

<b>Report to</b>	Council	<b>Item</b>  <b>7</b>
	23 June 2020	
<b>Report of</b>	Chief executive officer	
<b>Subject</b>	Adjustment to the capital programme: Norwich Regeneration Ltd options and lending	

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## **Purpose**

To consider the current trading position and options for Norwich Regeneration Limited in light of Covid-19 and seek approval for increased loan and equity financing for the company to undertake its current housing development scheme.

## **Recommendation**

To approve the following amendments to the General Fund capital programme:

- a) an increase in the loan facility for Norwich Regeneration Ltd up to a maximum of £21m (currently £11.4m); and
- b) an increase in the equity investment in Norwich Regeneration Ltd up to a maximum of £6.2m (currently £2.724m) by acquiring up to 3.5m of £1 ordinary shares.

## **Corporate and service priorities**

The report helps to meet the corporate priority Great neighbourhoods, housing and environment

## **Financial implications**

The financial consequences to the council of agreeing to further loan and equity financing of Norwich Regeneration are contained within the report.

**Ward/s:** Multiple Wards

**Cabinet members:** Councillor Waters - Leader

## **Contact officers**

Stephen Evans, Chief Executive

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Graham Nelson, Director of Place

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Hannah Simpson, Interim Chief Finance Officer

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**Background documents**

None

## Report

1. At its meeting of 10 June 2020, cabinet considered the chief executive's report on the current trading position and options for Norwich Regeneration Limited in the light of Covid-19, which sought approval for increased loan and equity financing for the company to undertake its current housing development scheme. The cabinet resolved to:
  - a) approve that the council, as shareholder, supports Norwich Regeneration Ltd to continue the build out of Sections 2-4 at Rayne Park;
  - b) approve the issuing of new shares by Norwich Regeneration Ltd; and
  - c) request Norwich Regeneration Ltd work alongside council officers to investigate and appraise options for the housing assets as further information becomes available on the wider impacts of Covid-19 on the housing market.
2. Cabinet also resolved to recommend full council, to:
  - a) approve, as lender and shareholder, an increase in the loan facility for Norwich Regeneration Ltd up to a maximum of £21m (currently £11.4m).
  - b) approve an adjustment to the capital programme to increase the equity investment in Norwich Regeneration Ltd up to a maximum of £6.2m (currently £2.724m) by acquiring up to 3.5m of £1 ordinary shares.

## Background

3. The Norwich Regeneration Limited company (wholly owned by the City Council) was set up in 2015 with three main aspirations in mind:
  - Help the council to meet housing need;
  - Build properties to high environmental standards;
  - Take a more commercial approach to generate income for the council in a time of budget austerity.
4. In 2017, work began on the Rayne Park development at Bowthorpe to deliver approximately 170 homes (a mixture of private and social housing) for Norwich residents.
5. The Rayne Park Sections 2-4 Business Case, as approved by Council in November 2019, provided for a maximum loan of £11.4m for the completion of the project.
6. In March 2020, cabinet approved the 2020/21 Business Plan for Norwich Regeneration Limited, supported the completion of the Rayne Park development, and noted the scale of development that is required for the company to return to making an annual profit within 5 years.
7. At the same time, cabinet recommended that a review be taken forward of the Council's approach to the commissioning of housing development, including the identification of future pipeline of sites to be taken forward for

development by NRL. Further details of this review will be reported to cabinet in July 2020.

