

## Agenda

### CABINET

<b>Members of the Cabinet</b>	<b>Portfolio</b>	<b>Date</b>
Mr J Fuller (Chairman)	External Affairs and Policy	Monday 22 July 2019
Mrs K Mason Billig (Vice Chairman)	Stronger Communities and Governance	<b>Time</b> *5.00 pm
Mrs Y Bendle	Health, Housing and Wellbeing	<b>Place</b>
Mrs A Thomas	Finance and Resources	Colman and Cavell Rooms South Norfolk House Cygnets Court Long Stratton Norwich NR15 2XE
Mr K Kiddie	Regulatory and Environmental Excellence	
Mrs L Neal	Planning and Economic Growth	<b>Contact</b>
		Claire White tel (01508) 533669
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\*Note change of time

**This meeting may be filmed, recorded or photographed by the public; however, anyone who wishes to do so must inform the Chairman and ensure it is done in a non-disruptive and public manner. Please review the Council's guidance on filming and recording meetings available in the meeting room.**

**If you have any special requirements in order to attend this meeting,  
please let us know in advance**

**Large print version can be made available**

# Agenda

1. To report apologies for absence;
2. Any items of business which the Chairman decides should be considered as a matter of urgency pursuant to Section 100B(4)(b) of the Local Government Act, 1972. Urgent business may only be taken if, "by reason of special circumstances" (which will be recorded in the minutes), the Chairman of the meeting is of the opinion that the item should be considered as a matter of urgency;
3. To Receive Declarations of Interest from Members (please see guidance – page 4)
4. To confirm the minutes of the meeting of Cabinet held on Monday 10 June 2019  
(attached – page 6)
5. Performance, Risk, Revenue and Capital Budget Position for Quarter Four 2018/19  
(report attached – page 14)
6. Treasury Management Annual Report 2018/19  
(report attached – page 85)
7. Council Tax Support Scheme  
(report attached – page 97)
8. Affordable Home Ownership  
(report attached – page 102)
9. Amenity and Facility Standards for Licensed Houses in Multiple Occupation  
(report attached – page 116)
10. Joint Working Group: Waste Services Review  

Cabinet are asked for approval to form a Member Working Group to take oversight and make recommendation on the waste services review. The waste service review will consider the long-term benefits of any collaboration with Broadland District Council and explore and make recommendation on the preferred model of waste collection, grounds maintenance and street cleansing. The working group will include 4 members, (3 Conservatives and 1 Liberal Democrat) to allow for political balance and will be operating for the duration of the project until April 2022. The working group will work jointly with Broadland District Council members to agree any joint recommendations.
11. Cabinet Core Agenda  
(attached – page 151)

## **12. Exclusion of the Public and Press**

To exclude the public and press from the meeting under Section 100A of the Local Government Act 1972 for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act (as amended)

## **13. Future Direction of Build Insight Companies** (report attached for members only)

(Not for Publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended)



## DECLARATIONS OF INTEREST AT MEETINGS

When declaring an interest at a meeting Members are asked to indicate whether their interest in the matter is pecuniary, or if the matter relates to, or affects a pecuniary interest they have, or if it is another type of interest. Members are required to identify the nature of the interest and the agenda item to which it relates. In the case of other interests, the member may speak and vote. If it is a pecuniary interest, the member must withdraw from the meeting when it is discussed. If it affects or relates to a pecuniary interest the member has, they have the right to make representations to the meeting as a member of the public but must then withdraw from the meeting. Members are also requested when appropriate to make any declarations under the Code of Practice on Planning and Judicial matters.

Have you declared the interest in the register of interests as a pecuniary interest? If Yes, you will need to withdraw from the room when it is discussed.

Does the interest directly:

1. affect yours, or your spouse / partner's financial position?
2. relate to the determining of any approval, consent, licence, permission or registration in relation to you or your spouse / partner?
3. Relate to a contract you, or your spouse / partner have with the Council
4. Affect land you or your spouse / partner own
5. Affect a company that you or your partner own, or have a shareholding in

If the answer is "yes" to any of the above, it is likely to be pecuniary.

Please refer to the guidance given on declaring pecuniary interests in the register of interest forms. If you have a pecuniary interest, you will need to inform the meeting and then withdraw from the room when it is discussed. If it has not been previously declared, you will also need to notify the Monitoring Officer within 28 days.

Does the interest indirectly affect or relate any pecuniary interest you have already declared, or an interest you have identified at 1-5 above?

If yes, you need to inform the meeting. When it is discussed, you will have the right to make representations to the meeting as a member of the public, but must then withdraw from the meeting.

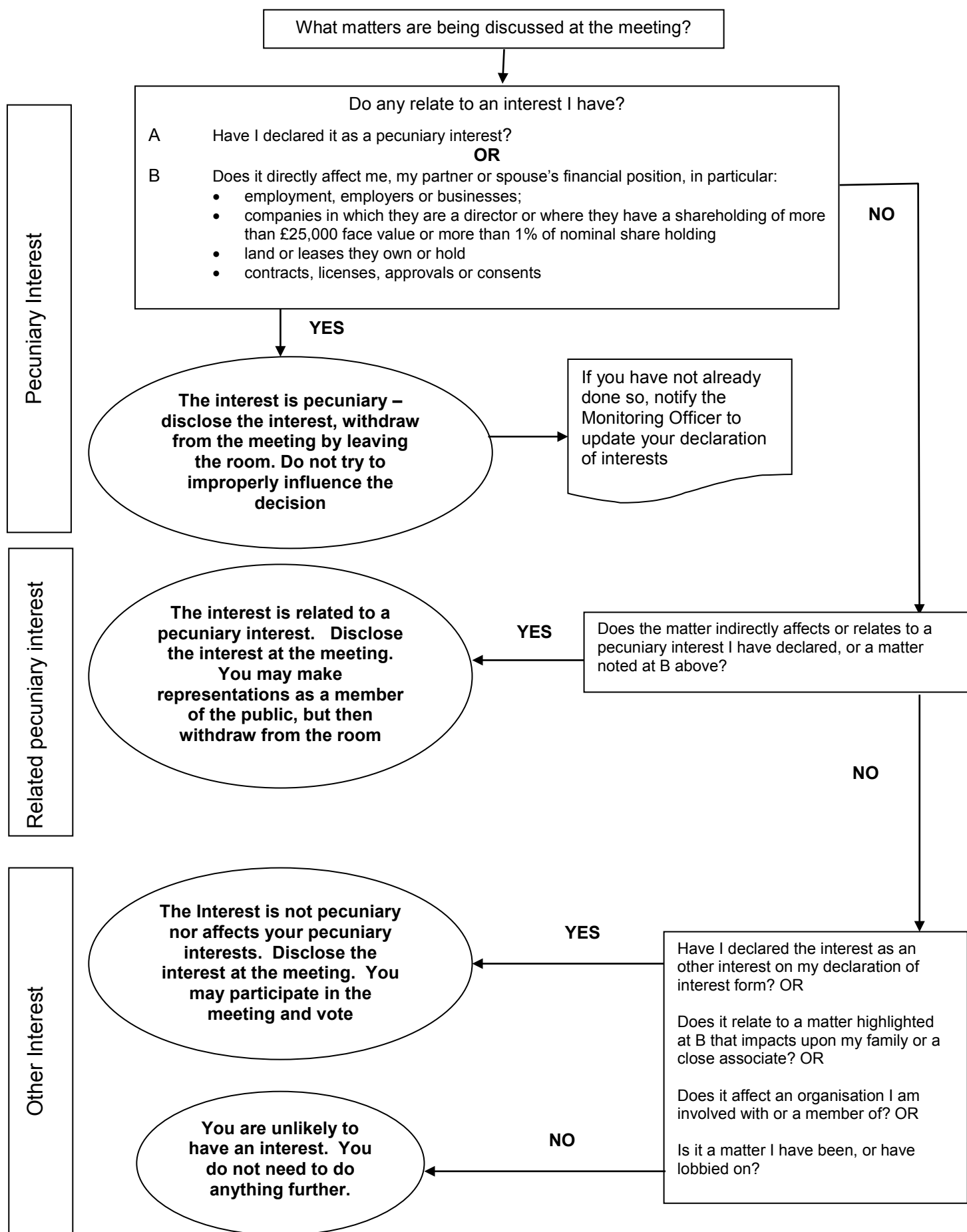
Is the interest not related to any of the above? If so, it is likely to be another interest. You will need to declare the interest, but may participate in discussion and voting on the item.

Have you made any statements or undertaken any actions that would indicate that you have a closed mind on a matter under discussion? If so, you may be predetermined on the issue; you will need to inform the meeting, and when it is discussed, you will have the right to make representations to the meeting as a member of the public, but must then withdraw from the meeting.

**FOR GUIDANCE REFER TO THE FLOWCHART OVERLEAF.**

**PLEASE REFER ANY QUERIES TO THE MONITORING OFFICER IN THE FIRST INSTANCE**

# DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF





## **CABINET**

**Minutes of a meeting of the Cabinet of South Norfolk District Council held at South Norfolk House, Long Stratton on Monday 10 June 2019 at 9.00am.**

### **Members Present:**

**Cabinet:** Councillors: K Mason Billig (Chairman), Y Bendle, K Kiddie, L Neal and A Thomas

**Apologies:** Councillor: J Fuller

**Non-Appointed** Councillors: B Bernard, D Bills, S Blundell, C Brown, R Elliott, J Halls, T Laidlaw and G Minshull

**Officers in Attendance:** The Managing Director (T Holden), the Director of People and Communities (J Sutterby), the Director of Place (P Courtier) the Director of Resources (D Lorimer), the Assistant Director Chief of Staff (H Ralph), the Assistant Director Governance and Business Support (E Hodds), the Leisure Operations Manager (S Goddard), the Community Leisure Manager (M Heazle) and the Senior Planning Policy Officer (S Marjoram)

**Also in Attendance:** Mr K Worsley (Chairman of Long Stratton Town Council) and nine other members of Long Stratton Town Council.

### **2718 QUEEN'S HONOURS**

Members wished to congratulate Cllr J Fuller and Mrs S Dinneen (the Council's former Chief Executive), both of whom had been awarded the OBE, in the recent Queen's Honours.

The Managing Director added his congratulations to both individuals for this outstanding achievement.

### **2719 MINUTES**

The minutes of the meetings of the Cabinet held on Monday 18 March, and Tuesday 23 April, were confirmed as correct records, and signed by the Chairman.

## **2720 CIL CONTRIBUTION TOWARDS LONG STRATTON TOWN COUNCIL PAVILION**

### **LONG STRATTON HIGH SCHOOL POOL REFURBISHMENT PROJECT**

The Chairman explained that as the decisions for the Long Stratton Pavilion and the Long Stratton High School Pool Refurbishment Project were linked, both items would be discussed, before reaching separate resolutions on each.

Members first turned to the report regarding the CIL contribution towards Long Stratton Town Council Pavilion, which sought a decision on whether the Council should provide financial support towards the project.

The Community Leisure Manager outlined the background to the report, explaining that officers had been working with the Town Council and other partners for a number of years, on a sporting “Hub” concept, with £500k of CIL secured for capital expenditure across partner sites. He explained that £150K had originally been earmarked for the pavilion project, subject to conditions.

Members were advised that in response to concerns regarding project costs, from officers at both South Norfolk Council (SNC), and the Football Association (FA), the Town Council had reduced the footprint of the building. Although this reduced the total capital cost, the average square metre cost stood at £1900, some £400 over the Value for Money (VFM) benchmark, set at £1500 per square metre. Members noted that although meeting VFM had been a condition of funding, officers had failed to include a quantifiable measure in the original funding agreement and that this figure was not communicated to the Town Council until later in the project.

The Community Leisure Manager then referred Cabinet to the options on how to proceed, outlined at paragraph 5 of the report.

Cllr A Thomas referred to the option which involved an interest free loan for the Town Council, and she asked if there could be some flexibility on the repayment of such a loan, as future CIL receipts would be required to repay the loan from the Public Works Loan Board (PWLB). Officers agreed that this could be negotiated, recognising that the PWLB loan should take priority, to avoid additional interest charges to the Town Council.

Referring to the closure of the Long Stratton Pool, Cllr Y Bendle stressed that circumstances had changed since the original funding agreement was proposed. She stressed that members needed to balance budgets against what was in the best interests of residents from Long Stratton and the surrounding area.

The Community Leisure Manager then outlined the salient points of his report regarding the Long Stratton High School Pool Refurbishment Project. Members noted that officers had been working with Enrich Learning Trust to look at ways in which the pool could be brought back into school and community use. The total cost of refurbishment was a maximum of £713k of which £600,000 could be made available through external funding (if £150k originally earmarked for the Pavilion funding was diverted to the pool project).

The Community Leisure Manager explained that the financial returns of this project were marginal, however, he stressed that the social returns for the local community could be significant. He advised that although the pool was to cost £713k to refurbish, a new 25m pool was currently estimated to cost £3.75 million.

In response to queries from members, he confirmed that due to the location of the pool, a second access point could be created, so as not to encroach on school grounds. He confirmed that any refurbishment would ensure the building to be DDA (Disability Discrimination Act) compliant.

During discussion, Cllr Thomas referred to the need for local primary schools to have a local swimming pool where they could take pupils for swimming lessons, explaining that schools were unable to afford the time or costs in transport, to take children to pools further afield for lessons. She felt that there was a duty to ensure that all primary school children were given the opportunity to learn to swim, and this did indeed form part of the key stage 2 school curriculum.

Cllr Bendle explained that it had been clear from responses to the consultation on the Long Stratton Leisure Centre, that a pool was a priority for residents. She felt that in addition to school use, there was a case for a successful swim school, such as that at Diss and Wymondham, in addition to other classes such as dementia friendly sessions. She stressed that this would all come at a cost, and she drew attention to the need for the Council to contribute towards capital costs, in order for the project to go ahead.

Mr K Worsley, Chairman of Long Stratton Town Council, then addressed the meeting. He explained that the pavilion project had begun four years previously, after an extensive consultation process had indicated overwhelming support for a community pavilion. Since then, the Town Council had worked hard with officers from South Norfolk Council (SNC), the Football Association (FA), the Football Foundation, and architects, to provide a community building that would not only support Long Stratton Football Club, but also the health and wellbeing of other community groups and residents of Long Stratton and the surrounding area.

Mr Worsley outlined the issues that had arisen since the original designs for the project had been produced, and advised Cabinet that back in 2015, the cost of the project was scrutinised, to ensure VFM. There had been a series of emails between the FA, the Football Foundation, SNC and the Town Council, where assumptions were made that the average cost of the pavilion would average at £1600 - £1700 per square metre, and this was deemed acceptable by the Football Foundation, and not challenged by SNC.

In 2016, SNC had issued a funding agreement, stating its intention to provide funding of £150k, with terms and conditions stating that the project was to achieve VFM. This was not quantified in the agreement, however, the Town Council assumed this to be £1600 - £1700 per square metre, as had previously been discussed, and agreed by the Football Foundation. Mr Worsley explained that it had therefore been a shock, when a letter from SNC arrived some 18 months later, stating that in order to receive the funding, the project had to achieve a cost of £1500 per square metre, to demonstrate VFM. This was some £200 less per square metre than what the Town Council believed to have already been agreed.



Mr Worsley urged Cabinet not to go back on the Council's original agreement and to contribute the whole £150k, as was the original intention. He felt it would be unjust to withdraw a funding offer that had failed to include a quantifiable VFM measure from the beginning. He stressed that failure to fund the project as previously agreed, would result in CIL receipts having to be used to pay loans which could otherwise be used to fund infrastructure needs elsewhere in Long Stratton.

Referring to the Long Stratton Pool project, Mr Worsley agreed that there was considerable support from residents to bring the pool back into use, however, his personal view was that this was a Norfolk County Council issue, and he felt it unfortunate that the problem had been left to others resolve.

The Chairman thanked Mr Worsley for his comments, stating that this was a very difficult decision for SNC, with two very worth while projects, both of which would hugely benefit Long Stratton and the surrounding area. It was clear that the Town Council had worked hard to progress the Pavilion project, and it was regrettable that SNC had failed to communicate the £1500 per square metre condition earlier. However, she noted tht the project costs still equated to £1900 per square metre, which, even four years later, was still considered high. Referring to the pool refurbishment, she felt this to be a "now or never" scenario, and in light of the significant social returns for the residents of Long Stratton, and the surrounding community, she felt that this opportunity should not be missed. She stressed the need for compromise, if both projects were to be delivered.

