worker in early years setting, schools and colleges. To help all childrens with Socail worker to make educational progress.
People	Children	HMPPS	Remand	Y		,364 Under 18s in remand/secure accommodation placements
People People	Children Children	DfE DfE	Staying Put Personal Advisor	Y		,259 Statutory Staying Put duty (18+ remain with foster carers) ,550 Statutory duty to offer Personal Adviser support to all care leave
People	Children	DfE	Adoption Support Fund	Y	Variable	up to age 25 TBC Therapeutic services for adoptive and Special Guardianship Orde (SGO) families. Extended to Residence Order and Child Arrangment Order families for 2022/23. Funding is for approved claims.
People	Children	ESFA	KS2 Moderation and KS1 Phonics	N	11	TBC To support the teaching of phonics at key stage 2
People	Children	MOPAC	Your Choice	Y	Up to £69	,778 To deliver High Intensity Therapeutic Interventions for children and young people who get involved in violence. Up to £52,000 plus £17,777.78 additional funding.

Directorate	Division	Awarding Body	Grant Name	Ringfenced Y/N	2023/24 Value	Purpose of grant
People	Children	MOJ	Turnaround Programme	Y	Up to £64,961	To intervene earlier and improve outcomes for children on the cusp of entering the Youth Justice System. This additional funding will enable YOTs to consistently support a cohort of children not currently on their statutory caseload.
People	Children	DfT	Bus Service Operators (BSOG)	Υ	£ 46,181	Payment made to LA for community transport.
People	Children	MOPAC	Engage Project	Y	£ -	Providing Brief Solution Focused Early Intervention to Young People who have been arrested and are within Custody suites aimed at reducing violent and other forms of crime. 2023/24 grant paid directly by MOPAC to lead Local Authority LB Barnet
People	Children	DfE	S31 Implementation of Supported Accommodation Reforms	Y	£ 43,550	Funding to contribute towards costs associated with Supported Accommodation reforms for CLA and LC 16-17 year olds
People	Children	DfE	S31 Implementation of Leaving Care Allowance Uplift	Y	£ 57,552	Funding to contribute towards costs associated with increasing the leaving care allowance from a minimum of £2,000 to £3,000 as per recommendations in statutory guidance
People	Children	DfE	S31 Pupil Premium Plus post-16	Y		To support implementing the role of Virtual School Head for post- 16 looked-after children and care leavers
People	Children	ESFA	School Led Tutoring programme	Y		To provide tutoring intervention to support catch-up for lost education due to COVID-19
People	Children	ESFA	Recovery Premium	Y		Additional funding for Eligible schools based on Pupil Premium eligibilty to provide further support to disadvantaged pupils
People	Children	DfE	S31 Wraparound Childcare Programme Costs	Y	·	To deliver the expectations set out in the Wraparound Childcare Programme.
People	Children	DfE	S31 delivery support funding to support delivery of the expanded early years entitlements	Y	£ 55,000	To effectively roll out the new expanded Early Years entitlements offer
People	Children/Adults	MOPAC	Appropriate Adult	Y	Up to £6,884.48	46% refund for Appropriate Adult costs incurred for young people and adults in Harrow and Barnet custody suites. Value is estimated based on maximum amount available.
People	Public Health	DOH	Public Health Grant	Y		Improving the health of the local population and reducing health inequalities
People	Public Health	DOH	Supplemental Substance Misuse treatment & Recovery Grant	Y	·	Additional Funding to support improvement in the quality and capacity of D&A treatment
People	Public Health	DOH	Inpatient Detoxification Grant	Y		Inpatient detox and rehab-Paid directly to provider
People	Schools	ESFA	Dedicated Schools Grant	Y	£ 152,281,400	75% passported to schools and early years providers determined by funding formulae. 25% retained by LA for commissioning of High Needs provision for pupils with Special Educational Needs & Disabilities
People	Schools	ESFA	Pupil Premium Grant	Υ		All passported to schools
People	Schools	ESFA	Universal Infant Free School Meals	Y		All passported to schools
People	Schools	ESFA	16-19 Sixth Form provision	Y		All passported to schools
People Place	Schools  Environment	ESFA Mayor of London - Rewild London Fund	PE & Sports Making the Difference - Bentley Priory: Bigger; Better; Wetter and all Joined Up "Yeading Brook Unbound" project	Y		All passported to schools (2021-22 allocation, 2022-23 tbc)  To help restore wildlife habitats including rivers, help species such as water vole thrive, create meadows for pollinators and new wetlands for birds, as well as enable the monitoring of iconic species such as hedgehogs to inform projects to reverse their decline.
Place	Environment	TfL	TfL - Local Implementation Plan 2023/24	Y	£ 295,000	Total funding allocation is £1.591m. Various Revenue TFL projects.
Place	Housing	DLUHC	Homelessness Prevention Grant	Y	£ 2,312,235	to give local authorities control and flexibility in managing homelessness pressures and supporting those who are at risk of homelessness
Place	Housing	DLUHC	HPG - Homes for Ukraine Funding Top-Up	Y	£ 627,162	to support Ukrainian guests as they move into their second year and to reduce the risk of homelessness - administered via a top up to the Homelessness Prevention Grant (HPG)
Place	Housing	DLUHC	Rough Sleeping Initiative	Y	£ 265,269	support for rough sleepers. £221,944 is the allocation for this yea wnich we expect to be reduced by the amount of £32,571 which was carried forward from 21-22
Place	Housing	DLUHC	AFEO - Accommodation Ex Offenders (DLUHC)	Y	£ 88,000	to support homeless prison leavers to access the private rented sector, reducing the chances of this cohort rough sleeping and reoffending.
Place	Housing	DLUHC	Mayor's Rough Sleeping Accommodation Programme	Y	f 124,280	To support Rough sleepers into longer term accommodation to enable them to transition to independent living.
Place	Housing	DLUHC	Domestic Abuse Accommodation Based Support	Y	£ 37,145	Supports the new duty on relevant local authorities with the aim of ensuring all victims of domestic abuse have access to the right support within safe accommodation when they need it.
Place	Housing	но	Home Office - Asylum Dispersal New Burdens	Y	£ 67,250	To reduce and eliminate the use of hotels for asylum seekers by moving to a full dispersal model for asylum accommodation
Place	Inclusive Economy Leisure & Culture	Sport England	National Leisure Recovery Fund	Y	f 44,284	Funding for the development of a new Indoor and Outdoor Sport: Facility Strategy as agreed by CSB. Funding carried forward from 21/22
Place	Inclusive Economy Leisure & Culture	London Youth Games	LYG Give Back	Υ	£ 3,778	London Youth Games only ran a summer festival last year and no the full campaign due to Covid-19 and lockdowns
Place	Inclusive Economy Leisure & Culture	Arts Council	Music Education Grant	Y	£ 338,179	To support the delivery of activities from Music Hub
Place	Inclusive Economy Leisure & Culture	John Lyon's Charity	John Lyon Music Bursary Funding	Y	£ 4,950	Year 5 (final year) of the funding towards supporting pupil bursaries

Directorate	Division	Awarding Body	Grant Name	Ringfenced Y/N		2023/24 Value	Purpose of grant
Place	Inclusive Economy Leisure & Culture	DLUHC	Near Neighbours - Windrush Day	Y	£	10,265	This project aims to curate a programme dedicated to educating young people and intergenerational families to come together to commemorate the 75th anniversary of Windrush in Harrow within the context of the wider historical story.
Place	Inclusive Economy Leisure & Culture	Sporting Heritage	Sporting Heritage Microform Grant	Y	£	500	To support activities to celebrate National Sporting Heritage Day on 30 September 2023
Place	Inclusive Economy Leisure & Culture	WLA	European Social Fund (ESF) GLA	Y	£	50,274	Supporting Harrow residents into work
Place	Inclusive Economy Leisure & Culture	GLA	UK Shared Prosperity Fund (UKSPF)	Y	£	184,641	The GLA has allocated a total of £1.4m funding to Harrow Council to deliver projects under the UKSPF themes of (i) Communities and Place and (ii) Supporting Local Businesses.
Place	Regeneration & Development	DEFRA	Biodiversity Net Gain	Y	£	26,807	The grant relates to supporting the Council to meet its statutory obligations relating to Biodiversity Net Gain under the Environment Act 2021. The grant has just been awarded and the Government is insisting that it is invoiced for / paid by the end of financial year, so it is not practical to spend the grant within the financial year, so it therefore needs to be carried forward (from 21/22)
Resources	Benefits	DLUHC	MHCLG Local Council Tax Support Schemes Grant		£	340,000	this is c/f for Council Tax hardship support
Resources	Benefits	DWP	Rent Rebate Subsidy	Y	£	20,000,000	as received in 20/21 – DWP subsidy paid to local authority to cover the cost of Housing Benefit paid to local authority tenants who are paid Housing Benefit by the LA via means testing
Resources	Benefits	DWP	Rent Allowance Subsidy	Y	£	90,000,000	as received in 20/21– DWP subsidy paid to local authority to cover the cost of Housing Benefit paid to privately renting tenants who are paid Housing Benefit by the LA via means testing
Resources	Strategy	Home Office	Resettlement VPRS grant	Υ	£	105,000	to fund resettlement cost ( admin, support officer) for refugee families
Resources	Strategy	Home Office	Afghan Resettlement	Y	£	700,000	To fund resettlement costs (including staffing costs) for qualifying Afghan refugee families (over the three year funding period (for 10 families currently resettled in Harrow)
Resources	Strategy	DLUHC	Domestic Abuse Grant	Y	£	167,050	Funds Complex Needs project which supplements the DA contract and funds requirements to ensure compliance with new DA Bill duties
Resources	Strategy	МОРАС	VRU/LCPF	Υ	£	610,000	To fund Community safety and crime prevention activity including DV and serious violence co-ordinator
Resources	Strategy	DWP	Household Support Fund		£	2,953,000	To support households in the most need particularly those including children and pensioners who would otherwise struggle with energy bills, food and water bills.
Resources	Strategy	DLUHC	Homes for Ukraine	Υ	£	649,000	To support Ukrainian families fleeing the war
Resources	Strategy	МОРАС	VRU	Υ	£	100,000	including DV and VAWG Coordinator
Total				1	£	375,240,317	



M	<b>TFS Savings- 2023/24</b> t	to 2024/25										
Item No		ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2022/23 Service Budget	2023/2 4	2023/24 RAG Rating	2024/25	2024/25 RAG Rating	2025/26	2025/2 6 RAG Rating	Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
					£000	£000		£000		£000		£000
<u> </u>		ļ		Resources								
1	Resources Savings	RES L1	BSS	Reduction of the cost of post through digitalisation	260	(100)	G	-		-		(100)
2	Resources Savings	RES L2	IT	Integrated Apps - IT is in the process of agreeing a new corporate approach to management of business systems which are currently managed within departments. This new approach is expected to result in rationalisation and centralisation of budgets and deliver savings through reduction in contract spend.	7,455	-		(200)	А	-		(200)
3	Resources Savings	RES L4	IT	Print reduction	7,455	(50)	G	-		-		(50)
4	Resources Savings	RES 2	Access H /BSS	Customer Services & Business Support efficiencies - this is a back office saving which is not expected to have an impact on residents. HR procedures will be followed as required including any consultation and Equality Impact assessments (EQIA)	1,954	(35)	G	-		-		(35)
5	Resources Savings	RES 9	ІТ	IT Expenditure review and consolidation - this is a back office saving which is not expected to have an impact on residents.	7,455	(100)	G	(100)	G	-		(200)
6	Resources Savings	RES 7	Access H	Cost of Housing Telephony through the HRA – Full cost of telephony and email enquiries for the Repairs and Resident Services team via the Harrow contact centre to be met from HRA, alternatively the service will be scaled down	1,954	(80)	G	-		-		(80)
7	Resources Savings	RES 8	HR- EDI	Reduction in EDI Team subscriptions - Non-renewal of subscriptions relating to equality, diversity and inclusion agenda — when they expire in 2023-24 •AccessAble, •Business Disability Forum, •Business in the community, •MyMentor	154	(25)	A	-		-		(25)
8	Resources Savings	RES 12	Resources	Redesign of Resources Directorate - An exercise to redesign the Resources Directorate is currently underway. Although this is being driven to make sure that the Directorate is fit for purpose for the ongoing needs of the Council, it is also important to consider that one of these needs is to address affordability. This will be subject to HR procedures and consultaion and an Equailty Impact Assesment.	14,917	(481)	A	(408)	A	(108)	G	(997)
				RESOURCES SAVINGS PROPOSALS	41,604	(871)		(708)		(108)		(1,687)
	1			Chief Executive's								
9	CE Savings	CEO6	Revs & Bens - Cashiers Cashlite	<b>Savings in Cashiers</b> - as a direct result of the implementation of the Cashlite strategy, post is vacant	450	(30)	G	0		0		(30)
10	CE Savings	CEO 1	Procurement	Saving on procurement salary budget - this is a back office saving which is not expected to have an impact on residents. The post is vacant.	653	(20)	G	-		-		(20)

MI	FS Savings- 2023/24 t	2024/25										
Item No		- Ja	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2022/23 Service Budget	2023/2 4	2023/24 RAG Rating	2024/25	2024/25 RAG Rating	2025/26	2025/2 6 RAG Rating	Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
					£000	£000		£000		£000		£000
11	CE Savings	CEO 7	Legal	Legal Services efficiencies - this is a back office saving which is not expected to have an impact on residents. HR procedures will be followed as required including any consultaion and Equality Impact assesments (EQIA)	1,689	(310)	D					(310)
12	CE Savings	CEO 10	Registration Services	Land Charges - this savings relates to transfer to Land Registry of local land charges register that records obligations affecting properties within their administrative area	-292	-		(100)	G			(100)
14	CE Savings	CEO 2	Revs & Bens	Rationalise the Discretionary Freedom Pass provision - Currently Discretionary Freedom passes are issued to approximately 200 residents. The scheme will continue for existing users but will not be offered to new applicants from 1.04.2023.	5,900	(6)	G	(6)	G	(6)	G	(18)
15	CE Savings	CEO 8	Governance	Efficiencies in legal and Governance	81	-		(20)	G			(20)
16	CE Savings	CEO 9	Registration Services	<b>Registry Office</b> - saving relates to review of service operating model and staffing levels. Subject to EQIA and consultation with staff and residents if required.	(292)	-		(63)	А			(63)
				CHIEF EXECUTIVE'S SAVINGS PROPOSALS	8,189	(366)		(189)		(6)		(561)
·				People								
				Adults								
17	Adults Savings	ASC01	Safeguarding	Merge Safeguarding Quality Assurance Team (Non-statutory) with contract management function.	321	(176)	A	-		-		(176)
18	<b>Adults Savings</b>	ASC02	ASC	Freeze DASS post for six months	176	(88)	G	88	G	-		-
19	Adults Savings	ASC03	ASC	Management Review during 2023/24 (all M grades & above) . HR procedures will be followed with consultaion and eqia	1,391	(193)	А	(60)	А	-		(253)
20	Adults Savings	ASC04	ASC	Review Adult Social Care pathway during 2023/24 (all G grades) HR procedures will be followed with consultaion and eqia.	13,681	(198)	G	(302)	A	-		(500)
21	Adults Savings	ASC05	Domiciliary Care	Review of packages of support to maximise independence and reduce long term dependency. Each package will be assessd individually and that equality impacts will be taken into consideration on an individual basis	15,245	(500)	G	-		-		(500)
22	Adults Savings	ASC06	Neighbourhood Resource Centre (NRC)	Consolidate capacity at Kenmore & Vaughan NRC'S to provide the most complex support and thereby reducing the need for externally commissioned day care.	1,595	(400)	А	(800)	A	-		(1,200)
23	Adults Savings	ASC07	Neighbourhood Resource Centre (NRC)	Public Health wellbeing support model - short term funding (2 years) to support the changes to the new NRC operating model		(100)	G	-		100	G	-
24	Adults Savings	ASC08	Neighbourhood Resource Centre (NRC)	Harrow Alliance Community Model (New Bentley)	630	-	А	(220)	Α	-		(220)

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M	<b>TFS Savings- 2023/24 t</b>	to 2024/25										
Item No	<u> </u>	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2022/23 Service Budget	2023/2	2023/24 RAG Rating	2024/25	2024/25 RAG Rating	2025/26	2025/2 6 RAG Rating	Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
					£000	£000		£000		£000		£000
25	Adults Savings	ASC09	Neighbourhood Resource Centre (NRC)	Services at Wiseworks are to be provided at alternative settings realising a back office saving.	69	(69)	G	-		-		(69)
26	Adults Savings	ASC10	Health Funding	Use of Better Care Fund to protect of Social Care Services (via Better Care Fund) - uncommitted resources and 2% annual uplift allocated against existing social care expenditure	(7,141)	(389)	G	(145)	G	(145)	А	(679)
27	Adults Savings	ASC11	CYAD	Review out of borough post 18 residential placements - equality impacts will be considered on an individual basis.	1,100	-	Α	(250)	Α	(250)	Α	(500)
28	Adults Savings	ASC12	Inhouse Residential	Changing the registration status of Bedford House (20 bedded CQC registered residential unit) to provide supported living accommodation for the most complex & challenging.	1,364	(100)	Α	(300)	А	-		(400)
29	Adults Savings	ASC13	Adults	Review of Occupational Therapy support to Disabled Facilties Grant	60	(60)	0	-		-		(60)
				ADULTS TOTAL	28,491	(2,273)		(1,989)		(295)		(4,557)
				Childrens								
30	Childrens Savings	PC01	CYPS	Placements & Accommodation Increased demand management	9,625	(250)	G	(500)	Α	(500)	Α	(1,250)
31	Childrens Savings	PC02	CYPS	Social Care Staffing Service redesign. HR policies will be followed.	12,305	(445)	А	(1,070)	А			(1,515)
32	Childrens Savings	PC03	Education	SEN Transport Reduction in demand for single passenger taxis cases will be assesed on an individual basis and equality impacts taken into account.	5,901	(130)	Α		Α			(130)
				CHILDRENS SERVICES TOTAL		(825)		(1,570)		(500)		(2,895)
				PEOPLE SAVINGS PROPOSALS	5,901	(3,098)		(3,559)		(795)		(7,452)
_				PLACE								
33	Place Savings	PLACE_S01	THAM & Parking	Transport Strategy: Parking Charge Notices - Proposed move from Band B to Band A, subject to endorsement by London Councils, the Mayor of London, and the Secretary of State for Transport.	(9,646)			(1,500)	А			(1,500)
34	Place Savings	PLACE_S02	THAM & Parking	Transport Strategy: Moving Traffic Contraventions (MTC) Review - review of all MTCs in the borough and evaluate if they meet transport needs. The introduction of schemes including school streets and other measures following consultation from early 2023 including increasing ANPR / CCTV cameras.	(9,646)			(500)	А			(500)

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M	TFS Savings- 2023/24	to 2024/25										
ON met	Area	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2022/23 Service Budget	2023/2 4	2023/24 RAG Rating	2024/25	2024/25 RAG Rating	2025/26	2025/2 6 RAG Rating	Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
				Debasias well-bases (see ideate) for seducing sugato disposal and	£000	£000		£000		£000		£000
3	Place Savings	PLACE_S03	Waste Services	Behavioural change (residents) for reducing waste disposal cost.  - Increase recycling / food waste to flats  - Waste minimisation	9,108			(500)	А			(500)
3	Place Savings	PLACE_S04	THAM & Parking	Transport Strategy:  Parking Permits - Policy and F&Cs review to streamline permits that meet all customer needs and prepare to move to e-permits with new T&Cs.	(735)	(100)	G					(100)
3	7 Place Savings	PLACE_S05	THAM & Parking	Transport Strategy: Paid for Parking (P&D) - benchmark and review F&Cs to ensure that tariffs are streamlined and meet customer needs.	(2,829)	(150)	A					(150)
3:	3 Place Savings	PLACE_S06	THAM & Parking	Transport Strategy: Electric vehicle charging points - Increase installation using government funding (DfT) and supplier's match fund; and charge for the spaces to generate income. Concession contract. subject to a separate decison making process. Savings assume £3k per annum per bay, and a total of 100 bays following full roll out				(150)	Α	(150)	Α	(300)
3:	Place Savings	PLACE_S07	Parking	Implementation of Cashlite Project - reduction in one Cash In Transit officer (vacant post) - net reduction in parking equipment maintenance	44	(44)	G					(44)
40	Place Savings	PLACE_S08	Parking	Parking Review - Improvement on current parking enforcement activity and performance.  Immediate actions to review current enforcement:  1. Review the effectiveness of deployment plan of civil enforcement officers  2. Identify areas of low compliance and formulate enforcement plan  3. Review and amend current PCN cancellation procedure  5. Review and improve debt recovery rate  Deep dive:  1. Review structure to create a streamlined team  2. Develop Parking Services Strategy and CCTV Strategy  3. HGV Enforcement and Littering from Vehicles (via CCTV). Subject to a separate deciosn making process EQIA and consulation as required.  Subject to a detailed business case.		(2,500)	R	(1,000)	R			(3,500)

M	<b>TFS Savings- 2023/24</b> t	to 2024/25										
Item No		ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2022/23 Service Budget	2023/2 4	2023/24 RAG Rating	2024/25	2024/25 RAG Rating	2025/26	2025/2 6 RAG Rating	Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
					£000	£000		£000		£000		£000
41	Place Savings	PLACE_S09	Waste Services	Waste Service - Route Optimisation  To allow for maximum operational efficiencies, we will look to undertake a service review of current waste collection and undertake a full re-routing exercise with a view to reducing 2 rounds, which will reduce the current reliance on staffing including agency (2 drivers, 4 loaders).	5,669	(200)	G					(200)
42	Place Savings	PLACE_S10	Waste Services	Garden waste collection service - Moving to Annual only service Proposal to remove the summer garden waste service to achieve operational service consistency and reduced complaints. Additional income is assumed to come from customers currently on Summer service moving to Annual only service. No net additional collection costs are factored in as routes will be optimised to ensure that there are no more than 4 rounds.	(1,580)	(100)	O					(100)
43	Place Savings	PLACE_S11	Trading Standards	Review of the current shared Trading Standards service  Trading standards is currently provided as a joint service between Brent and Harrow, with an annual payment of £300k to Brent under the SLA.  It would be prudent to review the costs of this service and whether there could be savings and service improvement bringing back in house.  Under the SLA, a 2 year notice period is required if Harrow wishes to terminate the contract. The Service will continue to explore the in-house option including the costs of staff, IT and other running costs. TUPE implications, cost of adding Trading Standard module to Public Protection & Licensing IT system etc.						(150)	Α	(150)
44	Place Savings	PLACE_S12	Building Control	Building Control - Review of fees & charges  Benchmarking exercise undertaken recently suggests that our fees are 10% below average. An in-year increase of 10% and a further 7% from April 2023 could potentially generate additional income of £68k. Fees & Charges agreed January 23 cabinet.	(978)	(68)	R					(68)
45	Place Savings	PLACE_S13	Planning Service	Development Management - Review of fees & charges  Benchmarking exercise undertaken recently suggests that our non statutory fees are 10% below average. Proposed an in-year increase of 10% from January 2023 and a further 7% from April 2023. A total of 17% increase could potentially generate additional income of £48k. Fees & Charges agreed January 23 cabinet.	(1,973)	(48)	R					(48)
46	Place Savings	PLACE_S14	Planning Service	Planning Enforcement Substitute funding source for a Senior Planning Enforcement officer post (G10 £59k) and 1 Planning Officer post (£36k) with POCA monies	317	(95)	G					(95)