8. As a result of changing housing construction and market conditions resulting from the impact of Covid-19, Norwich Regeneration Ltd has written to the Council to request both shareholder support and financial backing to complete the Rayne Park project as well as provide an update on the impact of Covid-19 on the build programme.
9. The letter from the company requests that the loan requirement is increased from the business case position in November 2019. The factors driving this increase in loan requirement include:
  - **Changes to the timing of payments to the contractor to complete sections 2 – 4 at Rayne Park:** The business plan assumed the cost of the build would be evenly spread across the construction timeline as contractual negotiations were ongoing at the time. This profile has been updated based on finalising those contractual negotiations. The final contract incorporated the decision to have a show home near to the dry lagoon on section 3&4. As a result the dry lagoon, drainage, infrastructure and works to ensure safe access to the first plots to be marketed all need to be completed. This means the costs are now more heavily front loaded in order to allow this stage of the development to be complete. It should be stressed that this is a timing issue and that the total costs of the contract have not changed as these are fixed. A greater loan facility is required as the updated timeline means that more costs are now incurred ahead of sales. This is a cash flow issue and results in little difference from the trading results forecast as part of the business plan.
  - **Covid 19 build delays.** Due to the Covid-19 restrictions there has been significantly reduced activity on the construction site. This has put back the completion date on construction therefore delaying income generated from sales. Whilst the delay has meant the company has been incurring lower costs from the construction contract, there continue to be overhead and interest costs increasing the cash requirement of the company. Because the delay has elongated the whole build timeline interest and overheads will be incurred over a longer time period so will have a larger cash flow impact on the company.
  - **Potential Covid 19 impact on sales.** The economic uncertainty caused by Covid-19 means that there is increased uncertainty over the timeframes for sales. The increased loan requirement is to enable the units to be constructed without being dependent on concurrent income generation. The company wants enough cash flow to have certainty that they can fund the completion of the site without any risks of defaulting on payments to contractors.
10. In light of the request from the company for increased loan facility, financial modelling has been completed to help appraise whether the council, as lender and shareholder, wishes to support the continuation of the current phase of development.

## Possible impact of covid-19 on house prices

11. The impact of Covid-19 on the UK and local housing market is impossible to predict at this stage. Much will depend on the severity and duration of the economic downturn caused by the outbreak and whether the government takes any action to stimulate the UK housing market.
12. Clearly there was a severe and immediate impact of the lockdown on the housing market with transactions unable to proceed, lenders withdrawing products from the market and people unable to move house. The Bank of England cut interest rates twice in March, taking the base rate to 0.1% as part of an immediate response to the coronavirus and more recently the government has made efforts to reopen the UK housing market which were announced by the Secretary of State on 13<sup>th</sup> May<sup>1</sup>. However, there are currently insufficient transactions taking place to allow values to be predicted with any degree of confidence.
13. This absence of hard data has not prevented many bodies publishing research about the possible impact on the housing market both in terms of the volume of transactions and the impact on house prices and rental levels. Predictions vary considerably as to what impact Covid-19 pandemic will have on house prices. For 2020 Savills predicts a short term fall of 5-10%<sup>2</sup>, the Centre for Economics and Business Research (CEBR) estimates a 13% fall<sup>3</sup>.
14. The recent Bank of England Monetary Policy Report and Financial Stability Report published on 7 May<sup>4</sup> suggested the following:

“Bank staff have modelled residential property prices to be driven by unemployment and long-term interest rates. In this framework, the downward pressure on residential property prices from the increase in unemployment in the *MPR* scenario is judged to be offset, to some extent, by the impact of persistently low long-term interest rates embodied in current market prices.

Taking these two effects together, the FPC judges that a fall of 16% in UK residential property prices could be consistent with the *MPR* scenario. After falling, prices are then assumed to rise gradually as economic activity in the UK recovers and unemployment falls in the scenario.”

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<sup>1</sup> see <https://www.gov.uk/government/speeches/housing-secretarys-statement-on-coronavirus-covid-19-13-may-2020>

<sup>2</sup> [https://www.savills.co.uk/research\\_articles/229130/298963-0](https://www.savills.co.uk/research_articles/229130/298963-0)

<sup>3</sup> <https://cebr.com/reports/the-coronavirus-crisis-is-about-to-spill-over-into-the-uks-housing-market-but-not-all-regions-will-be-hit-equally-hard/>

<sup>4</sup> See page 25 of report available at: <https://www.bankofengland.co.uk/report/2020/monetary-policy-report-financial-stability-report-may-2020>

