

REPORT FOR: **CABINET**

Date of Meeting:	11 December 2014
Subject:	Harrow Regeneration Strategy and Action Plan
Key Decision:	Yes
Responsible Officer:	Caroline Bruce, Corporate Director of Environment and Enterprise
Portfolio Holder:	Councillor Keith Ferry, Deputy Leader and Portfolio Holder for Business, Planning and Regeneration
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All Wards
Enclosures:	Appendix 1: Regeneration Strategy 2014-26 (Consultation Draft)

Section 1 – Summary and Recommendations

This report seeks Cabinet approval to consult on an overarching Regeneration Strategy for the Borough and to progress a number of core components of the Strategy.

Recommendations:

Cabinet is requested to:

1. Approve the draft Regeneration Strategy for public consultation, subject to any final edits to be agreed by the Corporate Director of Environment and Enterprise acting in consultation with the Portfolio Holder for Business, Planning and Regeneration;
2. Endorse the submitted Housing Zone bid in principle and grant authority to the Corporate Director of Environment and Enterprise to negotiate with the Greater London Authority, in consultation with the Portfolio Holder for Business, Planning and Regeneration, as they evaluate and approve the Council's Housing Zone bid;
3. Approve the proposed work to progress a delivery strategy and implementation programme for the Council's Private Rented Sector (PRS) initiative;
4. Approve the programme to progress a detailed business case and (subject to a satisfactory business case) to procure a design team for Haslam House, as the first site to be developed for PRS housing;
5. Approve the programme to progress an options appraisal and business case for a cost-effective re-provision of the Civic Centre; and
6. Approve the programme of engagement with key stakeholders to consider the redevelopment of the Leisure Centre and surrounding site.

Reason: (For recommendations)

To enable the Local Authority to implement key priorities and pledges within the 2014/15 Corporate Plan.

Section 2 – Report

Introduction

2.1 The 2014/15 Corporate Plan prioritises regeneration. It notes that the regeneration programme for the borough is a once in a generation opportunity to make a real difference to the place and people's quality of life by building new houses, encouraging business development, improving the town centre and district centres and creating new job opportunities. Furthermore, encouraging growth in the local economy is vital, to offset some of the worst effects of the recent economic conditions. The Corporate Plan raises much needed income to invest in social infrastructure such as schools, leisure and sports facilities and transport improvements.

2.2 Regeneration provides an ideal opportunity to meet the Council's priorities and make a difference for the vulnerable, Harrow's community, families, and local businesses, making Harrow a place where people want to live, work and play.

2.3 The draft Regeneration Strategy sets out the overall aims and objectives for the Council and establishes a high-level action plan. All activities within the regeneration programme will be designed to deliver the aims and objectives in the Strategy. The Council will also use the strategy to focus the activities of its partners, local stakeholders and private sector investors.

2.4 The draft strategy covers the period to 2026, setting out three core objectives:

1. Place – providing the homes, schools and other infrastructure needed to meet the demands of our growing population and business base, with high quality town and district centres that attract business investment and foster community engagement
2. Communities - Creating new jobs, breaking down barriers to employment, tackling overcrowding and fuel poverty in our homes and working alongside other services to address health and welfare issues
3. Business - reinforcing our commercial centres, promoting Harrow as an investment location, addressing skills shortages and supporting new business start ups, developing local supply chains through procurement.

Context

2.5 The Council produced an Economic Development Strategy in 2007, covering the period to 2016. This is now out of date and since it was produced much has changed with regards to the national economic context and local priorities. Nevertheless, in that period Harrow has retained a diverse business base, operating across a range of sectors, which has enabled the borough to enjoy economic resilience during the recession. Economic activity levels in Harrow are high (70%) and unemployment is low (1.6% in July 2014). Both the number of jobs and the number of people working in Harrow have increased, but so has the number of long term unemployed residents.