N	1TF:	S Savings- 2023/24 t	o 2024/25										
14 25 21	Item No	Area	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2022/23 Service Budget	2023/2 4	2023/24 RAG Rating	2024/25	2024/25 RAG Rating	2025/26	2025/2 6 RAG Rating	Total
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
						£000	£000		£000		£000		£000
4	17	Place Savings	PLACE_S15	Planning Service	Remove Principal Conservation Architect post (G11) and fund ad hoc conservation advice via PPAs	(65)	(65)	0					(65)
4	18	Place Savings	PLACE_S16	Network Management	Right-sizing of income budget for Street Works based on historical income performance and activity level	(542)	(158)	G					(158)
4	19	Place Savings	PLACE_S17	Energy & Water Management	Right-sizing of income budget for School SLAs based on historical income performance and SLAs	(86)	(10)	G					(10)
5	50	Place Savings	PLACE_S18	Waste Services	Trade Waste collection - Review of fees & charges Proposed 7% increase in F&C in 2023/24. Fees & Charges agreed January 23 cabinet.	(848)	(57)	G					(57)
5	54	Place Savings	PLACE_S19	THAM	Vehicle Access - Review of fees & charges Following benchmarking exercise, a 10% increase is proposed in 2023/24. Fees & Charges agreed January 23 cabinet.	(250)	(25)	G					(25)
5	55	Place Savings	PLACE_S20	Place Review	Overarching review of the management tiers below Directors across the entire Place Directorate.  High level estimate only at this stage, to be worked through to confirm final savings and one-off redundancy costs. HR procedures will be followed EQIA and consulation.		(125)	А	(125)	G			(250)
5	66	Place Savings	PLACE S22	Housing Regeneration	Deletion of Enabling & New Business Manager role	79	(20)	G			-		(20)
$\vdash$	$\dashv$	Place Savings	_	Housing Needs	Increase income target following review of Property Acquisition Programme(100 Homes)	(322)		G					(150)
5	58	Place Savings		Housing General Fund	Property Acquisition Programme - Savings in Temporary Accommodation costs as a result of purchasing properties to use for temporary accommodation as an alternative to using Bed and Breakfast and Private Sector Leasing to house the homeless. The Capital Programme allocation to be funded from borrowing is approximately £6m pa for 2021/22, 2022/23 and 2023/24 - totalling £18.062m over a 3 year period. Based on Capital finacing costs of 5% (2% MRP and 3 % interest), the annual cost would be £900k by year 3. The saving will be reviewed and adjusted according to capital spend taking place.		(600)	А					(600)
					PLACE SAVINGS PROPOSALS	(23,929)	(4,515)		(3,775)		(300)		(8,590)

M.	<b>TFS Savings- 2023/24 t</b>	o 2024/25										
Item No		ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2022/23 Service Budget	2023/2	2023/24 RAG Rating	2024/25	2024/25 RAG Rating	2025/26	2025/2 6 RAG Rating	Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
					£000	£000		£000		£000		£000
				Corporate - Council Wide								
59	Corporate Savings	CORPORATE - COUNCIL WIDE	Corporate - Council Wide	10% Management efficencies not already included in individual proposals - Saving will be allocated out to Directorates once proposals are agreed. HR policies will be followed subject to EQIA and consultation.		(650)	G	-		-		(650)
				CORPORATE SAVINGS PROPOSALS		(650)		-		-		(650)
				TOTAL SAVINGS PROPOSALS Exc Corporate	31,765	(9,500)	-	(8,231)	-	(1,209)	-	(18,940)

	TOTAL SAVINGS PROPOSALS EXC Corporate	L
Key		
Green	Saving will be fully delivered as per original proposal / timescale.	
Amber	Saving will be fully delivered as per original proposal but <b>will not</b> be delivered to the original timescale. However the saving will be fully delivered in future years	
Orange	Saving will not be delivered as per original proposal, however the saving be delivered by alternative means in part or fully  OR  Saving has been implemented as per original proposal but not all of the savings can be achieved	
Red	Saving cannot be delivered or cannot be mitigated elsewhere	

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				Outturn va	riance split by			Over/ Under	spend after
Project Title	Revised Budget (A+B)	Forecast Outturn	Forecast Variance	Grant Funding/CiL/ S106	Harrow Borrowing	Slippage to 24/25	Over/ Underspend after Slippage	Grant Funding/CiL / S106	Harrow Borrowing
	£	£	£	£	£	£	£	£	£
Resources:									
Devolved IT Applications	2,568,648	2,318,977	-249,672		-249,672	-249,672	0		
Digital Improvements Programme	1,633,882	535,017	-1,098,865		-1,098,865	-1,098,865	0		
Enterprise Resources Planning TT	683,674	683,674	0		0	0	0		
Ongoing ICT Refresh and Enhancements	3,190,055	2,015,333	-1,174,722		-1,174,722	-1,024,722	-150,000		-150,000
Other Schemes (Council wide)	2,949,361	1,700,000	-1,249,361		-1,249,361	-1,249,361	0		
Total Resources Directorate	11,025,620	7,253,000	-3,772,620	0	-3,772,620	-3,622,620	-150,000	0	-150,000
People's Directorate:									
Adults:									
Assistive Technology	170,000	0	-170,000		-170,000	-170,000	0		
In-House Residential	97,500	0	-97,500		-97,500	-97,500	0		
Re-Purposing of Wiseworks Day Centre	100,000	100,000	0			0	0		
Total Adults	367,500	100,000	-267,500	0	-267,500	-267,500	0	0	0
Public Health:									
Healthy Pupil Capital Fund	513	513	0			0	0		
Relocation of Drug and Alcohol Services	60,000	60,000	0			0	0		
Total Public Health	60,513	60,513	0	0	0	0	0	0	0
Schools:									
Bulge Classes	552,266	0	-552,266	-552,266		-552,266	0		
Childrens IT Development	128,784	0	-128,784		-128,784	-128,784	0		
Devolved Formula Non VA Schools	53,243	0	-53,243	-53,243		-53,243	0		
School Amalgamation	95,178	95,178	0			0	0		
Schools Capital Maintenance	7,407,277	2,932,631	-4,474,646	-4,474,646		-4,474,646	0		
SEN Expansion	10,664,492	2,517,370	-8,147,122	-8,147,122		-8,147,122	0		
Total Schools	18,901,241	5,545,180	-13,356,061	-13,227,277	-128,784	-13,356,061	0	0	0
Total People's Directorate	19,329,254	5,705,693	-13,623,561	-13,227,277	-396,284	-13,623,561	0	0	0
Place Directorate:									
Environment:									
CA Site Infrastructure	227,506	227,506	0			0	0		
Carbon Offset Fund	39,781	39,781	0			0	0		
CCTV Infrastructure	381,683	381,683	0			0	0		
Climate Emergency - Energy emissions reduction measures	750,000	400,000	-350,000	-350,000		-350,000	0		
Depot Redevelopment	1,524,458	1,024,458	-500,000		-500,000	-500,000	0		0
Electric Vehicle Charging Points	520,840	520,840	0			0	0		
Flood Defence & Highways Drainage	644,043	644,043	0			0	0		
Highway Improvement Programme	11,951,592	11,951,592	0			0	0		
Parking Management Programme	427,067	427,067	0			0	0		
Parks Infrastructure	1,463,755	1,013,755	-450,000	-400,000	-50,000	-450,000	0	· · · · · ·	

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				Outturn va	riance split by			Over/ Under	spend after
Project Title	Revised Budget (A+B)	Forecast Outturn	Forecast Variance	Grant Funding/CiL/ S106	Harrow Borrowing	Slippage to 24/25	Over/ Underspend after Slippage	Grant Funding/CiL / S106	Harrow Borrowing
Parks Playground Improvement	45,672	45,672	0			0	0		
Public Sector Decarbonisation Scheme	525,303	245,963	-279,340	-216,496	-62,844	-279,340	0		
Street Lighting Improvement Programme	3,964,027	3,939,027	-25,000		-25,000	0	-25,000		-25,000
TfL Transport Capital (LIP)	1,391,000	1,391,000	0			0	0		
Vehicle Procurement	2,867,000	500,000	-2,367,000		-2,367,000	-2,367,000	0		
Wealdstone Future High Street Fund (FHSF)	8,319,846	7,184,846	-1,135,000	-1,135,000		-1,135,000	0		
Wealdstone Major Transport Infrastructure	233,962	233,962	0			0	0		
Total Environment	35,277,533	30,171,193	-5,106,340	-2,101,496	-3,004,844	-5,081,340	-25,000	0	-25,000
Inclusive Economy, Leisure & Culture:									
Harrow Arts Centre	636,911	636,911	0			0	0		
Harrow Arts Centre Capital Infrastructure	63,320	63,320	0			0	0		
Harrow High Street Fund	1,164,593	556,179	-608,414	-81,414	-527,000	-81,414	-527,000		-527,000
Libraries and Leisure Capital Infrastructure	264,094	263,248	-846		-846	-846	0		
Leisure Centre Infrastructure	2,955,000	150,000	-2,805,000		-2,805,000	-2,805,000	0		
Sec 106 Banister Sport Pitch	10,297	10,297	0			0	0		
Tennis Infrastructure	551,125	551,125	0			0	0		
UK Shared Prosperity Fund	462,191	462,191	0			0	0		
Total Inclusive Economy, Leisure & Culture	6,107,531	2,693,271	-3,414,260	-81,414	-3,332,846	-2,887,260	-527,000	0	-527,000
Regeneration & Development:		, ,							
Accomodation Strategy	529,365	529,365	0			0	0		
Bannisters Former Civil Defence Building	256,819	256,819	0			0	0		
Biodiversity Net Gains in Harrow	300,000	300,000	0			0	0		
Harrow Green Grid	150,000	150,000	0			0	0		
High Priority Plan Maintenance Corporate Property	1,962,242	400,242	-1,562,000		-1,562,000	-650,000	-912,000		-912,000
Investment in 3 core sites	3,448,222	0	-3,448,222		-3,448,222	-3,448,222	0		
Grange Farm Phase 2 – private homes	9,905,000	0	-9,905,000		-9,905,000	-9,905,000	0		
Grange Farm Ph 3–design/planning private homes	830,000	0	-830,000		-830,000	-830,000	0		
Borough CIL Schemes	1,425,000	1,425,000	0		,	0	0		
Neighbourhood CIL Schemes	965,666	965,666	0			0	0		
Yeading Brook Unbound Project	204,975	204,975	0			0	0		
Waxwell Lane Development	807,377	207,377	-600,000		-600,000	-600,000	0		
Total Regeneration & Development	20,784,665	4,439,444	-16,345,222	0	-16,345,222	-15,433,222	-912,000	0	-912,000
Housing General Fund:									
Disabled Facilities Grants	3,376,601	2,232,648	-1,143,953	-1,143,953		-1,143,953			
Empty Property Grant	120,000	60,000	-60,000	, ,	-60,000	0	-60,000		-60,000
Property Acquisition Programme	10,062,902	6,414,159	-3,648,744		-3,648,744	-3,648,744	0		
Total Housing General Fund	13,559,504	8,706,807	-4,852,697	-1,143,953	-3,708,744	-4,792,697	-60,000	0	-60,000
Total Place Directorate	75,729,233	46,010,715	-29,718,519	-3,326,863	-26,391,656	-28,194,519	-1,524,000	0	-1,524,000
				40.553.333	• • • • • • • • • • • • • • • • • • • •				
Total General Fund	106,084,107	58,969,408	-47,114,700	-16,554,140	-30,560,560	-45,440,700	-1,673,999	0	-1,674,000

				Outturn variance split by			Over/ Underspend afte		
Project Title	Revised Budget (A+B)	Forecast Outturn	Forecast Variance	Grant Funding/CiL/ S106	Harrow Borrowing	Slippage to 24/25	Over/ Underspend after Slippage	Grant Funding/CiL / \$106	Harrow Borrowing
Housing Revenue Account:									
Building Council Homes For Londoners (includes infill)	21,018,534	14,206,815	-6,811,719		-6,811,719	-6,811,719	0		
Grange Farm phase 1	2,450,945	2,450,945	0			0	0		
Grange Farm phase 2	3,266,899	2,324,899	-942,000		-942,000	-942,000	0		
Grange Farm phase 3	437,222	328,101	-109,121		-109,121	-109,121	0		
Grange Farm Infrastructure and Costs	7,993,000	7,993,000	0			0	0		
Homes for Harrow - Phase 2	1,079,389	0	-1,079,389	-308,023	-771,366	-1,079,389	0		
Housing IT Scheme	928,599	328,599	-600,000	-600,000		-600,000	0		
Local Authority Housing Fund Round 2	1,747,500	1,747,500	0			0	0		
Planned Investment Programme	18,582,553	13,040,683	-5,541,869	-5,541,869	0	-5,541,869	0	0	
Total HRA	57,504,641	42,420,543	-15,084,098	-6,449,892	-8,634,206	-15,084,099	0	0	0
Total General Fund + HRA	163,588,748	101,389,950	-62,198,798	-23,004,032	-39,194,766	-60,524,799	-1,673,999	0	-1,674,000

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# Appendix 4 - Council Trading Company Update 2023/24, Quarter 3

#### Introduction

 As at Quarter 3 2023/24, the Council's trading structure consists of four separate legal entities set out in table 1 below and presented as a flow chart at the end of this report along with detailed financial results.

**Table 1: Harrow Council Trading Structure** 

Name	Legal Structure	Date Started Trading
Concilium Group Limited	UK Limited Company	November 2015
(Holding Company)		
Sancroft Community Care	UK Limited Company	January 2018
Limited		_
Concilium Assets LLP	Limited Liability	January 2019
	Partnership	
Harrow Strategic Development	Limited Liability	March 2021
Partnership LLP	Partnership	

- 2. These entities have been set up to provide a financial or other benefit to the Council whilst enabling it to undertake specific commercial activities.
- 3. The Council's interests in these entities are not material for the purposes of the financial statements. The Council's financial statements do not therefore include group accounts.

#### **Background**

- 4. Concilium Group Ltd. is a wholly owned commercial subsidiary of the Council, set up with the dual purpose of consolidating the financials of its subsidiaries and to act as the minority partner in a Council controlled Limited Liability Partnership (Concilium Assets LLP). For reporting purposes, Concilium Group Limited is classified as a dormant entity.
- 5. Sancroft Community Care Ltd is a wholly owned subsidiary of Concilium Group Ltd. The company took over the operation of the residential care home for the elderly situated on Sancroft Road, Harrow on 8<sup>th</sup> February 2018. Of the care home's 62 beds, 45 are block contracted with the London Borough of Harrow for five years.
- 6. Concilium Assets LLP is a Limited Liability Partnership owned 95% by Harrow and 5% by Concilium Group Ltd, set up to enable direct private rental sector (PRS) property investment activities. 53 PRS units on Gayton Road were transferred to the LLP in July 2019 on a 10 year lease for rent to the private market.
- 7. Harrow Strategic Development Partnership LLP (HSDP LLP) is a Limited Liability Partnership owned 50% by Harrow and 50% by Wates Construction Limited, set up to facilitate the development of Council assets at Poets Corner, Peel Road and Byron Quarter phase 1 as per the Council's Regeneration Programme. The

Council's investment in the LLP will primarily be the transfer of the land once individual schemes are ready to commence.

### **Financial Implications**

- 8. The accounting year end for all of these entities is 31<sup>st</sup> March in line with the Council's year end. This report references detail for financial years ended 2023 along with a summary for financial years ended 2024.
- 9. The detailed annual position to 31<sup>st</sup> March 2023 for the council's trading structure has been summarised in Table 4. These figures have not yet been subject to audit.
- 10. The detailed annual forecast position to 31st March 2024 for the council's trading structure has been summarised in Table 5.
- 11. The annual forecast position for the council's trading structure has been summarised in Table 6. The table covers financial years 2020/21 to 2023/24 in line with the respective business plans.

## **Sancroft Community Care Ltd**

12. The unaudited financial information for Sancroft Community Care Ltd for the year ending 31st March 2023 is summarised in Table 4 at the end of this report. A financial summary of Sancroft's performance against its business plan (budget) for 2023/24 is presented in Table 2 below.

Table 2: Sancroft Unaudited Annual Position as at 31st March 2024

Negative/(Positive)	Full year Actual	Annual Budget	Forecast Budget Variance
Total Income	-2,906,832	-2,860,970	-45,862
Total Expenditure	2,800,484	2,781,763	18,721
(Net Profit)/Loss	-106,348	-79,207	-27,141

13. Costs have been controlled despite pressures relating to increase in the price of essential supplies and recruiting/retaining staff.

#### **Concilium Assets LLP**

14. The audited financial information for Concilium Assets LLP for the year ending 31<sup>st</sup> March 2023 is summarised in Table 4 at the end of this report. A financial summary of the LLP's performance against its business plan (budget) for 2023/24 is presented in Table 3 below.

Table 3: LLP Unaudited Annual Position as at 31st March 2024

Negative/(Positive)	Full year Actual	/ear Annual Budget (B-Plan)	
Total Income	-1,232,643	-1,189,922	-42,721
Total Expenditure*	1,205,028	1,174,761	30,267
(Net Profit)/Loss	-27,615	-15,161	-12,454

<sup>\*</sup> See paragraphs 18 - 20 below

- 15. The Council charges the LLP 33% of its turnover (the lease rent) which is accounted for as an expense in the accounts of the LLP. The lease rent is a direct benefit to the Council and is included in the MTFS.
- 16. Any remaining profit is distributed back to the council as a dividend. The position for the LLP including these distributions is published in the business plan and included in the council's MTFS. The amount to be paid to the Council in respect of lease rent and dividend for 2023/24 will be £602k (it was £580k in 2022/23).

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Table 4: Trading Structure Full Year Position to 31st March 2023

£ Negative/( £ Positive)	Concilium Business Services Ltd	Concilium Group Ltd (unaudited)	d Community Care		Aggregate Position
Income	-31,400	-10,261	-2,836,963	-1,152,139	-4,030,763
Direct and Administrative Expenditure	18,885	-6,727	2,578,409	1,126,649	3,777,872
(Net Profit)/Loss	-12,515	-16,988	-258,554	-25,490	-252,891
Reserve transfer on closedown (previously taxed profits)	24,680	-24,680	N/A	N/A	0
Retained Earnings c/f	0	-27,681	-531,218	-153,429	-712,328

Table 5: Trading Structure Full Year Forecast to 31st March 2024

£ Negative/( £ Positive)	Concilium Group Ltd	Sancroft Community Care Ltd	Concilium Assets LLP	Aggregate Position
Income	0	-2,906,832	-1,232,643	-4,139,475
Direct and Administrative Expenditure	4,000	2,800,484	1,184,247	3,988,731
(Net Profit)/Loss	4,000	-106,348	-48,396	-150,744
Less Corporation Tax		28,605		
Less reserve-funded capex	0	0	20,781	20,781
Retained Earnings c/f	-23,681	-77,743	-181,044	-282,468

Table 6: Trading Structure Full Year Forecast for MTFS

£ Negative/( £ Positive)	Concilium Group Ltd	Sancroft Community Care Ltd	Concilium Assets LLP	Aggregate Position
Retained Earnings b/f	7,824	-56,030	55,700	7,524
(Net Profit)/Loss - 2021/22	6,163	-216,634	-183,639	-394,110
(Net Profit)/Loss - 2022/23	-41,668	-258,554	-25,490	-265,093
(Net Profit)/Loss and reserve adjustment-2023/24	4,000	-77,743	-27,615	-101,358
Retained Earnings c/f	-23,681	-608,961	-181,044	-813,686



**Report for:** Cabinet

Date of Meeting: 15 February 2024

Subject: Annual Treasury Management Strategy

Statement including Prudential Indicators, Minimum Revenue Provision Policy Statement, Annual Investment Strategy and Annual Capital

Strategy for 2024/25

**Key Decision:** Yes

Responsible

Officer:

Sharon Daniels, Interim Director of Finance and

Assurance

Portfolio Holder: Councillor David Ashton

Portfolio Holder for Finance and Human

Resources

Exempt: No

**Decision subject to** 

Call-in:

No

Wards affected: All wards

**Enclosures:** Appendix A - Legislation and Regulations

Impacting on Treasury Management

Appendix B - Treasury Management Delegations

and Responsibilities

Appendix C - Minimum Revenue Provision

(MRP) Policy Statement

**Appendix D** - Interest Rate Forecasts 2024-26

Appendix E - Economic Background

**Appendix F** – Counterparties: Investment Criteria

**Appendix G** - Capital Strategy 2024/25

**Appendix H** - Glossary

# **Section 1 – Summary and Recommendations**

This report sets out the Council's Annual Treasury Management Strategy Statement including Prudential Indicators, Minimum Revenue Provision Policy Statement the Annual Investment Strategy, and the Annual Capital Strategy for 2024/25.

## **Recommendations:**

Cabinet is asked to recommend to Council that they approve the Treasury Management Strategy Statement for 2024/25 including:

- 1. Prudential Indicators for the period 2024/25 to 2026/27
- 2. Minimum Revenue Provision Policy Statement for 2024/25, (see para 2.20 and Appendix C)
- 3. Annual Investment Strategy for 2024/25 (Appendix F)
- 4. Annual Capital Strategy (Appendix G)

# **Reason: (for recommendations)**

To promote effective financial management relating to the Authority's borrowing and investment powers contained in the Local Government Act 2003, and supporting regulations and guidance detailed below:

- 1. the Local Authorities (Capital Finance and Accounting) Regulations 2003 (as amended).
- 2. CIPFA Prudential Code (2021) and CIPFA Treasury Management Code of Practice (2021), and accompanying Guidance Notes
- DLUHC (Previously MHCLG) Investment Guidance (2018) and MRP Guidance (2018)

# **Section 2 – Report**

#### Introduction

- 1.0. The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 1.1. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economically beneficial, any debt previously drawn may be restructured to meet Council risk or cost objectives.

- 1.2. The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 1.3. CIPFA defines treasury management as:

  "The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 1.4. The Local Government Act 2003 (the Act) and supporting regulations require the Council to 'have regard to' the CIPFA Prudential Code (The Prudential Code for Capital Finance in Local Authorities and accompanying Guidance Notes) and CIPFA Treasury Management Code (Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes), in setting Prudential and Treasury Indicators for the next three years and in ensuring that the Council's capital investment programme is affordable, prudent and sustainable. This report has been prepared in accordance with the 2021 CIPFA Prudential Code and Treasury Management Code of Practice publications.
- 1.5. The Act, the CIPFA Codes and Department for Levelling Up Housing and Communities (DLUHC, formally MHCLG) Statutory Investment Guidance (2018) require the Council to set out its Treasury Strategy for Borrowing and to prepare an Annual Investment Strategy that establishes the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments, ahead of any yield considerations. A summary of the relevant legislation, regulations and guidance is included as Appendix A
- 1.6. The budget for each financial year includes the revenue costs that flow from capital financing decisions. Under the CIPFA Prudential Code and Treasury Management Code of Practice, increases in capital expenditure should be limited to levels whereby increases in interest charges, running costs and provision debt repayment are affordable within the Council's budget.
- 1.7. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
- 1.8. The Council recognises that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury

- management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
- 1.9. It is not considered necessary to produce a separate treasury management strategy for the Housing Revenue Account (HRA) in light of the co-mingling of historic debt and investments between HRA and the General Fund. Where appropriate, details of allocations of balances and interest to HRA are contained in this report and Prudential Indicators are broken down between the General Fund and HRA where required.