15. In the April UK Residential Market Survey published by the RICS<sup>5</sup> it is reported that market sentiment is deeply negative within the surveyed agents with prices, rents and sales expected to fall sharply in the coming three months, 80% of contributors saying they had seen buyers pulling out of transactions and the majority believing process will be lower when the market reopens.
16. With regard to sales volumes planning consultancy Barton Willmore produced a report<sup>6</sup> that suggested the pandemic may see the number of new homes created annually plummet by one third this year and stay around that level for the remainder of the current Parliament.
17. However, this was based largely on experience in previous recessions and a recent academic paper on Housing Markets in a Pandemic<sup>7</sup>: evidence from Historical Outbreaks (academic paper produced by University of Amsterdam in May) and available at the link below analysed the impacts on house prices and rents of historic epidemics in Amsterdam and Paris. It found only relatively short-lived and localised reductions in house prices and smaller effects on rents than on prices.
18. In the absence of any certainty over movement in house prices the potential impacts of a range of scenarios have been modelled reflecting price reductions of 5-20%.

### **Options on whether to continue to build out Rayne Park**

19. Without further cash financing from the council (either as equity or loan financing), Norwich Regeneration Ltd will be unable to meet its contractual payments to its main contractor to complete sections 2-4 at Rayne Park.
20. Therefore, the first choice for the Council (both as shareholder and lender) is whether to support the company with additional financing to complete the build phase of the development. This would require sufficient funding to cover the costs of the development as well as company overheads and interest costs (Option 1). In all the circumstances the funding is consistent with the state aid exemptions of the market economy operator principle and market economy lender principle. It is reasonable to provide the funding. This is a decision based on the council acting commercially.
21. The alternative would be for the council to make no further financing available to Norwich Regeneration Limited. This would result in the early

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<sup>5</sup> See [https://www.rics.org/globalassets/wbef-website/4\\_web\\_-\\_april\\_2020\\_rics\\_uk\\_residential\\_market\\_survey\\_final.pdf](https://www.rics.org/globalassets/wbef-website/4_web_-_april_2020_rics_uk_residential_market_survey_final.pdf)

<sup>6</sup> See [https://cached.offlinehbpl.hbpl.co.uk/NewsAttachments/RLP/Importance\\_of\\_Housing\\_in\\_Exit\\_Plan\\_A04.pdf](https://cached.offlinehbpl.hbpl.co.uk/NewsAttachments/RLP/Importance_of_Housing_in_Exit_Plan_A04.pdf)

<sup>7</sup> See [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3566909](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3566909)

termination of the construction contract and liquidation of the company (Option 2).

## Options compared to original business case for Rayne Park sections 2 - 4

22. Table 1 below provides a high level summary of the two options with further financial analysis following in the report.

**Table 1**

	<b>Option 1</b>	<b>Option 2</b>
Pros	<p>Enables the completion of the build contract and the delivery of 74 new homes for sale and rental.</p> <p>Completing the homes maintains the company's control over future use of the assets.</p> <p>Provides an opportunity to limit the losses relative to Option 2.</p> <p>Current estimates of losses under Option 1 range from £6.1m to £10.4m compared to £11.1m under Option 2.</p>	<p>The losses in the company will crystallise providing more certainty over the final financial position at an earlier stage.</p>
Cons	<p>Company retains the market risk around both the timing and the value of any future sales – this risk is exacerbated by the Covid-19 pandemic.</p> <p>Further financial cash investment is required from the council, which uses further capital receipts and exposes the council to further financial risk.</p>	<p>The homes are not completed with the site handed over to liquidators, where limited value from the site will be realised.</p> <p>The company loses control of the assets and decision making as part of the liquidation process.</p>

23. Table 2 shows the modelling for both options and the original position in the business case for the completion of Rayne Park sections 2 - 4. The key things to consider are the forecast trading losses and the closing net liabilities. The latter representing how much of the council's loan may not ultimately be recoverable.