Discussion followed, and Cllr Bendle expressed her support for the hybrid support package to enable the Town Council to deliver the Pavilion project, whilst also allowing the pool refurbishment to progress. She added that it was unfortunate that SNC was no longer able to contribute the £150k in full, but stressed that circumstances had changed, and that the pool closure had not been foreseen at the time of the original agreement.

Referring back to Mr Worsley's comments regarding the pool and Norfolk County Council, Cllr Thomas explained that now that the high school had become an academy, the pool was no longer the responsibility of the County Council. As one of the local members for Long Stratton, she expressed her gratitude for the considerable investment in sports and leisure facilities in the town and was mindful that other areas in the District lacked such facilities. She agreed that some lessons should be learned from the pavilion project, but now felt that looking forward, a pragmatic approach was required. She therefore indicated her support for the hybrid solution, subject to SNC negotiating terms with the Town Council regarding the repayment of the interest free loan, recognising that CIL receipts should first be used to repay the loans from the Public Works Loans Board.

The Chairman referred members to the recommendations and options for the Pavilion project, and it was unanimously

**RESOLVED:**

- 1) To note the issues raised in the report;
- 2)
  - a) To offer a hybrid financial support package for Long Stratton Town Council, as outlined in paragraph 5.5 of the report;
  - b) That officers work with the Town Council to agree terms regarding the repayment of the interest free loan;
  - c) To delegate the implementation of the above to the Director of People and Communities, in consultation with the Portfolio Holder for Health, Housing and Wellbeing.

**The Reason for the Decision**

To support a project that will contribute to the health and wellbeing of the local community, whilst also allowing the delivery of an additional project (the Long Stratton Pool).

**Other Options Considered**

As outlined in the report.

Turning to the pool refurbishment project, it was then unanimously

**RESOLVED:**

- 1) To agree that the project should be delivered in partnership with Enrich Learning Trust, at a maximum total cost of £713k;
- 2) That the project be funded as set out in paragraph 5.5 of the report
- 3) To delegate to the Director of People and Communities, in consultation with Portfolio Holder for Health, Housing and Wellbeing, the sign off of any contractual arrangements relating to the delivery of the project, including a robust management agreement with Enrich Learning Trust.

**The Reason for the Decision**

The project will deliver significant social returns to the community of Long Stratton and the surrounding area.

**Other Options Considered**

As outlined in the report.

Following these decisions, it was agreed that the reasons for the decisions should be carefully communicated to the public and it was agreed that South Norfolk's Communication Manager should work with Long Stratton Town Council and the Enrich Trust (once final agreements were in place), to issue a joint press statement.

## **2721 WYMONDHAM LEISURE CENTRE CAR PARK EXPANSION PROJECT**

Members considered the report of the Leisure Operations Manager, which sought Cabinet approval to fund a carpark expansion at Wymondham Leisure Centre, utilising Section 106 monies.

The Leisure Operations Manager presented his report, explaining that in order to cater for the increasing demands on Wymondham Leisure Centre's facilities, it was proposed that the current small 3G pitch at the Centre, which required significant investment to repair, upgrade and future proof, should be converted to create additional car parking spaces. In response to a query, members were informed that the 3G pitch was currently used for a maximum of 14 hours per week, and whilst it was still safe to use, it had reached the end of its life. Members noted that a full sized 3G pitch was opened at Kett's Park in 2018, which was why the smaller pitch was not being fully utilised.

The Leisure Operations Manager outlined the reasons why additional car parking was required, referring to customer dissatisfaction, the affect on business growth and the growing number of unsafe parking practices due to the limited spaces.

The portfolio holder, Cllr Y Bendle, expressed her support for the proposals, explaining that the plans included an electrical charging point for electric vehicles, and also an increase in the number of spaces reserved for disabled parking.

Members expressed their support for the proposals, and it was

**RESOLVED:** To agree the utilisation of designated Wymondham Leisure Centre enhancement S106 monies to fund the additional car parking provision at Wymondham Leisure Centre.

### **The Reason for the Decision**

To increase the Centre's appeal and cater for the increasing demands on its facilities.

### **Other Options Considered:**

- Investigate options for purchasing additional land
- Investigate the creation of a multi-level car park
- Investigate options for sharing car park facilities with neighbouring organisations.

**2722 UPDATE TO LOCAL DEVELOPMENT SCHEME**

Members considered the report of the Senior Planning Officer regarding proposed amendments to the current Local Development Scheme (LDS) (October 2018).

The Senior Planning Officer presented his report, explaining that proposals included an amendment to ensure that the Greater Norwich Local Plan (GNLP) did not supersede the adopted Area Action Plans for Long Stratton and Wymondham, although it was proposed that the GNLP would be able to propose changes within those areas, for example the possibility of further land being allocated for development in these locations.

Members noted that although there was no intention for the GNLP to replace Development Management Policies, it was proposed to revise the LDS, to reflect that some consequential changes might be necessary, particularly following the allocation of new sites.

In response to a query, the Senior Planning Officer confirmed that should amendments be required to the Area Action Plans, as with all Local Plan Documents, the public would be fully consulted.

Cllr J Halls expressed concerns that the amendments proposed at paragraph 4.1 of the report were too vague, and required further detail, particularly with reference to the protection of green infrastructure and open space.

Cabinet felt that such an addition would fail to add clarity, noting that green infrastructure policies were already in place within the Area Action Plans, and that these would not be replaced by the GNLP.

It was

**RESOLVED: TO RECOMMEND THAT COUNCIL** approves the proposed amendments to the current Local Development Scheme (October 2018)

**The Reason for the Decision**

To ensure that the document remains up to date, is less complex and more flexible.

**Other Options Considered**

- To not to make the proposed amendments

**2723 UPDATE TO STATEMENT OF COMMUNITY INVOLVMENT**

Members considered the report of the Senior Planning Policy Officer, which proposed a number of amendments to the current May 2017 Statement of Community Involvement (SCI).

The Senior Planning Policy Officer presented his report, explaining that the proposed amendments reflected the advice and support that the Council could give to communities involved in the preparation or modification of Neighbourhood Plans or Neighbourhood Development Orders in the District. Amendments were also required to reflect the deletion of the Planning Policy consultation database, which was no longer appropriate, following the introduction of the General Data Protection Regulations.

**RESOLVED: TO RECOMMEND THAT COUNCIL** approves the proposed amendments to the current Statement of Community Involvement (May 2017)

**The Reason for the Decision**

To ensure that the document is updated to reflect changes in legislation.

**Other Options Considered**

To not make the proposed amendments.

**2724 CABINET CORE AGENDA**

Members noted the latest version of the Cabinet Core Agenda.

(The meeting concluded at 10.35 am)

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Chairman

**22 July 2019**

**PERFORMANCE, RISK, REVENUE AND CAPITAL BUDGET POSITION FOR  
QUARTER FOUR 2018/19**

**Report Author(s):**

**Finance:** Julie Brown (Group Accountant)

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**Performance:** Emma Pepper (Business  
Improvement Lead)

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**Risk Management:** Emma Goddard (Senior  
Governance Officer)

01508 533943, [egoddard@s-norfolk.gov.uk](mailto:egoddard@s-norfolk.gov.uk)

**Portfolio:**

Stronger Communities & Governance; and  
Finance and Resources

**Ward(s) Affected:**

All

**Purpose of the Report:**

This report details the Council's performance against strategic measures, risk position and financial position for the fourth quarter of 2018/19, and seeks approval for other consequential matters.





## **Recommendations:**

It is proposed that Cabinet:

- a) Notes the 2018/19 performance for the quarter and the year and the combined efforts across the Directorates to deliver the vision of the Council (detail contained in Appendix 1).
- b) Notes the current position with respect to risks and accepts the actions to support risk mitigation (detail contained in Appendix 2).
- c) Notes the capital and revenue position and the reason for the variances on the General Fund (detail contained in Appendix 3 & 4).
- d) Recommends to Council the approval of the budget virement which exceeds £100,000 in accordance with the rules of financial governance (section 1.12).
- e) Recommends to Council the approval of the movements in reserves as outlined in Section 1.12
- f) Approves and recommend to Council the slippage requests of £267,957 on revenue and £677,885 on capital
- g) Approves and recommend to Council the amended Capital programme and its financing for the next four financial years as set out in Appendices 7 and 8.






## 1. SUMMARY

- 1.2 **Performance:** In February 2018, Cabinet approved the annual Corporate Business Plan for the 2018/19 financial year which included a set of strategic measures aligned to our corporate priorities. These measures are monitored and reported on a quarterly basis to Cabinet. Appendix 1 provides the detailed performance report for quarter 4. The table below provides a summary.

	Totals
 <b>Green Indicator</b>	<b>23 Measures met or exceeded the target.</b>
 <b>Amber Indicator</b>	<b>3 Measures are within an acceptable tolerance of target.</b>
 <b>Red Indicator</b>	<b>3 Measures did not reach the stretched target.</b>
 <b>Baseline</b>	<b>6 Measures are being 'baselined' in order to determine the target.</b>

- 1.3 **Risk Management:** Managers have undertaken a review of all Strategic, Directorate and Operational risks. In light of this, the current organisational capacity position is highlighted below; this demonstrates that at present all risk factors are positive, indicating the Council is proactively managing risks and capable of realising opportunities as they are identified. The table below presents a position that will assist the organisation achieve its ambitious targets for the future. The Strategic Risk Register is outlined in Appendix 2.

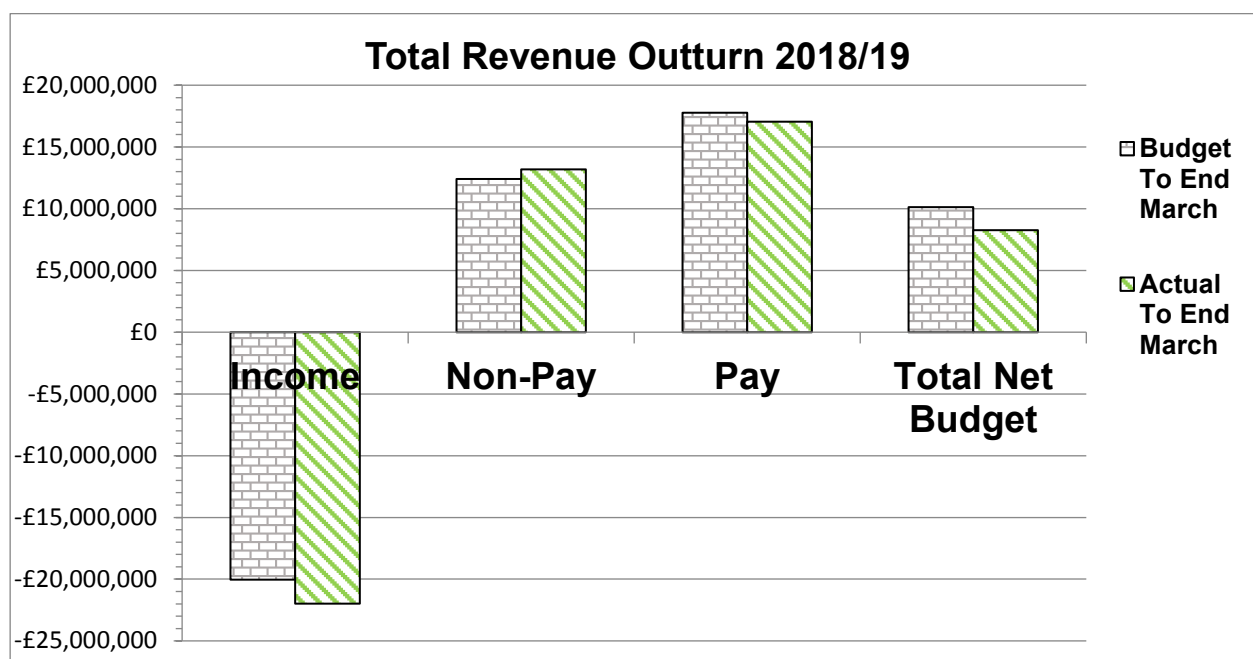


Capacity Indicator	Present Position	Present Risk Acceptability
<b>Financial</b>	The Medium Term Financial Strategy that was agreed in February 2019 shows that the Council's Budget is balanced until 2022/23.	
<b>Service Delivery</b>	The Council continues to perform strongly against its suite of strategic performance indicators. The quarter 4 position 2018/19 is favourable with only three measures not meeting its target.	
<b>Legal / Compliance</b>	No significant legal / compliance issues have been raised over the past quarter and the status remains the same.	
<b>Reputation</b>	The Council continues to have good reputation locally and nationally	
<b>Human Resources Capacity</b>	This remains strong and the Corporate Management Leadership Team continues to be in a position to drive the Council forward. The Council continues to ensure that it has the right skills and resources in place to fulfil the needs of the organisation, which is strengthened now the joint management structure is in place.	

#### 1.4 Revenue Provisional Outturn Position

The budget for 2018/19 was set by the Council in February 2018. The draft group accounts were published on 31st May and will be audited by the Council's external auditors, Ernst and Young (EY), in due course. The provisional outturn is detailed below.

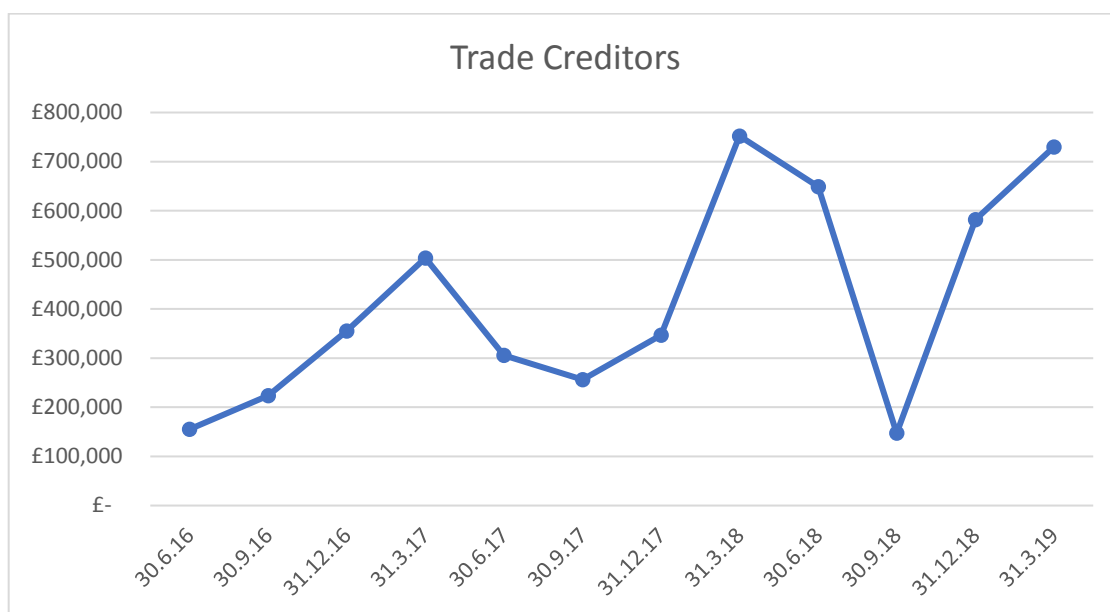
The total net budget to the end of March was £10.128m. The actual total expenditure, net of income and excluding Housing Benefit payments, was £8.252m. This therefore produced a positive variance against the revenue budget of £1.875m. The variance has reduced since Quarter 3, owing in particular to high transport fleet costs, accounting adjustments for IFRS 15 which affects the recognition of income to match the stage of delivery of service contracts to customers, IAS 19 accounting pension adjustments which are calculated by the Council's pension actuary and an additional provision for interest to be paid to HMRC relating to a VAT error. The position at the end of March is set out in the graph below.