#### **Reporting Requirements**

1.10. The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

**Treasury Management Strategy Statement Report** – (TMSS, this report) The first, and most important report is forward looking and covers:

- the capital plans, (including prudential indicators)
- a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time)
- the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
- an investment strategy, (the parameters on how investments are to be managed)

**Mid-Year Review Report** – This is primarily a progress report presented to Cabinet in December/January and updates Members on the progress of the Capital Programme, reporting on prudential indicators to give assurance that the treasury management function is operating within the treasury limits and prudential indicators set out in the TMSS.

**Treasury Management Outturn Report** – This is a backward looking review, typically presented to Cabinet in June/July and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the TMSS and Mid-Year Reports.

- 1.11. **Capital Strategy** In addition to the three main treasury management reports, the CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which provides the following:
  - a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
  - · an overview of how the associated risk is managed
  - · the implications for future financial sustainability
- 1.12. The aim of the Capital Strategy is to ensure that all elected members on the full Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite. The Capital Strategy Report is set out in Appendix G.
- 1.13. **Scrutiny** The above reports are required to be adequately scrutinised, normally before being recommended to Cabinet/Council, with the role being

undertaken by the Governance, Audit, Risk Management and Standards Committee (GARMS). The Council has complied with the CIPFA Treasury Management Code of Practice to the extent that all Treasury Management reports have been scrutinised though the efficient conduct of the Council's business may require consideration by GARMS after being reviewed by Cabinet/Council.

- 1.14. The Council has delegated responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Section 151 Officer. The Section 151 Officer chairs the Treasury Management Group (TMG), which monitors the treasury management activity and market conditions monthly. Further details of delegated responsibilities are given in Appendix B.
- 1.15. The Section 151 Officer is required to establish procedures to monitor and report performance against Prudential Indicators at least quarterly as part of the Authority's integrated revenue, capital and balance sheet monitoring.

# **Options considered**

- 1.16. This report has been produced in accordance with the Local Government Act 2003 and the reporting requirements of:
  - CIPFA Treasury Management Code of Practice 2021
  - CIPFA Prudential Code 2021
  - DLUHC Investment Guidance 2018
  - DLUHC MRP Guidance 2018

# **Treasury Management Strategy for 2024/25**

1.17. The strategy for 2024/25 covers the following areas:

## **Capital Issues (Section 2)**

- Capital Financing Summary
- Capital Programme and Capital Prudential Indicators 2024/25 to 2026/27
- Council's Borrowing Need (Capital Financing Requirement)
- Minimum Revenue Provision (MRP) Policy Statement
- Core funds and expected investment balances

#### **Borrowing (Section 3)**

- Current and estimated portfolio position
- Treasury indicators: limits to borrowing activity
- Prospects for interest rates and economic commentary
- Borrowing strategy
- · Treasury management limits on activity
- · Policy on borrowing in advance of need
- Debt rescheduling
- Approved sources of long and short term borrowing

#### **Annual Investment Strategy (Section 4)**

- Investment policy
- Creditworthiness policy

- Country limits
- Annual Investment Strategy
- · Investment risk benchmarking
- End of year investment report

# Other Treasury Issues (Section 5)

- · Policy on the use of financial derivatives
- The use of Brokers
- Member and Officer Training
- Policy on use of external service providers

# **Capital Issues**

- 2.0. The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.
- 2.1. The figures and tables in this report are based on the final Capital Programme which is set out in a separate report to Cabinet.
- 2.2. Cabinet has received a report on the Harrow Strategic Development Partnership on 24<sup>th</sup> January 2024 which included the business plans in respect of the Byron Quarter and Poets Corner developments. The report requests approval to spend up to £1.54m (Byron Quarter) and up to £2.24m (Poets Corner) on Phase 1 of each of the schemes over the next 12 months. Due to the current financing arrangements with Wates Residential, while the Council as joint partner underwrites 50% of the expenditure incurred there is no immediate cashflow implications for the Council anticipated in 2024/25. The Council is expected to advance funds for Byron Quarter in 2025/26 and 2026/27. The prudential indicators within the treasury strategy will be updated once greater certainty over the expenditure and investment profiles becomes known.
- 2.3. The CIPFA Prudential Code and Treasury Management Code of Practice, differentiate service and commercial investment from treasury investments. In doing so, the Codes recognise that these types of investment will have different objectives and risk profiles to the security and liquidity before yield principals that are applied to treasury investments within this strategy.

#### **Capital Expenditure**

- 2.4. This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle.
- 2.5. Tables 1 and 2 below summarise the capital expenditure plans of the Authority including how this will be financed, which generates the net financing need for the year (borrowing):

Table 1: Capital Expenditure

Capital expenditure	2022/23	2023/24	2024/25	2025/26	2026/27
£'000	Actual	Estimate	Estimate	Estimate	Estimate
- Resources Directorate	3,641	11,026	2,300	2,300	0
- People's Directorate	3,265	19,330	2,700	9,071	0
- Place Directorate	18,842	75,728	23,753	29,595	894
General Fund	25,748	106,084	28,753	40,966	894
HRA	14,988	57,505	20,524	47,206	62,181
Total	40,736	163,589	49,277	88,172	63,075

Table 2: Financing of Capital Expenditure

Table 2: Financing of Capital Expenditure								
Financing of capital expenditure £'000	2022/23	2023/24	2024/25	2025/26	2026/27			
	Actual	Estimate	Estimate	Estimate	Estimate			
General Fund								
Capital Receipts	3,541	0	0	0	0			
Capital Grants	6,593	34,681	5,957	12,183	0			
BCiL	3,477	5,408	1,925	1,900	0			
NCiL	209	966	500	500	0			
Section 106	613	1,091	250	750	0			
Revenue	0	0	0	0	0			
External Funding	14,433	42,146	8,632	15,333	0			
Borrowing Requirement (GF)	11,315	63,938	20,121	25,633	894			
Total General Fund Funding	25,748	106,084	28,753	40,966	894			
HRA								
Capital Receipts	1,761	4,933	2,037	6,101	7,318			
Capital Grants	1,400	4,511	3,094	10,997	2,250			
Section 106	419	1,638	620	0	-			
Revenue	7,621	17,726	10,340	8,295	8,844			
External Funding	11,201	28,808	16,091	25,393	18,412			
Borrowing Requirement (HRA)	3,787	28,697	4,433	21,813	43,769			
Total HRA Funding	14,988	57,505	20,524	47,206	62,181			
Total								
GF & HRA Capital Expenditure	40,736	163,589	49,277	88,172	63,075			
External Funding	25,634	70,954	24,723	40,726	18,412			
Borrowing Requirement (Council)	15,102	92,635	24,554	47,446	44,663			

#### The Council's borrowing need (Capital Financing Requirement)

- 2.6. The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and therefore its underlying borrowing need. Any capital expenditure in tables 1 and 2 above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.
- 2.7. The CFR includes any other long term liabilities (e.g. PFI or finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of schemes include a funding facility and so the Council is not required to borrow separately for them. As at 31st March 2024 the Council is forecast to have £14m of such schemes within the CFR.
- 2.8. The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the Council's indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

2.9. The Council is asked to approve the CFR projections below (included within the Prudential Indicators):

Table 3: Capital Financing Requirement

Capital Financing Requirement	2022/23	2023/24	2024/25	2025/26	2026/27
£'000	Actual	Estimate	Estimate	Estimate	Estimate
CFR – General Fund	418,002	457,236	451,712	451,439	427,292
CFR – HRA	161,226	189,923	194,356	216,169	259,939
Total CFR	579,228	647,159	646,068	667,608	687,231
Movement in CFR	-8,872	67,931	-1,091	21,540	19,623

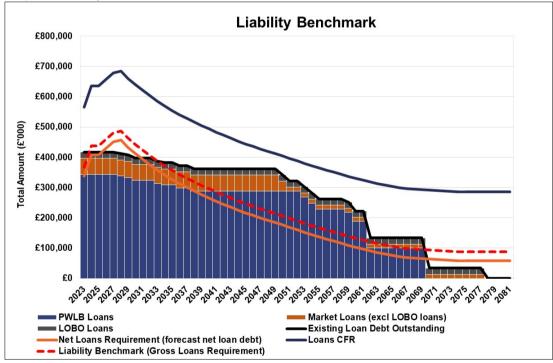
Movement in CFR represented by							
Net financing need for the year (table 2)	15,102	92,635	24,554	47,446	44,663		
Less MRP/VRP and other financing movements	-23,974	-24,704	-25,645	-25,906	-25,040		
Movement in CFR	-8,872	67,931	-1,091	21,540	19,623		

#### **Liability Benchmark**

- 2.10. The Liability Benchmark was introduced as a new Prudential Indicator in 2023/24 following the revisions to the CIPFA Prudential Code and Treasury Management Code of Practice in 2021.
- 2.11. The Liability Benchmark provides a forecast of the external borrowing required to meet approved prudential borrowing. It compares the approved capital expenditure commitments of the Authority to the current external borrowing portfolio over the long term to identify the borrowing required when taking a net book approach to treasury management. The Liability Benchmark is therefore used to inform future borrowing decisions based on an integrated borrowing and investment strategy.
- 2.12. The Liability Benchmark is made up of 4 components:
  - Existing loan debt outstanding: the Authority's existing borrowing portfolio
  - Loans CFR: the Authority's CFR adjusted to exclude other long-term liabilities, projected into the future based on approved prudential borrowing and planned MRP.
  - **Net Loans Requirement:** the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
  - Liability Benchmark (or Gross Loans Requirement): this equals the net loans requirement plus short-term liquidity allowance. The short term liquidity allowance is to provide the Authority with an adequate level of treasury investments for liquidity purposes.
- 2.13. The Liability Benchmark is presented as a graph below, and illustrates a borrowing metric which looks at a net book approach to treasury management where:
  - borrowing and investments are netted down (while maintaining appropriate investments for liquidity purposes) in order to reduce the treasury risks resulting from running debt and investment portfolios at the same time.

- the management of borrowing and investments is integrated so that both are reviewed together when monitoring and managing treasury risks.
- 2.14. While CIPFA recognise that different borrowing positions can be taken relative to the Liability Benchmark, it requires the Authority to have regard to the benchmark when undertaking future borrowing decisions, and for it to be analysed as part of the annual treasury management strategy. Any years where actual loans are less than the benchmark indicate a future borrowing requirement to maintain sufficient liquid investment balances, while any years where actual loans outstanding exceed the benchmark represent an overborrowed position relative to the benchmark, which will result in excess cash over and above the liquidity allowance requiring investment.
- 2.15. CIPFA view the Liability Benchmark as a live tool to inform borrowing decisions in respect of identifying the quantum and the duration of new borrowing to match the Authority's future borrowing requirement and to minimise treasury risks, based on known and approved prudential borrowing. There are no future assumptions built into the Liability Benchmark, outside of the current capital programme.

Graph 1: Liability Benchmark



- 2.16. The Liability Benchmark suggests that based on the current capital expenditure commitments within the General Fund capital programme and the HRA Business Plan the Authority has a small future borrowing requirement between 2023/24 and 2032/33, where the current borrowing portfolio is forecast to be below the Liability Benchmark. The figures for 2023/24 are based on revised budget figures and therefore may not reflect the latest position in respect of slippage within the capital programme.
- 2.17. The Authority's Liability Benchmark incorporates a liquidity allowance of £30m. Using this to determine the borrowing metric therefore means that the

Authority would use internal borrowing to support its capital expenditure plans up to a point at which it would maintain £30m of short term treasury investments.

- 2.18. Following 2032/33, MRP applied to the General Fund CFR and provisions within the HRA Business Plan to repay principal means that the Loans CFR and the Liability Benchmark trend down, remaining below the long-term borrowing portfolio over the long term until the final decade of the current maturity profile. This indicates that relative to the Liability Benchmark no additional external borrowing would be required to meet current approved capital expenditure, and that treasury investments would be forecast remain above the £30m liquidity allowance factored into the benchmark.
- 2.19. The Authority will keep the Liability Benchmark under review, updating it when new information becomes available, and it will be reviewed ahead of any future borrowing decisions.

## Minimum revenue provision (MRP) policy statement

- 2.20. Capital expenditure is generally defined as expenditure on assets that have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. The accounting approach is to spread the cost over the estimated useful life of the asset. The mechanism for spreading these costs is through an annual MRP. The MRP is the means by which capital expenditure, which is financed by borrowing or credit arrangements, is charged to the General Fund and therefore funded by Council Tax.
- 2.21. Regulation 28 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) requires the Council to approve an MRP Statement setting out what provision is to be made in the General Fund for the repayment of debt, and how the provision is to be calculated. The purpose of the policy Statement is to ensure the provision is prudent meeting the requirement of the Regulations. This is to ensure the debt liability will be repaid over a period reasonably commensurate with that over which the capital expenditure benefits. The Council is recommended to approve the statement as detailed in Appendix C.
- 2.22. There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a depreciation charge to be made.
- 2.23. MRP Overpayments A change introduced by the revised 2018 DLUHC (previously MHCLG) MRP Guidance was an allowance that any charges made over the statutory MRP required, referred to as an overpayment and itemised as a Voluntary Revenue Provision (VRP) can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, it is recommended to disclose the cumulative overpayment made each year in a disclosure statement to full Council. At 31 March 2023 the balance of VRP was £6.8m (£6.8m 31 March 2022).
- 2.24. DLUHC is currently consulting on revisions to the Statutory MRP Guidance with the expectation that new Guidance will be published for application from the 1 April 2024. Should the final outcome of the consultation require

amendments to the Council's current MRP Policy contained in Appendix C, a revised MRP Policy will be presented to Full Council for approval as part of either the Mid-Year Treasury Report or at an earlier date.

## Core funds and expected investment balances

- 2.25. The application of resources (grants, capital receipts etc.) to finance capital expenditure or budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.).
- 2.26. The cash investment balance will be kept at a minimum of £30m. The working capital and borrowing position will be managed to maintain this level of cash balances as a minimum position for the Authority. This has been incorporated as the liquidity allowance within the Liability Benchmark in paragraphs 2.10 2.19.

# **Borrowing**

3.0. The capital expenditure plans set out in Table 1 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

## **Current portfolio position**

3.1. The overall treasury management portfolio on 31 March 2023 and corresponding position at 31 December 2023 are shown below for both borrowing and investments.

Table 4: Borrowing Portfolio

Borrowing		31-Mar-23		31-Dec-23			
Portfolio £'000	Principal	Average Rate (%)	Average Life (yrs)	Principal	Average Rate (%)	Average Life (yrs)	
- PWLB	343,461	3.43%	34.54	343,461	3.43%	33.79	
- Market	73,800	3.53%	39.69	73,800	3.53%	38.94	
Total borrowing	417,261	3.45%	35.45	417,261	3.45%	34.70	

Table 5: Investment Portfolio

Investment		31-Mar-23		31-Dec-23			
Portfolio £'000	Principal	Average Rate (%)	Average Life (days)	Principal	Average Rate (%)	Average Life (days)	
MMFs	1,651	3.95%	1	40,008	5.29%	1	
Government	29,000	3.99%	7	29,550	5.19%	7	
Banks	48,743	2.01%	1	32,677	4.39%	1	
Total Investments	79,394	2.77%	3	102,235	4.97%	3	

3.2. The Council maintains upper and lower limits with respect to the maturity structure of its borrowing. This Prudential Indicator, reflecting the earliest date at which a lender can require payment is set to ensure refinancing risk is

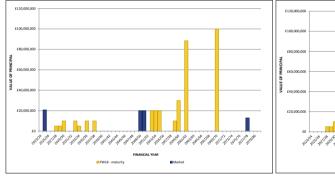
managed regarding the concentration of loan maturities in any one period. Table 6 below illustrates the actual position on both 31 March 2023 and 31 December 2023, compared to the upper and lower limits in place. The accompanying graphs illustrate the maturity profile, based on the earliest and final maturity dates. The difference is one market LOBO (Lenders Option Borrowers Option) loan, which has a final maturity date of 06/12/2077 but has call dates every 6 months. This means that under the structure of the loan, the Lender has the option to seek to revise the interest rate on the loan at specific call dates through the loan term. If that were to happen, the Council as the Borrower would then have the option to either accept the revised interest rate or elect to repay the loan at par without penalty.

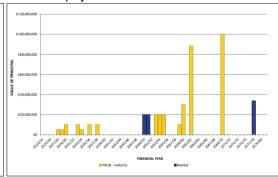
Table 6: Maturity Structure of Borrowing

Maturity structure of borrowing	Lower Limit	Upper Limit	Actual 31.03.23	Actual 31.12.23
Under 12 months	0%	30%	5%	5%
12 months to 2 years	0%	40%	0%	0%
2 years to 5 years	0%	50%	1%	2%
5 years to 10 years	0%	60%	6%	6%
10 years and above	0%	100%	88%	87%

Graph 2: Maturity Profile of Borrowing Portfolio
Earliest Repayment Date

Latest Repayment Date





3.3. The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement or CFR), highlighting any over or under borrowing. The expected change in borrowing has been calculated with reference to the Liability Benchmark in paragraphs 2.10-2.19. This assumes internal borrowing is utilised to a point at which the Authority maintains £30m of treasury investments. The figures for 2023/24 are based on revised budget figures and therefore may not reflect the latest position in respect of slippage within the capital programme.

Table 7: Gross Debt v Capital Financing Requirement

£'000	2022/23	2023/24	2024/25	2025/26	2026/27			
	Actual	Estimate	Estimate	Estimate	Estimate			
External Debt								
Borrowing at 1 April	422,261	417,261	437,443	457,758	500,951			
Expected change in borrowing	-5,000	20,182	20,315	43,193	64,275			
Other long-term liabilities (OLTL)	16,258	14,875	13,539	12,314	10,976			
Expected change in OLTL	-1,383	-1,336	-1,224	-1,338	-1,458			
Actual gross debt at 31 March	432,136	450,981	470,072	511,927	574,743			
CFR	579,228	647,159	646,068	667,608	687,231			
Under / (over) borrowing	147,092	196,178	175,996	155,681	112,488			

- 3.4. Within the range of Prudential Indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus future estimates of the CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing in advance of need for approved expenditure but ensures that borrowing is not undertaken for revenue or speculative purposes.
- 3.5. The Director of Finance reports that the Council complied with this Prudential Indicator in the current year and does not envisage difficulties for the future. This view considers current commitments, existing plans, and the proposals in this budget report.
- 3.6. The Prudential Code framework is a principles based system whereby the Council should demonstrate through a series of Prudential Indicators that its capital plans are prudent, affordable and sustainable. One of the Prudential Indicators of affordability is the ratio of financing costs to net revenue stream, assessing the actual and estimated cost of capital against the income of the Authority. Table 8 provides the expected trends based on the forthcoming capital programme, for both the General Fund and HRA.

Table 8: Ratio of Financing Costs to Net Revenue Stream

Ratio of financing costs to	2022/23	2023/24	2024/25	2025/26	2026/27
net revenue stream %	Actual	Estimate	Estimate	Estimate	Estimate
General Fund	17%	16%	16%	16%	16%
HRA	19%	19%	18%	20%	22%
Total	18%	17%	17%	17%	17%

3.7. The revised CIPFA Prudential Code and Treasury Management Code of Practice defined an Authority's investments as either treasury or non-treasury, with the non-treasury investments further categorised between service and commercial investment. A new Prudential Indicator was also introduced intending to demonstrate that the risks associated with investments for service and commercial purposes are proportionate to the financial capacity of the Authority. The ratio of net income from commercial and service investments to net revenue stream illustrates the reliance of the Authority on income derived from such investments.

Table 9: Net income from Service and Commercial investments to Net Revenue Stream

	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate
Net income from service and commercial Investments to net revenue stream %	2%	1%	1%	1%

3.8. The returns expected from the Harrow Strategic Development Partnership investments in the Byron Quarter and Poets Corner will not impact on this indicator going forward as the financial return is one-off. Any loans advanced to the Partnership will be classed as service investments, recognising the investment objectives and risk profiles will be different from treasury

investments which are invested through applying security and liquidity before yield principals.

Treasury Indicators: limits to borrowing activity.

### The operational boundary

3.9. This is the limit beyond which external debt is not normally expected to exceed. The boundary is based on the Council's programme for capital expenditure, capital financing requirement and cash flow requirements for the year.

Table 10: Operational Boundary

Operational boundary Cloop	2022/23	2023/24	2024/25	2025/26	2026/27	
Operational boundary £'000	Actual	Estimate	Estimate	Estimate	Estimate	
Borrowing	579,228	647,159	646,068	667,608	687,231	
Other long term liabilities	16,258	14,875	13,539	12,314	10,976	
Total	595,486	662,034	659,607	679,922	698,207	

### The authorised limit for external debt.

- 3.10. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council.
- 3.11. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

The Council is asked to approve the following authorised limit:

Table 11: Authorised Limit

Authorised limit £'000	2022/23	2023/24	2024/25	2025/26	2025/26	
Authorised limit £ 000	Actual	Estimate	Estimate	Estimate	Estimate	
Borrowing	609,228	677,159	676,068	697,608	717,231	
Other long term liabilities	26,258	24,875	23,539	22,314	20,976	
Total	635,486	702,034	699,607	719,922	738,207	

### **Prospects for Interest Rates**

3.12. The Council's Treasury Management Adviser, Link Group, provided the following interest rate forecast on 8 January 2024. This includes forecasts for PWLB certainty rates, calculated as gilt yields plus 80 bps.

Table 12: Link Group Interest Rate Forecast: 8 January 2024

Link Group Interest Rate View													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

- 3.13. Link Groups central forecast for interest rates in their 8 January 2024 update reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by maintaining Bank Rate at 5.25% until at least the second half of 2024. Link Group expect rate cuts to commence when both CPI inflation and wage/employment data are supportive of such a move, and when there is a likelihood of the overall economy enduring at least a slowdown or mild recession over the coming months (although most recent GDP releases have surprised with their on-going robustness).
- 3.14. Link Group believe that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.
- 3.15. In the upcoming months, Link Groups interest rate forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.
- 3.16. Risks identified by Link Group to current forecasts for UK Gilt yields and PWLB Rates include:

### Downside Risks:

- Labour and supply shortages prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, could keep gilt yields high for longer).
- The Bank of England has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.
- Geopolitical risks, for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

### Upside risks

- Despite the tightening in Bank Rate to 5.25%, the Bank of England allows inflationary pressures to remain elevated for a long period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.
- The pound weakens because of a lack of confidence in the UK Government's pre-election fiscal policies, which may prove inflationary, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Projected gilt issuance, inclusive of natural maturities and QT, could be too much for the markets to comfortably digest without higher yields compensating.
- 3.17. Additional commentary on the prospects for interest rates, (Appendix D) and economic background, (Appendix E) are contained within the appendices to this report.

3.18. Updates to Link Groups interest rate forecasts are received by officers throughout the year.

### **Borrowing strategy**

- 3.19. As shown in paragraph 3.1 on 31 December 2023 the Council had a debt portfolio of £417.261m, with an average rate of 3.45% and an average life of 34.7 years.
- 3.20. The Council is currently maintaining an under-borrowed position, which was £147m at 31 March 2023. This means that the Capital Financing Requirement has not been fully funded with external loan debt as internal cash balances have been used temporarily to finance the capital programme. In foregoing lost investment income, the Council benefits from the differential between this and the external borrowing cost. This strategy is kept under review by the Director of Finance.
- 3.21. In terms of future borrowing, the Council has a range of funding sources available and will need to base its decisions on optimum borrowing times and periods taking into account current interest rates, forecast movements and the "cost of carry" (the difference between rates for borrowing and rates for investments). With the introduction of the Liability Benchmark as a Prudential Indicator, the Council will also have regard to this when taking future borrowing decisions.
- 3.22. Against this background and the risks within the economic forecast, caution will be adopted in the 2024/25 treasury management operations. The Treasury Management Group will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances. This includes taking advice from Link Group, the Council's Treasury Management Advisers.
  - If it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.
  - if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
- 3.23. The Council has previously adopted a single pooled approach for debt. Allocations to HRA are based on its CFR, with interest charged to HRA at the average rate on all external borrowing. Longer term, the HRA's ability to repay borrowing will depend on future revenues and the capital expenditure programme.