**Table 2**

	<b>Business Case</b>	<b>Option 1 Build Out</b>	<b>Option 2 Wind Up</b>
Trading Losses	(£6.2m)	(£6.1m)	(£11.1m)
Cash Equity	£0.5m	£0.5m	£0.5m
Land Equity	£2.2m	£2.2m	£2.2m
<b>Closing Equity net of Trading Losses</b>	<b>(£3.5m)</b>	<b>(£3.4m)</b>	<b>(£8.4m)</b>
Value of private rental units	£4.6m	£4.7m	£1.60m
Cash less current liabilities	£0.3m	£0.3m	(£0.6m)
Closing Loan	(£8.4m)	(£8.4m)	(£9.4m)
<b>Closing Net Liabilities</b>	<b>(£3.5m)</b>	<b>(£3.4m)</b>	<b>(£8.4m)</b>
<b>Peak Loan</b>	<b>£11.4m</b>	<b>£15.75m</b>	<b>£9.4m</b>
<b>Peak Equity</b>	<b>£2.7m</b>	<b>£4.2m</b>	<b>£2.7m</b>

24. All things being equal, Option 1 – to continue to build out Rayne Park through to phase 4 - requires additional financing but overall results in a similar level of loss to the original business case.
25. The baseline Option 1 model does **not** include any impacts from slippage or drop in value as a result of Covid-19. The limited movement in forecast losses relative to the business case is to be expected as the construction costs are fixed and therefore the major costs have not changed since the business case was approved. The minor movement between the business case and option 1 is due to updated forecasts around administration and overhead costs.
26. Option 1 does however need a higher requirement for loan and equity financing compared to the November 2019 Business Case. This is due to the inclusion of a more refined set of assumptions about the payment profile to the main contractor during the construction phase (see para 9). The original flat profiling (equal monthly instalments) did not take into account the subsequently agreed profile of build cost. The updated cash flow modelling means that more costs are now incurred ahead of sales so a greater loan facility is required.
27. Option 1 baseline results in a lower cumulative loss than Option 2 (the option of winding up NRL). However, the Option 1 baseline is an assessment against the business plan – it does not incorporate any Covid-19 impact and should therefore, **not** be considered the most likely scenario.

### **Options when considering potential impact of Covid-19**

28. It is important to consider the potential impacts of Covid-19 when considering whether to continue with the development of Rayne Park 2 – 4, as these are likely to have an impact on the overall cost of the scheme to the council.
29. In modelling the first option to build out the scheme, there are two key financial risks related to Covid-19: sales slippage (the time it takes the council to sell the completed properties) and sales value (the overall value

of the completed properties). Sales slippage has a financial impact on the company because it will incur additional hold costs (e.g. council tax and security) and loan interest costs until the units are sold. If the overall value of the properties is impacted by the predicted downturn in the housing market, this will also have an impact on the council's income from the properties and will therefore increase the overall cost of the scheme.

30. Sensitivity analysis has been completed on both sales slippage and sales values. These are covered in tables 3 and 4 and show that changing the assumptions to include a 12 month sales slippage and 20% drop in sales value would increase the forecast loss from £6.1m to £10.4m. This loss is still lower than the projections for winding up the company.
31. The modelling undertaken to this point covers a potential drop in sales value of up to 20%. It is very difficult to predict the long-term impact on the housing market and the modelling will be periodically reviewed in light of any worsening of the economic situation and improved intelligence on the condition of the housing market.
32. The modelling assumes that Force Majeure has been enacted in relation to the current site closure and that no additional costs incurred by the main contractor that will be chargeable to NRL. Force Majeure is a common clause in contracts that essentially frees both parties from liability or obligation when an extraordinary event or circumstance occur therefore preventing contract obligations being met.
33. There is a significant element of uncertainty in the ultimate losses of winding-up the company (Option 2) because there is uncertainty over the compensation that could be payable to the main contractor and the value achievable from the part completed site. In the event of liquidation the company would lose all control over the sale of the assets.
34. The figures under Options 2 do not include costs that may be payable to the main contractor for termination of the contract. An estimate has been made of possible compensation based upon 20% of the remaining contractual payments (this being the assumed profit margin in the contract). This equates to £1.5m and would fall into the administration process.
35. The company has already put approximately £5m of investment into the site and Option 2 could see minimal return of this investment if the company was liquidated. There is a significant risk that the units would not be completed meaning that the company would not only lose the investment but that no houses would have been completed.

