

BUSINESS PLAN 2019-2023

Introduction

Broadland is a great place to live and work. Set in the picturesque Norfolk landscape it harbours significant economic potential. This potential must be realised while at the same time preserving its unique character.

Our vision is to shape our local area to make it one of the best places to live and work in the country. Together with our partners we want to bring more homes, more jobs and more opportunities to the District and ensure Broadland plays its part in driving the economy of Norfolk for the benefit of all residents.

For the next four years our key ambitions will be

- Driving growth and prosperity for all.
- Delivering environmental excellence.
- Improving health and wellbeing and quality of life.
- Supporting our residents and businesses to stay safe.
- Increasing our financial resilience and capacity, in collaboration with South Norfolk Council.

Despite our finances being more challenged than they have ever been, our continued commitment to providing high quality services to residents means we must look to economic growth as a way of ensuring delivery.

Therefore, as a Council, we will become more innovative and collaborate with others both formally and informally, to deliver the best for our communities.

Our Vision, Ambitions and Objectives are detailed within the following pages.

Shaun Vincent
Leader of the Council.

Trevor Holden
Managing Director.

Background

Our Business Plan is a concise, strategic document setting out our vision, ambitions and objectives for the local area and explaining how we will use our resources to best deliver services.

We took the opportunity to consult widely for the new Plan, engaging with the community and gaining important feedback to help shape it.

The Council's interaction with residents and stakeholders had a real impact on this Plan and a number of specific changes were made as a result of this engagement.

Our consultation included the Chief Executive and Leader of the Council holding face-to-face meetings with major stakeholders across the District – both in the public and private sector.

The Council also ran a series of workshops in December 2018, which were attended by a range of additional stakeholders.

An online resident's questionnaire was published through the December 2018 edition of *Broadland News*, aimed at gathering the same information as the workshops.

The consultation process was primarily designed to assess how well we had performed against the previous Business Plan, and identify priorities for the future.

As a result of the consultation, we have updated our Ambitions and supporting Objectives and made them clearer and more engaging.

We have also revised the Plan to ensure we clearly evidence how well we meet our Ambitions and Objectives and placed effective partnership working with South Norfolk Council at the core of what we do.

Our Vision

Shaping our local area to make it one of the best places to live and work in the country.

Our Ambitions

- Delivering growth and prosperity for all

Delivering economic success is about creating vibrant, engaged communities that work together with businesses to celebrate and enhance what is good about the District to influence and drive a thriving marketplace. Our primary ambition is to put Broadland at the forefront of opportunities and ensure it is a place where people and businesses flourish.

Our aim is to have a high level of inward investment and business growth, as a strong economy is essential in order to deliver services to our residents and businesses. We have well over 3,500 business premises within the District and some 5,000 businesses based here – we believe we are the ‘place to do business’ and have worked hard to reduce bureaucracy and the burden of regulation on our business community.

We can be proud of our business start-up rates being amongst the highest in Norfolk and the survival rate of these businesses after three and five years are consistently better than county, regional and national averages. What’s more, the rate of unemployment is frequently the lowest in the County, and better than regional and national averages.

The support we provide to companies of all sizes enables people to launch and grow a business they are passionate about, through our training courses and ongoing advice. We help businesses access external funding to assist their growth and development, and bring tangible benefits to the District; we support the Financial Industries Group; and we set up the Greater Norwich Manufacturing Group. Our ongoing work raises the profile of these sectors and ensures networking and collaboration opportunities are brought to fruition.

Our aim is to foster a growing economy by taking a joined up approach to service delivery as we recognise that many services across the council can help deliver this ambition.

Our ambitions for growth include creating great places for people to live and work in. These places will offer a mixture of facilities and recreational opportunities and people will have a choice regarding how they get about. They will be able to drive their car, cycle, walk or get the bus. They will be well connected.

By planning for these new and sustainable communities, we are seeking to meet the increasing demand for housing and trying to do that through high-quality places. We will also ensure that a range of homes which meet peoples’ varying needs are built.

We also aim to ensure that there is sufficient investment to provide the right infrastructure. In other words, delivering the right infrastructure in the right place at the right time to serve these communities, with the help of the Community Infrastructure Levy and other funds.

- Delivering environmental excellence

We are passionate about achieving environmental excellence in everything we do. We will continue to strive for our residents and businesses to be environmentally sustainable in terms of waste and energy efficiency.

It’s important that we set ourselves ambitious objectives in this area, in order to help address climate change and to stimulate the economy and provide jobs, creating opportunities for economic success.

As a Council, we have strong green credentials and this ambition is about further strengthening our reputation. Keeping Broadland beautiful through maintaining a clean, tidy and healthy District is a continuing priority.

We recognise the contribution the planning system can make to maintaining and enhancing environmental excellence. This includes consistently applying the principles of sustainable development, maintaining the natural and built heritage we currently enjoy, and mitigating and adapting to climate change.

In formulating planning policy, whether at the district level or in the Greater Norwich partnership, we will apply the above principles having regard to the need to deliver growth and prosperity for all.

- Improving health and wellbeing and quality of life

We are committed to ensuring that people in Broadland enjoy every opportunity to live healthy and happy lives. The health and wellbeing levels of people in Broadland stand above the national average, but we still have issues to address, such as tackling economic, health and wellbeing inequalities, as well as reducing waste and carbon emissions.

Areas such as housing, economic development, planning and a host of environmental health services all have an important impact on the health and wellbeing of our residents. As such, this ambition and the objectives that sit behind it, focus on a variety of different elements that we believe will greatly improve quality of life for our residents.

We run our own programmes of prevention and early intervention e.g. the Handy Person Plus scheme. We also work with others, including local communities, to identify health needs and jointly design services that best meet those needs, with the aim of increasing overall levels of health and wellbeing in the District.