### Policy on borrowing in advance of need

3.24. The Council will not borrow more than or in advance of its needs purely to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved CFR estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

3.25. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

### **Debt rescheduling**

- 3.26. Rescheduling of current borrowing in the Council's debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate.
- 3.27. Any debt rescheduling opportunities will be reviewed and assessed in respect of providing a benefit to the Authority over the remaining life of the loan(s) and in the context of the Authority's forecast future borrowing requirement defined by its CFR. All rescheduling will be reported to Cabinet at the earliest meeting following the exercise.

### **Approved Sources of Long and Short term Borrowing**

On Balance Sheet	Fixed	Variable
PWLB	•	•
Municipal bond agency	•	•
Local authorities	•	•
Banks	•	•
Pension funds	•	•
Insurance companies	•	•
UK Infrastructure Bank	•	•
Market (long-term)	•	•
Market (temporary)	•	•
Market (LOBOs)	•	•
Stock issues	•	•
Local temporary	•	•
Local Bonds	•	
Local authority bills	•	•
Overdraft		•
Negotiable Bonds	•	•
Internal (capital receipts & revenue balances)	•	•
Commercial Paper	•	

Medium	Term	Notes
IVICUIUIII	1 (1111	140103

Finance leases 

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### **Annual Investment Strategy**

### **Investment policy**

- 4.0. The Council's investment policy has regard to the following: -
  - DLUHC's (formally MHCLG) Guidance on Local Government Investments 2018 ("the Guidance")
  - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
  - CIPFA Treasury Management Guidance Notes 2021
- 4.1. The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and within the Council's risk appetite.
- 4.2. The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -
  - Minimum acceptable credit criteria are applied to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are short term and long-term ratings.
  - Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.
  - Other information sources used will include the financial press, share
    price and other such information pertaining to the financial sector in order
    to establish the most robust scrutiny process on the suitability of potential
    investment counterparties.

- This Authority has defined the list of types of investment instruments
  that the treasury management team are authorised to use, which are
  classified as either specified investments or non-specified investments in
  accordance with the DLUHC (previously MHCLG) Investment Guidance,
  last updated in 2018.
  - Specified investments are those with a high level of credit quality and subject to a maturity limit of one year.
  - Non-specified investments are long term investments with high credit quality, investments of any duration with counterparties recognised as less high credit quality, and/or more complex instruments which require greater consideration by members and officers before being authorised for use.
- 4.3. The Council acknowledges that both specified and non-specified investments may be subject to valuation changes, both positive and negative, prior to maturing. The Director of Finance will take all reasonable steps to ensure that day to day liquidity does not rely on the sale of such investments prior to maturity, and therefore that the Council is not exposed to realising any losses. Moreover, the Director will take measures to ensure that any potential unrealised gains or losses are proportionate to revenue budgets and reserves.
- 4.4. However, this Authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

### **Creditworthiness policy**

- 4.5. The primary principle governing the Council's investment criteria is the security of its investments, followed by ensuring sufficient liquidity although the return on the investment is also a key consideration. After this main principle, the Council will ensure that:
  - It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security.
  - It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.
- 4.6. The Director of Finance will maintain a counterparty list in compliance with the criteria detailed in Appendix F and will revise the criteria and submit any changes to Council for approval as necessary. These criteria are separate to those which determine which types of investment instrument are either specified or non-specified as they provide an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

- 4.7. The minimum rating criteria uses the lowest common denominator method of selecting counterparties and applying limits, unless in the opinion of the Director of Finance, or a delegated manager authorised under the Financial Services and Markets Act 2000 (FSMA), there is an overriding reason to favour or disregard a particular agency's view. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance, if an institution is rated by two agencies, one meets the Council's criteria, the other does not, and the institution will fall outside the lending criteria.
- 4.8. Credit rating information is supplied by the Link Group on all active counterparties that comply with the prescribed criteria detailed in Appendix F. Any counterparty failing to meet the criteria would be omitted from the counterparty list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating watch applying to counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.
- 4.9. The Council's criteria for an institution to become a counterparty are detailed in Appendix F. The Council will apply the creditworthiness service provided by Link Group, which employs a sophisticated modelling approach combining credit ratings and market metrics in a weighted scoring system which results in a suggested duration indicating the relative creditworthiness of counterparties.

### **Country Limits**

4.10. The Council has determined that it will only use approved counterparties from the UK or from countries with a minimum sovereign credit rating of AA-. The current UK sovereign rating is AA- or equivalent. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

### **Investment Strategy**

### In-house Funds

- 4.11. The Council's funds are mainly cash derived primarily from the General Fund and HRA. Balances are also held to support capital expenditure. Investments are made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).
- 4.12. Since April 2011, pension fund cash balances have been held separately from those of the Council. The Pension Fund currently holds cash with RBS, JP Morgan (The funds custodian) and in Money market funds.
- 4.13. The Council has decided against joining a collective investment arrangement as part of a shared service with the GLA, managed by the GLA's investment subsidiary, London Treasury Limited, which is authorised and regulated by the Financial Conduct Authority. A Cabinet report dated 15 July 2021, set out an

initial recommendation for the Council to participate in the shared service arrangement but officers have determined that the Authority will not join the service at this time.

### **Investment returns expectations**

- 4.14. Link Group's Interest Rate Forecast from 8 January 2024 suggests that Bank Rate, currently 5.25% following the last of a series of increases commencing in December 2021 and ending in August 2023, will reduce from mid 2024 and reach a neutral long term rate of 3%.
- 4.15. The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

• 2023/24 (remainder): 5.3%

2024/25: 4.55%2025/26: 3.10%2026/27: 3.00%

# Investment treasury indicator and limit - total principal funds invested for greater than 365 days

- 4.16. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.
- 4.17. With the Liability Benchmark, advocating a net book approach to treasury management, the Authority is expected to hold the majority of its investments short term and liquid.
- 4.18. The Council is asked to approve the following treasury indicator and limit:

Table 13: Upper limit for investments over 365 days

Table 10. Opper minicion investino	Sillo Over occ a	ayo		
Upper limit for principal sums invested for longer	2023/24	2024/25	2025/26	2026/27
Principal sums invested for longer than 365 days	£30,000	£30,000	£30,000	£30,000

### Investment performance / risk benchmarking

- 4.19. The Council previously used LIBOR rates for benchmarking purposes. The publication of LIBOR and associated LIBID rates ceased at the end of 2021, as part of a move within financial markets to move to risk free reference rates. For sterling markets LIBOR has been replaced with the Sterling Overnight Index Average (SONIA), published by the Bank of England, which is based on actual transactions between banks, financial institutions, and institutional investors.
- 4.20. Link Group will provide the Authority with compounded SONIA rates in the same way that they did with LIBOR / LIBID rates for investment benchmarking purposes.

4.21. The Council is a member of a Link Group's investment portfolio benchmarking group through which performance is measured against peer London authorities. The risk of default attached to the Council's portfolio is reported by Link Group monthly.

### End of year investment report

4.22. At the end of the financial year the Council will report on its investment activity as part of the Treasury Management Outturn Report.

### Other Treasury Issues

#### **Derivatives**

- 5.0. A financial derivative is a contract, whose value is based on, or 'derived' from, an underlying financial instrument such as a loan. Local Authorities have previously been able to make use of financial derivatives embedded into loans and investments, both to reduce interest rate risk (e.g. forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans).
- 5.1. The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The CIPFA Code requires local authorities to clearly detail their policy in the use of derivatives in the annual strategy. The Council does not intend to use standalone financial derivatives (such as swaps, forwards, futures and options). No change in strategy will be made without Full Council approval.

#### **Brokers**

- 5.2. The Council uses four brokers on a regular basis, as well as dealing directly with leading institutions. Wherever possible the Council will spread its business amongst them on a regular basis, though this may not always be possible. Brokers currently being used are:
  - RP Martins
  - Tradition
  - BGC Sterling
  - Imperial Treasury
- 5.3. The limited function performed by brokers is acknowledged; however, the Council would expect to be informed if a broker had any doubts about an organisation that we were dealing with.

### **Training**

5.4. The CIPFA Treasury Management Code of Practice requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in this area. This especially applies to Members responsible for scrutiny. Member training on treasury management took place on 23 May 2023, provided by Link Group.

5.5. The training needs of Treasury Management officers are periodically reviewed as part of the Learning and Development programme with appropriate training and support provided.

#### **External Advisors**

- 5.6. The Council has engaged Link Group as its external Treasury Management Adviser
- 5.7. It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Council ensures that the terms of their appointment and the methods by which their value is assessed are properly agreed and documented and subjected to regular review.
- 5.8. However, the Council recognises that responsibility for treasury management decisions always remains with itself and will ensure that undue reliance is not placed upon external service providers.

# Implications of the Recommendation

6.0. The recommendations primarily relate to the requirements for the Council to comply with statutory duties. However, the content of the report, covering borrowing and investment strategies, has implications for the Council's ability to fund its capital projects and revenue activities.

# **Risk Management Implications**

- 7.0. Risks included on corporate or directorate risk register? No the identification, monitoring and control of risk are central to the achievement of treasury objectives. Potential risks are identified, mitigated and monitored in accordance with treasury practice notes approved by the Treasury Management Group.
- 7.1. Separate risk register in place? No

The relevant risks contained in the register are attached/summarised below. **N/A** 

The risks of treasury management activity are clearly acknowledged in the main body of the report along with appropriate mitigations however the following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
Cash not available when needed	<ul> <li>Working capital and borrowing position designed to maintain the required level of cash balances</li> <li>The balance of debt and investment operations ensure liquidity</li> <li>The treasury management function ensures that the Council's cash is</li> </ul>	GREEN

Risk Description	Mitigations	RAG Status
	organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy.	
Sums invested result in a loss	The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's low risk appetite.	GREEN
Council's capital investment programme is not affordable, prudent or sustainable	<ul> <li>One of the Prudential Indicators of affordability is the ratio of financing costs to net revenue stream, assessing the actual and estimated cost of capital against the income of the Authority. Table 8</li> <li>Limits on borrowing activity</li> <li>The Council is currently maintaining an under-borrowed position. This is estimated to be £196m as at 31st March 2024.</li> </ul>	GREEN
VFM is not achieved	<ul> <li>The Council will monitor the yield from investment income against appropriate benchmarks for investment performance.</li> <li>Regular monitoring of investment performance will be carried out during the year.</li> </ul>	GREEN
Provision made in the General Fund for debt is not prudent	MRP Statement setting out what provision is to be made in the General Fund for the repayment of debt, and how the provision is to be calculated. The purpose of the Statement is to ensure the provision is prudent, allowing the debt to be repaid over a period reasonably commensurate with that over which the capital expenditure benefits. Appendix C.	GREEN
Too many loans mature in one period impacting on ability to refinance risk	The Council maintains upper and lower limits with respect to the maturity structure of its borrowing. This Prudential Indicator, reflecting the earliest date at which a lender can require payment is set to ensure refinancing risk is managed	GREEN

Risk Description	Mitigations	RAG Status
	regarding the concentration of loan maturities in any one period.  • The introduction of the Liability Benchmark is intended to inform future borrowing decisions in respect of the quantum and duration required to meet known long term liabilities based on the approved capital programme and a net book approach to treasury management	Status
Borrowing is undertaken for revenue or speculative purposes	•Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years	GREEN
Exceptional levels of volatility in PWLB rates	<ul> <li>The Council's Treasury Management Adviser, Link Group, has provided an interest rate forecast (Table 12).</li> <li>The current expectation is for Bank Rate to have peaked at 5.25% and for this to fall in the second half of 2024 as inflation comes back to the 2% target. PWLB rates are also expected to have peaked and be on a gradual downward trajectory.</li> </ul>	AMBER
Default on Council Loans	• The risk of default attached to the Council's portfolio is reported by Link Group on a monthly basis and this is currently very low, which is reflective of the low risk investment strategy, and the high credit quality of the investment counterparties used by the Authority, which includes the UK Government.	GREEN

# **Procurement Implications**

8.0. There are no procurement implications arising from this report.

# **Legal Implications**

- 9.0. The Local Government Act 2003 requires the Council to 'have regard to' the Prudential Code and Treasury Management Code of Practice and to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. These are contained within this report.
- 9.1. The Act, accompanying statutory guidance and Codes of Practice referred to through capital financing regulations requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy. This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments ahead of yield considerations. This report assists the Council in fulfilling its statutory obligation under the Local Government Act 2003 to monitor its borrowing and investment activities.

### **Financial Implications**

10.0. In addition to supporting the Council's revenue and capital programmes the Treasury Management interest budget is an important part of the revenue budget. Any additional income obtained, savings achieved, or overspends incurred, has a direct impact on the financial performance of the budget.

## **Equalities implications / Public Sector Equality Duty**

11.0. There is no direct equalities impact.

### **Council Priorities**

12.0. This report deals with the Treasury Management Strategy which plays a significant part in supporting the delivery of all the Council's corporate priorities.

# **Section 3 - Statutory Officer Clearance**

**Statutory Officer: Sharon Daniels**Signed on behalf of the Chief Financial Officer

Date: 29/01/2024

**Statutory Officer: Sharon Clarke** Signed on behalf of the Monitoring Officer

Date: 31/01/2024

**Chief Officer: Sharon Daniels**Signed on behalf of the Corporate Director

Date: 29/10/2024

**Head of Procurement: Nimesh Mehta** 

Signed by the Head of Procurement

Date: 29/01/2024

**Head of Internal Audit: Neale Burns**Signed on behalf of the Head of Internal Audit

Date: 29/01/2024

Has the Portfolio Holder(s) been consulted? Yes

# **Mandatory Checks**

Ward Councillors notified: NO, as it impacts on all Wards

EqIA carried out: NO, an EqIA is not required for Cabinet to take a

decision

EqIA cleared by: NA

# Section 4 - Contact Details and Background Papers

**Contact:** Sharon Daniels, Director of Finance and Assurance Sharon.Daniels@harrow.gov.uk

**Background Papers: None** 

Call-in waived by the Chair of Overview and Scrutiny Committee: No

### APPENDIX A

# LEGISLATION AND REGULATIONS IMPACTING ON TREASURY MANAGEMENT

The following items numbered 1 - 4 show the sequence of legislation and regulation impacting on the treasury management function. The sequence begins with primary legislation, moves through Government guidance and Chartered Institute of Public Finance and Accountancy (CIPFA) Codes of Practice and finishes with implementation through the Council's own Treasury Management Practices.

### 1. Local Government Act 2003

**Link: Local Government Act 2003** 

Below is a summary of the provisions in the Act dealing with treasury management.

In addition the Secretary of State is empowered to define the provisions through further regulations and guidance which he has subsequently done through statutory instruments, Ministry of Housing, Communities and Local Government Guidance (now Department of Levelling Up Housing and Communities) and CIPFA Codes of Practice.

### Power to borrow

The Council has the power to borrow for purposes relevant to its functions and for normal treasury management purposes – for example, to refinance existing debt.

### Control of borrowing

The main borrowing control is the duty not to breach the prudential and national limits as described below.

The Council is free to seek loans from any source but is prohibited from borrowing in foreign currencies without the consent of Treasury, since adverse exchange rate movements could leave it owing more than it had borrowed.

All of the Council's revenues serve as security for its borrowing. The mortgaging of property is prohibited.

It is unlawful for the Council to 'securitise', that is, to sell future revenue streams such as housing rents for immediate lump-sums.

### Affordable borrowing limit

The legislation imposes a broad duty for the Council to determine and keep under review the amount it can afford to borrow. The Secretary of State has subsequently defined this duty in more detail through the Prudential Code produced by CIPFA, which lays down the practical rules for deciding whether borrowing is affordable.

It is for the Council (at a meeting of the full Council) to set its own 'prudential' authorised limit in accordance with these rules, subject only to the scrutiny of its external auditor. The Council is then free to borrow up to that limit without Government consent. The Council is free to vary the limit during the year, if there is good reason.

Requirements in other legislation for the Council to balance its revenue budget prevent the long-term financing of revenue expenditure by borrowing.

However the legislation does confer limited capacity to borrow short-term for revenue needs in the interests of cash-flow management and foreseeable requirements for temporary revenue borrowing are allowed for when borrowing limits are set by the Council.

The Council is allowed extra flexibility in the event of unforeseen needs, by being allowed to increase borrowing limits by the amounts of any payments which are due in the year but have not yet been received.

### Imposition of borrowing limits

The Government has retained reserve power to impose 'longstop' limits for national economic reasons on all local authorities' borrowing and these would override authorities' self-determined prudential limits. Since this power has not yet been used the potential impact on the Council is not known.

### **Credit arrangements**

Credit arrangements (e.g. property leasing, PFI and hire purchase) are treated like borrowing and the affordability assessment must take account not only of borrowing but also of credit arrangements. In addition, any national limit imposed under the reserve powers would apply to both borrowing and credit arrangements.

### Power to invest

The Council has the power to invest, not only for any purpose relevant to its functions but also for the purpose of the prudential management of its financial affairs.

#### Guidance

The Act contains a requirement for the Council to have regard to guidance:

- Issued directly by the Secretary of State
- DLUHC (formally MHCLG) Investment Guidance
- DLUHC (formally MHCLG) MRP Guidance
- Other guidance the Secretary of State may refer to through regulations
- The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003
- CIPFA Prudential Code
- CIPFA Treasury Management Code of Practice

# Ministry of Housing, Communities and Local Government Investment Guidance (2018)

The Guidance recommends that for each financial year the Council should prepare at least one Investment Strategy to be approved before the start of the year. The Strategy must cover:

### **Investment security**

 Investments should be managed prudently with security and liquidity being considered ahead of yield  Potential counterparties should be recognised as "specified" and "nonspecified" with investment limits being defined to reflect the status of each counterparty

### Investment risk

- Procedures should be established for monitoring, assessing and mitigating the risk of loss of invested sums and for ensuring that such sums are readily accessible for expenditure whenever needed.
- The use of credit ratings and other risk assessment processes should be explained
- The use of external advisers should be monitored. The training requirements for treasury management staff should be reviewed and addressed
- Specific policies should be stated as regards borrowing money in advance of need

### **Investment Liquidity**

 The Strategy should set out procedures for determining the maximum periods for which funds may prudently be committed

The Strategy should be approved by the full Council and made available to the public free of charge. Subject to full Council approval, or approved delegations, the Strategy can be revised during the year.

# Ministry of Housing, Communities and Local Government Minimum Revenue Provision Guidance (2018)

Minimum Revenue Provision (MRP) is the mechanism by which capital expenditure funded though prudential borrowing is charged to revenue over time. The aim of MRP is to align the charge to revenue over a period which the capital expenditure provides benefit.

Before the start of each financial year the Council is required to approve an MRP Policy Statement specifying how it will make prudent MRP during that year. Subject to full Council approval, the MRP Policy Statement can be revised during the year.

# <u>Treasury Management in the Public Services: CIPFA Code of</u> Practice (2021) and Guidance Notes (2021)

The primary requirements of the Code are:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- Creation and maintenance of Treasury Management Practices ("TMPs") that set out the manner in which the Council will seek to achieve those policies and objectives.
- Receipt by the full Council or Cabinet of an annual Treasury Management
   Strategy Statement including the Annual Investment Strategy and

Minimum Revenue Provision Policy Statement - for the year ahead, a Halfyear Review Report and an Annual Report (stewardship report) covering activities during the previous year.

- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body.

The 2021 CIPFA Treasury Management Code of Practice introduced the requirement from 2023/24:

- to present the Liability Benchmark as a new Treasury Indicator, to support the financing risk management of the capital financing requirement.
- Updates to Treasury Management Practices (TMPs) in respect of incorporating Environment, Social and Governance (ESG) policies and the development of a knowledge and skills framework proportionate to the size and complexity of the treasury management operations
- The creation of Investment Management Practices (IMPs) to manage risks associated with non-treasury investments (similar to TMPs)

### CIPFA Prudential Code (2021) and Guidance Notes (2021)

The CIPFA Prudential Code is a framework developed to support local strategic planning, asset management and options appraisal. The objectives of the Prudential Code are to ensure that the Council's capital expenditure plans are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved.

The Prudential Code sets out a number of indicators which demonstrate the impact of the approved capital programme. Since 2017 local authorities have been required to produce an annual Capital Strategy, which sets out the long-term context in which capital expenditure and investment decisions are made.

The 2021 CIPFA Prudential Code introduced the requirement from 2023/24 to:

- Present a Prudential Indicator in looking at income from non treasury investments as a proportion of net revenue stream to ensure a proportionate approach to service and commercial investment
- address ESG policies within the Capital Strategy.

# 2. <u>CIPFA Treasury Management Code of Practice (2021) and Prudential Code (2021) definition of investment</u>

All investments and investment income must be attributed to one of the following three purposes: -

### **Treasury management**

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury

risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

### Service delivery

Investments held primarily and directly for the delivery of public services including housing, regeneration, and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

### Commercial return

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to a council's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

# TREASURY MANAGEMENT DELEGATIONS AND RESPONSIBILITIES

The respective roles of the Council, Cabinet, GARMSC, the Section 151 officer, the Treasury Management Group the Treasury and Pensions Manager and the Treasury Team are summarised below. Further details are set out in the Treasury Management Practices.

### Council

Under the Constitution, the Council is responsible for "decisions relating to the control of the Council's borrowing requirement."

It agrees the annual Treasury Management Strategy Statement including Prudential Indicators, Minimum Revenue Provision Policy Statement and Annual Investment Strategy.

### Cabinet

Under the Constitution, the Cabinet "will exercise all of the local authority functions which are not the responsibility of any other part of the local authority, whether by law or under this Constitution."

It considers and recommends to Council the annual Treasury Management Strategy Statement and receives a mid-year report and annual outturn report on Treasury Management activities.

### Governance, Audit, Risk Management and Standards Committee

GARMSC reviews the Treasury Management Strategy and monitors progress on treasury management in accordance with CIPFA codes of practice.

### **Director of Finance (Section 151 Officer)**

Under S151 of the Local Government Act 1972 the Council "shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs." At Harrow, this responsibility is exercised by the Director of Finance.

The Director is responsibility for implementing the policies agreed by the Council and Cabinet.

Under the Local Government Finance Act 1988 and the Local Government Act 2003 the Director also has responsibilities in respect of budget arrangements and the adequacy of resources. In terms of Treasury Management this means that the financing costs of the Capital Programme are built into the Revenue Budget as are any assumptions on investment income.

The Director chairs the Treasury Management Group and agrees major treasury management decisions, specifically including any borrowing decisions, delegated to officers.