**Table 3:**

	<b>Option 1 Baseline</b>	<b>3 Months sales slippage</b>	<b>6 Months sales slippage</b>	<b>9 Months sales slippage</b>	<b>12 Months sales slippage</b>
Trading Losses	(£6.1m)	(£6.3m)	(£6.6m)	(£7.2m)	(£7.5m)
Cash Equity	£0.5m	£0.5m	£0.5m	£0.5m	£0.5m
Land Equity	£2.2m	£2.2m	£2.2m	£2.2m	£2.2m
<b>Closing Equity</b>	<b>(£3.4m)</b>	<b>(£3.6m)</b>	<b>(£3.9m)</b>	<b>(£4.5m)</b>	<b>(£4.8m)</b>
Value of private rental units	£4.7m	£4.7m	£4.7m	£4.7m	£4.7m
Cash less current liabilities	£0.3m	£0.1m	£0.1m	£0.1m	£0.1m
Closing Loan	(£8.4m)	(£8.4m)	(£8.7m)	(£9.3m)	(£9.6m)
<b>Closing Net Liabilities</b>	<b>(£3.4m)</b>	<b>(£3.6m)</b>	<b>(£3.9m)</b>	<b>(£4.5m)</b>	<b>(£4.8m)</b>
<b>Peak Loan</b>	<b>£15.75m</b>	<b>£15.75m</b>	<b>£15.75m</b>	<b>£20.5m</b>	<b>£20.5m</b>
<b>Peak Equity</b>	<b>£4.2m</b>	<b>£4.2m</b>	<b>£4.7m</b>	<b>£5.7m</b>	<b>£5.7m</b>

**Table 4:**

	<b>Additional Losses</b>	<b>Trading Losses</b>
Option 1 baseline	(£0.0m)	(£6.1m)
5% reduction in sales values	(£0.8m)	(£6.9m)
10% reduction in sales values	(£1.4m)	(£7.5m)
15% reduction in sales values	(£2.1m)	(£8.2m)
20% reduction in sales values	(£2.9m)	(£9.0m)

36. Current estimates of losses under Option 1 range from £6.1m to £10.4m compared to £11.1m under Option 2 (Table 5). In light of the financial appraisal, it is recommended that the Council, as shareholder, supports Norwich Regeneration Ltd to continue the build out of Sections 2-4 at Rayne Park and provides a letter of support to the company.

**Table 5:**

	<b>Option 1: Baseline with no Covid-19 impact</b>	<b>Option 1: 12 months sales slippage and 20% reduction in sales value</b>	<b>Option 2: Wind up company</b>
Total Trading Losses	(£6.1m)	(10.4m)	(£11.1m)

37. Because of current circumstances there is a considerable degree of uncertainty over the value that will be achieved for the assets under construction. These circumstances are largely outside of the Council's or Company's control. The modelling suggests that if house prices fall by over 25% over the next few months and then do not rise before the properties are sold following a 12 month slippage, losses associated with building out sections 2-4 will prove to be greater than if the Council refuses the loan to the company. In the majority of scenarios modelled, however, the financial position is better when completing Sections 2-4 compared to winding up the company.
38. Adopting Option 1 would require the Council to provide additional financing to the company, the capital budget impact of this is shown in paragraphs

43-50. This additional financing does carry significant financial risk but this needs to be balanced against the potentially greater risks inherent in winding up the company.

39. Based on any decision to complete the construction of Sections 2-4, there would remain a number of options available to both the company and council regarding the future of the built units. In essence, the assets and decisions on them, remain within the control of the company and council.
40. Assuming the recommendation to fund the company to build out Rayne Park Section 2-4 is accepted, further assessment will be needed by both the company and council, of the possible options for management and disposal of the assets under construction. This will be influenced by the pace and level to which the housing market recovers post Covid-19, and the ongoing review of NRL governance.