2.6 Our track record of growth owes much to the diversity of the population. Research indicates that one in every seven new companies in the UK was set up by migrant entrepreneurs. And Harrow was the fourth most

popular UK destination for migrants to start a business, with almost 12,000 migrant-founded companies.

2.7 Harrow has a large share of Business to Business (B2B) service sector companies and it is these firms which trade locally, regionally, nationally and internationally, offering outstanding opportunities for economic growth.

2.8 Nevertheless it is important the Council continues to actively support further economic growth that creates local prosperity. The borough's housing waiting list is growing, with high demand for affordable and market housing to rent and buy.

2.9 Part of the response to the growing housing need has been the updated Local Development Framework, including the production of an Area Action Plan for Harrow & Wealdstone (Heart of Harrow). This is part of the statutory planning framework for Harrow. It identifies a series of sites to be developed for housing and other economic uses, as well as a series of infrastructure requirements to enable and support the growing communities.

2.10 As well as the Area Action Plan, multiple other strands of work are underway that relate to the regeneration agenda:

- Homes for Harrow – the Council's estate regeneration and infill programme
- A bid to designate the Heart of Harrow as a Housing Zone in order to accelerate the delivery of certain development sites
- Town centre improvement projects
- Preparation of the business case for the Council to utilise new powers to become a provider of private rental homes
- A series of master plans for major sites, including the Civic Centre and Leisure Centre sites.

2.11 With this in mind, the Council has produced a draft Regeneration Strategy to provide a clear set of aims and objectives and a means to coordinate the multiple projects relating to enhancing the place, supporting communities and fostering business growth.

2.12 This concise strategy document will be published for consultation in January. The consultation process will actively engage residents, businesses, investors and our partner public sector bodies to discuss the content of the draft regeneration strategy and to explore alternative options. The process will be coordinated with the 'Take Part' initiative and the consultation results and final regeneration strategy would be brought back to Cabinet in March.

Approve the draft Regeneration Strategy for public consultation, subject to any final edits to be agreed by the Corporate Director of Environment and Enterprise acting in consultation with the Portfolio Holder for Business, Planning and Regeneration.

Implementing the Regeneration Strategy

2.13 This section of the report draws Member's attention to a series of priority projects and programmes within the overarching Regeneration programme:

- Submission and implementation of the **Housing Zone** bid, to accelerate delivery of the Harrow and Wealdstone Area Action Plan;

- Delivery of the Council's proposed **Private Rented Sector** programme, both to address housing need and to generate a sustainable income stream for the Council;
- Redevelopment of the current **Civic Centre** site to include re-provision of the Civic Centre and the incorporation of housing and other uses (as proposed in the Area Action Plan); and
- Redevelopment of the **Harrow Leisure Centre** site, enabling the re-provision of upgraded sports and leisure facilities alongside additional housing development on this site (as proposed in the Area Action Plan).

Housing Zone Bid

2.14 The 'Heart of Harrow' is identified by the Council and the Mayor of London as a priority area for regeneration and is proposed for designation as an Opportunity Area in the Further Alterations to the London Plan.

2.15 The Greater London Authority (GLA), our development partners, and the local community have all played a part in setting out, in the adopted Area Action Plan (2013), the blueprint for how the places within the area, and the strategic sites, are to develop and change over the next decade.

2.16 The significant growth planned for the area is now beginning to come on stream, but the pace of change through the recession was inevitably slower than forecast. As a result, the step change in transformation and the delivery of much needed infrastructure improvements, as promised by the AAP, are yet to fully materialise.

2.17 A housing zone designation, bringing additional funding for the Heart of Harrow, represents a key opportunity to accelerate housing delivery. The funding will facilitate measures to increase densities and to bring forward development earlier. The funding agreement will commit the parties signed up to this bid to accelerate the delivery of a significant quantum of much needed housing on their respective schemes, and to realise, much earlier than would otherwise be possible, the physical and social benefits that such growth and development can bring to the area.

2.18 Harrow's Housing Zone bid prioritises working with four developers, including the Council, to get nine strategic development sites away and new homes delivered by 2018.