### **Treasury Management Group**

Comprises Director of Finance, Head of Strategic and Technical Finance (Deputy S151 Officer), Treasury and Pensions Manager, Senior Finance Officer and is responsible for:

- 1. Monitoring treasury management activity against approved strategy, policy, practices and market conditions;
- 2. Ensuring that capital expenditure plans are continually reviewed in line with budget assumptions throughout the year to forecast when borrowing will be required.
- 3. Approving changes to treasury management practices and procedures;
- 4. Reviewing the performance of the treasury management function using benchmarking data on borrowing and investment provided by the Treasury Management Adviser (Link Asset Services);
- 5. Monitoring the performance of the appointed Treasury Management Adviser and recommending any necessary actions
- 6. Ensuring the adequacy of treasury management resources and skills and the effective division of responsibilities within the treasury management function;
- **7.** Monitoring the adequacy of internal audit reviews and the implementation of audit recommendations

### **Treasury and Pensions Manager**

Responsible for the execution and administration of treasury management decisions, acting in accordance with the Council's Treasury Management Strategy Statement and CIPFA's "Standard of Professional Practice on Treasury Management"

### **Treasury Team**

Headed by Senior Finance Officer with responsibility for day-to-day treasury and investment and borrowing activity in accordance with approved Strategy, policy, practices and procedures and for recommending changes to the Treasury Management Group

# Minimum Revenue Provision (MRP) Policy Statement

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be the equal annual reduction of 2% of the outstanding debt at 1 April 2015 for the subsequent 50 years.

For all capital expenditure financed from unsupported (prudential) borrowing (including PFI and finance leases), MRP will be based upon an asset life method in accordance with Option 3 of the guidance.

In some cases where a scheme is financed by prudential borrowing it may be appropriate to vary the profile of the MRP charge to reflect the future income streams associated with the asset, whilst retaining the principle that the full amount of borrowing will be charged as MRP over the asset's estimated useful life.

The regulations allow the Council to charge VMRP, which can be used to reduce future MRP by the same amount. A change introduced by the revised MHCLG MRP Guidance is that the voluntary MRP must be disclosed in a statement to the full council in order to reclaim it in future years as deemed necessary and prudent. As at March 2023, the VRP was £6.8 (31st March 2022 £6.8m.)

Estimated life periods and amortisation methodologies will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

Freehold land cannot properly have a life attributed to it, so for the purposes of Asset Life method it will be treated as equal to a maximum of 50 years, in line with the maximum asset life permitted by statutory guidance.

As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

Repayments included in annual PFI or finance leases are applied as MRP.

Where borrowing is undertaken for the construction of new assets, MRP will only become chargeable once such assets are completed and operational.

### **APPENDIX D**

### **APPENDIX D: Link Group: Interest Rate Forecasts 2024 – 2027.**

PWLB forecasts shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012.

The Link Group forecasts are as at 08.01.24.

ink Group Interest Rate View 08.01.24													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

### **Economic Background**

- The third quarter of 2023/24 saw:
  - A 0.3% m/m decline in real GDP in October, potentially partly due to unseasonably wet weather, but also due to the ongoing drag from higher interest rates. Growth for the second quarter, ending 30<sup>th</sup> September, was revised downwards to -0.1% and growth on an annual basis was also revised downwards, to 0.3%;
  - A sharp fall in wage growth, with the headline 3myy rate declining from 8.0% in September to 7.2% in October, although the ONS "experimental" rate of unemployment has remained low at 4.2%;
  - CPI inflation continuing on its downward trajectory, from 8.7% in April to 4.6% in October, then again to 3.9% in November;
  - Core CPI inflation decreasing from April and May's 31 years' high of 7.1% to 5.1% in November, the lowest rate since January 2022;
  - The Bank of England holding Bank Rate at 5.25% in November and December;
  - A steady fall in 10-year gilt yields as investors revised their interest rate expectations lower.
- The revision of GDP data in Q2 to a 0.1% q/q fall may mean the mildest of mild recessions has begun. Indeed, real GDP in October fell 0.3% m/m which does suggest that the economy may stagnate again in Q3. The weakness in October may partly be due to the unseasonably wet weather. That said, as the weakness was broad based it may also be the case that the ongoing drag from higher interest rates is more than offsetting any boost from the rise in real wages.
- However, the rise in the flash composite activity Purchasing Managers Index, from 50.7 in November to 51.7 in December, did increase the chances of the economy avoiding a contraction in Q3. The improvement was entirely driven by the increase in the services activity balance from 50.9 to 52.7. (Scores above 50 point to expansion in the economy, although only tepid in this instance.) The press release noted that this was primarily driven by a revival in consumer demand in the technological and financial services sectors. This chimes with the further improvement in the GfK measure of consumer confidence in December, from -24 to -22. The services PMI is now consistent with non-retail services output growing by 0.5% q/q in Q3, but this is in stark contrast to the manufacturing sector where the output balance slumped from 49.2 to 45.9 and, at face value, the output balance is consistent with a 1.5% q/q fall in manufacturing output in Q3.
- The 0.3% m/m fall in retail sales volumes in October means that after contracting by 1.0% q/q (which was downwardly revised from -0.8% q/q) in Q2, retail activity remained weak at the start of Q3. That suggests higher interest rates are taking a bigger toll on real consumer spending.
- Higher interest rates have filtered through the financial channels and weakened the housing market but, overall, it remains surprisingly resilient with the Halifax house price index recently pointing to a 1.7% year on year increase whilst Nationwide's December data pointed to a -1.8% year on year decrease. However,

the full weakness in real consumer spending and real business investment has yet to come as currently it is estimated that around two thirds to a half of the impact of higher interest rates on household interest payments has yet to be felt.

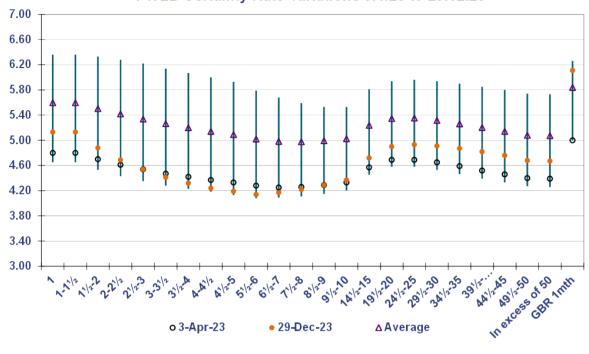
- Overall, we expect real GDP growth to remain subdued throughout 2024 as the drag from higher interest rates is protracted but a fading of the cost-of-living crisis and interest rate cuts in the second half of 2024 will support a recovery in GDP growth in 2025.
- The labour market remains tight by historical standards, but the sharp fall in wage growth seen in October will reinforce the growing belief in markets that interest rates will be cut mid-2024. Wage growth eased in October much faster than the consensus expected. Total earnings fell by 1.6% m/m, which meant the headline 3myy rate eased from 8.0% in September to 7.2% in October. This news will be welcomed by the Bank of England. Indeed, the timelier three-month annualised rate of average earnings growth fell from +2.4% to -1.2%. Excluding bonuses, it fell from 5.3% to 2.0%. Furthermore, one of the Bank's key barometers of inflation persistence, regular private sector pay growth, dropped from 7.9% 3myy to 7.3%, which leaves it comfortably on track to fall to 7.2% by December, as predicted by the Bank in November.
- The fall in wage growth occurred despite labour demand being stronger in October than expected. The three-month change in employment eased only a touch from +52,000 in September to +50,000 in October. But resilient labour demand was offset by a further 63,000 rise in the supply of workers in the three months to October. That meant labour supply exceeded its pre-pandemic level for the first time, and the unemployment rate remained at 4.2% in October. In the three months to November, the number of job vacancies fell for the 17th month in a row, from around 959,000 in October to around 949,000. That has reduced the vacancy to unemployment ratio as demand for labour eases relative to supply, which may support a further easing in wage growth in the coming months.
- CPI inflation fell from 6.7% in September to 4.6% in October, and then again to 3.9% in November. Both these falls were bigger than expected and there are clear signs of easing in domestic inflationary pressures. The fall in core CPI inflation from 5.7% to 5.1% in November was bigger than expected (consensus forecast 5.6%). That's the lowest rate since January 2022. Some of the decline in core inflation was due to the global influence of core goods inflation, which slowed from 4.3% to 3.3%. But some of it was due to services inflation falling from 6.6% to 6.3%. The Bank views the latter as a key barometer of the persistence of inflation and it came in further below the Bank's forecast of 6.9% in its November Monetary Policy Report. This will give the Bank more confidence that services inflation is now on a firmly downward path.
- The Bank of England sprung no surprises with its December monetary policy committee (MPC) meeting, leaving interest rates at 5.25% for the third time in a row and pushing back against the prospect of near-term interest rate cuts. The Bank continued to sound hawkish, with the MPC maintaining its tightening bias saying that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures". And it stuck to the familiar script, saying that policy will be "sufficiently restrictive for sufficiently long" and that "monetary policy is likely to need to be restrictive for an extended period of time". In other words, the message is that the MPC is not yet willing to endorse investors' expectations that rates will be cut as soon as May 2024.

- Looking ahead, our colleagues at Capital Economics forecast that the recent downward trends in CPI and core inflation will stall over the next few months before starting to decline more decisively again in February. That explains why we think the Bank of England won't feel comfortable cutting interest rates until H2 2024.
- The fall in UK market interest rate expectations in December has driven most of the decline in 10-year gilt yields, which have fallen in line with 10-year US Treasury and euro-zone yields. 10-year gilt yields have fallen from 4.68% in October 2023 to around 3.70% in early January, with further declines likely if the falling inflation story is maintained.
- Investors' growing expectations that the Fed will cut interest rates soon has led to an improvement in risk sentiment, which has boosted the pound and other risky assets. In addition, the rise in the pound, from \$1.21 in November to \$1.27 now, has also been supported by the recent relative decline in UK wholesale gas prices.
- The further fall in 10-year real gilt yields in December has supported the recent rise in the FTSE 100. That said, the index remains 5% below its record high in February 2023. This modest rise in equities appears to have been mostly driven by strong performances in the industrials and rate-sensitive technology sectors. But UK equities have continued to underperform US and euro-zone equities. The FTSE 100 has risen by 2.2% in December, while the S&P 500 has risen by 3.8%. This is partly due to lower energy prices, which have been a relatively bigger drag on the FTSE 100, due to the index's high concentration of energy companies.

In the chart below, the rise in gilt yields across the curve in the first half of 2023/24, and therein PWLB rates, is clear to see, prior to the end of year rally based on a mix of supportive domestic and international factors.



PWLB Certainty Rate Variations 3.4.23 to 29.12.23



### HIGH/LOW/AVERAGE PWLB RATES FOR 3.4.23 - 29.12.23

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.13%	4.20%	4.58%	4.27%
Date	06/04/2023	27/12/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.53%	5.96%	5.74%
Date	06/07/2023	07/07/2023	23/10/2023	23/10/2023	23/10/2023
Average	5.60%	5.09%	5.03%	5.35%	5.08%
Spread	1.71%	1.80%	1.33%	1.38%	1.47%

### MPC meetings 2<sup>nd</sup> November and 14<sup>th</sup> December 2023

- On 2<sup>nd</sup> November, the Bank of England's Monetary Policy Committee (MPC) voted to keep Bank Rate on hold at 5.25%, and on 14<sup>th</sup> December reiterated that view. Both increases reflected a split vote, the latter by 6 votes to 3, with the minority grouping voting for an increase of 0.25% as concerns about "sticky" inflation remained in place.
- Nonetheless, with UK CPI inflation now at 3.9%, and core inflating beginning to moderate (5.1%), markets are voicing a view that rate cuts should begin in Q1 2024/25, some way ahead of the indications from MPC members. Of course, the data will be the ultimate determinant, so upcoming publications of employment, wages and inflation numbers will be of particular importance, and on-going volatility in Bank Rate expectations and the gilt yield curve can be expected.
- In addition, what happens outside of the UK is also critical to movement in gilt yields. The US FOMC has kept short-term rates in the range of 5.25%-5.50%, whilst the ECB has moved its Deposit rate to a probable peak of 4%. Markets currently expect both central banks to start cutting rates in 2024.

### **APPENDIX F**

# **Counterparties and approved investments**

This Authority applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays: -

- 1. "watches" and "outlooks" from credit rating agencies;
- 2. CDS spreads that may give early warning of changes in credit ratings;
- 3. sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, and any assigned Watches and Outlooks, in a weighted scoring system which is then combined with an overlay of CDS spreads. The end-product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Authority to determine the suggested duration for investments. The Authority will, therefore, use counterparties within the following durational bands

- Yellow 5 years \*
- Dark pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 yearRed 6 monthsGreen 100 days
- · No colour not to be used

The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

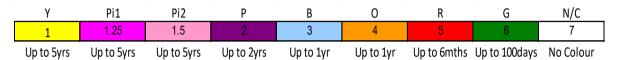
Typically, the minimum credit ratings criteria the Authority uses will be a short-term rating (Fitch or equivalents) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

The Authority is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Authority will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a

daily basis via its Passport website, provided exclusively to it by Link. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

Sole reliance will not be placed on the use of this external service. In addition, this Authority will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.



	Colour (and long- term rating where applicable)	Monetary limit per Counterparty	Duration limit
Banks & UK Government	Yellow	£20m	5yrs
Banks	Purple	£20m	2 yrs
Banks & Building Societies	Orange	£20m	1 yr
Banks – part nationalised	Blue	£20m	1 yr
Banks & Building Societies	Red	£20m	6 mths
Banks & Building Societies	Green	£20m	100 days
Banks & Building Societies	No Colour	Not to be used	Not to be used
Authority's Banker (RBS)		£50m	Instant Access
DMADF	UK sovereign rating	unlimited	6 months
Local authorities	Yellow	£20m	5yrs
	Fund rating		Time Limit
Money Market Funds CNAV	AAA	£20m	liquid
Money Market Funds LVNAV	AAA	£20m	liquid
Money Market Funds VNAV	AAA	£10m	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	Dark Pink / AAA	£5m	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.50	Light Pink / AAA	£5m	liquid

Councils own Bank - RBS

The Council will have an overriding limit of £50m with RBS to be held on instant access. If the Council makes an investment with RBS in accordance with the Banks suggested duration according to the Link Credit Methodology (as per the colour bandings/limits in the table above above) the £50m limit for RBS in respect of funds that could be held on instant access will be reduced accordingly.

### Sovereign

The Authority will invest in counterparties based in the UK plus those domiciled in countries with a minimum sovereign rating of AA-.

### **Groups of Companies**

The Authority will treat groups of companies as one counterparty and therefore one limit will apply across all entities within that group.

### **Specified Investments**

The MHCLG Investment Guidance defines a specified investment if all the following apply:

- The investment is denominated in sterling and any payments or repayments in the respect of the investment are payable only in sterling.
- The investment is not a long term investment. This means that the local authority has contractual right to repayment within 12 months, either because that is the expiry term of the investment or through a non conditional option.
- The making of the investment is not defined as capital expenditure by virtue of Regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [as amended].
- The investment is made with a body or in an investment scheme described as high quality (see paragraph 33 or with one of the following bodies:
  - The United Kingdom Government;
  - A local authority in England or Wales (as defined in section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland;
  - A parish council or community council.

The Authority as part of its treasury strategy defines what it believes constitutes high credit quality.

For the purposes of this strategy the Authority determines high credit quality to be any investment up to 365 days meeting the requirements of the table above in accordance with the Link Group Creditworthiness Methodology.

### **Non Specified Investments**

The MHCLG Investment Guidance defines a non specified investment as any financial investment that is not classified as a loan or a specified investment.

The Authority does not intent to make investments outside of the counterparty criteria contained in the table above. Therefore, it will only undertake non specified investments if it makes long term investments over 365 days within the above parameters with regards counterparty limits and investment duration. This would be subject to cashflow forecast illustrating the Authority had sufficient funds available to enter into long term investments.

### Loan

The MHCLG Investment Guidance defines this as a loan that an Authority has elected to make to local enterprises, local charities, wholly owned companies and joint ventures as part of a wider strategy for local economic growth even though those loans may not all be seen as prudent if adopting a narrow definition of prioritising security and liquidity.

The Authority will undertake specific due diligence in respect of any loans to third parties in support of Council objectives prior to any decision on a loan being made.

**APPENDIX G** 

**Capital Strategy 2024-25** 

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- 9. Asset management
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- 14. Information to be considered in decision making
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### Section 1 - PRINCIPLES OF THE CAPITAL STRATEGY

#### 1. Introduction

In December 2017, the Chartered Institute of Public Finance & Accountancy issued a revised Prudential and Treasury Management Code, requiring all local authorities to produce a Capital Strategy report from 2019/20 onwards to show:

- 1. a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- 2. an overview of how the associated risk is managed
- 3. the implications for future financial sustainability.

This capital strategy meets the requirement by setting out the Council's capital investment programme and how it contributes to the achievement of strategic priorities being refreshed through the Borough Plan, while considering resource availability and the wider financial context. It is intended to be supportive of the Council's other strategy framework documents.

### 2. Objectives and Principles

The strategy details show how the Council sets out its priorities for Capital investment including links to existing delivery plans and strategy documents. It also considers the ways in which capital expenditure may be financed, including the impact that the Strategy has on the budgets of both the General Fund and the Housing Revenue Account (HRA). The strategy will also set out the links with Treasury Management objectives and determine the authority's approach to risk in those objectives.

This document is part of the Council's business planning process from both a financial and service perspective. It sets out a framework whereby the authority's capital resources can be effectively allocated to those projects which may help the Council achieve wider corporate objectives, protect existing assets and support financial sustainability.

### Principles of the Capital Strategy

- 1. Capital Investment is a vital tool in delivering strategic priorities.
- 2. The Capital Programme will include only these schemes in accordance with the agreed criteria.
- 3. The evaluation of capital schemes for inclusion on the programme will follow an agreed process which allows scrutiny whilst not limiting innovation and adaptability.
- 4. The funding of the Capital Programme must be considered alongside the revenue budget and balance sheet position as part of the Council's Medium Term Financial Strategy (MTFS).
- 6. Capital projects will be monitored and reported to Cabinet on a quarterly basis.

### 3. Background

As part of its wider treasury management objectives the Council must have regard to the "Prudential Code for Capital Finance in Local Authorities" (henceforth to be referred to as the Prudential Code), as produced by the Chartered Institute of Public Finance & Accountancy (CIPFA). The 2017 revision of the Prudential Code introduces the requirement for authorities to produce a Capital Strategy from 2019/20. It is a live document underpinning the Council's Capital Programme and therefore will be subject to amendment.

### 4. Capital Expenditure

Capital Expenditure is that which is incurred on the acquisition, creation or enhancement of an asset. These assets can be tangible such as buildings or vehicles, as well as intangible such as software products.

### 5. The link between Revenue and Capital

Capital and revenue expenditure are separate components of local authority budgets and funding for each is considered separately. However, a vital component of successful financial planning is that revenue and capital budgets are intrinsically linked as the impact of capital expenditure must be reflected in revenue budgets. Therefore, this capital strategy should be deemed to form a key part of the authority's medium term financial planning process.

The impact and affordability of capital expenditure must be considered in the assessment of capital projects at the business case stage. Effective financial planning must fully reflect the impact of capital plans in the revenue budget.

The following table sets out some of the key impacts of capital expenditure upon the revenue budget.

### **Revenue Savings**

- Direct Income from assets
- •Reduced maintenance costs of new or improved assets
- Savings in labour costs

### **Revenue Costs**

- Running costs of new assets
- •Minimum Revenue Provision (loan principal)
- Interest costs from borrowing

As an indication of the current cost of the existing capital programme, the table below shows the capital financing costs that are already factored into the existing MTFS for 2024/25 to 2026/27 in relation to the existing and historic capital programmes:

Capital Financing Costs as % of the Net Revenue Budget for 2024/25 of £202.6m

	Capital Financing Costs	Capital financing costs as % of 2024/25 Net	
	_	Budget	
	£m	%	
2024/25	33.1	16.3%	
2025/26	34.1	16.8%	
2026/27	36.0	17.8%	

### 6. The Purpose of Capital Investment

Investment through capital expenditure may serve a number of purposes; these can typically be classified as being related to service priorities, invest-to-save projects, regeneration programme, and the planned improvement of the current investment property portfolio.

### 7. Existing Capital Priorities

Instead of inviting service directorates to bid for capital resources, a review was undertaken on the existing Capital Programme and the outcome of which was used to refresh the programme by re-profiling existing budgets where applicable into 2026/27 to form a 3-year Capital Programme in the MTFS. Any new capital allocation for 2026/27 will form part of the 2025/26 budget and MTFS process.

The criteria used for the inclusion of any new capital bids remain unchanged from previous years which is for capital to be contained within the following categories:

- 1. Life and Limb/Health and Safety.
- 2. Statutory Requirement/legislation.
- 3. Schemes fully funded by external sources.
- 4. Invest to Save Schemes (the capital expenditure must generate a revenue stream to cover the capital financing costs and make a net contribution to the MTFS).

In addition, with the approval of the Council's Corporate Plan, capital investment in the borough aims to support the delivery of our priorities to residents and businesses. The Corporate Plan includes a number of flagship actions, many of which will be supported by the investment in the Capital Programme.

The updated Capital Programme 2024/25 to 2026/27 will be approved by Cabinet and Council in February 2024.

### 8. Use of Commercial Investment

The Council took its Investment Property Strategy to Council in December 2015. Under this strategy the Council has incurred £51.1m of capital expenditure to 31 March 2023 on commercial investments. The Council acquired 7 Commercial properties, 6 of them are located outside of Harrow Borough and one in Harrow Town Centre. There is no further Capital for

Commercial Investments in the Capital Programme to be approved by Council in February 2024.

# 9. Asset Management

Asset Management is the process by which the authority considers whether its assets are appropriate to deliver the high-quality services demanded by residents. This process may identify a number of different outcomes for assets including:

- 1. Change in use to meet the demands of a service
- 2. Investment is required to improve the condition of an asset
- 2. A new asset is required to better meet the Council priorities
- 3. The need to dispose of the asset to realise its value in monetary terms

The Council will use active asset management to consider both its current asset base and its future asset base. The capital programme will be used to bridge the gap to ensure that the authority has sufficient assets in the long term.

# 10. Capital Disposals

The asset management process may determine that the value of an asset is best realised through disposal. Sale of assets should be through an open market process to determine the best value.

Cash received from a sale of a property is a capital receipt. The use of these funds is restricted to purchasing new assets or repayment of existing debt. The Council will not make decisions about the ring-fencing of capital receipts before amounts are known and the use of such receipts has been considered in the light of the Council's overall financial position.

The existing General Fund capital programme includes a limited amount of capital receipts in relation to two regeneration schemes – Haslam House and Waxwell Lane. The HRA capital programme includes assumptions on levels of right to buy receipts as well as other capital receipts.

# 11.Multi-Year Capital Projects

Capital projects deliver assets which will provide services and/or income to the Council for a number of years. As a result of the significance and complexity of a number of these projects they may take a number of years to plan and deliver.

When setting the Capital Programme Council will approve the schemes to be included, the budget for their delivery and the timescale in which they are to be achieved. Unless schemes have clearly defined development and delivery phases with separate objectives, budgets and timescales Council should be asked to approve a budget to cover the whole of the project being delivered. Approval of the entire budget at the point of inception gives certainty for the project and assists officers in ensuring delivery.

The budget for approval will include an expected cash flow projection showing how much of the anticipated project budget will be incurred in each year of the Capital Programme. Any variations in timing of cash flows between years will be reported as part of the budget monitoring process. This should be regarded as part of the normal development of a capital project.