## **Future Housing Commissioning**

41. The covering report to the Norwich Regeneration Ltd Business Plan which was approved by Cabinet on 11<sup>th</sup> March highlighted that the Council needed to review its approach to the commissioning of housing development to inform a report to Cabinet by July 2020, which includes:
  - a) The development of a new approach to the commissioning of housing development taking full account of the Council's resources, priorities and identified housing needs;
  - b) The identification of future pipeline of sites to be taken forward for development by NRL and by other means of delivery.
42. This work is currently underway and the Council has indicated that it would like to second key staff from NRL to the Council. It is anticipated that a further report will be taken to July Cabinet outlining options. However, it is clear that moving forward the Council is likely to have far greater financial capacity to deliver affordable housing through finance held in its Housing Revenue Account than it will have using General Fund finance. This is likely to change the focus of Council activities towards the delivery of affordable rather than open market housing.

## **Financing Requirements**

43. In November 2019 Council agreed a loan facility of £11.4m with Norwich Regeneration Ltd to fund the development of 74 new homes at Rayne Park Sections 2, 3, and 4.
44. On the assumption of continuing with the build of Sections 2-4, it would be prudent to seek approval for additional debt and equity financing for the company of up to £13.1m to cover all remaining contractual costs and company overheads.
45. In order to maintain an appropriate gearing ratio it is proposed this is split between an additional £3.5 m cash equity and increase of £9.6m in the loan

facility. Equity would need to be financed from capital receipts and the lending from borrowing.

46. There are multiple pressures on the council's capital receipts and these receipts are limited, although work is underway to develop options to generate additional capital receipts by releasing equity from the council's asset book. There remains a risk that this equity might not be recovered, this would have a knock on effect on capital receipts available for other investments.
47. The company and council would need to continue to work closely to monitor the cash position and reduce costs where appropriate, with the aim of reducing the peak loan and equity requirement. The Managing Director of the company is working on options to reduce the company's overheads.
48. Any loans to the company need to be on a commercial basis and would be charged in line with the loan agreement at Bank of England base rate plus 4.5%.

### **Year-end accounts and budget impact**

49. The options analysis in paragraphs 22-40 shows the council's loan to the company might not be fully recoverable. Under accounting standards the council needs to recognise this risk. Therefore, an allowance of £4m will be made in the draft Statement of Accounts. This will have an impact on the revenue budget going forward as minimum revenue provision<sup>8</sup> will need to be charged to cover the potential loss on the loan.
50. In the 2020-21 budget papers the NRL earmarked reserve was increased to £4m to fund any minimum revenue provision charges required. Under most of the variations of option 1 the earmarked reserve would be sufficient to cover the impairment impact (see closing net liabilities figure) but the level of reserve will clearly need to be kept under review as more detail is known on the scale and pace of sales – for example, if slippages extend to 9 or 12 months then the earmarked reserve would not be sufficient.

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<sup>8</sup> Minimum Revenue Provision (MRP) is the minimum amount which a Council must charge to its revenue budget each year, to set aside a provision for repaying external borrowing (loans). This is an annual revenue expense in a Council's budget.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Council
<b>Committee date:</b>	23 June 2020
<b>Director / Head of service</b>	Chief Executive
<b>Report subject:</b>	Adjustment to the capital programme: Norwich Regeneration Ltd options and lending
<b>Date assessed:</b>	15 June 2020

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>The options appraisal supports additional financing for the company in order to minimise the forecast losses in the company.</p> <p>The council has set aside funds in an earmarked reserve to manage the risk over the loan recoverability. Council as part of the 2020/21 budget report approved this earmarked reserve level.</p>
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The completion of Rayne Park will deliver 74 new homes in the Bowthorpe ward.
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The completion of Rayne Park will deliver 74 new homes which are expected to be built to a higher environmental standard that would be likely if the scheme were to be built out by other builders.
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Energy and climate change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The completion of Rayne Park will deliver 74 new homes which are expected to be built to a higher environmental standard than would be likely if the scheme were to be built out by other builders. The design approach will lead to a reduction of energy consumption and therefore environmental impact.
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The 2020-21 budget papers approved an increase in the NRL earmarked reserve to £4m. This reserve level will mitigate against the financial risk the company poses to the council in relation to the recoverability of the loan, specifically the need to make future Minimum Revenue Provision (MRP) charges.

Recommendations from impact assessment	
Positive	
Negative	
Neutral	

<b>Issues</b>