2.19 In total, these sites will realise accelerated and additional delivery of almost 1,500 new homes within the Heart of Harrow in the period 2015-2018 (cumulative difference of 1,484 homes in table B). This investment will also contribute to the creation of over 500 jobs, through new employment and community floorspace, and will secure delivery of essential infrastructure to serve both the Heart of Harrow area and the borough, including:

- 2 primary schools providing 5 forms of entry;
- additional nursery provision;
- a new central library;
- potential for a new civic centre, possibly including a community hub;
- junction improvements including the Headstone Drive and Harrow View junction;
- enhancements to playing pitches and sports facilities;
- a new health centre; and

- new public parks and civic squares in Harrow town centre and elsewhere.

2.20 The impact of the Housing Zone programme is dramatic; without intervention, the nine component sites are currently projected to deliver only 325 homes within the same period, with fewer affordable homes in total and with most of the infrastructure provision being delivered well beyond the 2018/19 period.

2.21 The graph and table below show the level of housing that will be achieved through organic delivery (i.e. without any Housing Zone Interventions) and the levels to be delivered with Housing Zone Interventions on the priority sites.

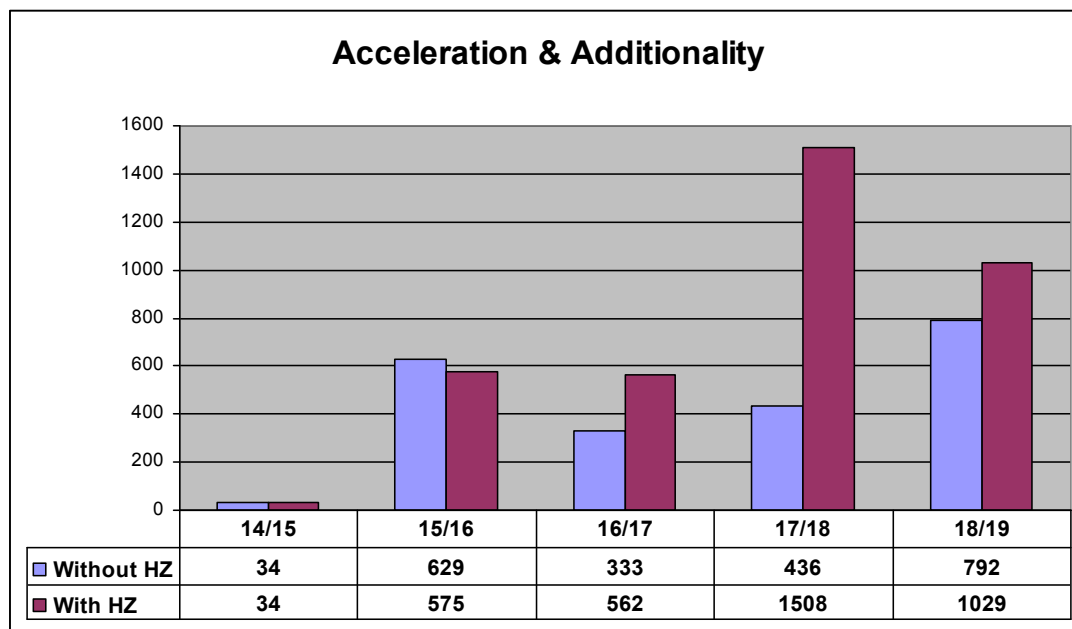


Table B Housing Delivery Without and With a Housing Zone Designation					
	14/15	15/16	16/17	17/18	18/19
Without Housing Zone (2,224)	34	629	333	436	792
With Housing Zone (3,708)	34	575	562	1,508	1,029
Difference	0	-54	229	1,072	237
Cumulative Difference	0	-54	175	1,247	1,484

2.22 This highlights the significant potential of Harrow's Housing Zone bid interventions to accelerate delivery through frontloading of the current housing trajectory on these priority sites.