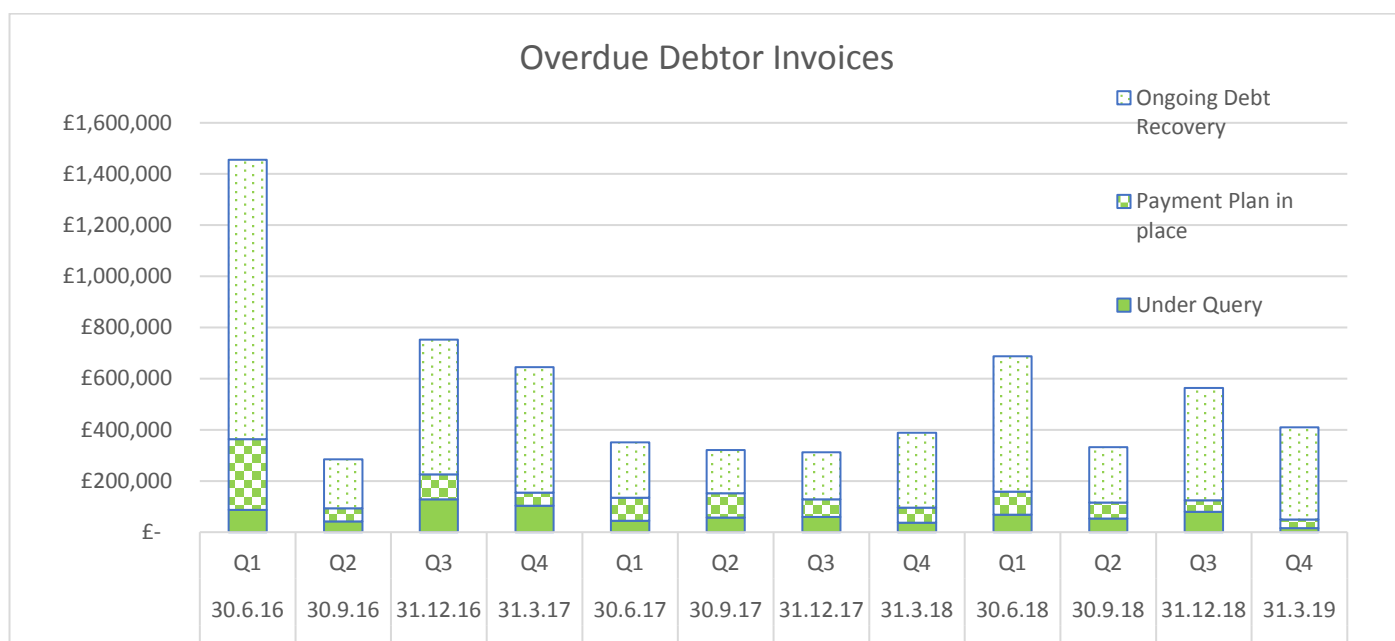
A more detailed analysis of the main areas of variance by service is attached as Appendix 3. These variances are the direct costs of each service and exclude recharging between services for overheads, depreciation charges and technical financial adjustments required for statutory reporting purposes at the end of the financial year.

- 1.5 Pay and staffing budgets:** There have been vacancies in several areas across the Council, as outlined in Appendix 3. Recruitment processes are ongoing, but interim staffing arrangements in these areas did not fully offset the savings from vacancies. In some cases, vacancies have been held open pending review. The overall position on staffing budgets at the end of March is a positive variance of £732k. During the budget setting process for 2019/20 there has been a review of vacancies and where possible vacancies were removed from the establishment.
- 1.6 Non Pay budgets:** These were reduced for 2018/19 as part of budget setting. Overall, there was higher than budgeted non-pay expenditure across the Council, resulting in a negative variance of £787k. This was mainly as a result of higher than anticipated costs for the transport fleet, economic development and development management, as detailed in Appendix 3.

Performance on payments is shown in the graph below which shows the total value of invoices approved on the finance system but not yet paid (these are referred to as 'Trade Creditors'). The Council pays most of its suppliers within 30 days. 97% of all undisputed supplier invoices have been paid within 30 days for the whole year.



- 1.7 Income Budgets:** these were increased as part of budget setting to reflect higher demand and increases to most fees and charges. Overall income was £1.932m higher than budgeted across the Council. There is a positive variance on business rates income of £1.29m, reflecting the fact that overall NNDR receipts continue to be ahead of the 2017/18 position, in part due to increased rateable values from new or improved premises and the level of reliefs given has reduced. Major planning applications during the year have resulted in a positive income variance of £423k for development management.
- 1.8** Leisure centre income has been affected by the correction of VAT treatment on Direct Debit memberships which has resulted in a reduction in income for 2018/19 of £47k. The 4 year backdated effect will require a payment to HMRC of approximately £644k (plus any interest and/or penalties), which has reduced the contribution to General Revenue Reserves for 2018/19. This was reflected in the reserves projections reported at Q3.
- 1.9** 2018/19 income within some areas has also been affected by an accounting adjustment for IFRS 15 “Revenue from contracts with customers” which affects the recognition of income to match the stage of delivery of service contracts to customers. This has resulted in a one-off reduction of £700k covering building control, licensing and development management as it is the first time this IFRS has been applied.
- 1.10** Trade Debtors are all invoices raised by the Council and where we are awaiting payment. Performance on overdue invoices for Quarter 4 compared to historic performance since 2016/17 is shown in the graph below. These invoices include charges for CNC Building Control, Community Infrastructure Levy, Rent Assisted Deposits and charges for Sewerage Services. £1,610,009 was raised in 2018/19 in relation to Community Infrastructure Levy (CIL).



1.11 Three unpaid business rates debts have been identified as having no likelihood of being recovered and as a result will be written off as irrecoverable in accordance with the Rules of Financial Governance. Two cases, £69,653.02 for the period 2014 – 2016 and £73,500 in 2018 are as a result of insolvency and the third, £53,029.10 for the periods 2011 – 2014, where the company has ceased trading and is subsequently now dissolved.

#### 1.12 Revenue Slippage requests

Slippage requests totalling £267,957 have been made, which are listed in the table below:

Directorate, Area	Amount	Reason
Communities & Wellbeing, Streetlighting	£41,203	Repairs to street lights were delayed while consultation took place on the transfer to town and parish councils. A number of streetlights were not transferred by April and this budget is therefore requested to be carried forward for repairs and replacements in 2019/20.
Communities & Wellbeing, Recycling	£23,748	Community Clean up grant received in March to help fund projects and community recycling, to be slipped to allow us to spend in 1920.
Communities & Wellbeing, Leisure	£8,000	A pool inflatable was budgeted to be purchased during 2018/19 to generate additional income from pool parties and fun sessions but was delayed until 2019/20 and is therefore requested to be slipped.

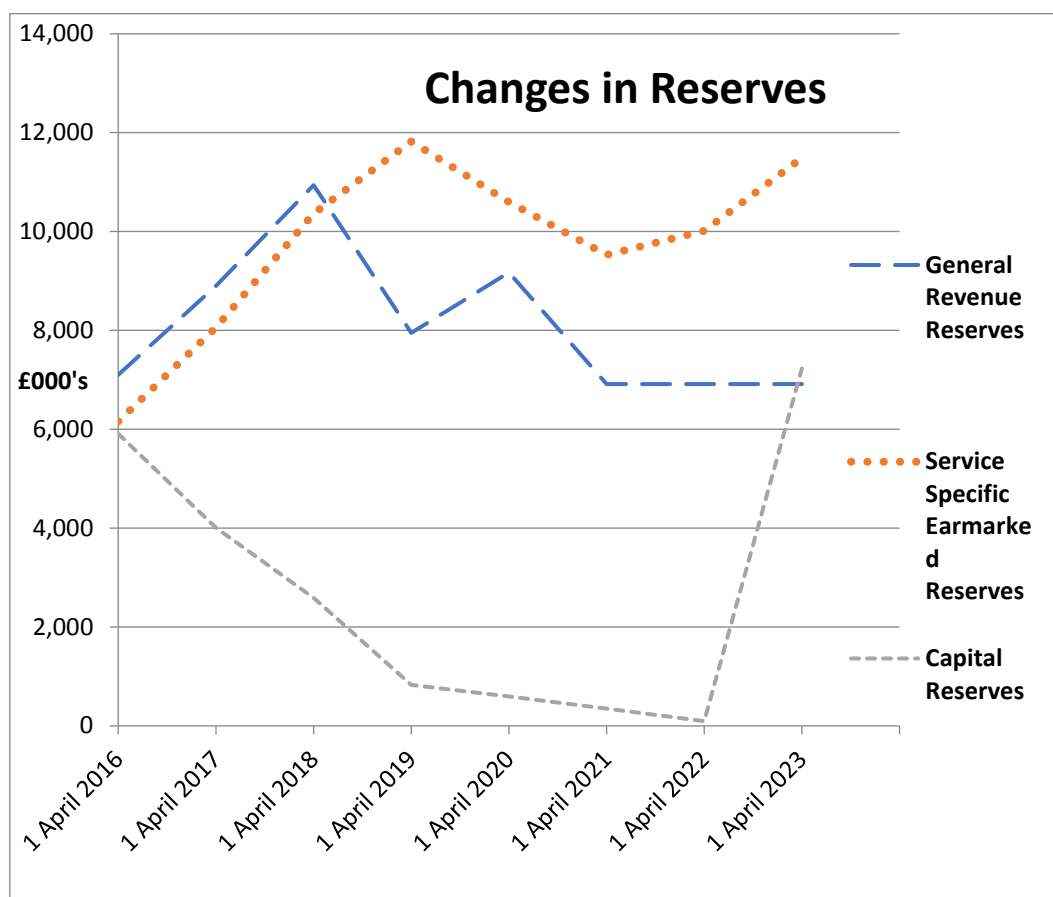
Communities & Wellbeing, Early Help	£17,411	This unspent budget, which is as a result of external funding to cover a 3 year scheme, is requested to be slipped to fund the associated LIFT employment project in 2019/20. 2019/20 will be year 3 of the scheme.
Communities & Wellbeing, Health & Wellbeing	£7,218	Unspent equipment budget to be used for a new programme to support the delivery and purchase of 'I'm going home' packs (assistive technology) for use for residents being discharged from hospital.
Communities & Wellbeing, Early Help	£30,529	This is funding from the County Council and is ring-fenced. The County Council has reviewed the funding for this and it will continue to decrease in future years.
Communities & Wellbeing, Communities	£33,966	The Community Connector scheme runs over 3 years so any underspend is carried forward to be used in the following year. 2019/20 will be year 3 of the scheme.
Communities & Wellbeing, Leisure	£11,186	The unspent uniform budget is requested for carry forward as this budget has been removed for 2019/20.
Growth & Business Development, CNC	£19,310	Funding that had been earmarked for the provision of new tablets to surveyors to help improve productivity in the field was not spent in the 18/19 financial year. This has been delayed until July 2020 while devices are being piloted.
Chief Executives, Collaboration	£45,200	Budget has not been fully spent during 2018/19 and will be needed to continue with the collaboration work with Broadland Council. The associated recharge of costs to Broadland for their share of costs will also be slipped, amounting to £24,292.
Chief Executives, Accountancy	£8,120	Due to vacancies within the team, the remaining unspent budget is requested to be carried forward to contribute towards costs of agency staff until a final structure is in place.
Chief Executives, Asset Management Plan	£22,066	Unspent budget as a result of works earmarked for 2018/19 delayed until 2019/20 including Wymondham archway repairs.

### 1.13 Reserves and Balances

Owing to the surplus and capital funding requirements moving into 2019/20, the balance on the General Revenue Reserve has decreased as planned and is projected to move as follows:

<b>General Revenue Reserve</b>	<b>£'000</b>
<b>Balances as at 1 April 2018</b>	<b>10,938</b>
Contribution to reserve due to positive variance against budget	2,346
Transfer to business rates reserve	-1,512
Slippage requests from 2017/18	-333
Transfers from Earmarked Reserves	152
Projected Funding of capital programme	-3,639
<b>Actual balances as at 31 March 2019</b>	<b>7,952</b>

The Council's usable revenue reserves have reduced by £1.5 million during the year, which includes capital funding and was a planned reduction in the Medium Term Financial Strategy. The Council used much of its capital receipts during the year and therefore the capital receipts reserve reduced by £2.022 million. Total usable reserves have therefore reduced by £3.288 million during the year to a total of £22.001 million. The overall projected position on reserves is shown in the graph below.



Details of each usable reserve and the movement during the year are provided in Appendix 5.

In accordance with the rules of financial governance, Cabinet are asked to approve all revenue budget virements which have taken place during the 2018/19 financial year which exceed £100,000:

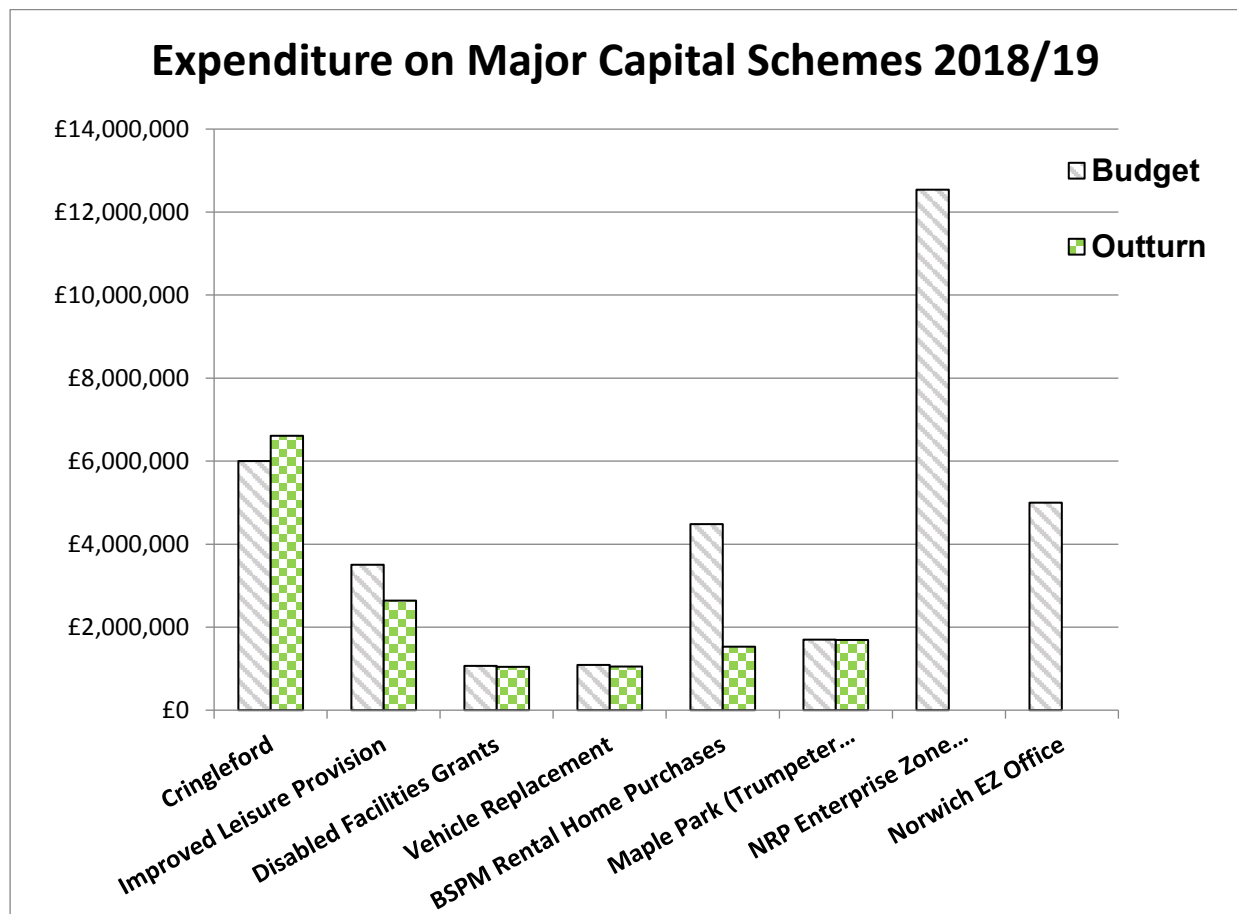
Description	Amount £	Reason
Movement on General Reserves	(333,447)	2017/18 Total Slippage approved by Cabinet