- Supporting our residents and businesses to stay safe

We pride ourselves on the low level of crime and anti-social behaviour in Broadland and this ambition is about continuing to keep people safe and secure.

We will continue to develop our preventative approach, including designing out potential crime areas in new developments. Other examples include the Tots2Teens scheme, which is not just about childcare but preventing anti-social behaviour by giving young people something to do. We also offer support through a range of targeted health programmes.

We also deal with issues such as domestic abuse and protecting vulnerable communities, who are more likely to be the victims of crime. For example, Broadland provided funding to Norwich City Council for rough sleepers who had migrated from the District to Norwich. Taking this preventative approach helps keep Broadland safe and peaceful.

We also see an opportunity to look at key demographics and develop additional policies accordingly.

- Increasing our financial resilience and capacity in collaboration with South Norfolk Council

While focusing on our corporate priorities, we also need to ensure that we deliver our wide range of day-to-day services effectively and efficiently. Additionally, as a publicly funded body, we have a duty to deliver value for money.

The Council has gone through a programme of Systems Thinking interventions, which was designed to improve services, maximise income and deliver savings and efficiencies. Total savings delivered through the programme are currently running at £440,000 per annum.

The Finance Team sets the annual budget together with senior management and budget holders, to ensure it is appropriate and affordable. Throughout the year, regular budget meetings take place to ensure budget holders are on track with their expenditure and if not, the Finance Team works with them to keep overspend to a minimum.

By delivering value for money on a continuous basis we ensure that the Council remains viable and sustainable for the future. To this end, Broadland and South Norfolk Council entered into an agreement last year to join our workforces together in support of the two Councils to deliver better outcomes for our residents and businesses, whilst achieving efficiencies in service delivery.

Objectives and Measures

This section of the Business Plan sets out in more detail how we intend to deliver on our ambitions and how we will assess our performance.

It contains a number of specific objectives together with the measures we will use to evidence how successfully we are delivering on the plan.

The measures will be a mixture of numerical and narrative data, designed to promote learning and improvement.

Objectives and measures for the 2019-2023 Business Plan

	Objective	Measures	Supporting Ambition(s)
1	To back local businesses by providing information, advice and guidance to help them establish, grow and prosper.	<p>1 Numbers and types of support given to businesses approaching the Council directly through the Economic Development Team</p> <p>2 Number of businesses engaging with sector groups facilitated by the Economic Development Team</p> <p>Financial Industries</p> <p>Manufacturing Group</p> <p>Tourism and Heritage Network</p> <p>3 Business collaborations resulting from engagement</p> <p>Financial Industries</p> <p>Manufacturing Group</p> <p>Tourism and Heritage Network</p> <p>4 Number and type of actions devised to deliver against 'The East Economic Strategy for Norfolk and Suffolk' produced by the New Anglia Local Enterprise Partnership</p>	<p>Driving growth and prosperity for all</p> <p>Improving health and wellbeing and quality of life</p> <p>Supporting our residents and businesses to stay safe</p>
2	To support our local communities by offering a range of opportunities, skills and employment prospects	<p>1 Number of Broadland businesses offering apprenticeships and the Apprenticeships Framework being offered.</p> <p>2 Businesses and residents engaging in training programmes provided by the Council and in partnership with other organisations. Both</p>	<p>Driving growth and prosperity for all</p> <p>Improving health and wellbeing and quality of life</p>

		<p>accredited and non-accredited courses</p> <p>3 Number of Broadly Active clients and those showing an improvement after 12 weeks</p> <p>4 Number of children and young people engaged with Council facilitated activities and percentage of those with Special Education Needs or from low income families.</p>	
3	Enable and encourage our communities to recycle more.	<p>1 Recycling rate</p> <p>2 Kg of residual waste collected per household</p> <p>3 Number of Brown bins</p> <p>4 Food Waste tonnage</p>	Delivering environmental excellence
4	To improve energy efficiency and increase the uptake of renewable energy throughout the local area	<p>1 Number and type of energy efficiency improvements in homes (improvement in energy efficiency rating as measured by Energy Performance Certificate)</p> <p>2 Number and type of energy efficiency improvements in commercial premises (measured as above)</p>	<p>Delivering environmental excellence</p> <p>Improving health and wellbeing and quality of life</p>
5	To further enhance the high quality local environment	<p>1 Number of fly tips</p> <p>2 Time taken to collect fly tips</p> <p>3 Number of reports of dog fouling</p> <p>4 Air quality analysis</p>	Delivering environmental excellence

6	To work collaboratively to maximise the investment and funding available for the necessary infrastructure, homes and opportunities for local residents	1 Income from New Homes Bonus 2 Amount of Community Infrastructure Levy (CIL) collected and overdue 3 S106 income	Driving growth and prosperity for all
7	To maximise the delivery of the right homes in the right place to meet our residents' needs.	1 Number of new homes delivered a) Total b) through Broadland Growth Ltd 2 Number of new affordable homes delivered a) Total b) through Broadland Growth Ltd 3 Number of Empty Homes (CTB1) 4 Number of supported homes delivered	Driving growth and prosperity for all Improving health and wellbeing and quality of life
8	To improve the condition of housing through support and regulation	1 Number of homes improved through advice and enforcement 2 Number and amount of Improvement Grants/Loans 3 Number of Homes in Multiple Occupation to legislative standards	Improving health and wellbeing and quality of life Supporting our residents and businesses to stay safe