2.23 With regard to affordable housing provision, the sites benefiting from housing zone funding will deliver approximately 660 new affordable homes, made up of an estimated 340 social rented and 320 shared ownership homes.

2.24 Overall, the Council and its development partners consider this bid, as a package of interventions, to be excellent value for money, delivering high levels of accelerated and additional housing. In addition, this proposal will support the delivery of new jobs and a range of physical and social infrastructure provision that will help to transform the sustainability of the place and secure a significant portion of the new housing as affordable, addressing the most acute housing need in the borough.

2.25 The initial draft bid is already being considered by the GLA. It is subject

to internal GLA appraisal panels then and a Challenge Panel session, prior to detailed due diligence work. It is also subject to a degree of competition against other borough's bids. Consequently, the regeneration team is likely to be required to provide further information to the GLA as well as to negotiate on the final scope of the package.

Cabinet is requested to endorse the submitted Housing Zone bid in principle and to grant authority to the Corporate Director of Environment and Enterprise to negotiate with the Greater London Authority, in consultation with the Portfolio Holder Business Planning and Regeneration, as they evaluate and approve the Council's Housing Zone bid.

Private Rented Sector (PRS) Housing

2.26 The Council aims to develop several of its own sites for housing to provide both affordable housing and private rented housing. Rather than selling our land assets outright when development opportunities arise, the intention is to retain ownership of a proportion of new housing provided through an arms-length trading company. This company would manage the PRS component of the development on behalf of the Council, both to address housing need more effectively and to derive a long-term income for the Council.

2.27 There are numerous local drivers for this programme. Firstly, and as previously highlighted, the level of housing need in the borough is growing, with an increasing reliance on the private rented sector. Secondly, the Council is facing extreme revenue pressure on the general fund, which is driving the exploration of the Council's asset base as a means to generate sustainable income. Other recent developments are also supporting a drive for Harrow to consider leading housing development schemes, including:

- The growth in the number of people calling private rented housing their home (the proportion of London's households living in the PRS is projected to increase from 25% to 37% by 2025);
- Additional freedoms for councils arising from the Localism Act: councils can take different roles in their housing markets, including the creation of a number of new housing delivery vehicles;
- Reduced bank lending, which to a degree is being replaced by capital market funding;
- Recognition of our own financial covenant strength, enabling us to borrow at preferential rates;
- The 2012 Housing Revenue Account (HRA) self-financing reforms; and
- Limited powers or resources to regulate and manage the fragmented private rented stock across the Borough.

2.28 The Council is pursuing a programme to develop the private rented sector in Harrow in order to achieve the following benefits:

- Deploying the Council's assets to generate long-term revenue income with sustainable returns;
- Addressing the housing shortage and targeting housing affordability gaps;
- Providing greater choice for those reliant on the private rented sector;
- Improving standards for property management, condition and service;

- Bringing a substantial body of new, purpose-built stock to the market, with improved environmental standards and reduced maintenance costs;
- Increasing the Council's tax base;
- Encouraging local economic growth through increased investment, including construction jobs growth with associated apprenticeship opportunities; and
- The Council retains the freehold ownership of its land assets (rather than simply selling them to raise a capital receipt).

2.29 A wide range of sites in Council ownership are being evaluated. It is estimated that the programme could ultimately deliver approximately 600 new homes for rent.

2.30 There are three distinct groups of activities needed to deliver a successful housing investment programme:

1. **Financing** – funding the build, pre-development costs and cash flow operational costs;
2. **Development** – planning, design, land assembly and preparation, construction and any private sale activity; and
3. **Property ownership and management** – medium to long term ownership of a rented property portfolio, including property management and maintenance.

2.31 A programme of work is underway that includes, but is not limited to:

- A full analysis of the current and future private sector market demand, the market's specific requirements and the design and management implications of that market intelligence;
- Appraisal of the optimal PRS financing model for Harrow;
- Appraisal of the optimal PRS development delivery model for Harrow, which is intrinsically linked to the preferred approach to financing;
- Appraisal of the optimal ownership and management vehicle; and
- Delivery of a pilot scheme - Haslam House – for which a full business case is being produced.