# 12.Use of capital receipt flexibilities

In the Spending Review 2015, it was announced that to support local authorities to deliver more efficient and sustainable services, the government will allow local authorities to send up to 100% of their fixed asset receipts on the revenue costs of reform projects.

The flexibility was initially offered to the sector for the three financial years 2016/17 to 2018/19. In December 2017, the Secretary of State announced, alongside the provisional local government finance settlement, the continuation of the capital receipts flexibility programme for a further three years, covering 2019/20 to 2021/22. The flexibility has been extended on numerous occasions. In December 2023, the government announced the extension of this scheme to March 2030 and would also explore additional capital flexibility options to enable invest-to-save and transformation initiatives. There is currently a consultation on these options which will close on 31 January 2024.

Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.

Local authorities are given the power to use capital receipts from the disposal of property, plant and equipment assets received in the years in which this flexibility is offered, to spend up to 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of reform projects. Local Authorities may not use their existing stock of capital receipts to finance the revenue costs of reform

The Council signified its intent to make use of this flexibility in its final budget report to Cabinet and Council in February 2016 and has continued to do so as part of the Annual Budget Setting process in order to provide the Council with the flexibility should it be needed. To date, the following use has been made of capital flexibilities:

	£8,415,000	
2019/20	£3,100,000	
2018/19	£1,200,000	
2017/18	£1,738,000	
2016/17	£2,377,000	

The MTFS 2024/25 to 2026/27 includes a budget of £1.250m to fund the Regeneration Team. The nature of this spend meets the capital flexibility

criteria and the team will be funded under the capital flexibilities scheme in 2024/25 and 2025/26. This will be reviewed as part of the 2025/26 budget process as there will be more information on additional capital flexibility options following the consultation as detailed below.

The Department for Levelling Up, Housing and Communities (DLUHC) has recently published a call for views on new local authority capital flexibilities, which include a set of options with respect to capital flexibilities and borrowing, to be managed locally, that could be used to encourage and enable local authorities to invest in ways that reduce the cost of service delivery and provide more local levers to manage financial resources. The calls for view close on 31 January 2024. At the time of writing this report, the outcome of this is not yet known.

# Section 2 - SELECTING, APPROVING AND MONITORING CAPITAL SCHEMES

# 13. The Importance of Capital Business Cases

The processes described in the following section are to be regarded as the authority's formal procedures for setting and monitoring capital projects. This process has been developed to ensure that the Council's Capital Programme contains schemes which are in line with objectives, meet its asset management requirements and are both affordable and deliverable. This process will give elected members confidence that decisions they are being asked to make regarding the capital programme have been based on a sound system of decision making.

All capital schemes included in the Capital Programme have been the subject of an evaluation process including a business case to ensure the Council can target its capital resources effectively.

# 14. Information to be considered in Capital Decision Making

When making decisions as to which schemes are included on the capital programme the presented business case must include information on these main factors.

- (i) Financials All anticipated costs (both capital and ongoing revenue), along with any potential revenue streams must be set out. This should include risk analysis to show factors which may impact upon those numbers and where appropriate sensitivity analysis to show potential future scenarios.
- (ii) Strategic Objectives Capital schemes must meet Council priorities and the ability of a scheme to impact upon objectives must be clearly demonstrated. This should include the wider social and environmental impact of the capital project. This must be accompanied by evidence supporting the conclusions made.

- (iii) Capacity All capital schemes, even those funded by external sources, require officers within the Council to implement them and this must be considered as part of the appraisal process. Where a project requires the procuring of additional resource to deliver the scheme this detail must be included in the financial analysis.
- (iv) Deliverability The success of capital projects depends not just on the financial and non-financial resources of the Council. External factors which impact on the deliverability of the project should also be considered as part of the planning process.

# 15.Governance of the Capital Programme

This strategy sets out the governance relationship relating to the Capital Programme and the respective role of Members and Officers in relation to the decision making process. The roles of the various groups are as follows.

Decision making on the Capital Programme is likely to be an iterative and often circular process with information flowing both ways between these respective groups.

As an example the following timescale may be followed for producing the Capital Programme during the main budget setting process.

### Council

- •Formally agrees the Capital Programme
- •Receives budget monitoring reports covering financial and non-financial elements of capital schemes
- Approves commercial capital investments

### **Capital Forum**

•Allows panel a chance to comment on capital schemes before formal approval of releasing the funding approved as part of the Capital Programme

### **Corporate Team**

- Reviews Business Cases submitted
- Performs initial sift of viable schemes
- Approves proposed list of capital schemes

# Service Managers / Heads of Service

- •Identify priorities and opportunities for capital investment
- •Act as, or appoint, project managers to lead on schemes and complete outline business cases

# 16. In-Year Capital Decisions

The inclusion of projects in the Capital Programme must remain possible outside of the usual capital budget setting process where a project is being resourced by external funding, e.g. Government grant or other external funding. In order to facilitate this, the Financial Regulations allow for capital projects to be added to the capital programme where they are funded from external sources.

# 17. Monitoring Capital Projects

Effective monitoring of projects is a vital element of good capital governance.

Capital projects are often significant not only in terms of financial resources required but in terms of organisational capacity, impact upon Service delivery and reputational risk. It is therefore vital that there is sufficient monitoring carried out upon schemes to allow stakeholders to be informed of progress and for members and officers to make decisions as required.

In order to meet these requirements the Corporate Team prepare quarterly monitoring reports showing the current spend against capital projects, the forecast for the end of the financial year include the underspend or slippage into the following year at the end of each financial quarter, with an outturn report at year-end.

Cabinet receives quarterly information on the progress of capital projects as part of the quarterly finance update on revenue and capital budget monitoring

### Section 3 - FINANCING THE CAPITAL PROGRAMME

### 18. Capital Funding

There are a number of distinct sources of funding which can be utilised to finance capital expenditure. Some funding sources are ring fenced and can only be used for Housing Revenue Account capital expenditure, or a particular capital project. Consideration of funding must be made when projects are at the planning stage. No capital project will be put forward without funding having been identified to complete the project. Where capital schemes are in multiple phases, perhaps requiring an initial development phase to ensure funding for the final phases, this will be considered as part of the planning stage and clearly reported.

Capital funding cannot be used to fund revenue costs which may arise from a capital scheme such as consultant's costs on feasibility before a project is identified.

# 19. Capital Resources

# **Capital Receipts**

The sale of assets with a value of more than £10,000 generates income known as capital receipts. Legislation requires these to be spent on either new capital investment or the repayment of existing debt. The government allows some flexibility in the use of capital receipts in the form of capital flexibilities as set out in paragraph 12.

HRA Right to Buy compulsory sale of council houses generate receipts that may be retained to cover the cost of transacting the sales and to cover outstanding debt on the property sold, but a proportion of the remainder must be surrendered to Central Government. Though for 2022/23 and 2023/24 the Government has allowed LA to all receipts subject to restrictions.

All other HRA capital receipts may be retained provided they are spent on affordable housing, regeneration or paying off housing debt.

General Fund capital receipts can be retained in full. These can arise from the sale of land and buildings, vehicles, plant and equipment, and also through the repayment of loans or grants.

An active asset management planning process is needed to review the asset requirements of the Council and therefore to identify surplus assets which may be sold to generate capital receipts.

# **Prudential Borrowing**

The Council is able to borrow money on the money market or from the Public Works Loans Board (PWLB) to fund capital schemes. A preferential Certainty Rate of interest is allocated to Councils who apply for it and it is the policy of this Council to take advantage of the certainty rate each year.

For all schemes initially funded from borrowing, the Council will have to fund the repayment and interest costs as there is no longer any central government "supported borrowing" allocations and related revenue support.

The Council is only able to borrow for Prudential Borrowing, under the guidance contained in the CIPFA Prudential Code whereby, in summary, the Council is required to ensure that all borrowing is both prudent and affordable. All schemes funded from prudential borrowing are approved by full Council. As part of the Treasury Management Strategy each year full Council approves a limit for affordable borrowing and capital schemes will be considered in the light of that limit.

# 20.External Funding Sources

# **Capital Grant from Government or Government Agency**

Central government and government agencies provide capital grant funding that can be either ring fenced, or non-ring fenced. Examples of ring-fenced grants that the Council has received are disabled facilities grants (DFG's) and Transport for London (TfL) funding.

# **Community Infrastructure Levy (CIL)**

Any monies received from developers for infrastructure from the Community Infrastructure Levy will not be allocated to a specific service but will be allocated under the CIL arrangements ("the Regulation 123 List") in line with Council's capital scheme priorities.

The process for allocating CIL funds will be in accordance with the process agreed by Cabinet.

The Community Infrastructure Levy (CIL) enables the council to raise funds for infrastructure from new development. It is levied on the net increase in floor space arising from new developments and is paid when that development starts. The Community Infrastructure Levy (CIL) is a tool for local authorities to support the development of their area by funding the provision, improvement, replacement, operation or maintenance of infrastructure. However the focus of CIL is on the delivery of new infrastructure to meet and mitigate the impacts of new development in an area.

CIL receipts can be used to fund a wide range of infrastructure including transport, schools, health and social care facilities, libraries, play areas, green spaces and sports facilities. Harrow's list of strategic infrastructure requirements known as a Regulation 123 list is shown below:

### Regulation 123 List

The following table comprises Harrow Council's Regulation 123 List. It includes the strategic infrastructure that the Council currently considers it is likely to apply CIL revenues to. The Regulation 123 List will be kept under review and may change depending upon the following:

- · Changes to local or national funding streams in respect of CIL eligible infrastructure; and
- The requirements of the regulations governing the level of the "meaningful proportion" of CIL that is to be passed to local communities.

Infrastructure currently considered likely to benefit from the application of CIL funding			
Education facilities	Early years, primary and secondary schools		
Health services	GPs, acute healthcare		
Social care	Supported accommodation		
Emergency services	Police, Ambulance and Fire Services		
Cultural and community facilities	Libraries and community halls		
Improvements to public open space	Parks, natural green space, civic space and		
	green corridors and green grid		
Improvements to biodiversity			
Public recreation and leisure facilities	Neighbourhood and Youth Play space, sports and leisure centres, swimming pools and playing pitches		
Cemeteries and burial space			
Strategic transport facilities	Roads, buses, cycling, rail and underground		
Strategic flood mitigation			
	•		

Of all CIL monies collected, 85% is used to fund strategic borough wide infrastructure projects, which includes a 5% allowance to cover the administrative costs of CIL. The decisions on where to spend CIL at a borough-wide level is determined by the Council. The remaining 15% is allocated to Neighbourhood CIL (NCIL) and must be spent on projects that have taken

account of the views of the communities in which the income was generated and these projects should support the development of the area.

In 2017, the principle was adopted by the Major Development Panel (14<sup>th</sup> November 2017) and Cabinet (7<sup>th</sup> December 2017) that the allocation of Borough and Neighbourhood CIL is included as part of the Annual Budget Setting process and included in the Capital Programme report which goes to Cabinet in draft (in December each year) and in its final version in February (this report). In agreeing the Borough CIL allocations process, Cabinet also indicated that this should be informed by the Harrow Local Plan, Infrastructure Delivery Plan (IDP), corporate priorities and external funding opportunities.

In this regard, a new Local Plan is currently being prepared and this will be informed by an updated IDP (due mid-2024). The IDP will provide an up to date assessment of infrastructure required to support the development envisaged in the new Local Plan, including the increased housing targets set by the London Plan. In this context, it is considered prudent not to fully allocate current BCIL balances / anticipated receipts as the forthcoming IDP may identify infrastructure needs that would benefit from BCIL to ensure timely provision.

In terms of the Neighbourhood element of CIL (NCIL) a review of the process was undertaken during 2022/23, and the outcomes and recommendations were presented to Cabinet in February 2023. A new process of NCIL allocation and project delivery is now in place.

The Borough CIL element will be used to fund the core Capital programme and can be considered as a funding source for new capital bids as well as existing projects in the Capital programme. Considerations should also be given on the allocation of BCIL funding while the updated IDP and Harrow Local Plan are being prepared.

In addition to the principles already reached on how CIL funding should be used to fund the capital programme, in light of the budget gaps in future years, it was recommended by Cabinet in December 2018, that CIL should be **first** be applied to any schemes in the existing capital programme rather than applying it to new schemes. The rationale for this is that if applied to schemes that are currently funded from borrowing, by funding from CIL instead, this will reduce the existing capital financing costs.

# **Section 106 Agreements**

Developer consents may attract Section 106 funding to spend on a particular asset or site as an alternative to CIL.

# Capital contributions from partner organisation

When capital projects are devised it is open for project managers to invite funding from a range of partner organisations.

### Revenue contributions

Services who are leading a capital project may make savings within their revenue budgets during a particular year and in some circumstances use that saving to part-fund a capital project.

# 21. Policy on use of Capital Funding

The Council will look to use external funding sources where possible to meet the funding requirements of its capital programme.

Where the use of Council resources is required the authority will look to utilise reserves, revenue funding or capital receipts as these create no long term revenue cost implications on the Council.

Borrowing will be used as the last possible source of funding and should be restricted only to those schemes which generate sufficient savings or income to meet the costs of interest and the Minimum Revenue Provision.

Any borrowing incurred to support the provision of new build housing within the Housing Revenue Account must be demonstrated to be affordable over a period of 30 years.

# 22. Relationship between Capital Strategy and Treasury Management

Treasury management refers to the processes of managing and reporting on the Council's performance in matters of investment and borrowing.

The Council's policy on Treasury Management has numerous links to the Capital Strategy. It is not intended that this Strategy replace the reporting requirements of the Treasury Management Strategy and includes a summary of the major points of that strategy and associated governance processes.

Key Treasury decisions are the responsibility of full Council and are contained within the Treasury Management Strategy.

### These include:

- 1. Approved limits on borrowing
- 2. Limits for investment types and counterparty limits
- 3. Planned capital expenditure
- 4. Estimates for the future Capital Financing Requirement
- 5. Policy on the Minimum Revenue Provision

Detailed discussion on these matters is delegated to the GARMS Committee who then makes recommendations to Cabinet. The key impact of a capital programme using borrowing is the creation of a "Capital Financing Requirement" (CFR). The CFR represents the need to borrow external funds as a result of expenditure funded through borrowing. Having a CFR creates the need for a Minimum Revenue Provision (MRP), a sum to be put to one side each year from the General Fund for repayment of debt.

The Council's MRP policy is to make provision for the repayment of debt equally over the life of the asset that the borrowing relates to. The GARMS Committee receive at a minimum a mid-year monitoring report for Treasury management and an end of year outturn report. Where circumstances require, such as a material fall in the value of investments, a report would be prepared and presented to the next meeting of the Committee by the S151 Officer.

### **Section 4 - RISK MANAGEMENT**

# 23. Embedding Risk Management in the Capital Programme

The Capital Strategy must be considered alongside the principles of risk management. Risks are inevitable within a capital programme, as with all aspects of Council operations, and effective management of risk is a vital part of the capital strategy.

The types of risk the authority is exposed to in the Capital Programme are

summarised below: ☐ Financial Risk – The risk of significant cost overruns or commercial investments not performing as expected. The authority has a low appetite for this risk as it would impact upon available resources. Mitigation will be in the form of close scrutiny of capital spending through the budget monitoring process. ☐ Strategic Risk – The risk of not delivering key Council priorities or projects. Mitigation will be in the form of careful selection and planning of capital projects before commencement and project managers reviewing project progress and taking corrective action where necessary. Major changes in the outcomes of schemes will be reported to the appropriate Committee. ☐ Governance risk — The risk of capital spending decisions not being appropriately considered and decisions not being made at the correct level. Mitigation is the governance principles contained within the capital strategy. ☐ Resourcing risk – The risk that insufficient funds are available to fund the capital programme or that the incorrect type of funds is applied to capital

### 24. Knowledge and Skills within the organisation

The Property Services team has officers of multiple disciplines who are experienced at leading capital projects, managing the Council's property portfolio and working within the local property market. They have experience of dealing with acquisitions, disposals, new commercial and residential development and redevelopment of brownfield sites.

projects. This is mitigated by the financing of capital projects being reviewed

by the S151 Officer as part of the budget setting and the outturn.

The Finance team are involved in the development and monitoring of the Capital Programme. They have many years of experience in managing local authority capital programmes.

Legal Services will be provided by the Council's in-house legal team who will form a key part of the decision making around Capital projects. All solicitors are required to complete an annual Statement of Competence to the regulatory body to ensure any professional training needs are identified and addressed.

Where necessary external advice may be sought for all types of financial, property and legal advice. These costs, or at least appropriate estimates, will be included in the business cases of capital schemes.

Officers will work with members to ensure that training needs for elected members are appropriately identified. As a minimum annual training will be provided around the Treasury Management Strategy.

# **Glossary of Terms**

- 1. **Annuity** method of repaying a loan where the payment amount remains uniform throughout the life of loan, therefore the split varies such that the proportion of the payment relating to the principal increases as the amount of interest decreases.
- 2. **Bail-In** previously, in response to the banking crisis, some governments used taxpayer funds to support banks in danger of failing. The European Union's Banking Recovery and Resolution Directive (BRRD) requires that, in future, 'bail in' will be applied in such a scenario; this means that after shareholders' equity, depositors' funds comprising balances over c£85k will be used to support the bank at risk. The £85k threshold is not available to local authorities and therefore all unsecured deposits with banks and building societies will be at risk of 'bail in'.
- 3. **Base Rate** minimum lending rate of a bank or financial institution in the UK
- 4. **Bond** a government or public company's document undertaking to repay borrowed money usually with a fixed rate of interest.
- 5. **Capital Expenditure** spend on major items e.g. land and buildings, which adds to and not merely maintains the value of existing fixed assets.
- 6. **Capital Grants** specific targeted grants to cover capital spend
- 7. **Capital Receipts** the proceeds from the disposal of land or other assets. Capital receipts can be used to fund capital expenditure but cannot be used to finance revenue.
- 8. **CIPFA** the Chartered Institute of Public Finance and Accountancy, is the professional body for accountants working in Local Government and other public sector organisations, also the standard setting organisation for Local Government Finance.
- 9. **Counterparty** an institution (e.g. a bank) with whom a borrowing or investment transaction is made.
- 10. **Credit Rating** an opinion on the credit-worthiness of an institution, based on judgements about the future status of that institution. It is based on any information available regarding the institution: published results, Shareholders' reports, reports from trading partners, and also an analysis of the environment in which the institution operates (e.g. its home economy, and its market sector). The main rating agencies are Fitch, Standard and Poor's and Moody's. They analyse credit worthiness under four headings:
- 11. **Short Term Rating** the perceived ability of the organisation to meet its obligations in the short term, this will be based on measures of liquidity.

- 12. **Long Term Rating** the ability of the organisation to repay its debts in the long term, based on opinions regarding future stability, e.g. its exposure to 'risky' markets.
- 13. **Individual/Financial Strength Rating** a view of the likelihood, in the case of a financial institution failing, that its obligations would be met, in whole or part, by its shareholders, central bank or national government.
- 14. **Legal Support Rating** a view of the likelihood, in the case of a financial institution failing, that its obligations would be met, in whole or part, by its shareholders, central bank, or national government. The rating agencies constantly monitor information received regarding financial institutions, and will amend the credit ratings assigned as necessary.
- 15. **DMADF and the DMO** The DMADF is the 'Debt Management Account Deposit Facility'; this is highly secure fixed term deposit account with the Debt Management Office (DMO), part of Her Majesty's Treasury.
- 16. **EIP** Equal Instalments of Principal, a type of loan where each payment includes an equal amount in respect of loan principal is eroded, and so the total amount reduces with each instalment.
- 17. **Gilts** the name given to bonds issued by the UK Government (i.e. the loan instrument by which the Government borrows). Gilts are issued bearing interest at a specified rate, however they are then traded on the markets like shares and their value rises or falls accordingly. The Yield on a gilt is the interest paid divided by the Market Value of that gilt, e.g. a 30 year gilt is issued in 1994 at £1, bearing interest of 8%. In 1999 the market value of the gilt is £1.45.The yield on that gilt is calculated as 8%/1.45 = 5.5%.
- 18. Lender Option Borrower Option (LOBO) LOBOs are a long term borrowing instrument commonly used by banks. It is an alternative lender option to the Government's Public Works Loan Board. In simple terms the instrument gets its name because the lender has an option to set revised interest rates at predetermined dates, and at which point the borrower has the option to accept the revised rates or pay the debt in full without penalty.
- 19. **Liquidity** Relates to the amount of readily available, or short term, investment money which can be used for either day to day or unforeseen expenses. For example Call Accounts allow instant daily access to invested funds.
- 20. **Market –** The private sector institutions e.g. banks, building societies.
- 21. **Maturity** Type of loan where only payments of interest are made during the life of the loan, with the total amount of principal falling due at the end of the loan period.
- 22. **Minimum Revenue Provision (MRP)** A statutory amount charged to the Council's revenue account for the provision to repay the loan principal on debt undertaken to finance the Capital Programme. For the Council this is

- done on a straight line basis in-line with the asset life and commences the financial year after the asset is operational.
- 23. **Monetary Policy Committee (MPC)** group that sets the bank base rate for the Bank of England.
- 24. **Money Market Fund (MMF)** A highly diversified pooled investment vehicle whose assets mainly comprise of short term instruments.
- 25. **Multilateral Development Banks (MDB)** these are supranational institutions set up by sovereign states, which are their shareholders (e.g. European Investment Bank). Their remits reflect the development aid and cooperation policies established by these states.
- 26. **Policy and Strategy Documents** Documents required by the CIPFA Code of Practice on Treasury Management in Local Authorities. These set out the framework for treasury management operations during the year.
- 27. **Public Works Loans Board (PWLB)** a central government agency providing long and short term loans to Local Authorities. Rates are set daily at a margin over the Gilt yield (see Gilts above). Loans may be taken at fixed or variable rates and as an Annuity, Maturity, or EIP loans (see separate definitions) over periods of up to fifty years. Financing is also available from the money markets, however because of its nature the PWLB is generally able to offer better terms.
- 28. **Sterling Overnight Index Average (SONIA)** Replacement for LIBOR (London Interbank Offered Rate) which was calculated based on estimates of interest rates at which banks would lend to one another. SONIA is a risk free overnight interest rate based on actual transactions and reflects the interest rate that banks pay to borrow sterling overnight from other financial institutions and other institutional investors.
- 29. **Yield** The amount in cash (in percentage terms) that returns to the owners of an investment e.g. interest earned from a deposit.



Report for: Cabinet

Date of Meeting: 15 February 2024

Subject: Corporate Plan 2023-26: Review of first

year and Flagship Actions 2024/25

**Key Decision:** Yes

Responsible Officer: Alex Dewsnap, Managing Director

Portfolio Holder: Councillor Paul Osborn, Leader of the

Council and Portfolio Holder for Strategy

**Exempt:** No

**Decision subject to** 

Call-in:

Yes

Wards affected:

**Enclosures:** Appendix 1 - Corporate Plan

# **Section 1 – Summary and Recommendations**

This report reviews progress on the first year of the Corporate Plan 2023-26 and introduces the Flagship Actions for 2024/25.

# **Recommendations:**

Cabinet is requested to:

- 1. Consider the progress made in the first year of the Corporate Plan 2023-26;
- 2. Recommend the Corporate Plan and new Flagship Actions for 2024/25 to Council:
- 3. Authorise the Managing Director, in consultation with the Leader of the Council, to make any minor amendments to the plan as necessary prior to the matter going to Council;
- 4. Agree to receive a report in the first quarter of 2024/25 outlining the key performance indicators for each of the priorities with their targets for the 2024/25 year; and
- Agree to continue receiving a quarterly performance report which will track the delivery against the three Corporate Priorities, based on the key performance indicators (see recommendation 4 above), and progress against the Flagship Actions.