9	To understand people's housing problems and help them solve them.	1 Overall demand on the service 2 Effectiveness of Housing Options (help, complaints, reviews) 3 Nominations 4 Use of temporary accommodation	Improving health and wellbeing and quality of life Supporting our residents and businesses to stay safe
10	To address the needs of vulnerable residents to ensure they can continue to live independently.	1 Number of Disabled Facilities Grants (DFGs) completed for older people (age 60+) 2 Housing options available for older people 3 Number of interventions to assist vulnerable people in their own homes (HIA/Handyperson) 4 Number of residents increasing disposable income through benefits check, switch and save etc.	Improving health and wellbeing and quality of life Supporting our residents and businesses to stay safe
11	To address community concerns and reduce the incidence of crime through targeted action.	1 Overall levels of crime 2 Rates of prevalent types of ASB/domestic abuse/hate crime 3 Numbers and type of demand for services in Help Hub 4 Impact and outcomes of interventions	Improving health and wellbeing and quality of life Supporting our residents and businesses to stay safe

12	To effectively manage our finances.	1 Spend against revenue/capital 2 Collection rates for Council Tax and Business Rates 3 Amount of investment income 4 Value of savings and efficiencies identified in financial year 5 Type and value of new income streams.	Increasing our financial resilience and capacity in collaboration with South Norfolk Council
13	To use systems thinking principles to improve services and deliver savings and efficiencies	1 Numbers and progress of service interventions 2 Summary of key improvement in services	Increasing our financial resilience and capacity in collaboration with South Norfolk Council
14	To maximise staff engagement	1 Level of staff engagement as evidenced through surveys 2 Staff turnover 3 Staff attendance (sickness absence)	Increasing our financial resilience and capacity in collaboration with South Norfolk Council
15	To enhance public safety and minimise health risks	1 Number of food premises inspected 2 Number of food premises achieving 5 star rating 3 Number and type of communicable disease notifications 4 Number of appeals a) lodged b) upheld 5 Number and type of health and safety notifications	Improving health and wellbeing and quality of life Supporting our residents and businesses to stay safe

16	To work with partners to tackle health inequalities and improve the life chances of residents	1 Analysis of social mobility index factors	Improving health and wellbeing and quality of life
17	To broaden the scope, impact and significance of joint working through partnerships.	1 Outcomes from the following partnerships: GNGB, H&WB Board, Broadland Growth etc	All of them

Treasury Management Policy Statement 2019/20

Broadland District Council defines the policies and objectives of its treasury management activities as follows:

- (1) The authority 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 the risk implications for the authority.
- (2) The Council acknowledges 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 best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.
- (3) The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.
- (4) The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yield earned on investments remain important but are secondary considerations.

***'Investments' in the definition above covers all the financial assets of the authority, as well as other non-financial assets which the authority holds primarily for financial returns, such as investment property portfolios. This may therefore include investments which are not managed as part of normal treasury management or under treasury management.

In summary, the Council's Treasury Management objectives are (in order of importance)

Investments

- (1) Security of capital
- (2) Liquidity (access to funds)
- (3) Consistency of return
- (4) Enhanced return

Borrowing

- (1) Affordability
- (2) Maturity profile
- (3) Interest Rate and Refinancing Risks
- (4) Borrowing Source (to ensure the Council retains, as far as is practicable, flexibility over its borrowing)

Last reviewed February 2019

Treasury Strategy Statement 2019/20

1 INTRODUCTION

- 1.1 The Treasury Strategy Statement sets out the aims and limits of the Treasury function for the 2019/20 financial year. It is based on the Head of Finance and Revenue Services' view on interest rates, as informed by forecasts provided by the council's treasury advisors (Capita), at the time of writing.

2 CURRENT PORTFOLIO POSITION

- 2.1 The authority is currently debt free, although the current Medium Term Financial Plan (MTFP) predicts the possibility of borrowing to finance the proposed Capital Programme. The Capital Programme and the MTFP will require a draw on cash reserves over the next five years but the authority will still be a net investor over this period.
- 2.2 Some town and parish councils and a local charity have occasionally deposited funds with the authority to assist with their cash flow. At 31 January 2019, third party deposits amounted to £481,000.
- 2.3 At 31 March 2019 the Council anticipates its investments (net of third party deposits) to be:

	£m
Externally Managed Funds (Pooled Funds)	13.0
Banks and building societies	15.0
UK Government Gilts	0.0
Total	28.0

3 TREASURY LIMITS FOR 2018/19

- 3.1 Under the Prudential Code liabilities such as committed lease payments and bank overdrafts are classed as external debt. As at 31 March 2018, the authority had £325,000 in capital liabilities, all relating to nominal embedded finance lease repayments, of which £205,000 was due within twelve months.
- 3.2 The authority is required to set limits on the level of external debt it is able to carry at any one time.

Limits on external debt	2018/19	2019/20	2020/21	2021/22
		Estimate		
Authorised limit	£6m	£6m	£6m	£6m
Operational boundary	£4m	£4m	£4m	£4m

3.3 Council should be advised at the earliest opportunity if the Operational Boundary is exceeded. The authorised limit must not be exceeded without formal agreement in advance by Council.

3.4 The authority is also required to set limits on its exposure to fixed and variable interest rates, to the maturity structure of its borrowing and the total amounts invested for initial terms of more than 364 days. As the authority is aware of the changing economic situation at the moment, it is minded to keep these limits as flexible as possible to take advantage of the best opportunities as they present themselves. These limits are therefore set as follows;

Upper limits	2018/19	2019/20	2020/21	2021/22
Fixed rate exposure	100%	100%	100%	100%
Variable rate exposure	100%	100%	100%	100%
Total principal sums invested for initial terms over 364 days	A maximum of £10m medium term (up to 5 years) and £5m long term (up to 10 years)			

3.5 If the authority decides to take up long-term debt to finance a major capital project in the future, it will discuss the matter with its treasury advisors to determine the best option in terms of repayment pattern, term and whether fixed or variable rates would be more efficient. As debt is likely to consist of one loan, it is not possible to set meaningful limits on the authority's debt maturity profile in advance.