2.32 Haslam House (304 Honeypot Lane, Stanmore) is a redundant Council-owned residential facility, with associated parking to the front, which is around 0.4 miles from Queensbury London Underground station. Savills report into Housing Delivery Options (May 2014) concluded that there could be potential to provide around 26 PRS units on this site.

2.33 Additional work is now required to:

- Confirm the financial business case for the development of Council-owned and managed PRS at Haslam House;
- Undertake market research to develop the design specification for this Pilot PRS scheme for the Council;
- Procure a design team, develop the design to RIBA stage 3 and take the scheme through Planning;
- Manage the tender process to procure a design and build contractor; and

- In parallel with this work, establish the arms length Council-owned body to own and manage the Haslam House PRS housing on completion.

Cabinet is requested to approve the proposed work to progress a delivery strategy and implementation programme for the Council's Private Rented Sector (PRS) initiative. Cabinet is also requested to approve the programme to progress a detailed business case and (subject to a satisfactory business case) to procure a design team for Haslam House, as the first site to be developed for PRS housing.

The Civic Centre

2.34 The Heart of Harrow Area Action Plan identifies the comprehensive redevelopment of the current Civic Centre site as a key initiative in the regeneration of the Borough. There are a number of reasons for this:

- The current Civic Centre facilities are oversized for current purposes and make very inefficient use of the site;
- The current Civic Centre building is deteriorating and is very costly to maintain; and
- The current Civic Centre site is a prime location for residential led mixed use redevelopment.

2.35 In addition, the Council is considering a wide range of options regarding how best to deliver services more efficiently and effectively, whilst optimising the use of its assets.

2.36 A feasibility study and business case is being progressed into the future of the Civic Centre. The following options are being evaluated:

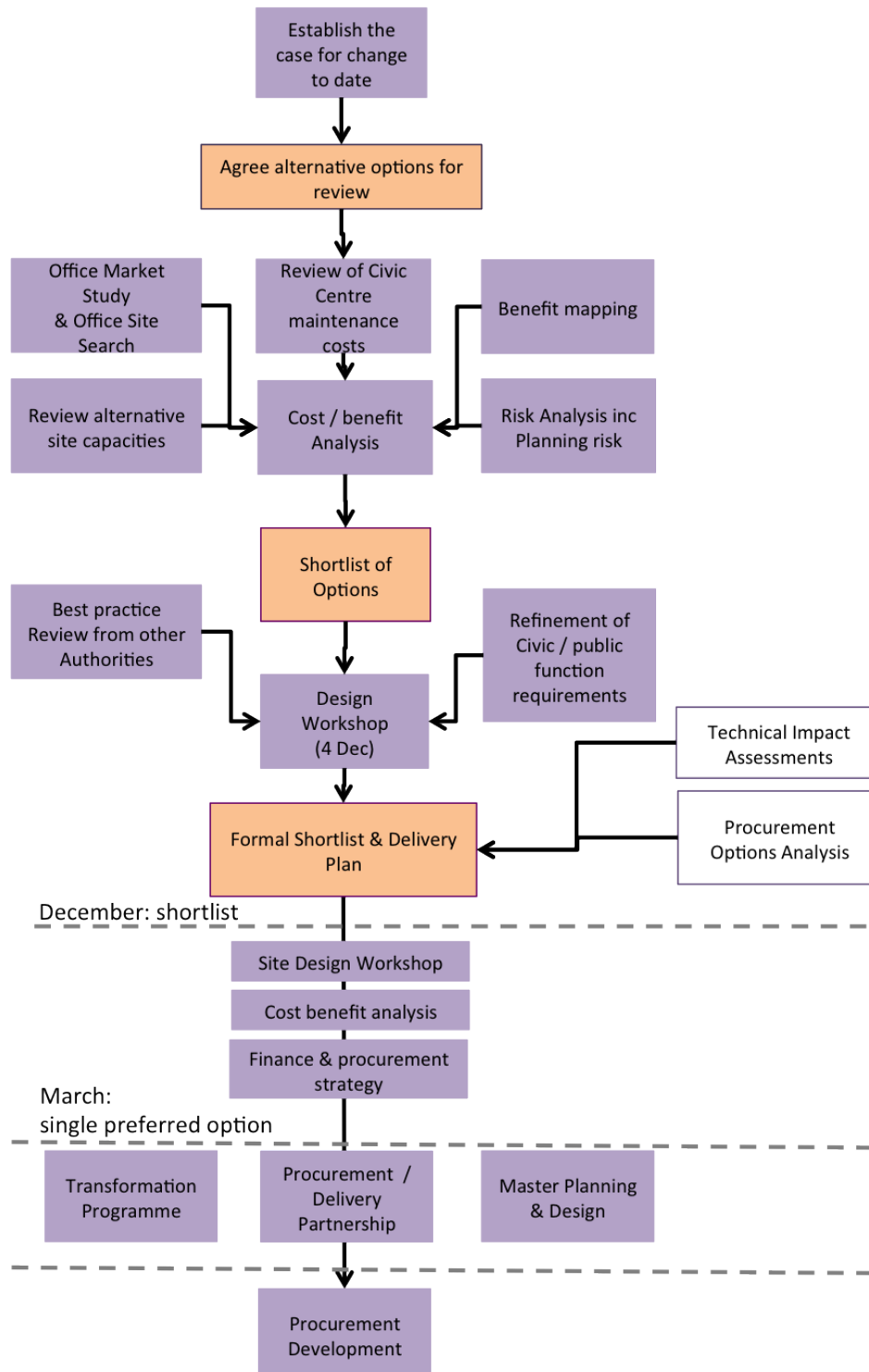
- a. Retain the current Civic Centre and manage repairs and maintenance requirements reactively (Do Nothing)
- b. Refurbish and retrofit the existing Civic Centre and redevelop the remainder of site
- c. Rent and refit an alternative, existing office building to relocate the current Civic Centre
- d. Purchase and refit an alternative existing office building to relocated the current Civic Centre
- e. Build a new Civic Centre on another publicly owned site
- f. Build a new Civic Centre on the current Civic Centre site as part of a mixed use development.

2.37 The completed appraisal will consider the relative costs, benefits and risks associated with each option.

2.38 Council owned sites are currently being assessed to identify the most suitable site for a new Civic Centre. Each site is being assessed and scored against separate financial and non-financial criteria in order to cover all aspects of site suitability. Resulting from this scoring process, one or more preferred sites will arise. The scoring criteria are:

Financial	Non financial
<ul style="list-style-type: none"> • Development value/cost ratio • Deliverability and timing • Income generation potential • Long-term operational costs 	<ul style="list-style-type: none"> • Regeneration impact • Accessible by public transport • Town centre proximity • Ease of community access and civic presence • Quality of work environment • Site constraints • Sustainability

2.39 The relocation is to be specified and designed as a cost-neutral development, with the cost of a new civic centre fully offset by a combination of land sales or rental yields, as well as achieving other priorities within the Regeneration Strategy. An indicative programme of work is set out below:



2.40 It is anticipated that this process could inform a decision by Cabinet and an approved finance and procurement strategy by March 2015.

Cabinet is requested to approve the programme to progress an options appraisal and business case for a cost-effective reprovision of the Civic Centre.

Harrow Leisure Centre

2.41 Harrow Leisure Centre is a large, well-used facility that provides an extensive range of activities to the local community. It offers a 160 station gym, two swimming pools, a large sports hall, multi-purpose halls, squash courts, dance studios, table tennis centre, crèche and café. As well as the leisure centre there is a substantial car park, gymnastics centre, indoor bowl, skate park and derelict former Driving Centre on the site. It is the Council's intention to retain and renew the leisure centre and other leisure activities on the site. However, there is a significant amount of inefficiently utilised space that could facilitate additional uses including approximately 180 new homes as part of the Regeneration and Private Rented Sector housing strategies.