# Reason: (for recommendations)

To set part of the policy framework for the council.

# **Section 2 - Report**

# Introductory paragraph

Harrow Council launched its corporate plan and strategy in February 2023. This three-year strategy set out how the council would restore pride in Harrow by prioritising putting residents first, working to create a clean and safe borough and supporting those in need. These priorities are being used to make decisions at the council and to drive the services we deliver.

Our strategy identified how we planned to deliver these priorities and the action we would take during 2023/24 through a series of Flagship Actions. These Flagship Actions – a set of specific measurable priority actions which will be refreshed each year - bring the commitments that we have pledged to life and serve to respond to the things that matter most to residents.

We committed to publishing additional actions each year of our three-year strategy, reflecting the council's direction of travel and ambitions. These

Flagship Actions will be real-life benefits that can be felt across the borough and restore pride in Harrow.

As we come to the end of the first year of our strategy, this report reviews the progress made on the Corporate Plan through both the delivery of the first year of the Flagship Actions and the other key areas of delivery. It then outlines the key deliverables and Flagship Actions for the forthcoming year, 2024/25. By priority area, these are:

# A council that puts residents first

- Improve our website to make it easier for you to access information and council services, using mobile technology to deliver a more personal service.
- 2. Bring services to our communities by launching a new pilot Customer Services access kiosk at one of our libraries.
- 3. Move forward with our regeneration plans for well-designed family sized homes by submitting the planning application for Byron Quarter phase one.
- 4. Make housing more affordable in Harrow by delivering more than 50 affordable homes built on council sites.
- 5. Complete over 200 new kitchens and bathrooms to council owned homes.
- 6. Consult on our Draft Local Plan which sets out our long-term vision for Harrow. Take residents' views and outcomes from the consultation to produce an updated Local Plan within 2024/25. This will include housing, economic growth, community facilities, infrastructure, the environment, climate change adaptation, and good design.
- 7. Protect the heritage of Harrow further by formally designating at least two Local Areas of Special Character.
- 8. For the first time, we will recruit 2 graduates as part of the National Graduate Scheme
- 9. Offer a variety of new work experience placements within the council including to 3 Harrow students in higher education.
- 10. Start the work to enhance Harrow Town Centre, making it a better-connected, more accessible, and sustainable space with new workspaces by March 2025.

# A borough that is clean and safe

- Establish flood alleviation measures in Chandos Recreation Ground to reduce the risk of flooding in the local community and bring it up to the standard required for Green Flag status. In addition, we will prepare another 2 parks or open spaces for Green Flag accreditation by 2026.
- 2. Create a culture of recycling in the borough. Delivering at least 7 recycling events in our schools and with community partners to support residents, and delivering at least 3 TRAID events in the borough to reduce waste by recycling and reusing more.
- 3. Begin to install the Harrow to Pinner cycleway. We will engage with our residents and businesses to create a well-used scheme that works for the local community.
- 4. Identify 3 locations for new habitat banks and enhance biodiversity in Harrow's parks and open spaces.
- 5. Deliver year two of the council's electrical testing and safety programme and achieve (100%) compliance on council housing.
- 6. Make our council homes and public buildings more sustainable and cheaper to run. We will do this by retrofitting 80 council homes to bring them up to an EPC C rating; installing solar panels at 5 schools and council buildings; and installing ground source heat pumps at 2 sheltered housing schemes.
- 7. For the second year running, install a further 200 EV residential charging points in the borough, with at least 5 of these being ultra-rapid charging points (subject to installation requirements).
- 8. Reduce anti-social behaviour in 4 hotspot areas by working with the police and other partners at a series of Days and Nights of Action.
- 9. Launch a new Pothole Squad using new technology to detect and fix more potholes quickly and at a lower cost.
- 10. Create a task force to take action against people who make our borough dirty and unsafe and implement neighbourhood street-cleaning crews who know their local area and the community.

# A place where those in need are supported

- 1. Implement the skills and employment offer from the council for our most vulnerable young people to young people with SEN and care leavers, offering a minimum of 5 apprenticeships or work placements within council services in 2024/25.
- 2. Expand the scope of the Conversation Café to enable residents' easier access to council information and advice on services within the borough.
- 3. Pilot an offer around digital inclusion for residents which helps them access a range of council services.
- 4. As we roll out our new model of Family Hubs, further integrate housing and other vital services for families.
- 5. Launch a health and wellbeing charter for schools and families to take action together against the negative impacts of childhood obesity 75% of all primary schools to have signed up within the year.
- 6. Get Harrow Moving through a series of themed walking trails in our parks, with 500 new walkers signed up for the walks in 2024, of which at least 400 take part in more than one walk.
- 7. Purchase up to 25 further homes to provide temporary accommodation to homeless families in Harrow.
- 8. Enable greater digital inclusion by supporting 100 learners to gain digital skills (Beginners to Level 3).
- 9. Deliver 60 extra care units for older people at the former Kodak site.
- 10. Consolidate and launch the new models and criteria for our Neighbourhood Resource Centres, with Kenmore and Vaughan NRCs going live in April 2024 and the New Bentley Health and Well Being Centre going live late Autumn with an official launch in January 2025.

# **Options considered**

- 1. Do not continue with Corporate Plan 2023-26
  This option is rejected as it does not support the need for strategic planning that will ensure that the Council's resources are aligned to support the delivery of the agreed vision and priorities.
- Continue with Corporate Plan 2023-26 with adoption of new Flagship Actions for 2024/25
   This option is recommended.

### Ward Councillors' comments

Not applicable.

### **Performance Issues**

Performance is tracked via the Strategic Performance Report which Cabinet receives every quarter. This report reflects progress against the key performance indicators and Flagship Actions under the three corporate priorities set out in the Corporate Plan. Quarterly Performance Boards involving Cabinet members and senior officers consider latest performance indicators and progress against Flagship Actions and the Corporate Improvement Programme (which is the programme of internal Council improvements) every quarter as well.

Work with Scrutiny Lead Members is underway to develop an independent overview of performance and this will be in place from early 2024.

There is a golden thread through the corporate plan to the setting of objectives for council staff and annual appraisals. Staff's work objectives link to the council priorities and, where appropriate, the Flagship Actions for the current year.

# **Environmental Implications**

The Corporate Plan, and the Flagship Actions detailed within it, are important in raising the profile of the council's environmental considerations as one of priorities for the borough. One of the priorities is for a borough that is clean and safe.

# **Data Protection Implications**

None.

# **Risk Management Implications**

Risks included on corporate or directorate risk register? Yes

Separate risk register in place? No

The relevant risks contained in the register are attached/summarised below. **N/A** 

The following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
The Corporate Plan fails to deliver the Council's agreed vision and priorities.	<ul> <li>The actions in the Plan were identified and formulated through consultation with the appropriate Portfolio Holder and relevant council officers. This included an assessment of financial viability and timescales for deliverability.</li> <li>Consultation undertaken took place via a number of Directorate Management Team meetings, Cabinet/CLT discussions, individual briefings with Portfolio Holders and also 1:1 discussions with officers</li> </ul>	GREEN
The Corporate Plan is unachievable.	<ul> <li>Delivery against the Corporate Plan is routinely reviewed by Cabinet members and the Corporate Leadership Team (CLT).</li> <li>The monthly monitoring of progress against the corporate priorities and the Flagship Actions enables adjustments or remedial action to be taken.</li> <li>The Corporate Plan and the Flagship Actions are aligned to the MTFS and will be delivered within the council's available resources.</li> </ul>	GREEN

# **Procurement Implications**

There are no direct procurement implications arising from the recommendations set out in this report. However, any procurement that is required to deliver the actions detailed in the Corporate Plan will be conducted consistent with the Public Contract Regulations 2015 and the Contract Procedure Rules and will be supported by the Corporate Procurement Team.

# **Legal Implications**

Article 3 of the constitution sets out the policy framework of the council. The Corporate Plan is a plan that should be approved by Council.

# **Financial Implications**

The majority of flagship actions in the Corporate Plan are aligned to the MTFS and some are dependent on other funding streams, either within the Council or external. A number of the Flagship Actions will be delivered through the projects included in the Final Capital Programme 2024/25 to 2026/27.

# **Equalities Implications / Public Sector Equality Duty**

Decision makers should have due regard to the Public Sector Equality Duty in making their decisions. The equalities duties are continuing duties, they are not duties to secure a particular outcome. The equalities impact will be revisited on each of the proposals as they are developed. Consideration of the duties should precede the decision. It is important that Cabinet has regard to the statutory grounds in the light of all available material such as consultation responses. The statutory grounds of the Public Sector Equality Duty are found at section 149 of the Equality Act 2010 and are as follows:

A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- (c) Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) Tackle prejudice, and
- (b)Promote understanding.

Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

The relevant protected characteristics are:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race

- Religion or belief
- Sex
- Sexual orientation
- Marriage and Civil partnership

The Corporate Plan supports delivery of our equalities duties across the borough. One of the key priorities of the plan is to have a borough that is a place where those in need are supported. In order to achieve this, multiple datasets support identification of those groups who are not experiencing the same level of outcomes as others, enabling specific and targeted plans to be developed over the 3-year delivery window to improve outcomes.

# **Council Priorities**

The Corporate Plan, by its very nature, details how the council intends to deliver on each of its priorities:

- 1. A council that puts residents first
- 2. A borough that is clean and safe
- 3. A place where those in need are supported

The Flagship Actions are positioned within the council priorities.

# **Section 3 - Statutory Officer Clearance**

**Statutory Officer: Sharon Daniels**Signed by the Chief Financial Officer

Date: 26 January 2024

**Statutory Officer: Caroline Eccles**Signed on behalf of the Monitoring Officer

Date: 25 January 2024

Chief Officer: Alex Dewsnap Signed off by the Managing Director

Date: 24 January 2024

**Head of Procurement: Nimesh Mehta** 

Signed by the Head of Procurement

Date: 24 January 2024

**Head of Internal Audit: Neale Burns**Signed on behalf of the Head of Internal Audit

Date: 25 January 2025

# Has the Portfolio Holder(s) been consulted? Yes ⊠

# **Mandatory Checks**

Ward Councillors notified: NO, as it impacts on all Wards

**EqIA** carried out: NO

No Equality Impact Assessment is required at this stage and impact assessments will be carried out during the development of associated priorities.

EqIA cleared by: N/A

# Section 4 - Contact Details and Background Papers

**Contact:** Nahreen Matlib, Senior Policy Officer,

nahreen.matlib@harrow.gov.uk

Background Papers: None.

Call-in waived by the Chair of Overview and Scrutiny Committee: No

# Our strategy for Restoring Pride in Harrow 2023-26

One year review

# Leader's foreword

[to be inserted]

Cllr Paul Osborn Leader, Harrow Council

# Our Borough – Harrow in numbers \*\*Infographic to be added in final designed version\*\*

- Harrow has 261,300 residents
- 51% of our population are female, compared to 49% who are men
- 64% of Harrow's population come from a Black, Asian, and Multi-ethnic background
- Average age of Harrow residents: 38 years
- Half of the council's workforce live and work in Harrow
- 169 languages spoken in Harrow schools
- 93% of schools are rated good or outstanding by Ofsted
- Third lowest unemployment level in West London
- 94% of companies in Harrow are micro-businesses employing less than 10 people
- 15 minutes to central London by train
- 6 Green Flag parks
- One of the safest London Boroughs (along with Richmond and Wandsworth)
- Average house price of £581,321
- Life expectancy of 82.1 years for men and 85.7 years for women
- 10% of Harrow's population have diabetes
- More than 2 and a half million (2,781,213) free hours of parking used by residents in 2023
- Number of visits to the recycling centre throughout 2023 was 175,181

# Vision and priorities

# **Restoring Pride in Harrow**

In February 2023 we launched our corporate plan outlining how the council would restore pride in Harrow. We identified three priorities, to set out how we would restore pride in Harrow, to make decisions and to drive the services we deliver. These priorities are:



The corporate plan set out the actions we would take during 2023/24 through a series of Flagship Actions to deliver these three priorities and restore pride in Harrow. These Flagship Actions bring the commitments that we have pledged to life and serve to respond to the things that matter to you, our residents, the most.

We committed to publishing additional actions each year of our three-year strategy, reflecting this administration's direction of travel and ambitions. These Flagship Actions are real-life benefits that can be felt across the borough and restore pride in Harrow.

As we are coming to the end of the first year of our strategy, we use this opportunity to reflect on progress made through our initial Flagship Actions (2023/24) and introduce those for the forthcoming year (2024/25).

### Our customer ethos

In July 2022 we approved at Cabinet a new Customer Experience Strategy and Action Plan and through this we established a new Customer Ethos for the Council, setting out how we will proactively respond to residents, strive to act as a single organisation and deliver quality services to our residents.

We want Harrow to be a great place to live, work and visit, a place where people are proud to call home, feel safe and supported and where communities flourish.

Putting residents first is at the heart of everything we do. Within this lies a commitment to deliver services and experiences where the wellbeing and needs of our residents are met and are of a high standard.

Building on trust and communications will form even stronger relationships within the community. This will allow us to take great strides in our vision to restore pride, keep our borough clean and safe and support our most vulnerable residents.

By working together with our partners and community groups we can enrich the lives of residents and visitors.

# Looking back at the last year

We have made great strides since the launch of our corporate plan last year. We committed to improving our organisation and the way we deliver services to our communities and residents. We also invited a Peer Review Challenge from the Local Government Association in February 2023. Their reflections on how the council is progressing and how it can transform further reinforced our direction of travel and have been aligned into our overall improvement journey. This enables the organisation to be more productive and continue to deliver against the backdrop of financial and resource challenges.

For a borough that puts resident first we are responding to 90% of complaints in 15 working days. Our new consultation platform, MyHarrow Talk, is now much easier for residents to have their say on key decisions in Harrow. Since its launch, more than 24,000 people have visited the site and almost 3,000 people have responded to our consultations (15 held since we launched). Critical to meeting local needs is engaging and working together with local groups, and external stakeholders, including our Voluntary and Community Sector and faith organisations.

To protect our suburbs from tall buildings, we adopted the Supplementary Planning Documents and a new planning portal now gives residents better access to information on proposed developments and more opportunities to have their say. To further demonstrate our

commitment to regeneration across the borough, in January we agreed business cases to develop key council sites through the Harrow Strategic Development Partnership.

In making Harrow a place that is clean and safe, over the last year we have developed strategies to address our climate and sustainability commitments, and some of this is evidenced in our new Flagship Actions.

Over the last twelve months, lots of work has taken place to deliver our key priorities. We have retained our 6 Green Flag Parks and Headstone Manor has separately won an award at the 2023 British Association of Landscape Industries (BALI) National Landscape Awards for nature conservation and biodiversity enhancement.

We launched a new witness appeal campaign for fly-tipping using the newly installed mobile CCTV cameras and our brand new CCTV room. Our new recycling team started in October making a significant impact on educating and reducing contamination in our dry recycling. Two planning Days of Action took place to demolish structures and illegal extension with no planning permission. A 3-year partnership community safety strategy was approved to tackle crime in the borough. This includes a series of Weeks of Action for which we have successfully delivered 3 across our hotspot areas. Our joint partnership work with the police has also seen a sharp decline in catalytic converter offences in the last 18 months. 2023 saw a massive drop in these offences, from 407 (December 2022) to 49 (December 2023).

For a borough that supports those in need, we are transforming our offer for children's and adults' services in collaboration with statutory and key partners to make things more joined up for our residents. We have built this into our wider improvement plans to ensure a consistent approach across all sectors that deliver key services.

Last year we launched our carers' strategy which sets out how we support carers. Through this, we have successfully piloted the Conversation Café which helps unpaid carers but is also used as a tool where officers across the council go directly to the very people who need support, and in doing so, resolving their issues in a way we have never done before. We are also supporting local businesses in need of support through employment schemes, networking opportunities and our Harrow Means Business event. We have delivered Make Every Contact Count training to our frontline officers and councillors, which allows us to work in a more joined up way to use opportunities during every day interactions with residents, thinking about how we can make positive improvements to their health and wellbeing. We have also helped 6 apprentices successfully move into permanent roles as social workers, a further boost to help our residents most in need of support.

Without a talented workforce, we would not be able to deliver the hundreds of services we offer residents. Our recent staff awards recognised the great passion, dedication and achievements of staff in areas such as those involved in securing Green Flag parks,

creating the Conversation Café, delivering customer excellence through resolving resident enquiries efficiently and also our commitment to apprenticeship opportunities.

# Looking ahead to 2024/25

While this one-year review of the corporate plan looks back at some of our achievements over the past year, we will continue to drive forward our longer-term ambitions through a range of issues that matter to residents.

As a council that puts residents first, we have bold ideas for regeneration in the borough, including redeveloping well-known councilowned plots of land in the heart of Harrow, contributing to the sustainable development of Harrow, fostering a vibrant and inclusive community within the heart of Harrow. We will also be developing a Local Plan for Harrow which will work in partnership to set the context and vision for the borough's infrastructure and wider regeneration.

Our work to transform our children's and adult's services will continue over the next year. We will build on our strong local partnerships and working in a streamlined way with providers to ensure an integrated approach to deliver better outcomes for all those who live in Harrow.

Next year will see exciting plans for our leisure offer across the borough. We will ensure that residents receive the best possible sport and leisure provision through our re-tendering of services at our three leisure sites at Harrow Leisure Centre, Hatch End Swimming Pool, and Bannister Sports Centre and looking at future investment in leisure facilities. This year, we have refurbished 36 tennis courts - next year we will work with the Council's tennis operator to increase participation at these courts in our parks. We are also planning to develop community outreach with our leisure operator, Everyone Active, to better reach people who are currently inactive and not able to access the council's leisure centres.

In fulfilling the ambitions of this corporate plan, there are a number of internal drivers that will enable the council as an organisation to deliver better outcomes for residents. We have developed a workforce development strategy which seeks to ensure all staff have the skills and competencies needed to deliver high quality services for residents. This is supported by better technology and systems, as we embrace new innovative ways of working.

We are preparing a new Customer Experience strategy for 2024-26 which will build on our successful work over the last couple of years in this area and launch in Summer. This will include further work on the website to improve personalisation and optimise mobile phone functionality; improve access through traditional channels such as face-to-face and telephony; make the most of new IT system

replacements and further reduce the need to make contact with the council unnecessarily. There is a golden thread through the council's priorities and the staff objectives that staff look to achieve every year. Over the past year we have embedded performance systems to capture and track our progress on the corporate priorities to ensure we improve services for our residents. This includes performance indicators relating to the Flagship Actions and our Corporate Improvement Programme. The council summarises progress against its plans through our quarterly Strategic Performance Report which is our public report on performance. We will continue to monitor the delivery of our corporate priorities as part of our corporate performance monitoring system.

# Our Priorities for Residents – review and forward look

# 1. A council that puts residents first

With council services that are easily accessible and effective, promises that are delivered upon, clear customer service standards and improved communications we will put residents first and restore pride in Harrow.

Our 2023/24 Flagship Actions were to:

1. Install full fibre internet to all council homes and include Grange Farm Community Hall and Northolt Road Community Hall by the end of March 2024, helping our council tenants be more connected.

1,496 out of 6,658 council premises have been connected. Due to external factors beyond the council's control the programme was halted. However, we now anticipate that full fibre to premises across the borough will be complete in 2026.

2. Launch a new consultation platform called 'My Harrow Talk', keeping the views of residents at the heart of decision making

MyHarrow Talk, our new consultation platform, launched in Spring 2023 making it easier for residents to have their say on how we make decisions in Harrow. Since its launch, we have had more than 24,000 visitors to the site. 15 consultations have been run on this platform with 10,200 visitors looking at information provided and some 2,873 have contributed responses to the consultations.

3. Deliver a new planning website by the end of the summer, making it easier for our residents to apply or look up and comment on planning applications.

Launched in September, a new planning portal is now available, giving residents better access to information on proposed developments and more opportunities to have their say.

4. Adopt new planning protections to restrict tall buildings in our suburbs and better control conversions from houses into flats to preserve the character of Harrow.

In July 2023 following a public consultation we adopted Supplementary Planning Documents setting out that Harrow wants to keep its predominantly low-rise suburban character, with more height permitted in the town centre and Wealdstone.

- 5. Create safe and secure cycle parking at Harrow on the Hill station by May 2024, encouraging more active travel and healthier lifestyles.
- 6. Rollout the first car parking spaces for car clubs in our car parks by May 2024, helping reduce the number of cars and emissions on our roads by giving residents easier access to cars when they need it, at a reasonable rate.

We are working hard to create safe and secure cycle parking at Harrow on the Hill station and rollout the first car club parking spaces in our car parks. We are making good progress to achieve this and there will be further reporting on this in due course.

7. Respond to 90% of complaints in 15 working days, improving our responsiveness and customer experience.

We have made great strides to achieve our target of responding to 90% of complaints in 15 working days. Within the first 6 months 93% of stage one complaints were handled in 15 working days.

8. Improve our website to create a more personalised service through the MyHarrow Account, the ability to track progress of reported items online and enhance the customer experience.

We have improved our website to enhance the customer experience. Residents now have access to up-to-date information across various services including waste, planning and parking.

# 2. A borough that is clean and safe

We committed to improving the quality of our public spaces by taking action against those who make Harrow feel unsafe and dirty. To improve our public spaces, we also pledge to invest in our parks and open spaces, and encourage active and sustainable travel. By supporting local businesses and high streets through challenging times we pledge to make Harrow a destination for shopping and socialising.

Our Flagship Actions for 2023/24 were to:

1. Deliver Phase One of the Grange Farm estate regeneration – Harrow's largest estate regeneration – by the end of 2023, delivering 89 quality affordable homes. By April 2024 we will determine the planning application for Phase Two.

Late in the summer of 2023, the first tenants moved into their new homes, a mix of town houses and apartments on Grange Farm estate in South Harrow.

There are new timelines for Phase 2 of the Grange Farm regeneration and we have approved business plans for the Grange Farm estate. We aim to submit the planning application in the Autumn.

2. Install at least 15 mobile CCTV cameras in the areas of Harrow most targeted by fly-tippers to reduce the levels of dumping and to make the people who do this pay.

We have installed 10 CCTV cameras in hotspot areas to act against those caught illegally dumping waste, with another 5 CCTV cameras awaiting installation. More than 1,500 fines for fly-tipping were issued between January and October 2023.

3. Ensure good quality open spaces for our residents, through the reaccreditation of our 6 Green Flag parks and identify 3 more parks to become accredited to Green Flag status by 2024/2025.

Last summer 6 of our parks retained their Green Flag status, meaning that our communities continue to have access to quality green and other open spaces. These spaces are well-managed and meet the needs of the communities that they serve.

4. Refurbish 36 tennis courts in Harrow parks and open spaces by 2025, delivering good quality courts and a new booking system.

During the Summer of 2023 we upgraded 36 of our most neglected tennis courts across Harrow. We secured a grant of £445k from the Lawn Tennis Association to bring these courts to a good playing standard and these are now enjoyed by the community.

5. Resurface over 60 carriageways and footways over the next 12 months through our improved highway maintenance programme.

Our £10m resurfacing programme commenced in the summer – first focusing on temporary repairs followed by a programme to resurface 60 roads and footways across the borough.

6. Double the number of council provided electric charging points for the public in the next 12 months, helping residents who have or will choose hybrid or electric vehicles in the future, reducing greenhouse gas emissions and improving air quality.