3.6 The authority is required to calculate the ratio of its financing costs to its net revenue stream. Financing costs are broadly defined as the net of the return on investments and other financial assets, against the payments made on debt and similar financial liabilities. This is a measure of the authority's ability to meet any debt payments from its revenue. An increasing positive figure indicates an increasing inability to meet such payments. As Broadland is a net investor, its ratios are negative, and are relatively stable.

	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Ratio of Financing Costs to Net Revenue Stream	(1.61%)	(0.06%)	(0.42%)	(0.90%)

3.7 The updated Prudential Code (2017) states that in order to demonstrate that authorities take capital expenditure and investment decisions in line with service objectives and properly take into account stewardship, value for

money, prudence and sustainability authorities should have in place a capital strategy that sets out the long term context in which capital expenditure and investment decisions are made. Broadland District Council maintains a regularly updated Capital Strategy (most recent iteration October 2018).

- 3.8 The authority's Capital Programme is a major influence on its expenditure. The total expenditure on the 2017/18 Capital Programme was £1.182m, of which £0.208m was funded from revenue sources. The revenue budgets within the current MTFP include the funding needs of the following Capital Programme:

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Capital programme	1.452	1.234	1.113	1.169

- 3.9 The Capital Financing Requirement (CFR) represents the authority's need to finance capital expenditure by means of borrowing or other long-term liability arrangement such as a finance lease. It is not necessarily matched by a corresponding external debt, as it may have been funded from the authority's own resources. The actual CFR for 31 March 2018 and the estimated CFRs for future years are as follows:

CFR as at 31st March:	2018 £'000	2019 £'000	2020 £'000	2021 £'000
CFR	325	120	0	0
Gross External Debt (Long Term)	120	0	0	0

- 3.10 The CFR is a key indicator of prudence. In order to ensure that debt will be only for a capital purpose over the medium term, the local authority should ensure that 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 the current and next two financial years.
- 3.11 The Head of Finance and Revenue Services reports that the authority had no difficulty in meeting this requirement in 2017/18, and that there is no difficulty envisaged for the current or future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

4 ADVISORY SERVICES

- 4.1 The Council employs a professional treasury management advisor to provide the following services:

- (1) Advice on counterparty credit worthiness

- (2) Provision of economic and interest rate forecasts
 - (3) General treasury management and capital financing/borrowing advice and updates
 - (4) Investment advice and a monitoring service on the performance of the council's externally managed funds
 - (5) Advice on compliance with treasury management codes and practice
- 4.2 The current provider of treasury advice services is Capita Treasury Services. Their contract runs from 1 April 2017 to 31 March 2020.

5 INTEREST RATES

- 5.1 The budget for 2019/20 assumes a return on investments of 0.5 percent, based on current rates for short-term investments plus a prediction of a greater level of investment in longer term investments. Longer terms attract a higher rate of interest; however, the authority is aware that the risk of counterparty default is also higher and will consider all such investments with regard to the risk of losing all or part of the principal sum. Market rates are currently priced with a view that Base Rate will remain low for the foreseeable future.
- 5.2 The provisional funding settlement predicts that central Government support will be removed by 2020/21, leaving all local authorities to rely on their own resources. The predicted draw on reserves to fund the authority's services and the consequent reduction in the level of investments will have an effect on investment income. Emphasis will be laid on increasing the return on the surplus funds left to invest without increasing the risk of loss of capital.

6 INVESTMENT STRATEGY

- 6.1 Approximately half of the Council's short term surplus cash is managed by three Pooled Fund managers, two appointed in 2011 and one in 2012.
- 6.2 The remainder of the available surplus cash is managed in-house as short-term investments, to accommodate operational cash flow requirements.
- 6.3 The authority is required to adopt an Annual Investment Strategy at the start of the financial year, with approval by Council. The Investment Strategy for 2019/20 is set out as Appendix 3.

7 BORROWING STRATEGY

- 7.1 The current MTFP includes the need to find efficiency savings and income generation schemes within the next five years. Alongside this requirement, the authority has included a budget for potential borrowing to fund any major invest to save schemes. If this becomes necessary, advice will be sought from the authority's treasury advisors on the most efficient form of borrowing.
- 7.2 The difference between interest payable on debt and interest offered for short-term investments means that borrowing more than required or in advance of need incurs additional cost. Although the use of internal resources in lieu of borrowing is the most cost effective means of financing capital expenditure at present, alternative means of financing will be assessed as the need arises.
- 7.3 The Prudential Code for capital expenditure allows for authorities to take on debt to fund capital expenditure, provided that the implications of affordability, sustainability and prudence are fully considered. Should the need to borrow arise, these assessments will form part of the decision process.

8 ANNUAL MRP STATEMENT

- 8.1 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414) and Guidance on Minimum Revenue Provision (MRP) requires Council to approve a statement of its MRP policy in respect of the forthcoming financial year, indicating which of the four options set out in the Guidance are to be followed in the financial year:

Option 1: Regulatory Method

Option 2: CFR Method

Option 3: Asset Life Method

Option 4: Depreciation Method

- 8.2 The Council has adopted Option 3 as its policy for 2019/20.
- 8.3 MRP in respect of leases brought on balance sheet under the IFRS-based Local Authority Accounting Code of Practice will match the annual principal repayment for the associated deferred liability.

9 REPORTING ON THE TREASURY OUTTURN

- 9.1 The Head of Finance and Revenue Services will report to the Cabinet on treasury management activity and performance as follows:
- (1) Activity against the Strategy approved for the year, a mid-year and

year-end review of treasury activity.

- (2) An outturn report on its treasury activity no later than 30 September after the financial year end.
- (3) Cabinet will be responsible for the scrutiny of treasury management activity and practices.