#### 1.14 Capital Budget and Expenditure Provisional Outturn Position

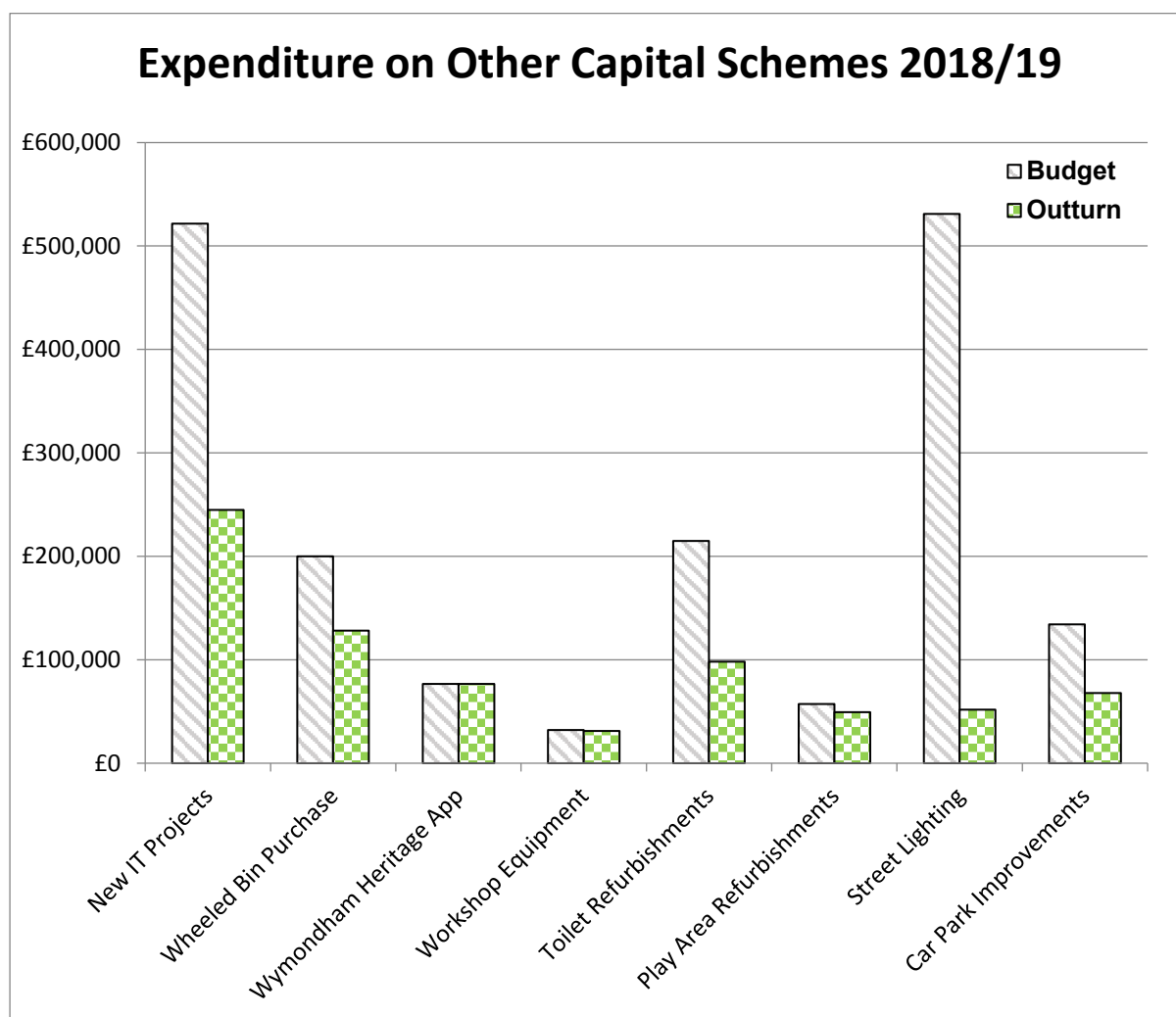
The report details the overall position on the Capital Programme for the financial year 2018/19. The figures in this report are provisional, being subject to the outcome of the audit of the accounts. Expenditure in 2018/19 was £15.925 million compared to a budget of £47.740 million.

The report also updates the programme for 2019/20, agreed by Council in February, to reflect the provisional outturn position. This confirms the position that the Council will need to borrow to fund the capital programme. It is expected that external borrowing will be required in the financial year 2019/20.

The two graphs below show the variances on the 2018/19 capital programme. The main variances relate to the Enterprise Zone, Property Development, BSPM Rental Home Purchases and Street Lighting. Further details of the variances on individual capital projects are included by relevant theme later in this report and in Appendix 4. The programme was fully funded for 2018/19.







## Capital Slippage Requests

Some of the slippage totalling £32,127,929, based on the expected 2018/19 outturn, was incorporated into 2019/20 Capital Programme approved by Council in February 2019. The total slippage mainly comprised £17.5m relating to the Norwich Enterprise Zone Infrastructure and Office, £10.2m on other Property Development Projects and £3.3m on BSPM Rental Homes Purchases.

Based on the actual outturn, further slippage from 2018/19 to 2019/20 is requested for a total of £677,885 in the following areas. More detail on the reasons for the slippage can be found in Appendix 4:

- Street Lighting - £479,208
- IT Projects (including Digital & Telephony) - £241,301
- Toilet Refurbishments - £116,932
- Ketts Park - £79,886
- Long Stratton Leisure Centre - £46,098
- Waste Vehicle Purchases - £42,583
- Aids & Adaptations - £26,877
- Wheeled Bin Purchases - £20,000

- BSPM Rental Home Purchases – (£375,000)\* (No budget was required in 2019/20, but the slippage will be required towards the end of the programme, so it will be included in 2023/24).

\*Slippage of £3,321,998 was included in the Capital Programme approved by Council in February 2019, however, BSPM purchased a further house in March 2019 for £375k, so the slippage has been reduced to reflect this.

The following amendments to the 2019/20 Capital Programme have also been necessary:

- The budget for Disabled Facilities Grants has been increased from £845k to £912,547, so that it reflects the 2019/20 allocation from Central Government, which was announced in April.
- £28k has been added in to the programme to facilitate the installation of Electric Car Charging points at South Norfolk House and Wymondham & Long Stratton Leisure Centres. This is to be financed using General Revenue Reserves following approval at the February 2018 Council meeting for funds received from a reduction in the business rates levy for 2017/18 and an increase in the Rural Services Delivery grant for 2018/19 to be used for this purpose.
- £150k has been added in to the programme to provide financial assistance to Long Stratton Parish Council for the construction of a new sports pavilion. This comprises £47k of S106 monies and an interest free loan of £103k, both of which were discussed at Cabinet on 10<sup>th</sup> June.
- The Long Stratton Pool budget has been reduced from £450k to £110k as negotiations are currently taking place with the school trust regarding them delivering the refurbishment works directly. The remaining £110k relates to a potential grant to the school.
- £85k has been added in to the programme for improvements to Wymondham Leisure Centre Car Park, which was also discussed at Cabinet on 10<sup>th</sup> June. It is proposed that this is completely financed using S106 monies held specifically for improvement works at the leisure centre.

The proposed revised Capital Programme for 2019/20 to 2023/24 and associated financing can be found at Appendices 6 & 7.

### **Capital Financing and Future Years**

Capital receipts during 2018/19 were £5.684m, including a loan repayment from Big Sky Developments Limited of £5.380m. Also included were Right to Buy receipts of £233k, however, this was significantly less than those received in 2017/18 (£1.3m) and less than predicted due to fewer houses being sold by Saffron.

The total level of receipts held for capital expenditure was £565k at 31st March 2019.

## 2. Combined Performance, Risk and Financial Commentary by Corporate Priority

### Economic Growth, Productivity and Prosperity

Providing the environment to stimulate growth, productivity and prosperity, sharing the benefits of growth with our communities.



### 2.1 Economic Development

The number of new business start-ups supported (LI 613) had already exceeded its yearend target in Q3 and has continued to performance above our target for Q4 with 174 new business start-ups supported in South Norfolk.

£4m has been secured by the New Anglia LEP (NALEP) to fund new infrastructure and a commercial building on Zone 4. It is now expected that the infrastructure investment will be phased over a longer period and no capital expenditure took place in 2018/19. Borrowing has therefore been delayed until 2019/20. A Programme Board (to include members representing Norfolk County Council, NALEP and South Norfolk Council) will be established to manage risks and ensure that the building and infrastructure are delivered on time and within budget. This will assist the management of the Strategic risk relating to the Enterprise Zone. In addition, the Council will also seek to secure Public Works Loan Board funding in future to assist the cash flow of the project.

Performance relating to the number of apprenticeships placements available in our local business (EG 1605) has continued to exceed our target with a further 63 live apprenticeship offered in Q4 of this year. Taking the year end cumulative total to 350.

South Norfolk Council in Q4 had 34 apprentices registered with the National Apprenticeship Service and continue to support further apprentices for the future, we're on track to meet 36 employed by 2020.

Having already exceeded our external funding target of £1m (LI 758) earlier in the year the economic development team have ended the year with a total of £3.1m. Over £1.5m of which was delivered in Q4 alone, this quarter included but was not limited too £1.1m to construct the Wymondham to Hethersett cycle route, £200k to deliver an initial feasibility for Cross Valley and £29k for a local company to purchase new equipment.

### 2.2 Business Rates

Performance on non-domestic rates collected (BV010) has achieved performance within tolerance but slightly short of its final target at 97.98% of non-domestic rates collected. The number of properties continues to increase as does the rateable value which is used to calculate the overall liability billed and our in year cash collected is higher than 2017/18.

There is an overall positive variance of £1.6m on South Norfolk Council's share of NNDR (business rates) income. South Norfolk Council's share of NNDR (business rates) income is higher than anticipated when the budget was set owing to higher than budgeted receipts to date including greater compensation from central government for mandatory reliefs, an overall decrease in reliefs granted and an increase in rateable values on new or improved premises.

Norfolk Councils were successful in their joint bid to MHCLG to establish a one-year pilot for 75% retention of business rates for 2019/20.

## **2.3 Property Development and Management**

Overall the indicator for percentage of rental income returned from our property investments has again exceeded quarter 4 target (LI358) at 6.2%. with 100% of occupancy at Crafton House. Marketing at Trumpeter House (Long Stratton) continues, with occupancy over 22% and tenancies agreed that will take the occupancy to 44% by the end of Q1 2019/20. The Lodge refurbishment on Maple Park completed in January. This assists in mitigating the Strategic Risk (S6) relating to property development and associated income.

Regarding residential dwellings developed through Big Sky Developments (EG1601a) ended the year on 107. There are now 5 properties at Rosebery Park (3 shared equity and 2 open market). A further 4 open market dwellings are left to sell at Maple Park, where a further 1 reserved and awaiting exchange.

Work continues to progress at pace with St Giles Park, Cringleford. The first reserved matters application was taken to the Development Management Committee on the 24th April and was approved subject to results from ecology surveys happening in the early Summer.

At its meeting on 5th November 2018, Cabinet agreed that Big Sky Developments could have an ongoing "overdraft" facility of £2,000,000, to be charged at 6%. BSDL is carefully managing its cash and as at 31<sup>st</sup> March 2019, had only called on £500,000 of this facility for working capital purposes during the year. This was subsequently repaid on 29<sup>th</sup> March 2019. The company has drawn down an additional £650,000 on 21<sup>st</sup> May 2019 which it expects to repay during 2019/20.

As mentioned in the Q3 report, a positive variance of £3.322m was predicted on the budget for Big Sky Property Management to purchase further properties to rent. However, Big Sky Property Management purchased one further property on Rosebery Park in March as no market buyer could be found. The positive variance was therefore reduced by £375k and the slippage into future years has been adjusted accordingly.

## **2.4 CNC Building Control**

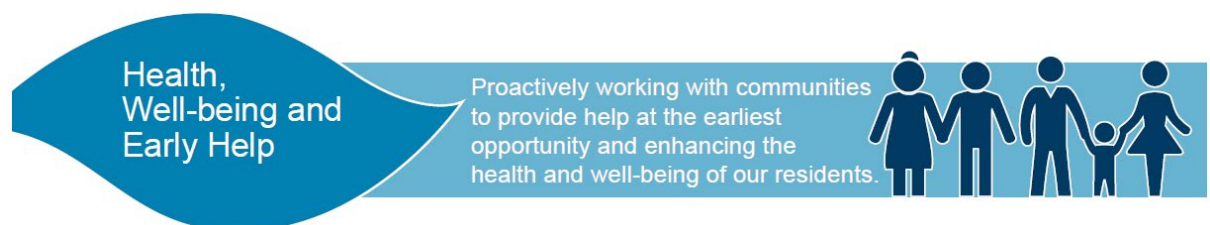
The final quarter of the year has seen CNC fall 1.7% short of the year end target (L11013). The impacts of Brexit have introduced some uncertainty and instability across the economy and evidence from ONS reported growth in the construction sector stagnating at 0.5%. Despite this CNC income increased 10.7% from the previous year, the team remain cautious but confident for the future year, which helps to continue to mitigate the Directorate Risk (D4) relating to the pace of income generation. In addition, the associated risk is being further mitigated by the continued implementation of the recommendations of a service review which made improvements to the structure, online services and internal processes to drive efficiencies, cost savings and better customer experience.

Staffing vacancies have proved difficult to fill in a tight labour market, resulting in a positive variance on staffing of £416k. A recruitment drive initiated in December has proven successful with several successful candidates joining in January. Further investment in scanning and digitisation is expected to begin later in the year and this will reduce the overall variance.

## **2.5 BDC/SNC Collaborative Working**

The Programme Team maintained oversight of the routemap activities identified in the July Feasibility Report. Q4 saw the Managing Director take up post in January and the selection process for the senior management team was undertaken. We remain on track to achieve the savings identified in the Feasibility Report relating to CEXs and Senior Management posts. This ensures the Strategic Opportunity (S7) is well managed to delivered agreed outcomes.

Work is continuing to ensure delivery of the One Team programme of work this calendar year for the start of staff consultation across key areas such as terms and conditions, structures and pay spines. Work also continues on the IT projects to build a fit for purpose technical infrastructure, which supports and underpins our one officer team approach



## **2.6 Leisure and Recreation**

Q4's overall monthly Direct Debit Fitness Membership growth has seen a shift of direction in Q4, but has fallen short of our desired annual targeted increase this year. This is largely due to over ambitious targets, increased competition, car parking pressures and the extended closure and refurbishment of the Long Stratton Leisure Centre, which was originally anticipated to have been opened in November 2018 when the budgets were set.

With Long Stratton being fully opened in Q1 of 19/20 and the proposed increased parking provision work completed at Wymondham we will have a full leisure portfolio in Operation from April 2019 and the re-opening of Long Stratton is already paying dividends with membership rising from 500 to 800 so far in Q1 19/20.

The current measure for Fitness membership is not representative of the overall leisure performance and as such in the Business planning cycle for 19/20 this measure has been replaced with a more relevant financial performance figure. Which considers other services offered i.e. swim school, kids camp, catering, soft play, spa and casual use etc

Although Wymondham Leisure Centre missed its budget target in 2018/19, it made an operational profit of £39k. Diss Leisure Centre missed its budget by £8k mainly due to an unforeseen gas bill from the prior year which led to a £20k overspend during 2018/19 of which over half related to 2017/18. Without this issue Diss Leisure Centre would have exceeded its budget for 2018/19. Long Stratton Leisure Centre missed its budget by £93k due to late opening of the centre vs original plan. In October 18, before the new budgets impacted, Long Stratton Leisure Centre was exceeding its budget by £11k.

Although an annual drop in the specific fitness direct debit membership KPI (impacted by specific issues at Wymondham LC as indicated) has occurred, we have however experienced an overall increase in general membership (if Swim school growth is factored in) of 4.8%.

The refurbishment of Long Stratton Leisure Centre is now complete and the centre re-opened in March 2019. Some minor works were still outstanding at the end of the year, but the budget has been slipped to cover the cost of these in 2019/20.

## **2.7 Housing**

For the first time 'Eviction from Social Landlord' has moved into the top 4 reasons for homelessness prevention. Once eviction from social housing has occurred it is far more difficult to find suitable and sustainable housing. The solution lies in the ability to remedy the communication between housing associations and the council to promote early notification and we have already begun this journey and made some excellent steps forward with Saffron.

The issues we were facing in Q3 re the availability of vacancies for those not suitable for standard housing have remained during Q4 (HE1603), we have seen an increase in performance this quarter but still fall short of our target of 90% with 87% having been met in temporary accommodation for 8 weeks or less. 100% of people who consented to their landlord for them to notify the housing and benefit team avoided eviction either through DHP payments or by HSOs attending court and therefore we know early support works. Supported accommodation also remains a challenge and one we will continue to work on over the following 6-12 months

Homeless prevention remains a business priority and the team and resources are in healthy place to meet demands. We have exceeded our year end target for the successful intervention to prevent homelessness (HE1801) having met 94% cases in Q4. We know that better partnerships with our landlords is a priority and that this approach is already in place and works with many notifications coming in from our help hub partners.