2.42 New development would facilitate investment and regeneration and would help transform the neighbourhood and enhance the facilities for local communities. It is proposed that the masterplanning work should include extensive engagement with the existing users, operators and owners of the site. The Council will work alongside these local stakeholders to initiate a design competition to master plan the site. This could lead to the most effective and creative solution by bringing the best technical advisors from across the country to support local stakeholders.

2.43 It is anticipated that a further report will be brought back to Cabinet in Spring 2015, that will seek a decision on procuring the winning master planning team.

Cabinet is requested to approve the programme of engagement with key stakeholders to consider the redevelopment of the Leisure Centre and surrounding site.

Implications of the Recommendation

Performance Issues

2.44 There will be a positive impact across a number of areas of Council activity as a result of the implementation of the Regeneration Strategy. Together with the Housing Zone bid, the proposed programme accelerates housing delivery across the Borough and ensures that we will meet our increased housing targets emerging from the Further Alterations of the London Plan (FALP). The programme also significantly accelerates and increases the delivery of affordable housing, which is a key pledge of the Council. The additional employment created, both during construction and through the provision of new employment and commercial workspace, helps to address the key pledge to create over 500 jobs and apprenticeships in Harrow to support our young people into work. The increase in primary school provision and the investment in leisure and sports facilities, as well as the further work on the Green Grid, will also contribute strongly to improved

Council performance.

Environmental Implications

2.45 The development proposals within the Regeneration Strategy are designed to implement the Council's adopted Core Strategy and the Harrow and Wealdstone Area Action Plan (AAP), which were subject to extensive stakeholder and community engagement and to sustainability appraisal. The published AAP Sustainability Appraisal is particularly relevant. This tests the AAP policies to identify their likely social, environmental and economic impacts and evaluates options for mitigation and enhancement where appropriate. The Regeneration Strategy itself does not set the framework for future development consent for projects listed in Annexes I and II to the Environmental Impact Assessment (EIA) Directive (85/337/EEC); this is the function of the AAP. The initial view is, therefore, that a Strategic Environmental Assessment is not required for the Regeneration Strategy under European Directive 2001/42/EC.

2.46 The Regeneration Strategy will lead to the retrofit or re-provision of housing stock and commercial space on a large scale, with some 5,500 new homes built to improved energy standards. The AAP includes specific policies to address flood risk and sustainable drainage, sustainable travel, the provision of a district energy network, open space provision, protection of biodiversity and access to nature.

Risk Management Implications

Risk included on Directorate risk register? No
Separate risk register in place? Yes

2.47 The key risks at this stage are summarised below:

Description:	Mitigation:
Lack of staff capacity	Interim team has been put in place. Permanent team is being established and recruitment discussions commenced on the Regeneration Programme Manager position. Specialist staff will be appointed to manage complex programmes and projects such as PRS procurement and delivery.
Lack of resources	Cost and quality are factors considered within all project options appraisal. An initial budget identified within E&E to cover set up costs to March 2015. A series of major bids are in progress to fund programme components. A full resource plan is being developed. The Council is seeking to leverage resource from the private sector and other public sector stakeholders, particularly through the Housing Zone bid process, work with TfL and the successful NHB bid to the GLA. The PRS programme is a positive step towards utilising the Council's assets to generate sustainable revenue / income.
Need for community engagement	The Regeneration Strategy will be launched in early 2015 and this will lead to an extensive programme of engagement with

	community and business groups (including the Harrow BID), the GLA and TfL, WLA and other stakeholders. Following consultation on the strategy, each project will be subject to thorough engagement with all stakeholders.
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Legal Implications

2.48 The legal and governance implications of the draft Regeneration Strategy and the implementation measures described in this report potentially include, but are not limited to:

- Joint venture arrangements to develop individual major sites within the regeneration programme;
- Contractual arrangements with the GLA and other development partners, once the Housing Zone bid is finalised;
- A review of any State Aid implications of initiatives within the Housing Zone bid;
- Legal and governance issues associated with the setting up and operation of an arms length trading company to hold and manage PRS housing on behalf of the Council;
- Agreements for the acquisition and disposal of land interests, and the possible exercise of compulsory purchase powers; and
- Ensuring that relevant procurement activities connected with regeneration activities are in compliance with the Public Contracts Regulations 2006.