10 TRAINING

- 10.1 The CIPFA TM Code requires the Head of Finance and Revenue Services to ensure that all Members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive training that enables them to understand fully their roles and responsibilities.
- 10.2 Any new Member with treasury management responsibilities will be required to receive training. This has been provided in recent years by our treasury advisors, and has proved effective and popular.
- 10.3 Officers dealing with treasury management issues are encouraged to attend workshops run by the Council's treasury management advisors.

11 USE OF FINANCIAL INSTRUMENTS FOR RISK MANAGEMENT

- 11.1 Local authorities' legal power to use derivative instruments remains unclear. The General Power of Competence enshrined in the Localism Act is not sufficiently explicit. Consequently, the authority does not intend to include derivatives within its investment options.
- 11.2 Should this position change, the authority would develop a detailed and robust risk management framework governing the use of derivatives. Including derivatives into the treasury framework would be deemed a change in strategy and would be brought to Council for prior approval.

12 MANAGEMENT PRACTICES FOR NON-TREASURY INVESTMENTS

- 12.1 The Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries and investment in property portfolios. It will be recognised that the risk appetite for these activities may differ from that for treasury management.

Annual Investment Strategy 2019/20

1 INTRODUCTION

- 1.1 The Council has incorporated the best practice recommendations within CLG's 2010 'Guidance on Local Government Investments' ("Guidance") and CIPFA's 2011 'Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes' ("CIPFA TM Code") into this Strategy.

2 INVESTMENT PRINCIPLES

- 2.1 All investments will be in sterling.
- 2.2 The general policy objective for this Council is the prudent investment of its treasury balances.
- 2.3 The Council's investment priorities are primarily the security of capital, with the liquidity of its investments a secondary consideration. The rate of return on capital will be subordinate to security and liquidity at all times.
- 2.4 The Council will aim to achieve the optimum return on its investments, after considering the proper levels of security and liquidity.
- 2.5 Borrowing with the sole intention of investing or on-lending to make a return is unlawful. The authority will not engage in such activity.

3 SPECIFIED AND NON-SPECIFIED INVESTMENTS

- 3.1 An investment is a specified investment if it meets all of the following criteria:
- The investment and any related payments are denominated in sterling
 - It is due or can be demanded to be repaid within twelve months
 - It is not defined as capital expenditure by virtue of regulation
 - It is made with a body of high credit quality as defined in 3.2 and 3.3 below, or with the UK Government, a local authority or a parish council.
- 3.2 A counterparty will be judged to be of high credit quality if it holds a credit rating from at least one of the credit rating agencies as follows:
- Short-term F1 or long-term A- (Fitch) or

- Short-term P1 or long-term A3 (Moody's) or
- Short-term A1 or long-term A- (Standard & Poor's)
- Short-term rating AAA or equivalent for Money Market Funds (MMFs).

The authority will use UK institutions and those from countries with a minimum sovereign rating of AA- from at least one rating agency.

- 3.3 Organisations with no credit rating or an insufficient credit rating may be included, subject to assessment by other criteria;
- Building societies that do not meet the criteria in 3.2 above may be considered for use if their assets are valued at a minimum of £3 billion. Such institutions will be added to the counterparty list only after consultation with the authority's treasury advisors.
 - Part-nationalised banks can be included, subject to discussion with our treasury advisors. Should the bank subsequently be de-nationalised, any investment will be considered on the basis that it meets the ratings in 3.2.
 - Property Funds will be considered after relevant due diligence has been undertaken in conjunction with our treasury advisors.
- 3.4 The authority will take into consideration additional indicators as available e.g. share price, credit default swap price, corporate developments and market sentiment towards the counterparties.
- 3.5 The Investment Strategy for 2019/20 takes into account the changes in rating methodology undertaken by all three ratings agencies during the course of 2015, in response to the removal of implied sovereign support.
- 3.6 The CIPFA TM Code states "Authorities are advised to have regard to the ratings issued by all three rating agencies – Fitch, Moody's and Standard & Poor's". Accordingly, where counterparty achieves the minimum credit rating from one ratings agency, the authority will consider the ratings given to that body by the other two.
- 3.7 The Council is authorised to invest in the following instruments in 2019/20
- UK Government Gilts
 - Treasury Bills (short-dated Government backed borrowing)
 - Debt Management Agency Deposit Facility (UK Government backed)
 - Term deposits with UK Government or local authorities
 - Municipal Bond Agency
 - Sterling denominated bonds issued by European governments or multinational development banks
 - Deposits with banks and building societies which have "high credit quality" (see 3.2 and 3.3 above)

- Certificates of Deposit issued by banks and building societies
- Commercial Paper
- Corporate Bonds
- Property Funds
- Property Unit Trusts
- Money Market Funds with acceptable credit ratings (see 3.2 above)
- Other Money Market and Collective Investment Schemes (pooled funds)

Investments will be in sterling, will not be capital expenditure and credit quality limits will be observed. As such, they will be specified investments unless they are deposits made for fixed terms exceeding twelve months. Limits on non-specified investments are detailed in paragraph 5.3 below.