There are positive variances totalling £120k on hostel and homelessness budgets due to increased hostel income and grant funding.

## **2.8 Independent Living**

Intervention to increase the number of vulnerable people supported to maintain independence in their own homes (L1323) ends the year having met its Q4 target and maintained a steady performance, having helped a total of 2046 people.

Expenditure on Disabled Facilities Grant/Aids and Adaptations of a combined total of £1,042,535 resulted in the Council making 187 grants during the year, compared to 183 grants approved in 2017/18.

The whole allocation of £942,340 for DFGs in 2018/19 from Central Government, including additional funding of £96,653 made available in December, was fully utilised.

## **2.9 Early Help**

Social prescribing is demonstrating success and we are in the process of working with Norfolk County Council to evaluate this, however we are aware that over 50% of customers are supported within the community, without the need to escalate further. This work further assists to mitigate the associated Directorate Risk (D6) by reducing demand for high need services. Workshops have been held with partners to gain feedback on the early help offer and officers will review this in Q1 and Q2 in order to refresh the service and ensure it is still fit for purpose and meeting the needs of users.

We have now helped over 2805 families and residents to achieve positive outcomes through our Help Hub service (HE 1607). The Help Hub now has 52 services connected too it, offering a broad range of support to the whole family and to all ages.

## **2.10 Housing Benefit / Council Tax Support**

The % of Council Tax collected (BV009) as at Q4 is 98.21% falling only marginally short of the year end target. It is important to note that cash not collected in year, is not lost income to the Council and continues to be paid in, with much of it already being collected in April 2019. Some of this has been caused by the timing of bills, changes have been made to working practices to mitigate some of these delays and we have also now made it easier for our customers to transact with us digitally, with the ability to access Council Tax

accounts online, this helps us to manage the increasing demands and growth (increasing by 1,200 which makes a significant contribution towards our new homes bonus)

Following a challenging summer, performance for the number of days taken to process new claims for Housing Benefit/Council Tax Benefit (HE1606) has continued to improve through Q3 and Q4 and we remain within the top quartile, with only a few other councils processing these and achieving single digit performance. The importance we place on ensuring people receive their benefit at the earliest opportunity enables people to immediately know the extent of their rental liability and supports preventing them from falling into arrears, which can be difficult to recover from.



## **2.11 Development Management**

The status of the five-year land supply Strategic Risk (S3) has improved in light of a recent review which resulted in the establishment of a land supply that exceeds five years. The Joint Core Strategy (JCS) became 5 years old in January 2019; in accordance with the NPPF and Planning Practice Guidance, the assessment of land supply has moved to using the Government's local housing need (LHN) and housing delivery test (HDT) as the basis for calculation. Interim April 2018 figures were recently published, which demonstrates more than a five-year supply across the wider Greater Norwich area. The wording of the risk has been updated accordingly to reflect this revised position.

In relation to the Directorate Risk (D2) that manages the delivery of infrastructure, a successful Tranche 1 application to the Transforming Cities Fund resulted in improvements to the Wymondham/Thickthorn Cycleway – a more substantial Tranche 2 application is in progress (led by Norfolk County Council). Homes England Accelerated Construction funding has also been confirmed for the site at Cringleford.

Having exceeded our year end target of 500 affordable homes in Q3 we have continued to deliver further new homes giving us a year end total 741. This total comprises of 329 through planning agreements with developers, 28 built or acquired by housing associations and a further 384 reported sales through Help to buy. The 329 through planning agreements were 'peak delivery' of obligations on sites allocated through the Greater Norwich Joint Core Strategy (adopted in March 2011).

In relation to the Long Stratton by-pass and the associated Strategic Risk (S2), the Hempnall crossroads scheme is currently under construction, which will support the creation of the bypass and associated growth in housing and



employment. The Council is also awaiting the outcome of a funding bid regarding Major Roads Network.

We end the year with all development management strategic measures performing on or above target for Q4. 95.68% of householder applications determined within 8 weeks or in extension of time, which although the overall percentage is lower than the previous quarter, the number determined in less than 6 weeks has increased.

## **2.12 Waste**

The cost of waste collection (LI 262) as at the end of Q4 stands at £37.48 per household which is slightly up on Q3 figures and only marginally higher than the year end target of £37 and within tolerance.

The number of missed bins per 100,000 collections (LI 263) remains 'green' and meets its Q4 target at 30, this result was slightly increased in the areas of Garden waste with new staff learning the rounds but has not adversely impacted our overall achievement.

The amount of municipal waste recycled, reused and composted has a provisional outturn of (NI 192a) 37.82% with a provisional best estimate annual total of 42.72%. This shows an improvement on the rate in comparison to last year but still remains below our year's target, largely due to the world market conditions demanding even higher quality material and therefore more materials being rejected at the MRF.

The Vehicle Procurement and Replacement budget for 2018/19 was utilised in year to purchase six refuse collection vehicles and a van. Two further refuse vehicles were on order as at 31<sup>st</sup> March, for delivery in early 2019/20.

There is a negative variance on transport fleet costs of £287k, owing to maintenance costs on the fleet. Procedures for the maintenance of the transport fleet have been reviewed and the budget increased for 2019/20. There are some corresponding savings in parts of the capital programme where assets have longer lives than initially anticipated.

In terms of operations at the Depot (Directorate Risk, D7), the Workshop area has been restructured as a result of the visit by the Driver and Vehicle Standards Agency (DVSA) on 21 January 2019. This initiative was designed to raise the standards of vehicle maintenance activities to ensure compliance with all the Transport Commissioners Operator Licence criteria. Ongoing work has also strengthened Risk Assessments in the Workshop area to identify and mitigate risk.

## **2.13 Public Conveniences**

The refurbishment of the public conveniences at Wymondham & Harleston were completed by the end of year.

The Council is still anticipating refurbishing the public conveniences at Diss and Long Stratton during 2019/20 assuming agreements are reached with the

Town & Parish Councils regarding the ongoing management of the refurbished facilities.



**How we will deliver:** Customer focussed, Can do and collaborative, Business-like, efficient and entrepreneurial - Moving Forward Together

## **2.14 Resources**

The positive variance against the revenue budget of £1.875m is a positive sign of the present strength of the Council's financial position which needs to be protected in the future. It is recognised that there is a strategic risk that the Council is unable to deliver priority services should revenue funding fall short of required expenditure. The revenue surplus reflects 3 main factors of higher business rates income, delayed external borrowing and greater planning fee income.

The updated Medium Term Financial Strategy agreed by Council in February 2019 shows a balanced budget up to and including 2021/22, with a total funding gap of £2.4 million projected in the two subsequent years.

## **2.15 Staff**

The number of working days lost due to short term sickness absence (BV012a) has delivered a Q4 cumulative result of 4.36 and remains below target. Although short term absence figures have shown a slight increase in comparison to last year, it is worth noting that our overall sickness (inclusive of long term) has decreased in the last 12 months. This has been achieved through close monitoring of absence and proactive management to ensure we're following our policies and where necessary formal procedures.

## **2.16 IT / Digital**

The performance against the measurement for on line self-service HO1801 has again increased in Q4 to 68.66% of services that have an online webform were made via online self-service. This increase is down to the continuous improvement, launch and marketing of our digital products and has ended the year 3.66% above target. We also continue to see growth in our "My Account" portal with a total number of users signed up for "My Account" is 9128.

With reference to the Directorate Risk (D12) relating to the IT Strategy effectively supporting service innovation and working practices, work is ongoing to ensure that IT continues to support the One Team approach and high level strategic directions are due to be jointly agreed in Q2 2019/20.

### **3. PROPOSED ACTION**

- 3.1 Cabinet is asked to note the contents of this report

### **4 OTHER OPTIONS**

- 4.1 None

### **5 ISSUES AND RISKS**

- 5.1 **Resource Implications** – These are as outlined in the body of the report.
- 5.2 **Legal Implications** – none
- 5.3 **Equality Implications** – none
- 5.4 **Environmental Impact** - none
- 5.5 **Crime and Disorder**- none
- 5.6 **Other Risks** – none

### **6 CONCLUSION**

- 6.1 Overall, the position regarding performance, management of risks and financials is positive at quarter four 2018/19.

### **7 RECOMMENDATIONS**

- 7.1 It is proposed that Cabinet:
  - a) Notes the 2018/19 performance for the quarter and the year and the combined efforts across the Directorates to deliver the vision of the Council (detail contained in Appendix 1).
  - b) Notes the current position with respect to risks and accepts the actions to support risk mitigation (detail contained in Appendix 2).
  - c) Notes the capital and revenue position and the reason for the variances on the General Fund (detail contained in Appendices 3 & 4).

- d) Recommends to Council the approval of the budget virement which exceeds £100,000 in accordance with the rules of financial governance (section 1.12).
- e) Recommends to Council the approval of the movements in reserves as outlined in Section 1.12
- f) Approves and recommend to Council the slippage requests of £267,957 on revenue and £677,885 on capital
- g) Approves and recommend to Council the amended Capital programme and its financing for the next four financial years as set out in Appendices 7 and 8.

## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures


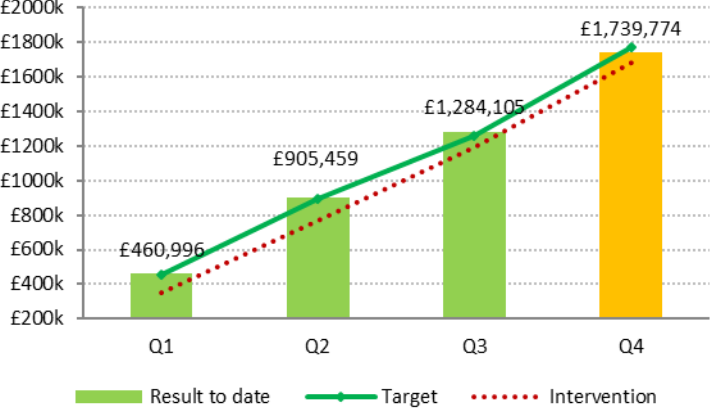
### Economic Growth, Productivity and Prosperity

Providing the environment to stimulate growth, productivity and prosperity, sharing the benefits of growth with our communities.


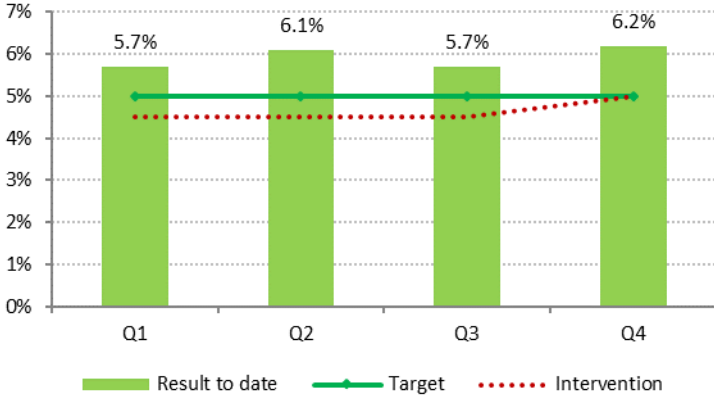

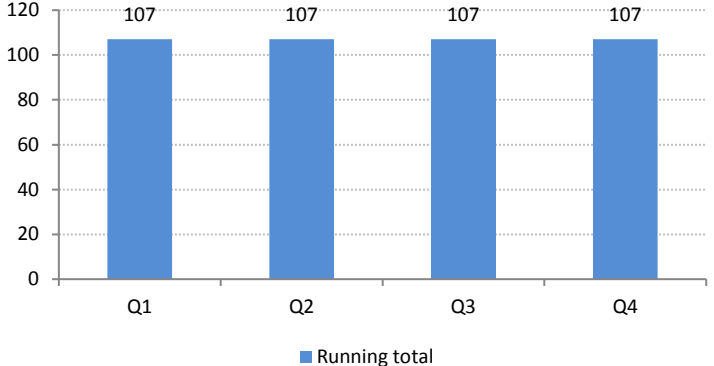


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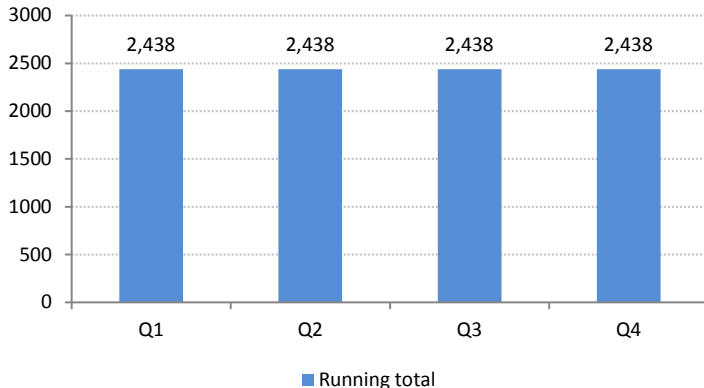

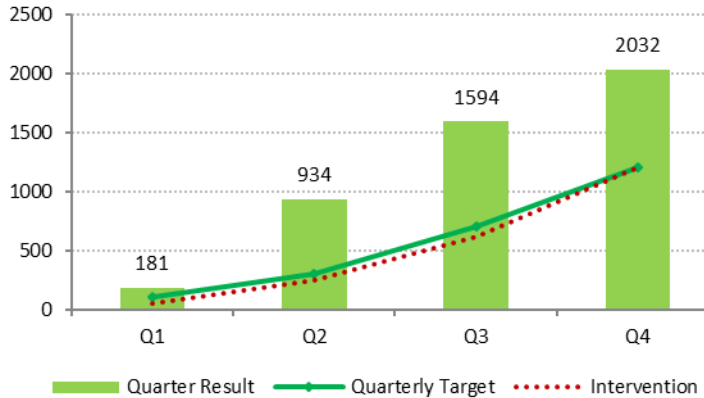
- = Met or exceeded target
- = Within acceptable tolerance of target
- = Stretch target not reached
- = The measure is being 'baselined' in order to determine the target

Measure	Latest Data		Measure Owner	Operational Comments	Chart																				
Description	Quarter 4 Result / Indicator	Year End Target 2018/19																							
LI 1013: CNC Building Control fee earning income.	£1,739,774 	£1,770,000	Stephen Fulcher	<p>The impact of Brexit has introduced uncertainty and instability across the economy, reducing the confidence of investors and builders to commence commercial and residential projects. This is evidenced by the Office of National Statistics reporting growth in the construction sector continuing to stagnate at 0.5%.</p> <p>Because of Q4's performance we recorded income 1.7% below our target, due to factors beyond our control but not unexpected. At the same time our income increased from last year's final figure by 10.7%. Therefore, we will remain cautious but confident for the future.</p>	 <table><thead><tr><th>Quarter</th><th>Result to date</th><th>Target</th><th>Intervention</th></tr></thead><tbody><tr><td>Q1</td><td>£460,996</td><td></td><td></td></tr><tr><td>Q2</td><td>£905,459</td><td></td><td></td></tr><tr><td>Q3</td><td>£1,284,105</td><td></td><td></td></tr><tr><td>Q4</td><td>£1,739,774</td><td></td><td></td></tr></tbody></table>	Quarter	Result to date	Target	Intervention	Q1	£460,996			Q2	£905,459			Q3	£1,284,105			Q4	£1,739,774		
Quarter	Result to date	Target	Intervention																						
Q1	£460,996																								
Q2	£905,459																								
Q3	£1,284,105																								
Q4	£1,739,774																								


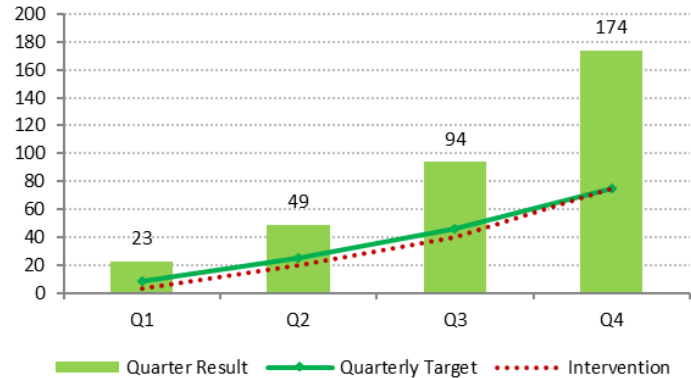
## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures

Measure	Latest Data		Measure Owner	Operational Comments	Chart
	Quarter 4 Result / Indicator	Year End Target 2018/19			
LI 358: % rental income return from property investment.	6.20% 	5.00%	Spencer Burrell	<p>Investment property income has a ytd variance of -£50k, this is mainly due to the unit at Wymondham not being let for most of the year and also a unit at Diss which was vacant in the earlier part of the year.</p> <p>Ketteringham depot rental income has a -£10k variance due to a vacant unit there not being let all year.</p> <p>Crafton house rental income has a -£25k variance due to it being overbudgeted for the year. We have made efforts to budget better for next year.</p>	 <p>Result to date    Target    Intervention</p>
EG 1601a: Number of residential dwellings developed through our Big Sky Developments company.	107 	Baseline (Totals shown are multi-year running totals from Q1 2016/17)	Spencer Burrell	<p>Rosebery Park - only 5 properties to sell (3 shared equity and 2 open market). Maple Park - only 4 open market dwellings left to sell. A further 1 is reserved awaiting exchange. 1 shared equity unit is reserved with the other currently going through an approvals process to enable it to be reserved.</p>	 <p>Running total</p>

## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures


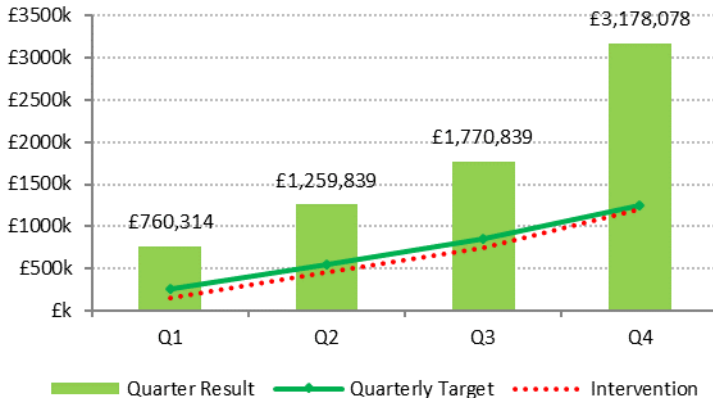
Measure	Latest Data		Measure Owner	Operational Comments	Chart																				
Description	Quarter 4 Result / Indicator	Year End Target 2018/19																							
EG 1601b: Sq Metre area of commercial space developed through our Big Sky Developments company.	2,438 	Baseline (Totals shown are multi-year running totals from Q1 2016/17)	Spencer Burrell	The running total remains at 2,438 sqm	 <table><caption>Running total data</caption><thead><tr><th>Quarter</th><th>Running total</th></tr></thead><tbody><tr><td>Q1</td><td>2,438</td></tr><tr><td>Q2</td><td>2,438</td></tr><tr><td>Q3</td><td>2,438</td></tr><tr><td>Q4</td><td>2,438</td></tr></tbody></table>	Quarter	Running total	Q1	2,438	Q2	2,438	Q3	2,438	Q4	2,438										
Quarter	Running total																								
Q1	2,438																								
Q2	2,438																								
Q3	2,438																								
Q4	2,438																								
LI 356: Number of SME's provided with advice and guidance in South Norfolk.	2032 cumulative 	1,200 (This is a cumulative total for the whole year which will be the sum of each quarter's result)	David Disney	<p>In Q4 we provided advice and guidance to 438 SME's</p> <p>The quarter four figures comprise of:</p> <p>176 - Licences Issued 13 - Animal Inspections 110 - Inspections 88 - Business awards Process 19 - viag Growth Hub referrals 18 - Waveney Valley L-Tag 14 - Tiffey Valley L-Tag</p>	 <table><caption>Quarter 4 performance data</caption><thead><tr><th>Quarter</th><th>Quarter Result</th><th>Quarterly Target</th><th>Intervention</th></tr></thead><tbody><tr><td>Q1</td><td>181</td><td>~100</td><td>~100</td></tr><tr><td>Q2</td><td>934</td><td>~300</td><td>~300</td></tr><tr><td>Q3</td><td>1594</td><td>~700</td><td>~700</td></tr><tr><td>Q4</td><td>2032</td><td>~1200</td><td>~1200</td></tr></tbody></table>	Quarter	Quarter Result	Quarterly Target	Intervention	Q1	181	~100	~100	Q2	934	~300	~300	Q3	1594	~700	~700	Q4	2032	~1200	~1200
Quarter	Quarter Result	Quarterly Target	Intervention																						
Q1	181	~100	~100																						
Q2	934	~300	~300																						
Q3	1594	~700	~700																						
Q4	2032	~1200	~1200																						

## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures

Measure	Latest Data		Measure Owner	Operational Comments	Chart																				
Description	Quarter 4 Result / Indicator	Year End Target 2018/19																							
LI 613: Number of new business start-ups supported in South Norfolk.	174 Cumulative 	75 (This is a cumulative total for the whole year which will be the sum of each quarter's result)	David Disney	Total for this quarter 80  19- via NWES/Growth Hub 37- Growth Club programme 24- L-Tag Lift Training	 <table><caption>Chart Data</caption><thead><tr><th>Quarter</th><th>Quarter Result</th><th>Quarterly Target</th><th>Intervention</th></tr></thead><tbody><tr><td>Q1</td><td>23</td><td>~10</td><td>~5</td></tr><tr><td>Q2</td><td>49</td><td>~25</td><td>~15</td></tr><tr><td>Q3</td><td>94</td><td>~45</td><td>~35</td></tr><tr><td>Q4</td><td>174</td><td>~75</td><td>~65</td></tr></tbody></table>	Quarter	Quarter Result	Quarterly Target	Intervention	Q1	23	~10	~5	Q2	49	~25	~15	Q3	94	~45	~35	Q4	174	~75	~65
Quarter	Quarter Result	Quarterly Target	Intervention																						
Q1	23	~10	~5																						
Q2	49	~25	~15																						
Q3	94	~45	~35																						
Q4	174	~75	~65																						




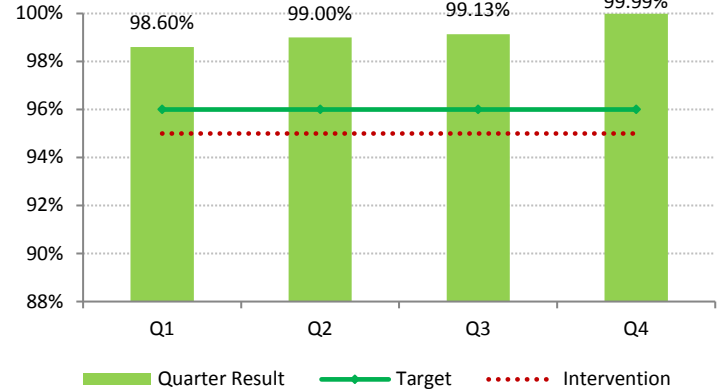

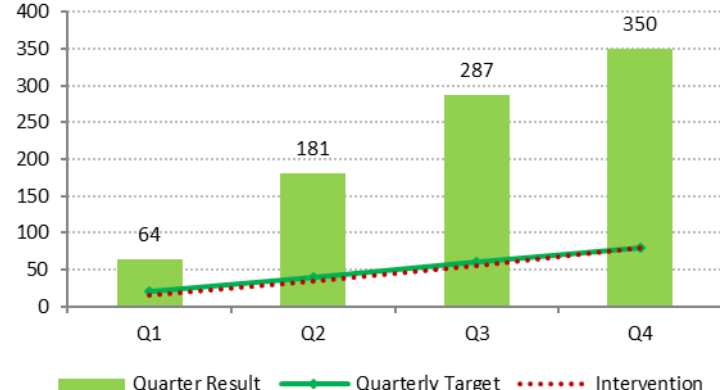
## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures

LI 758: External funding identified and brought into the local economy.	£3,178,078 Cumulative 	£1,000,000 (This is a cumulative total for the whole year which will be the sum of each quarter's result)	Nina Cunningham	<p>£8,000 ERDF LIFT funding to provide visitor economy businesses with specialist training to grow their businesses. SNC provided £7,124, toward this project</p> <p>£12,000 from Arts England to support the next 3 years delivery of the SNOS.</p> <p>£3,000 from Table Tennis England to purchase equipment for use in 4 South Norfolk and 2 Broadland locations</p> <p>£600 from Norfolk Museum Service for LGBT pop- up tour exhibition.</p> <p>£6,000 sponsorship income from local business for delivery of Community Awards</p> <p>£2,000 sponsorship income from Local business for South Norfolk on Show 2019</p> <p>£1,135,000 to construct the Wymondham to Hethersett Cycle Route. Funding was made up from £977,000 from DFT- Transforming cities funding, £100,000 from Local Growth Fund and £58,000 from AtoBetter</p> <p>£200,000 to deliver initial feasibility for the Cross Valley Link on the NRP. Funding was secured from Norfolk pooled business rates and Transforming Cities Fund.</p> <p>£1,145 NALEP grant to Heather Omerod Pilates towards a total project costs of £5,725 total equipment and furniture</p> <p>£29,700 from NALEP to H W Webb Engineering Ltd at Bungay to purchase new equipment.</p>	 <table><thead><tr><th>Quarter</th><th>Quarter Result (£k)</th><th>Quarterly Target (£k)</th><th>Intervention (£k)</th></tr></thead><tbody><tr><td>Q1</td><td>£760,314</td><td>~£300k</td><td>~£200k</td></tr><tr><td>Q2</td><td>£1,259,839</td><td>~£500k</td><td>~£400k</td></tr><tr><td>Q3</td><td>£1,770,839</td><td>~£800k</td><td>~£600k</td></tr><tr><td>Q4</td><td>£3,178,078</td><td>~£1,200k</td><td>~£800k</td></tr></tbody></table>	Quarter	Quarter Result (£k)	Quarterly Target (£k)	Intervention (£k)	Q1	£760,314	~£300k	~£200k	Q2	£1,259,839	~£500k	~£400k	Q3	£1,770,839	~£800k	~£600k	Q4	£3,178,078	~£1,200k	~£800k
Quarter	Quarter Result (£k)	Quarterly Target (£k)	Intervention (£k)																						
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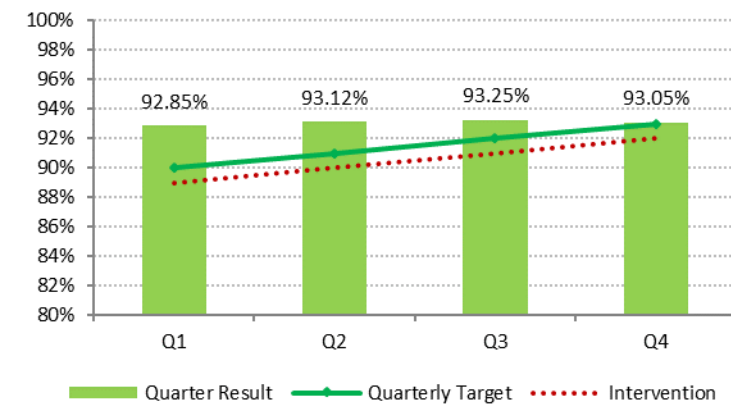
## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures

Measure	Latest Data		Measure Owner	Operational Comments	Chart																				
Description	Quarter 4 Result / Indicator	Year End Target 2018/19																							
				£9,794 NALEP grant to Ansible Motion Ltd towards a total project cost of £48,971 for office fit out and to increase the office design space..																					
BV 010: % of non-domestic rates collected.	97.97% 😐	98.00%	Simon Bessey	In year cash collected is higher than 2017/18 with net receipts of £30,803k collected against a net charge of £31.431k. The reduction in % collected in yearend can be attributed to timing issues or recalculation of liabilities. The number of properties continues to increase as does the Rateable Value which is used to calculate the overall liability that's billed.	<table><thead><tr><th>Quarter</th><th>Result to date (%)</th><th>Target (%)</th><th>Intervention (%)</th></tr></thead><tbody><tr><td>Q1</td><td>27.88%</td><td></td><td></td></tr><tr><td>Q2</td><td>58.09%</td><td></td><td></td></tr><tr><td>Q3</td><td>83.37%</td><td></td><td></td></tr><tr><td>Q4</td><td>97.97%</td><td></td><td></td></tr></tbody></table>	Quarter	Result to date (%)	Target (%)	Intervention (%)	Q1	27.88%			Q2	58.09%			Q3	83.37%			Q4	97.97%		
Quarter	Result to date (%)	Target (%)	Intervention (%)																						
Q1	27.88%																								
Q2	58.09%																								
Q3	83.37%																								
Q4	97.97%																								

## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures

Measure	Latest Data		Measure Owner	Operational Comments	Chart																				
Description	Quarter 4 Result / Indicator	Year End Target 2018/19																							
LI 210: % of food premises which have an FHRS (Food Hygiene Rating Scheme) rating of satisfactory or above.	99.99% 	95.00%	David Disney	The drive to improve scores obviously results in better standards for our residents. We have managed to achieve a high rate of programmed inspections and this has been in tackling the backlog of visits we have. In addition, we have worked closely with businesses and this is to ensure that we are working with the businesses to improve their rating. Many businesses have needed to be hand held and this has allowed us to explain clearly to them the legal requirements and how they can achieve legal compliance. This measure demonstrates the hard work of my team and the focus on risks, so that premises with the highest risk have been inspected as a priority over the lower risk businesses. This has really helped us to drive up standards. This is the approach that we will continue to use collaboratively, into the next year's workload.	 <table><caption>LI 210: % of food premises with satisfactory or above FHRS rating</caption><thead><tr><th>Quarter</th><th>Quarter Result</th><th>Target</th><th>Intervention</th></tr></thead><tbody><tr><td>Q1</td><td>98.60%</td><td>96%</td><td>95%</td></tr><tr><td>Q2</td><td>99.00%</td><td>96%</td><td>95%</td></tr><tr><td>Q3</td><td>99.13%</td><td>96%</td><td>95%</td></tr><tr><td>Q4</td><td>99.99%</td><td>96%</td><td>95%</td></tr></tbody></table>	Quarter	Quarter Result	Target	Intervention	Q1	98.60%	96%	95%	Q2	99.00%	96%	95%	Q3	99.13%	96%	95%	Q4	99.99%	96%	95%
Quarter	Quarter Result	Target	Intervention																						
Q1	98.60%	96%	95%																						
Q2	99.00%	96%	95%																						
Q3	99.13%	96%	95%																						
Q4	99.99%	96%	95%																						
EG 1605: Number of apprenticeship placements available in our local businesses for our young people.	350 Cumulative 	70 (This is a cumulative total for the whole year which will be the sum of each quarter's result)	David Disney	There were 63 live apprenticeships offered in South Norfolk in Q4	 <table><caption>EG 1605: Number of apprenticeship placements</caption><thead><tr><th>Quarter</th><th>Quarter Result</th><th>Quarterly Target</th><th>Intervention</th></tr></thead><tbody><tr><td>Q1</td><td>64</td><td>70</td><td>70</td></tr><tr><td>Q2</td><td>181</td><td>70</td><td>70</td></tr><tr><td>Q3</td><td>287</td><td>70</td><td>70</td></tr><tr><td>Q4</td><td>350</td><td>70</td><td>70</td></tr></tbody></table>	Quarter	Quarter Result	Quarterly Target	Intervention	Q1	64	70	70	Q2	181	70	70	Q3	287	70	70	Q4	350	70	70
Quarter	Quarter Result	Quarterly Target	Intervention																						
Q1	64	70	70																						
Q2	181	70	70																						
Q3	287	70	70																						
Q4	350	70	70																						

## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures

Measure	Latest Data		Measure Owner	Operational Comments	Chart																				
Description	Quarter 4 Result / Indicator	Year End Target 2018/19																							
MI 1039: % of units liable for business rates occupied.	93.05% 	93%	David Disney	We have seen steady growth in the proportion of business rated properties that are occupied over the past 5 quarters. The occupancy rate has now been monitored for 6 years, and the level of occupancy throughout 2018/19 has been at least 0.5% higher than in any of the preceding 5 years	 <table><thead><tr><th>Quarter</th><th>Quarter Result</th><th>Quarterly Target</th><th>Intervention</th></tr></thead><tbody><tr><td>Q1</td><td>92.85%</td><td>92.85%</td><td>92.85%</td></tr><tr><td>Q2</td><td>93.12%</td><td>93.12%</td><td>93.12%</td></tr><tr><td>Q3</td><td>93.25%</td><td>93.25%</td><td>93.25%</td></tr><tr><td>Q4</td><td>93.05%</td><td>93.05%</td><td>93.05%</td></tr></tbody></table>	Quarter	Quarter Result	Quarterly Target	Intervention	Q1	92.85%	92.85%	92.85%	Q2	93.12%	93.12%	93.12%	Q3	93.25%	93.25%	93.25%	Q4	93.05%	93.05%	93.05%
Quarter	Quarter Result	Quarterly Target	Intervention																						
Q1	92.85%	92.85%	92.85%																						
Q2	93.12%	93.12%	93.12%																						
Q3	93.25%	93.25%	93.25%																						
Q4	93.05%	93.05%	93.05%																						

## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures

### Health, Well-being and Early Help

Proactively working with communities to provide help at the earliest opportunity and enhancing the health and well-being of our residents.