We are working hard to double the number of electric charging points across Harrow. We have secured funding for this and are on track to install 225 electric charging points by Spring 2024.

7. Identify unauthorised beds in sheds and other environmental issues through a new approach which includes heat maps.

Our new Enforcement Panel has set out clear plans on how we will tackle rogue landlords, and those building or operating without planning permission. We continue to work with landlords to deliver good quality homes for their tenants.

8. Hold at least four Weeks of Action, bringing together council and partners to deal with particular areas of anti-social behaviour and fly-tipping.

This year we have held 3 Weeks of Action in June, October and January in Edgware, Rayners Lane and Wealdstone.

Working with the police and community partners, our enforcement, community safety and street cleansing teams tackled local issues such as anti-social behaviour, fly-tipping, trading offences, and Houses of Multiple Occupations (HMOs). The remaining Week of Action will take place in March this year.

## 3. A place where those in need are supported

We will celebrate Harrow's diversity and empower communities and residents. We will support those most in need by providing better career opportunities through training and employment and working with our partners and the voluntary sector to help residents live well for longer in the community.

Our Flagship Actions for 2023/24 were to:

1. Help with the cost-of-living crisis, we will deliver another year of free school meals during school holidays.

Between April and December, more than 6,500 families have received help with free-school meals during the school holidays thanks to the Government's Household Support Fund. We also used this funding to support those most in need with energy bills and cost of living payments, as well as basic food provisions.

2. At least doubling the number of Harrow Council Apprenticeships in the borough by the end of the year.

We have doubled the number of apprenticeships in the council and in the borough by March 2024. We will use National Apprenticeship Week in February 2024 to create more opportunities in the community.

3. Launch a skills and employment programme for our most vulnerable young people before the summer of 2024, including our care leavers, with applications launching by March 2024.

This year, we launched a new skills and employment programme to match vulnerable young people and care leavers to apprenticeship opportunities in the council. Applications will launch in Spring this year as one of our new Flagship Actions.

4. Upgrade the Council's 10 Children Centres into Family Centres, which will deliver more integrated services for residents which includes early years and health.

Our first new Family Centre known as the 'Family Hub' opened in January 2024 and we are on track to roll out all Family Hubs by September 2024, which will see the council, health and voluntary sector partners working together to deliver more integrated services to families.

# 5. Work with residents, community groups and the voluntary sector to create a new adult social care and mental health service by July.

A new service was launched in July 2023, with the council now managing both mental health and adult social care services. This allows us to focus on person-centred care pathways so that services are delivered holistically and better link to the community network of services in Harrow.

6. Improve our neighbourhood resource centres into true adult social care and well-being hubs.

Lots of work is taking place to create a stronger offer for our residents through our Neighbourhood Resource Centres (NRCs). This is a two-year programme and is due to complete in 2025/26.

7. Development of our new customer centre at Gayton Road for people at risk of homelessness or concerns about vulnerable residents.

We launched our new Customer Centre at Gayton Road bringing together services to support to our residents with the most urgent housing and social care enquiries.

8. Start construction on Milton Road, resulting in 100% high quality, affordable housing, which includes family-sized homes.

Construction is well-underway on Milton Road. In February the concrete frame for the apartment block was completed and brickwork for the townhouses has now started. We are on track to deliver the 36 high quality, affordable homes in December 2024.

## Our Flagship Actions for 2024/25: A Council that puts residents first

Last year we pledged to make council services more easily accessible in the community and make sure the voice of residents is at the heart of everything we do. We will build on this work this year, expanding our work to make Harrow a place that is welcoming and retains its special character. We want to lead by example as an inclusive employer, investing in local talent and developing future leaders. The new Flagship Actions for this year are to:

- 1. Improve our website to make it easier for you to access information and council services, using mobile technology to deliver a more personal service.
- 2. Bring services to our communities by launching a new pilot Customer Services access kiosk at one of our libraries.
- 3. Move forward with our regeneration plans for well-designed family sized homes by submitting the planning application for Byron Quarter phase one.
- 4. Make housing more affordable in Harrow by delivering more than 50 affordable homes built on council sites.
- 5. Complete over 200 new kitchens and bathrooms to council owned homes.
- 6. Consult on our Draft Local Plan which sets out our long-term vision for Harrow. Take residents' views and outcomes from the consultation to produce an updated Local Plan within 2024/25. This will include housing, economic growth, community facilities, infrastructure, the environment, climate change adaptation, and good design.
- 7. Protect the heritage of Harrow further by formally designating at least two Local Areas of Special Character.
- 8. For the first time, we will recruit 2 graduates as part of the National Graduate Scheme.
- 9. Offer a variety of new work experience placements within the council including to 3 Harrow students in higher education.
- 10. Start the work to enhance Harrow Town Centre, making it a better-connected, more accessible, and sustainable space with new workspaces by March 2025.

#### Our Flagship Actions for 2024/25: A borough that is clean and safe

In 2023/24 we took action to tackle cleanliness and crime in the borough and make Harrow a destination for shopping and socialising. This year, we are expanding our work on safety and will deliver on key priorities to address the climate emergency, which support our ambitions to make Harrow a healthy and attractive place to live and work. The new Flagship Actions for this year are to:

- 1. Establish flood alleviation measures in Chandos Recreation Ground to reduce the risk of flooding in the local community and bring it up to the standard required for Green Flag status. In addition, we will prepare another 2 parks or open spaces for Green Flag accreditation by 2026.
- 2. Create a culture of recycling in the borough. Delivering at least 7 recycling events in our schools and with community partners to support residents, and delivering at least 3 TRAID events in the borough to reduce waste by recycling and reusing more.
- 3. Begin to install the Harrow to Pinner cycleway. We will engage with our residents and businesses to create a well-used scheme that works for the local community.
- 4. Identify 3 locations for new habitat banks and enhance biodiversity in Harrow's parks and open spaces.
- 5. Deliver year two of the council's electrical testing and safety programme and achieve (100%) compliance on council housing.
- 6. Make our council homes and public buildings more sustainable and cheaper to run. We will do this by retrofitting 80 council homes to bring them up to an EPC C rating; installing solar panels at 5 schools and council buildings; and installing ground source heat pumps at 2 sheltered housing schemes.
- 7. For the second year running, install a further 200 EV residential charging points in the borough, with at least 5 of these being ultrarapid charging points (subject to installation requirements).
- 8. Reduce anti-social behaviour in 4 hotspot areas by working with the police and other partners at a series of Days and Nights of Action.
- 9. Launch a new Pothole Squad using new technology to detect and fix more potholes quickly and at a lower cost.

10. Create a task force to take action against people who make our borough dirty and unsafe and implement neighbourhood street-cleaning crews who know their local area and the community.

#### Our Flagship Actions for 2024/25: A place where those in need are supported

Last year, our priorities centred around supporting those most in need by working in collaboration with our community partners. We will continue this through our strong partnerships; we will help residents with their care needs, ensure greater confidence in using our digital platforms, and create employment opportunities for our most vulnerable young people. The new Flagship Actions for this year are to:

- 1. Implement the skills and employment offer from the council for our most vulnerable young people to young people with SEN and care leavers, offering a minimum of 5 apprenticeships or work placements within council services in 2024/25.
- 2. Expand the scope of the Conversation Café to enable residents' easier access to council information and advice on services within the borough.
- 3. Pilot an offer around digital inclusion for residents which helps them access a range of council services.
- 4. As we roll out our new model of Family Hubs, further integrate housing and other vital services for families.
- 5. Launch a health and wellbeing charter for schools and families to take action together against the negative impacts of childhood obesity 75% of all primary schools to have signed up within the year.
  - 6. Get Harrow Moving through a series of themed walking trails in our parks, with 500 new walkers signed up for the walks in 2024, of which at least 400 take part in more than one walk.
  - 7. Purchase up to 25 further homes to provide temporary accommodation to homeless families in Harrow.
  - 8. Enable greater digital inclusion by supporting 100 learners to gain digital skills (Beginners to Level 3).
  - 9. Deliver 60 extra care units for older people at the former Kodak site.
  - 10. Consolidate and launch the new models and criteria for our Neighbourhood Resource Centres, with Kenmore and Vaughan NRCs going live in April 2024 and the New Bentley Health and Well Being Centre going live late Autumn with an official launch in January 2025.



Report for: Cabinet

**Date of Meeting:** 15 February 2024

Subject: Procurement of Payroll System

**Key Decision:** Yes

Responsible Officer: Alex Dewsnap, Managing Director and

Head of Paid Service

Portfolio Holder: Cllr Stephen Greek, Cabinet Member for

Performance, Communications & Customer

Experience

Cllr David Ashton, Cabinet Member for

Finance and Human Resources

**Exempt:** No, except for Appendix 2 which is exempt

pursuant to paragraph 3 of Schedule 12A to the Local Government Act 1972 on the grounds that it contains information relating to the financial and business affairs of the

council and 3<sup>rd</sup> party suppliers

**Decision subject to** 

Call-in:

Yes

Wards affected:

**Enclosures:** Appendix 1 – Evaluation Report

(anonymised)

Exempt Appendix 2 – Evaluation Report

with supplier details and pricing

submissions

# **Section 1 – Summary and Recommendations**

This report sets out the procurement undertaken to select a preferred payroll system provider to integrate with the wider Microsoft Dynamics HR & Finance Application

#### **Recommendations:**

Cabinet is requested to:

Approve the award of a contract to the recommended provider named in Appendix 2 for Payroll System for a period of up to 3 years, with an option to extend for a period of up to 1 year with effect from April 2024.

**Reason:** (for recommendations) To ensure continued ability to deliver a payroll service to Council staff and pensioners.

# **Section 2 - Report**

## Introductory paragraph

The Council's existing payroll system provider, Loki Systems, is ceasing UK operations in December 2024 and a replacement is required. In considering this replacement, a wider review of the Council's HR and Payroll systems roadmap was undertaken.

This report covers the award of contract to a new payroll IT systems provider to support the ongoing provision of payroll services to approximately 2,500 staff and 6,000 pensioners.

# **Options considered**

It is not feasible to "do nothing" as the Council's existing payroll system provider is ceasing UK operations in December 2024. However, the scale of a payroll replacement project, the close integration between Payroll and HR, and the perception that our Dynamics HR system is currently not optimised, does require us to consider a range of approach options, as follows:



With support from third party Subject Matter Experts (Socitm advisory), a team of officers from HR, Payroll, Pensions, Finance/Procurement and IT assessed each option against the following criteria:

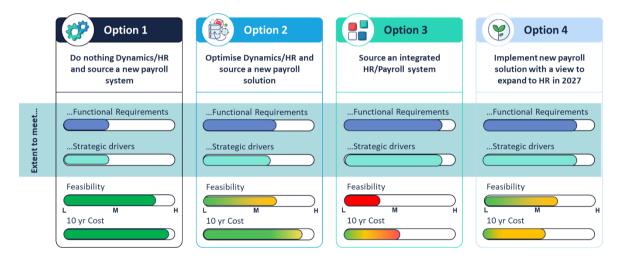
**Cost** – of each option over 10 years, including implementation, annual licensing and support, and financing

**Requirements** – How well does each option meet the Council's functional requirements for Payroll and HR

**Strategic fit** – How well does each option meet a predefined list of strategic drivers for Harrow (system consolidation, automation user experience, etc)

**Feasibility** – How achievable is it to implement the chosen option within the timeframe available – ie to complete the payroll replacement by November 2024

The results can be summarised as follows:



Option 3 (procurement of an integrated HR and Payroll system) does offer the best fit with our HR and Payroll functional requirements and our strategic drivers for system consolidation, automation and user experience. However it is not feasible to safely implement this in the time we have available before our existing payroll ceases. Furthermore the budgetary impact of writing-off the original Dynamics HR project capital cost, earlier than envisaged, makes this unaffordable.

On this basis, Option 2 (source and implement a new payroll solution, and optimise Dynamics), is the immediate recommendation. This does not preclude a future decision to adopt Option 4 (procurement of the HR component of the payroll solution, in place of Dynamics HR), it is suggested that this decision is made in summer 2025.

# **Background**

The Council's existing *Loki* payroll system was implemented alongside the wider project, undertaken with Systems Integration Partner PwC in 2020/21-2022/23, to replace *SAP* with the Microsoft Dynamics Finance and Operations (F&O) solution. *Loki* were selected in 2020 because they were the only HMRC-compliant UK payroll provider that integrated directly with Dynamics F&O. The Council has used Loki to deliver payroll services to approximately 2,500 staff and 6,000 pensioners since HR and Payroll go-live in April 2022.

Harrow made the decision to adopt Dynamics F&O in April 2020, being the first UK Council to do so. The implementation programme experienced significant challenges and delays. Following final phase go-live in April 2022, a "Fix the Basics" improvement programme was undertaken to address multiple functional issues. A major project to merge the Dynamics HR module with the Dynamics Finance system had to be completed in-line with Microsoft product strategy by a deadline of 31/12/23. It has also been necessary to create a new, highly technical Dynamics support team and to procure a new outsourced IT support partner.

In June 2023, Loki announced that they were ceasing UK Payroll operations from Dec 2024. Following successful completion of the other projects outlined above, the Harrow Dynamics team have prioritised payroll replacement. This work is expected to remain the top priority until completion in November 2024.

To provide confidence in the approach being taken, and to build internal consensus, two concurrent, non-binding G-Cloud "clarification" procurements were undertaken from Dec 23-Jan 24 as follows:

- Payroll only
- HR & Payroll solution

Third party Subject Matter Experts (Socitm advisory) were engaged to support the process, bringing a library of "best practise" requirements from recent ERP procurements undertaken by a wide range of UK Local Authorities and London Councils.

A team of officers from HR, Payroll, Pensions, Finance/Procurement and IT agreed final requirements for both procurements and took part in the soft market testing, demos, evaluation and moderation of supplier proposals. This resulted in a recommended supplier for both Payroll only, and HR & Payroll.

The appraisal included considerations of value for money under the council's statutory duties. The option adopted constitutes value for money.

Following options appraisal as outlined above the Council will be proceeding to award of contract for the Payroll only procurement (Option 2).

#### Resources, costs

In addition to the supplier costs set out in Confidential Appendix 2, the Council will incur costs for the third party functional and technical support needed to implement the new system and to augment existing service teams. A detailed

Harrow resource plan has been developed to reflect the supplier's own implementation plan. This includes the following additional capacity:

- HR and Payroll Subject Matter Experts (agency) to help define and implement best practise process configuration, and backfill existing staff who will have a project role in User Acceptance Testing and data migration/payroll parallel run data validation
- Business Analyst, data migration and interface development resources (offshore), procured through HCLTech, our existing Dynamics support partners
- Dynamics HR Functional Lead, likely also from HCLTech, to work with HR to define and implement the improvements to the HR system including appraisal, case management, data and insight
- Various additional requirements for support from Loki (for legacy data extract and testing), Digital (recharge for in house BAs), etc

Given the risks associated with tight timelines and our hard deadline, a further 20% contingency has been added to the resource estimate for these client-side costs, in addition to a wider 10% contingency allowance for the project as a whole.

### Staffing/workforce

The recently restructured in-house Dynamics team will lead on the implementation of this solution, working alongside the new vendor and HCL. The team has established a credible track record of successful project delivery, including the recent HR merge and other improvements, version upgrades etc. New roles in the new structure, currently vacant and being recruited, will be critical to the delivery of the HR improvements (Option 2), especially the BI developer and lead developer.

Ward Councillors' comments	
N/A	
Performance Issues	
N/A	
Environmental Implications	
N/A	

**Data Protection Implications** 

Comprehensive requirements have been included in the specification to ensure any new supplier is GDPR compliant, and robust data protection provisions will be included in the contract.

A Full Data Protection Impact Assessment (DPIA) will be carried out with the new service provider.

# **Risk Management Implications**

Risks included on corporate or directorate risk register? No

Separate risk register in place? Yes

The relevant risks contained in the register are attached/summarised below. **Yes** 

The following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
Target to run November 24 payroll on new system cannot be met due to project delivery delays	<ul> <li>Robust project risk management and governance including the close monitoring of project milestones, regular senior stakeholder &amp; member engagement to address blockers</li> <li>20% contingency added to the resource estimate for client-side costs,</li> <li>Plan for and prepare worst case scenario and use the existing payroll software until Mar 25</li> </ul>	Amber
Harrow has insufficient SME ("Subject Matter Expert") resource to complete project to time	<ul> <li>Approve detailed vendor and Harrow Council/HCL resource plans by end Feb 24, and report on utilization regularly through project governance</li> <li>Add a further 20% contingency, as above, to the Harrow resource cost estimates, and delegate authorization of this to Director of IT (in consultation with Cabinet Member for Performance, Communications &amp; Customer Experience) until Nov 24</li> </ul>	Amber
Quality SME/Backfill personnel for the	<ul> <li>Commence recruitment of interim/backfill resources as</li> </ul>	Amber

Risk Description	Mitigations	RAG Status
delivery of the project under Option 2 cannot be recruited to or filled in time, delaying the project and placing undue stress on permanent service staff	soon as Cabinet decision approved Include service staff in selection processes to ensure quality Provide HCL with 6 weeks prior notice for mobilization of their resources	
Future developments in Microsoft Dynamics product strategy and supplier ecosystem drive need for further change	<ul> <li>Strategic meeting with Microsoft Spring '24 to ensure Harrow HR roadmap is aligned to product team roadmap and investment</li> <li>Aug 25 decision re HR system replacement (Option 4)</li> </ul>	Amber
The new supplier has insufficient capacity to take on and successfully deliver the Harrow migration	<ul> <li>Contractual safeguards/ guarantees arising from G- Cloud procurement</li> <li>Regular senior engagement with the new supplier during the implementation, to manage resourcing issues</li> </ul>	Amber
Failure to improve perception of Dynamics HR with back-office teams and wider managers/staff resulting in continued lack of adoption and self-service process compliance (eg sickness mgmt.)	<ul> <li>Continue to involve HR, Payroll,         Pensions Payroll managers as         key decision makers in the         project</li> <li>Reinforce positive "product         owner" responsibilities for IT         and Service stakeholders         working with Dynamics</li> <li>Ensure comms and leadership         behaviours positively reinforce         engagement with and use of the         platform</li> </ul>	Amber
Payroll cutover mid Financial year causes HMRC complications	Work with new provider to ensure Harrow approach reflects all relevant successful precedents	Green (Vendors confirm no expected issues)

# **Procurement Implications**

This procurement has been conducted under the Crown Commercial Service G Cloud 13 Framework (RM 1557.13).

This route was chosen as the G Cloud 13 Framework offers a broad selection of service offerings relevant to this requirement from suppliers ranging from small and medium enterprises to large systems integrators and consultancy firms. It provides an efficient route to market which is fully compliant with the

Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.

The high level evaluation criteria used were:

Quality 70% Price 30%

Quality consists of Technical Merit & Functional Fit (25%), After Sales Service Management (25%), and Non Functional (20%)

Due to the nature of the procurement and following consultation with Portfolio Holders and other key stakeholders it was deemed not appropriate to include social value and climate change as evaluation criteria, although all responding suppliers signed up to the Council's Climate Commitment Charter as part of the process.

## **Legal Implications**

Legal notes Procurement Comments that this procurement has been conducted compliantly under the Crown Commercial Service G Cloud 13 Framework (RM 1557.13).

The G Cloud 13 Framework is current, has been lawfully procured under The Public Contracts Regulations 2015 (PCR), and the services the Council is calling off are in scope.

Compliant call off contracts from lawfully procured framework agreements are a lawful route for the Council to procure services under both the PCR and the Council's Contract Procedure Rules.

In proceeding to procure under G Cloud 13 Framework, the council has also considered and discharged its legal duty to achieve value for money.

Legal Services can advise on completing the Call Off contract documentation.

# **Financial Implications**

The total cost of the contract is set out in Confidential Appendix 2. The one-off supplier implementation charges (2024/25) will be met from the IT Capital Programme. As shown, a 20% contingency allowance has been added to the contract value to allow for minor projects/changes made within the life of the contract. Any such projects will proceed only subject to approved funding availability.

Year 1 revenue charges (2024/25) of £134,000 covering annual hosting and support plus the one-off budgetary impact of writing-off the Loki implementation capital asset costs earlier than envisaged, will be funded from the Capacity Build/Transformation Reserve.

Year 2 revenue charges (2025/26 and ongoing) will be met from the annual IT revenue budget, which funds the existing payroll solution. The slight increase in charges will be absorbed from wider efficiencies within the IT revenue budget.

## **Equalities implications / Public Sector Equality Duty**

N/A

#### **Council Priorities**

#### 1. A council that puts residents first

Optimising the Council's HR and Payroll technology will help to support and further develop and enhance the HR and Payroll services. This will significantly improve the efficiency of internal corporate operations and release capacity for more support to frontline services.

# **Section 3 - Statutory Officer Clearance**

**Statutory Officer: Sharon Daniels**Signed by the Chief Financial Officer

Date: 26/01/2024

Statutory Officer: Nhlanhla Mahlangu Signed on behalf of the Monitoring Officer

Date: 25/01/2024

Chief Officer: Alex Dewsnap Signed off by the Managing Director

Date: 26/01/2024

**Head of Procurement: Nimesh Mehta** 

Signed on behalf of the Head of Procurement by Carol Barlow

Date: 24/01/2025

**Interim Risk Manager: Neale Burns** 

Signed on behalf of the Interim Head of Internal Audit

Date: 25/01/2024

Has the Portfolio Holder(s) been consulted? Yes ⊠

# **Mandatory Checks**

Ward Councillors notified: NO, as it impacts on all Wards

EqIA carried out: NO

# Section 4 - Contact Details and Background Papers

Contact: Ben Goward, Director of ICT,

Ben.Goward@harrow.gov.uk

**Background Papers:** None

# Call-in waived by the Chair of Overview and Scrutiny Committee

(for completion by Democratic Services staff only)

**NOT APPLICABLE\*** 

#### **APPENDIX 1 – EVALUATION REPORT (Anonymised)**

#### Introduction

There is no tender process under the G-Cloud 13 Framework. The customer conducts a search or number of searches on G-Cloud using relevant keywords and filters to produce a shortlist of potential suppliers. Through study of the suppliers G-Cloud service summary and more detailed service description, and then discussions and clarifications with suppliers, followed by an evaluation, the customer identifies the supplier whose G-Cloud offering (including service description and service and pricing definition documents) best fits its requirements.

### Number of Expressions of Interest Received and Key Procurement Dates

## **G-Cloud Search and Shortlisting**

A combined search on G-Cloud (Lot 2 – Cloud Software) provided a long list of 9 service offerings from 9 different suppliers. 5 service offerings were eliminated as their G-Cloud service summary was not a good fit to the Council's requirements.

The remaining 4 service offerings were shortlisted. Clarification documents consisting of Introduction & Instructions, Background, Clarification Questions and Demo Scenarios, and Pricing Clarifications were issued to the respective suppliers via the London Tenders portal on 6<sup>th</sup> December 2023, with a return date of 2<sup>nd</sup> January 2024, which was subsequently extended to 12<sup>th</sup> January 2024.

2 responses were received on 12th January 2023.

# Full detail of Evaluation

Criteria	Weighting	Supplier A	Supplier B
Technical Merit & Functional Fit	25%	10%	15%
After Sales Service Management	25%	15%	20%
Non Functional	20%	8%	12%
Quality Total	70%	33%	47%
Pricing	30%	26.55%	30%
Total	100%	59.55%	77%

The recommended provider is Supplier B