If investing in property funds a third party property fund selection service would be employed at a cost of £7,500 per annum, to support the Authority in deciding key objectives for the appointment of a manager, drafting questionnaire, collating responses and review,

4 SECURITY OF CAPITAL

- 4.1 The authority employs professional consultants to advise on matters relating to their treasury activities in the context of local and global economic matters. The current treasury advisor is Capita Treasury Services. The authority will monitor the quality of advice; however, the pool of established and respected treasury consultants is small, such that there is currently only one alternative provider available.
- 4.2 The Council will maintain a counterparty list based on the credit criteria in sections 3.2 and 3.3 of this Appendix. Exposure to overseas institutions will be discussed in advance with our treasury advisors.
- 4.3 The Council receives creditworthiness advice from its treasury consultant on a regular basis. Although it takes such advice into account in all considerations involving security of investments, in all matters of judgement the ultimate decision lies with the Head of Finance and Revenue Services.
- 4.4 The Council's lending list will be checked at least monthly. If a ratings downgrade or change in other creditworthiness indicators result in a counterparty no longer meeting the Council's minimum criteria, no new investments will be made with that organisation. If an organisation's rating is upgraded so that it fulfils the Council's criteria, the Head of Finance and Revenue Services will have the discretion to include it on the lending list.
- 4.5 Where an organisation holding investments for the authority either falls below, or is deemed to be in danger of falling below the minimum thresholds detailed in 3.2 and 3.3 above, the authority will consider whether to recall its funds immediately or to maintain a watch during the remainder of the investment's

- 4.6 Should the authority's banking services provider fall below the minimum credit criteria set out in 3.2 and 3.3 above, the Head of Finance and Revenue Services will ensure that reasonable measures are put in place to keep the authority's operational cash balances secure. These will include a consideration of any contingency banking arrangements and assessments of the need to procure an alternative banking services provider before the end of the current contract.

5 LIQUIDITY

- 5.1 Based on its cash-flow forecasts, the Council anticipates that its surplus cash balances will range between £23m and £40m during 2019/20. This will be dependent on the timing of expenditure on capital schemes and other large and unpredictable items.
- 5.2 The authority has reviewed its investment portfolio with the assistance of its treasury advisors. This review took account of the level of balances, the need for liquidity, spending commitments, provision for contingencies and the feasibility of possibility that the funding situation may be better than previously anticipated. The review reveals that there may be some scope for medium and longer term investments.
- 5.3 Investments may be made for longer initial terms to take advantage of higher returns, with the security of capital and the need to fund operational activities prevailing as the primary objective. Unspecified investments will be made only after significant due diligence has been undertaken in conjunction with our treasury advisors and the Head of Finance and Revenue Services has been consulted. Term and monetary limits on long-term (unspecified) investments will be as detailed below;

Limits on long-term deposits	Fitch Long Term Rating (or equivalent)	Monetary limit	Term limit
Banks	A+	£5m	3 years
Banks – part nationalised		£5m per group	2 years
Property Funds	As advised	£5m per fund	No limit
Local authorities	N/a	£5m	5 years
Maximum invested in total for terms exceeding twelve months	A maximum of £10m medium term (up to 5 years) plus £5m long term (up to 10 years)		

6 INVESTMENTS DEFINED AS CAPITAL EXPENDITURE

- 6.1 The acquisition of share capital in any body corporate is defined as capital expenditure under Regulation 25(1) (d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. Such investments will

have to be funded out of capital or revenue resources and will be classified as 'non-specified investments'.

- 6.2 Investments in bonds issued by multilateral development banks or money market funds (defined in SI 2004 No 534 and subsequent amendments) will not be treated as capital expenditure. Additionally, investments in shares issued by real estate investment trusts (as defined in SI 2007 No 573) and the acquisition of shares in an investment scheme approved under the Trustees Investments Act 1961 (as defined in SI 2010 No 454) will not be treated as capital expenditure.
- 6.3 A loan, grant or financial assistance by this Council to another body for capital expenditure by that body will be treated as capital expenditure. Loans by this Council to local housing associations or other companies will be clearly identified as to their purpose, i.e. treasury or policy. Appropriate due diligence will be undertaken before any loan or financial assistance is provided.

7 PROVISIONS FOR CREDIT-RELATED LOSSES

- 7.1 If any of the Council's investments appeared at risk of loss due to default (i.e. this is a credit-related loss and not one resulting from a fall in price due to movements in interest rates) the Council will make revenue provision of an appropriate amount.

8 TRAINING

- 8.1 Officers invited to join the treasury management team will have been recruited through the Council's rigorous selection process, and have proved their competence through their work and qualifications. They are required to undergo further training; theoretical training provided by our treasury advisors, and practical training, provided by experienced colleagues.
- 8.2 Officers are encouraged to attend external workshops, to discuss matters with our treasury advisors and to network with their peers in other authorities on a regular basis.

9 EXTERNAL CASH FUND MANAGEMENT

- 9.1 The Council's externally managed funds are invested in collective investment schemes (pooled funds); the type and range of investments the individual fund can use are described in the fund's prospectus.
- 9.2 The performance and suitability of the three pooled funds are monitored by the Council's treasury management advisor and the Head of Finance and

Revenue Services.

10 BORROWING IN ADVANCE OF NEED

- 10.1 The Guidance requires authorities to consider their policy concerning borrowing in advance of need.
- 10.2 The authority has considered the additional costs inherent in carrying debt held in advance of need against the advantages of fixing debt at the current low rates, and has determined that their policy is to borrow as close to the time of requiring the funds as possible.

11 SCRUTINY AND REPORTING

- 11.1 As required by the revised CIPFA Treasury Management Code, the Council will prepare as a minimum a mid-year and end of year outturn on its treasury activity, including investment activity.
- 11.2 Additionally, as required by the revised Code, Cabinet will be responsible for the scrutiny of treasury management activity and practices.