The clarification of these legal and governance implications forms an important part of the feasibility and options appraisal work proposed in this report and these implications will be set out in detail in subsequent Cabinet reports.

Financial Implications

2.49 Estimated revenue costs of progressing the draft Regeneration Strategy and the implementation measures described in this report are estimated at £209,940 in the current financial year. This includes the cost of regeneration consultants over this period, initial design and masterplanning work and specialist surveys (including parking assessments of potential PRS sites). These costs have been included in the forecast as part of the monthly budget monitoring process and can be met from within 14/15 Environment and Enterprise overall budgets.

2.50 There would be significant additional revenue and capital budget implications of pursuing the full PRS programme and proceeding with the full Housing Zone bid as currently proposed. These additional costs cannot be fully estimated at this stage and these will be set out in further reports to Cabinet in Spring 2015, once the form of the Housing Zone bid has been finalised in negotiation with the GLA, initial business case work on the PRS proposition has been undertaken and the options appraisal has been completed on the Civic Centre site.

Equalities implications / Public Sector Equality Duty

2.51 The development proposals within the Regeneration Strategy are consistent with the Council's adopted Core Strategy and the Harrow and Wealdstone Area Action Plan (AAP), which were subject to extensive stakeholder and community engagement and to equalities impact assessment. The published AAP Equalities Impact Assessment is particularly relevant. This examines how the AAP meets the needs of the whole community and makes sure that the proposals and policies being advocated through the Plan do not result in any disproportionate disadvantage to any specific group.

2.52 An initial draft equalities impact assessment has been undertaken on the Regeneration Strategy. This draft EqIA has not identified any potential for unlawful conduct or disproportionate impact and all opportunities to advance equality are being addressed. The initial assessment will be kept under review in light of consultation responses and any additional implications reported back to cabinet with the final strategy.

Council Priorities

2.53 The Council's vision:

Working Together to Make a Difference for Harrow

Please identify how the report incorporates the administration's priorities.

- Making a difference for the vulnerable
- Making a difference for communities
- Making a difference for local businesses
- Making a difference for families

2.54 Through regeneration we will deliver the Council's aim to make a difference for:

- Communities, by providing new homes and jobs, vibrant town centres and an enhanced transport infrastructure and energy network;
- Business, by providing new commercial workspace, support to access markets, advice and finance;
- Vulnerable residents, by providing access to opportunities, reducing fuel poverty and designing out crime; and
- Families, by providing new family homes, expanded schools and renewing our estates.

2.55 The goals of our regeneration strategy are to:

- Meet the demands of a growing population
- Build on the skills base of our residents to support sustainable business growth
- Deliver more jobs and homes to meet targets agreed with the Mayor
- Increase our accessibility to an increasing customer base
- Provide an environment which promotes physical activity and healthy living
- Achieve a step change in the quality of design and development

Section 3 - Statutory Officer Clearance

Name: Jessie Man	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 18 November 2014		
Name: Matthew Adams	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 19 November 2014		

Ward Councillors notified:	NO, as it impacts on all Wards
EqIA carried out: EqIA cleared by:	YES Paul Nichols If ' NO ' state why an EqIA is not required for Cabinet to take a decision

Section 4 - Contact Details and Background Papers

Contact: Paul Nichols, Divisional Director Regeneration and Planning, paul.nichols@harrow.gov.uk, 020-8736-6149

Background Papers: None.

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

NOT APPLICABLE

[Call-in applies]