The Treasury Management Role of the Section 151 Officer

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe of at least 20 years
- ensuring that the capital strategy is prudent, sustainable and affordable in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investment so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by the authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above

- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following:
 - *risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
 - *performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*
 - *decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investment: and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*
 - *reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
 - *training and qualification (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*



Policy Name: **DISCRETIONARY HOUSING
PAYMENTS POLICY FROM
1 APRIL 2019**

Release: 1.6

Date: 14 January 2019

Document History		
Version	Date	Changes
0.1	1 March 2011	Draft document created
1.0	7 April 2011	Second draft for comment
1.1	20 October 2011	Final draft for comment
1.1	22 November 2011	Adopted by Cabinet
1.2	5 December 2012	Draft amendments for April 2013 for comment
1.2	29 January 2013	Further amendments for April 2013 for comment
1.3	26 February 2013	Final amendments following circulation to officers
1.4	16 July 2014	Section 12 amended to remove deleted post
1.5	10 February 2015	Amendments following circulation to officers
1.6	14 January 2019	Amendments following circulation to officers

1.0 Background

- 1.1 The Discretionary Housing Payment scheme is set using the Discretionary Finance Assistance Regulations 2001 (SI2001/1167).
- 1.2 A DHP may be awarded when it is considered that an applicant requires further financial assistance towards housing costs, and is in receipt of either Housing Benefit (HB) or Universal Credit (UC) with housing costs towards rental liability.
- 1.3 Discretionary Housing Payments (DHP) are not payments of benefit. They are freestanding payments made at the Council's discretion. They are made in addition to Housing Benefit and/or Universal Credit and do not form part of it. The legislation gives Local Authorities broad discretion in awarding DHPs but it has to be remembered that ordinary principles of decision making must be followed to ensure that we are acting fairly, reasonably and consistently.
- 1.4 Payments of DHP should be used to alleviate the position of people experiencing severe hardship or financial difficulties.

2.0 Purpose of this policy

- 2.1 The purpose of this policy is to specify how Broadland District Council will administer Discretionary Housing Payments (DHP). It details the application process and indicates some of the factors that will be considered when deciding if a DHP can be made.
- 2.2 The Council is committed to working with the local voluntary sector, all landlords and other interested parties in the district to maximise entitlement to all available state benefits. This will continue to be reflected in the administration of Discretionary Housing Payments.

3.0 Statement of Objectives

- 3.1 Broadland District Council will consider awarding a Discretionary Housing Payment to applicants who can demonstrate a need for further financial assistance with their housing costs. All applications will be considered on their individual merits and treated fairly and equally in the decision making process. The Council will seek through the operation of this policy to:
 - alleviate poverty
 - encourage and sustain Broadland residents in employment.
 - help those who are trying to help themselves
 - keep families together
 - support the vulnerable in the local community
 - help applicants through personal crises and difficult events.

4.0 Treatment of applications

- 4.1 Each application will be considered on its merits and all applicants treated equally and fairly when the scheme is administered. Broadland District Council is committed to working inter-departmentally and collaborating with external organisations in order to maximise applicants' entitlement to all benefits and discounts.

5.0 Applying for a Discretionary Housing Payment

- 5.1 A claim may be made by any customer in receipt of, or entitled to Housing Benefit or a housing cost element of Universal Credit. However, a claim can be accepted from someone acting on another's behalf, such as an appointee, if it is considered reasonable.
- 5.2 An application for a Discretionary Housing Payment must be made in writing and signed by the applicant. Broadland District Council will provide an application form for this purpose which can be issued from the main office or downloaded from the website. The form must be completed in full.
- 5.3 Any reasonable evidence in support of an application for a DHP may be requested in writing. The applicant will be asked to provide the evidence within a calendar month of such a request although this will be extended in appropriate circumstances.
- 5.4 If the applicant is unable to, or does not provide the required evidence, the application will still be considered and will in any event take into account any other available evidence held by the Council.
- 5.5 The Council reserves the right to verify any information or evidence provided by the applicant in appropriate circumstances.

6.0 Awarding a Discretionary Housing Payment

- 6.1 A senior officer within the Finance and Revenues department will decide if a Discretionary Housing Payment will be awarded.
- 6.2 Where an applicant is not claiming a Council Tax discount or exemption which they may be entitled to or a welfare benefit or additional financial assistance, they will be advised, and where necessary assisted, in making a claim to maximise their income before their claim for a Discretionary Housing Payment will be decided.
- 6.3 When making their decision the officer may consider:
- the relevant regulations and official guidance notes
 - the shortfall between Housing Benefit and the liability as prescribed in the Housing Benefit regulations
 - any steps taken by the applicant to reduce their rental liability
 - the financial and medical circumstances of the applicant, their partner and any dependants and any other occupants of the applicant's home
 - the income and expenditure of the applicant, their partner and any dependants or other occupants of the applicant's home
 - any savings or capital that might be held by the applicant or their family
 - the level of indebtedness of the applicant and their family
 - the level of council tax they are liable to pay
 - the exceptional nature of the applicant and their family's circumstances

- the amount available in the DHP budget at the time of the application
- the possible impact on the Council of not making such an award, e.g. the pressure on priority homeless accommodation

6.4 The list is not exhaustive and any other relevant factors or special circumstances will be considered.

6.5 The following elements of a person's rent or reasons for the shortfall in benefit cannot be met by a DHP under the legislation:

- Ineligible service charges
- Increases in rent due to outstanding rent arrears
- Certain sanctions and reductions in benefit
- Benefit suspensions
- Shortfalls caused by HB overpayment recovery

6.6 All decisions will be fully documented.

7.0 Amount and Period of the award

7.1 The start and end dates of an award will be decided based on the individual merits of the application, the known facts and the evidence supplied. One off amounts will only be considered in respect of rent deposits and/or rent in advance (and associated removal costs).

7.2 DHP will mainly be a short term award to give the customer time to sort out their financial or housing situation, particularly if they are trying to secure alternative accommodation or find employment. Details of the consideration given to the award period are provided in the "DHP award period matrix" appended to this policy.

7.3 Awards will not normally extend beyond the end of the financial year in which they are awarded.

8.0 Notification of award

8.1 The Council will inform the applicant of the outcome of their application as soon as practicably possible. Where the application is unsuccessful, the reasons why this decision was made will be set out and the right of review will be explained in writing.

8.2 Where the application is successful, this letter will advise:

- the amount of Discretionary Housing Payment awarded
- the reason for the award
- the period of the award
- how, when and to whom the award will be paid
- the requirement to report a change in circumstances
- how to re-apply at the end of the award if appropriate
- the review process
- this is a cash limited fund and
- an award of a DHP does not guarantee that a further award will be made at a later date even if the applicant's circumstances have not changed.

9.0 Payment of an Award

9.1 The decision of to whom the payment will be made will be based upon the circumstances of each case. This could include paying:

- the applicant
- their partner
- an appointee
- their landlord (or an agent of the landlord); or
- any third party to whom it might be most appropriate to make payment.

9.2 Payment of an award of DHP will be made by BACS in each case.

10.0 Duties of the applicant

10.1 A person claiming a Discretionary Housing Payment is required to:

- Provide the Council with such information and evidence as it may require to make a decision and
- Tell the Council of any changes to their financial or personal circumstances which may be relevant to their Discretionary Housing Payment claim or may affect the amount they have been awarded.

11.0 Disputes

11.1 Discretionary Housing Payments are not payments of Housing Benefit and are therefore not subject to the statutory appeals mechanism.

11.2 If the applicant is not satisfied with any decision in respect of their Discretionary Housing Payment they have the right to request a review.

11.3 Any request for a review must be made to the Council, in writing, within one calendar month of the date of the notification letter issued detailing the original decision.

11.4 A senior officer, who was not involved in the original decision making process, will look at the decision again. The applicant will be notified in writing, setting out the decision and associated reasons within 10 working days from receipt of the request or as soon as practicably possible.

11.5 In exceptional circumstances (and if it appears that the interests of natural justice would not be served by the usual procedure, or if the customer still disagrees with the outcome of an internal review), officers will consider whether to submit a request to a senior manager for consideration. This decision will be final and binding and may only be challenged by a complaint to the Local Government Ombudsman if there is an allegation of maladministration.

12.0 Overpayments of Discretionary Housing Payment

12.1 The Council will seek to recover any DHP found to be overpaid.

12.2 Overpaid Discretionary Housing Payments will mainly be recovered by issuing an invoice to the applicant or the person to whom the award was paid.

- 12.3 Recovery will not be sought from any amounts of Housing Benefit due to the applicant (except if the applicant requests this method of recovery specifically in writing).
- 12.4 The decision letter that notifies an overpayment will also set out the right of review.
- 12.5 An applicant who disagrees with a DHP overpayment decision may request a review of the decision. The procedure for this review will be as described in section 12 of this policy.

13.0 Fraud

- 13.1 The Council is committed to protecting public funds and ensuring funds are awarded to people who are rightfully eligible for them.
- 13.2 Suspected fraudulent DHP applications will be investigated. Submitting a fraudulent claim for DHP is a criminal offence and offenders may be prosecuted.

DHP Period of Award Matrix

This document is for guidance only- each case will be considered on its own merits

Discretionary Housing Payment Priority Groups	Short Term/ Long Term and Review
<p>Adapted Properties</p> <p>Customers who have had their property significantly adapted to meet their disability needs</p>	<p>Long term</p> <p>As long as the disability remains the same, review annually</p>
<p>Benefit Cap</p> <p>Customers subject to the Benefit Cap</p>	<p>Up to 26 weeks at full amount</p> <p>Consideration of a further 13 weeks at reduced amount in exceptional circumstances</p>
<p>Social Sector Size Criteria (SSSC/Under Occupancy)</p> <p>Customers subject to the social sector size criteria with no special circumstances</p>	<p>Up to 13 weeks</p> <p>Signpost to Housing team and any relevant support services to explore option to move to smaller accommodation</p> <p>Further 13 weeks to be considered dependant on proactivity of customer</p>
<p>Foster Carers</p> <p>Customers affected by the SSSC due to the number of foster children changing</p>	<p>Long Term</p> <p>As long as foster status remains, review annually</p>
<p>Medical Equipment</p> <p>Customers requiring an extra bedroom to store medical equipment</p>	<p>Long Term</p> <p>As long as medical status remains, review annually</p>
<p>Under 35's</p> <p>In privately rented accommodation where LHA "Shared Room Rate" is applied</p>	<p>Up to 13 weeks</p> <p>Consideration of a further 13 weeks if demonstrated seeking suitable alternative accommodation</p>

Appendix

<p>Expectant Mothers</p> <p>Over 16 weeks, who cannot be expected to seek alternative accommodation</p>	<p>Up to 30 weeks if there is a risk to health or either mother or baby</p>
<p>Customers within 12 months of Pensionable age</p> <p>Where work is not a realistic option</p>	<p>Up to 52 weeks</p> <p>One off award up to pensionable age</p>
<p>Hardship</p> <p>Customers affected by hardship due to welfare reform, low income, debt</p>	<p>Up to 26 weeks</p> <p>Signpost to Council Debt Advisors and Housing team</p> <p>Consideration of a further award up to 26 weeks if demonstrated engagement with debt advisors and seeking suitable alternative accommodation where appropriate</p>
<p>Threat of Eviction</p> <p>Customers who are at risk of losing their property through eviction</p>	<p>At the discretion of a senior manager who has looked at all the factors surrounding the eviction</p> <p>Awards will not be made where customers have received a previous award to prevent eviction and homelessness.</p>
<p>Moving may be Unreasonable</p> <p>Customer suffering a serious medical condition</p> <p>Child may be at a critical point in their education</p>	<p>Up to 52 weeks</p> <p>Future awards to be based on updated circumstances</p>
<p>Multiple Awards</p> <p>Where consecutive awards have been made for 2 years or more or where more than 3 awards have been made in a 2 year period</p>	<p>No further awards will be made unless a customer can demonstrate that they are continuing to improve their circumstances, then a maximum 13 weeks may be agreed.</p> <p>Does not apply to long term recipients</p>