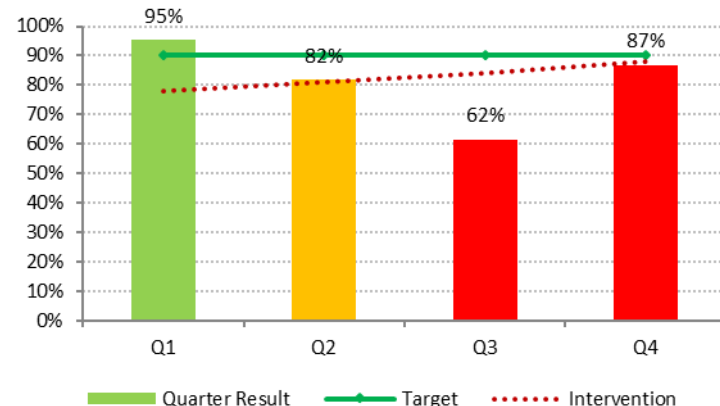


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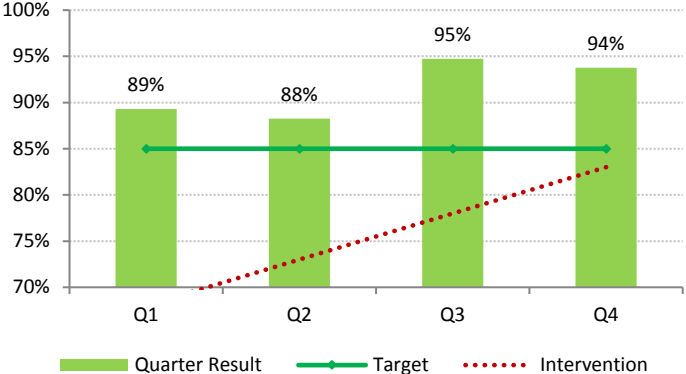

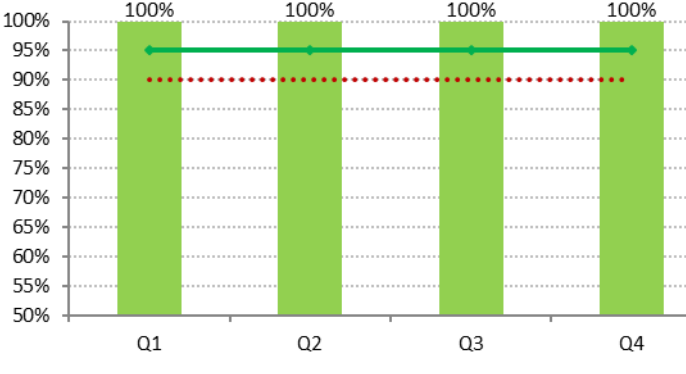
- = Met or exceeded target
- = Within acceptable tolerance of target
- = Stretch target not reached
- = The measure is being 'baselined' in order to determine the target

Measure	Latest Data		Measure Owner	Operational Comments	Chart
Description	Quarter 4 Result / Indicator	Year End Target 2018/19			
(NEW) HE 1601: % increase in our Leisure Centre members following the refurbishment of our three Centres.	1.90% 	10.00%	Steve Goddard	<p>An overall quarterly increase in fitness direct debit membership numbers in Q4 of +1.9%. Wymondham lost -13 members, Long Stratton gained +56 and Diss gained +15 so overall, we moved forward by +58.</p> <p>Financially the performance equates to a -£409 quarterly decline at Wymondham a +£415 increase at Diss and an encouraging +£1,521 increase at Long Stratton. An overall quarterly increase of +£1,527 which if annualised is +£6,108.</p> <p>The final March year on year comparison to gauge annual growth demonstrates that Wymondham lost -93 members = -4% = -£3,043 per month, Diss has grown by +36 members = +8% = +£1,053 per month and Long Stratton has grown by +115 members = +30% and +£3,108 per month.</p> <p>Overall the direct debit income has increased by just +1% = +£1,218 per month year on year.</p> <p>We have fallen short of our desired increase this year due to a combination of over ambitious targeting, increased competition, car parking pressures and frustrations, austerity, extreme weather conditions at the start and in</p>	<p>Legend: <span style="color: red;">■</span> Result to date <span style="color: green;">—●—</span> Target <span style="color: red;">·····</span> Intervention</p>


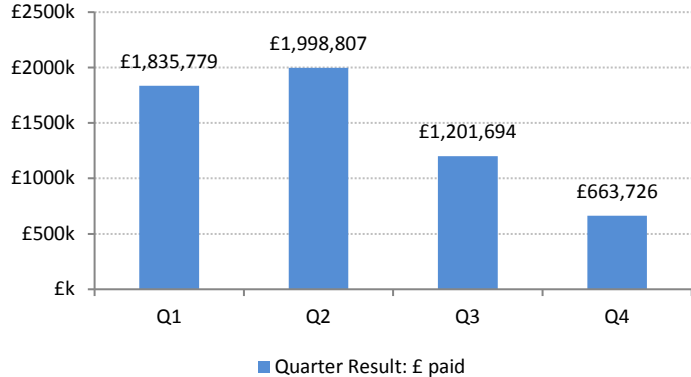

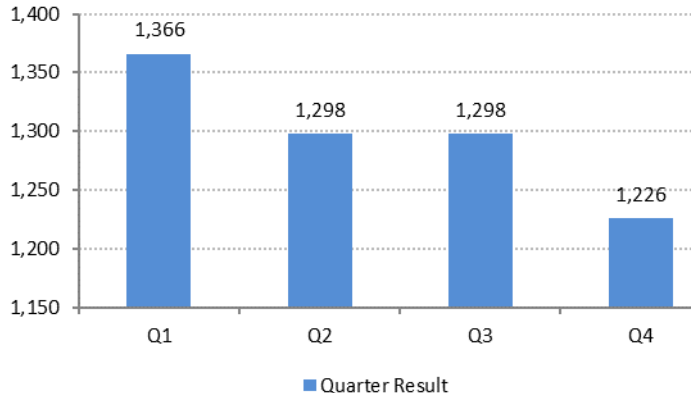
## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures

Measure	Latest Data		Measure Owner	Operational Comments	Chart																				
Description	Quarter 4 Result / Indicator	Year End Target 2018/19																							
				the middle of the year plus extended centre closure at LSLC (we had originally budgeted to be open in Jan 19 so have lost a key quarter of post opening growth). Q1 in 19/20 includes the full re-opening of Long Stratton, the increased parking provision work commenced at Wymondham and the new membership pricing introduced. We will finally have our full leisure portfolio in operation from April 2019.																					
HE 1603: % of households in temporary accommodation for 8 weeks or less from the date of the homelessness decision to housing solution.	86.67% 	90%	Mike Pursehous e	Unfortunately it has been difficult to pull this target back to allow it to remedy previous quarterly difficulties. We were able to bring it in line for the last 1/4. This remains our biggest issue. For the first time 'Eviction from Social landlord' has moved into the top 4 reasons for homelessness presentation. Once people are evicted from a social landlord tenancy it is far more difficult to find a suitable sustainable property. The key solution is to remedy communication restrictions between Housing associations and ourselves to promote early notification. 100% of people who consented to their landlord for them to notify the housing and benefit team avoided eviction either through DHP payments or by HSOs attending court. Supported accommodation also remains a challenge and one we will continue to work on over the following 6-12 months. To avoid the sporadic nature of performance we are working closely with our landlords in order to put data sharing practices into place with the aim of avoiding perceived hurdles put in place by data protection regulation	 <table><caption>HE 1603 Performance Data</caption><thead><tr><th>Quarter</th><th>Quarter Result</th><th>Target</th><th>Intervention</th></tr></thead><tbody><tr><td>Q1</td><td>95%</td><td>90%</td><td>~82%</td></tr><tr><td>Q2</td><td>82%</td><td>90%</td><td>~82%</td></tr><tr><td>Q3</td><td>62%</td><td>90%</td><td>~82%</td></tr><tr><td>Q4</td><td>87%</td><td>90%</td><td>~88%</td></tr></tbody></table>	Quarter	Quarter Result	Target	Intervention	Q1	95%	90%	~82%	Q2	82%	90%	~82%	Q3	62%	90%	~82%	Q4	87%	90%	~88%
Quarter	Quarter Result	Target	Intervention																						
Q1	95%	90%	~82%																						
Q2	82%	90%	~82%																						
Q3	62%	90%	~82%																						
Q4	87%	90%	~88%																						

## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures


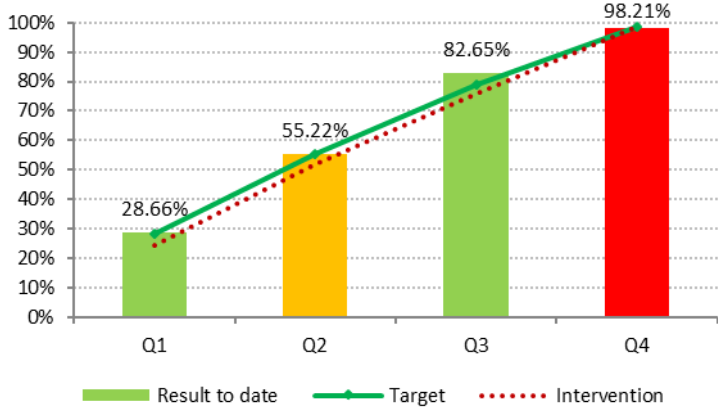

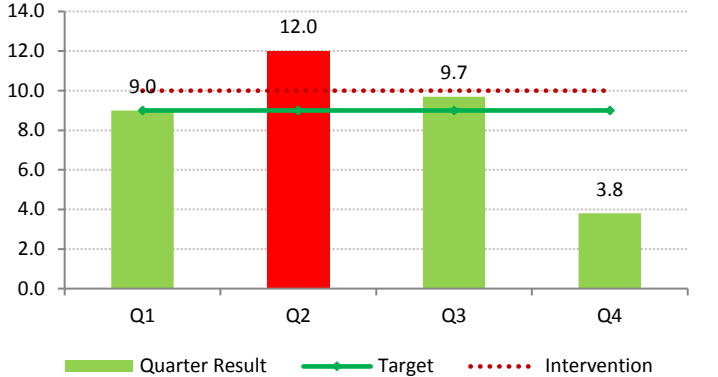
Measure	Latest Data		Measure Owner	Operational Comments	Chart
Description	Quarter 4 Result / Indicator	Year End Target 2018/19			
(NEW) HE 1801 % successful intervention to prevent or relieve homelessness for customers who are homeless or at risk of becoming homeless	93.75% 	85%	Mike Pursehouse	Homeless prevention remains our core business priority and the team and resource within is now in a very healthy place to meet all demand. As per the HE1603, achieving better partnerships with our landlords is a priority to become the best housing service. We know that this works as much of the achievement already in place has come through early notifications from our help hub partners.	 <p>Quarter Result: 89%, 88%, 95%, 94%</p> <p>Target: 85%</p> <p>Intervention: 70%, 75%, 80%, 85%</p>
HE 1605: % of those housed by SNC Housing remain in the same, similar or improved accommodation after a 12 month period	100% 	95%	Mike Pursehouse	Another successful year, our continued work in finding suitable sustainable accommodation and setting people up with the skills and knowledge they need through our FIRST training facility results in early success in our residents' tenancies	 <p>Quarter Result: 100%, 100%, 100%, 100%</p> <p>Target: 95%</p> <p>Intervention: 90%</p>

## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures


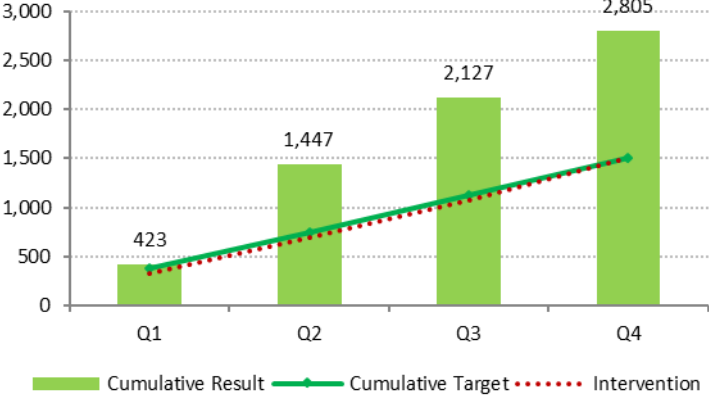

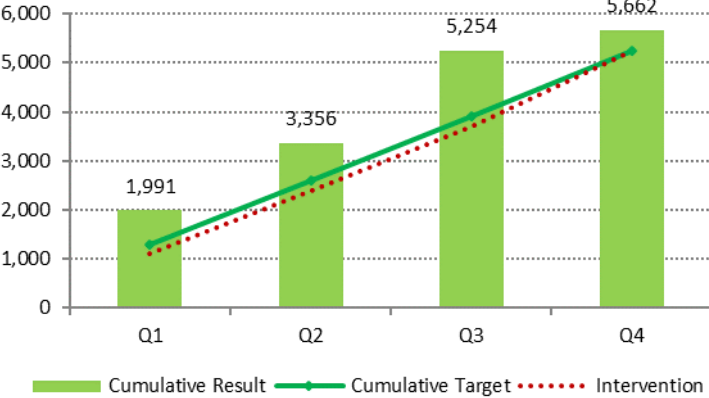
Measure	Latest Data		Measure Owner	Operational Comments	Chart
Description	Quarter 4 Result / Indicator	Year End Target 2018/19			
HE 1607a: £pounds paid in benefits to people in work	£663,726 	Baseline	Mike Pursehous e	The amount of housing benefits paid is going down, however this is at a steady pace. This is because of Universal Credit coming into place. The reason for the spike in 1/3 is there were 4 payments within due to the 4 weekly nature of payments as opposed to the 3 monthly performance assessments points. Just over 50% of our claimants are pensioners.	 <p>Quarter Result: £ paid</p>
HE 1607b: Number of people in work receiving benefits	1226 	Baseline	Mike Pursehous e	As per HE1607a claim numbers continue to fall, however this only accounts for housing benefit claimants and not Council Tax Support which does not fall within Universal Credit assessments. The numbers (claiming and require assessment) which the team complete, although falling slightly, remain sustained.	 <p>Quarter Result</p>




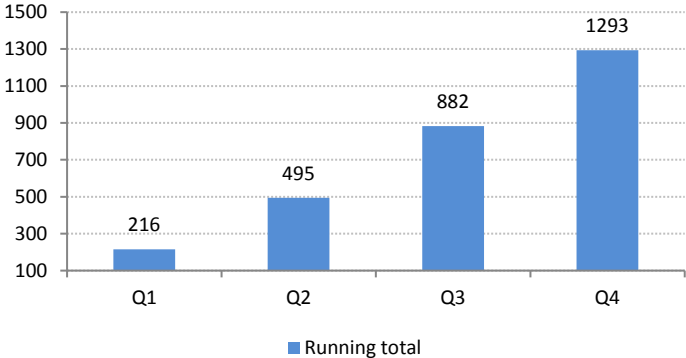

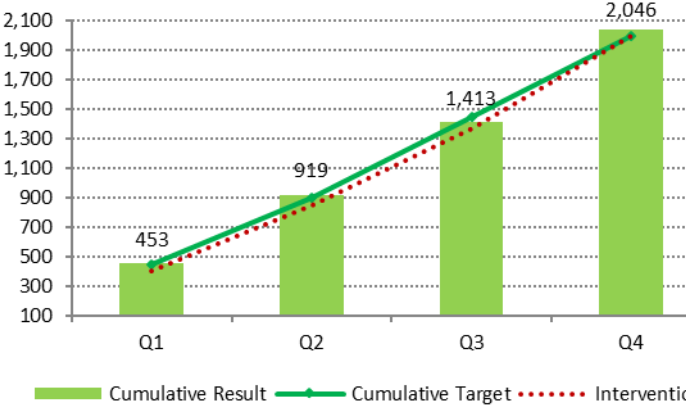
## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures

Measure	Latest Data		Measure Owner	Operational Comments	Chart
Description	Quarter 4 Result / Indicator	Year End Target 2018/19			
BV 009: % of Council Tax collected.	98.21% 	98.50%	Simon Bessey	Actual cash collected is £6.3million higher than in the previous 12 months with the number of properties served by the team increasing by 1,200 (which has made a significant contribution towards our New Homes Bonus). Cash collected against 2018/19 bills being £84.8m. It's important to realise that cash not collected in year is not lost income to the Council. It's merely income that is delayed with much of it already being collected during April 2019. The delay in cash receipts can mainly be attributed to delays in issuing bills (for example, backlogs of work and in some instances having to wait 3 months for the Valuation Office to provide a Council Tax banding for a property). We have made several changes to working practice to mitigate some of these delays. We've also made changes to IT solutions to make it easier for our customers to transact with us digitally - therefore freeing up value officer resource.	
HE 1606: Number of days taken to process new claims for Housing Benefit/Council Tax Benefit.	3.8 days 	9 days	Mike Pursehouse	We had a challenging summer ensuring we met quarterly targets, however our performance is still within the top quartile performance with only a few councils in the country achieving single digit performance. This has made sure people have received their benefit at the earliest point allowing people to immediately know the extent of their rental liability. This makes sure people do not fall into arrears that are difficult to recovery from early on in their tenancy. This therefore contributes heavily to all housing focused targets. We had a high of 12 days, although this can be set in context of average time in Norfolk of 18 - 22 days.	

## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures

Measure	Latest Data		Measure Owner	Operational Comments	Chart																				
Description	Quarter 4 Result / Indicator	Year End Target 2018/19																							
HE 1607: Number of families and residents helped to achieve positive outcomes through our Help Hub service.	2805 	1,500 (This is a cumulative figure for the whole year)	Mike Pursehous e	Our early help approach continues to deliver for residents, ensuring that individuals and families are supported in their local community where possible. The Help Hub now has 52 services connected too it, offering a broad range of support to the whole family and to all ages. AS well as individual support, we have a strong partnership in place to develop projects and initiatives	 <table><thead><tr><th>Quarter</th><th>Cumulative Result</th><th>Cumulative Target</th><th>Intervention</th></tr></thead><tbody><tr><td>Q1</td><td>423</td><td>~400</td><td>~400</td></tr><tr><td>Q2</td><td>1,447</td><td>~800</td><td>~800</td></tr><tr><td>Q3</td><td>2,127</td><td>~1,200</td><td>~1,200</td></tr><tr><td>Q4</td><td>2,805</td><td>~1,600</td><td>~1,600</td></tr></tbody></table>	Quarter	Cumulative Result	Cumulative Target	Intervention	Q1	423	~400	~400	Q2	1,447	~800	~800	Q3	2,127	~1,200	~1,200	Q4	2,805	~1,600	~1,600
Quarter	Cumulative Result	Cumulative Target	Intervention																						
Q1	423	~400	~400																						
Q2	1,447	~800	~800																						
Q3	2,127	~1,200	~1,200																						
Q4	2,805	~1,600	~1,600																						
HE 1608a: Number of residents who are assisted to access support within their community to meet low level need	5662 	5250 (This is a cumulative figure for the whole year)	Mike Pursehous e	The last 12 months has seen a strong focus on community engagement through our community connector scheme. Our community connectors are able to operate as 'eyes and ears' on the ground to understand local need and engage with residents, enabling our community capacity builders and our early help approach to put support in place, one family at a time.	 <table><thead><tr><th>Quarter</th><th>Cumulative Result</th><th>Cumulative Target</th><th>Intervention</th></tr></thead><tbody><tr><td>Q1</td><td>1,991</td><td>~1,200</td><td>~1,200</td></tr><tr><td>Q2</td><td>3,356</td><td>~2,400</td><td>~2,400</td></tr><tr><td>Q3</td><td>5,254</td><td>~3,600</td><td>~3,600</td></tr><tr><td>Q4</td><td>5,662</td><td>~4,800</td><td>~4,800</td></tr></tbody></table>	Quarter	Cumulative Result	Cumulative Target	Intervention	Q1	1,991	~1,200	~1,200	Q2	3,356	~2,400	~2,400	Q3	5,254	~3,600	~3,600	Q4	5,662	~4,800	~4,800
Quarter	Cumulative Result	Cumulative Target	Intervention																						
Q1	1,991	~1,200	~1,200																						
Q2	3,356	~2,400	~2,400																						
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## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures

Measure	Latest Data		Measure Owner	Operational Comments	Chart																				
Description	Quarter 4 Result / Indicator	Year End Target 2018/19																							
HE 1608b: Number referrals from GPs to our social prescribing service via community connectors	1293 	Baseline	Mike Pursehouse	Last quarter we saw 411 residents through social prescribing. Over the last 12 months we have been pleased about the progress of social prescribing, we are working in all 18 surgeries and are about to support over 60% of residents after a single appointment. Social prescribing is operated through our community connector scheme which is an integral part of our early help approach.	 <table><caption>Running total</caption><thead><tr><th>Quarter</th><th>Running total</th></tr></thead><tbody><tr><td>Q1</td><td>216</td></tr><tr><td>Q2</td><td>495</td></tr><tr><td>Q3</td><td>882</td></tr><tr><td>Q4</td><td>1293</td></tr></tbody></table>	Quarter	Running total	Q1	216	Q2	495	Q3	882	Q4	1293										
Quarter	Running total																								
Q1	216																								
Q2	495																								
Q3	882																								
Q4	1293																								
LI 323: Increase the number of vulnerable people supported to maintain independence in their own homes, with support from interventions.	2046 Cumulative 	2,000 (This is a cumulative figure for the whole year)	Sam Cayford	The increased target was met and delivered through the additional DFG budget. We have been able to fully utilise the additional funding - widening the remit to include supporting hospital discharge and dementia grants. Reduced end to end process is another positive developed through the year.	 <table><caption>Cumulative performance data</caption><thead><tr><th>Quarter</th><th>Cumulative Result</th><th>Cumulative Target</th><th>Intervention</th></tr></thead><tbody><tr><td>Q1</td><td>453</td><td>-</td><td>-</td></tr><tr><td>Q2</td><td>919</td><td>-</td><td>-</td></tr><tr><td>Q3</td><td>1,413</td><td>-</td><td>-</td></tr><tr><td>Q4</td><td>2,046</td><td>2,000</td><td>-</td></tr></tbody></table>	Quarter	Cumulative Result	Cumulative Target	Intervention	Q1	453	-	-	Q2	919	-	-	Q3	1,413	-	-	Q4	2,046	2,000	-
Quarter	Cumulative Result	Cumulative Target	Intervention																						
Q1	453	-	-																						
Q2	919	-	-																						
Q3	1,413	-	-																						
Q4	2,046	2,000	-																						

## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures

### Place, Communities and Environment

Improving the quality of life of our communities and enhancing the built and natural environment in our towns and villages.



#### Key:



= Met or exceeded target




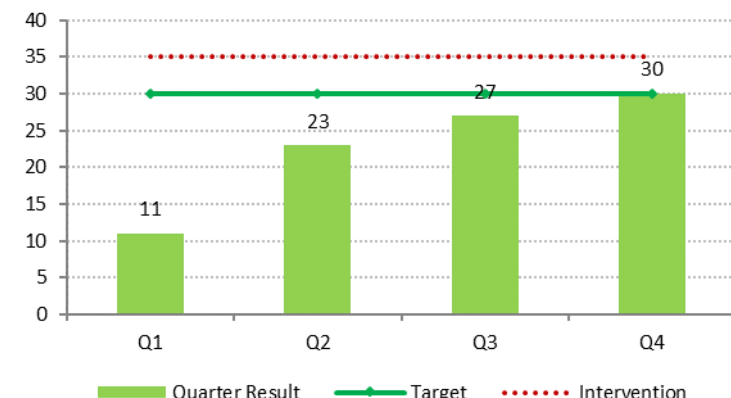
= Within acceptable tolerance of target



= Stretch target not reached




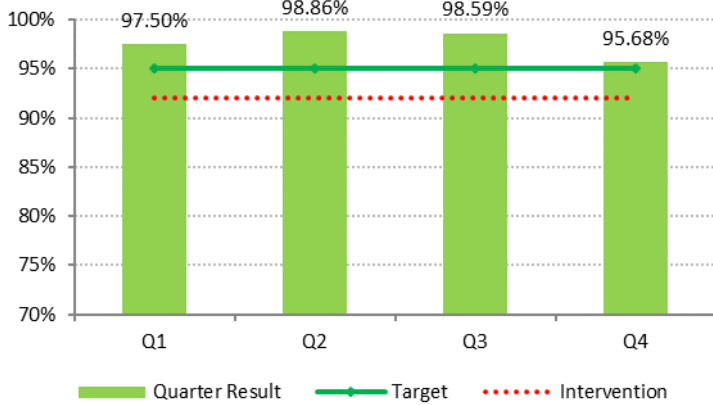

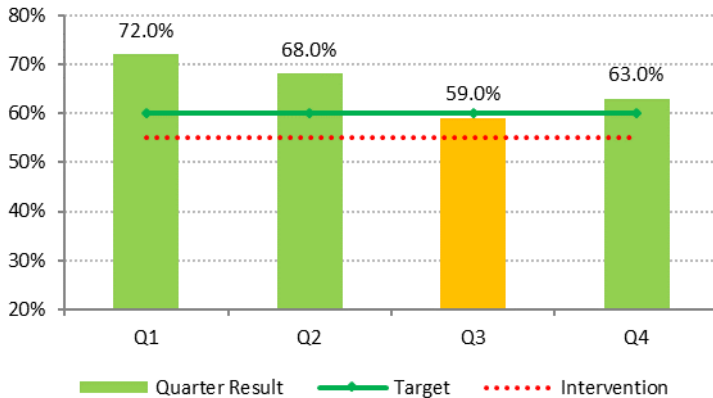
= The measure is being 'baselined' in order to determine the target

Measure	Latest Data		Measure Owner	Operational Comments	Chart																				
Description	Quarter 4 Result / Indicator	Year End Target 2018/19																							
LI 263: Number of missed bins for all waste per 100,000 collections	30 	30	Stephen Williams	The figure for missed bins for last quarter is 30.28. The actual figure for Refuse and Recycling was 29.09 with the increase to 30.28 associated with the Garden Waste service. This was mainly due to the use of Agency staff within Garden Waste who were still learning the respective rounds prior to the season getting going during the Spring and Summer months.	 <table><caption>Chart Data: Number of missed bins per 100,000 collections</caption><thead><tr><th>Quarter</th><th>Quarter Result</th><th>Target</th><th>Intervention</th></tr></thead><tbody><tr><td>Q1</td><td>11</td><td>30</td><td>35</td></tr><tr><td>Q2</td><td>23</td><td>30</td><td>35</td></tr><tr><td>Q3</td><td>27</td><td>30</td><td>35</td></tr><tr><td>Q4</td><td>30</td><td>30</td><td>35</td></tr></tbody></table>	Quarter	Quarter Result	Target	Intervention	Q1	11	30	35	Q2	23	30	35	Q3	27	30	35	Q4	30	30	35
Quarter	Quarter Result	Target	Intervention																						
Q1	11	30	35																						
Q2	23	30	35																						
Q3	27	30	35																						
Q4	30	30	35																						


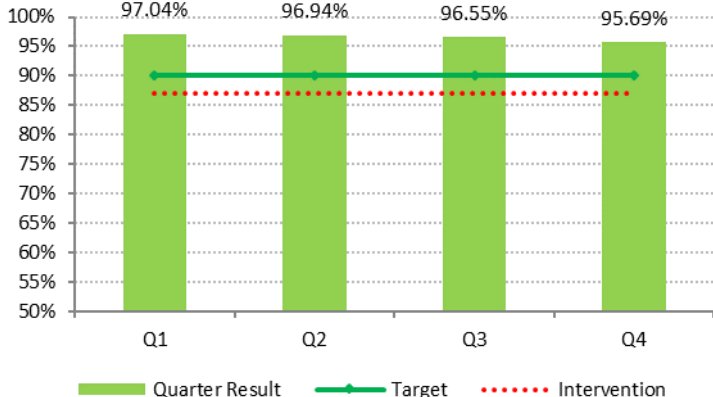

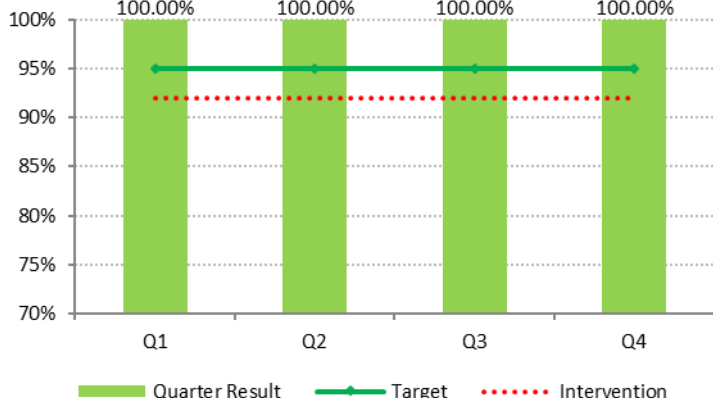
## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures

Measure	Latest Data		Measure Owner	Operational Comments	Chart
Description	Quarter 4 Result / Indicator	Year End Target 2018/19			
LI 262: Cost of waste collection per household	£37.48 😐	£37	Stephen Williams	The figure for missed bins for last quarter is 30.28. The actual figure for Refuse and Recycling was 29.09 with the increase to 30.28 associated with the Garden Waste service. This was mainly due to the use of Agency staff within Garden Waste who were still learning the respective rounds prior to the season getting going during the Spring and Summer months.	<p>£50 £45 £40 £35 £30 £25 £20 £15</p> <p>Q1 Q2 Q3 Q4</p> <p>Result to date Target Intervention</p>
NI 192a: % Municipal waste recycled, reused and composted	37.82% 😊	45.00% (This is a target for the year overall and is not the same as the Q4 quarterly target)	Bob Wade	The estimated QTR 4 figure is nearly on target. The 42.72% annual total is the current 'best estimate' for the recycling and composting rate. This shows improvement on the recycling rate for last year but below our target. It is worth noting that part of the reason for this is more material being rejected from the recycling sorting plant (MRF) due to world market conditions demanding even higher quality material.	<p>50% 45% 40% 35% 30% 25%</p> <p>Q1 Q2 Q3 Q4</p> <p>Quarter Result Quarterly Target Intervention</p>


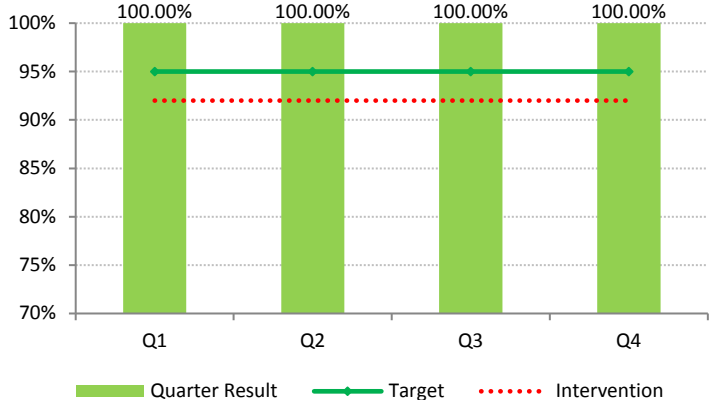

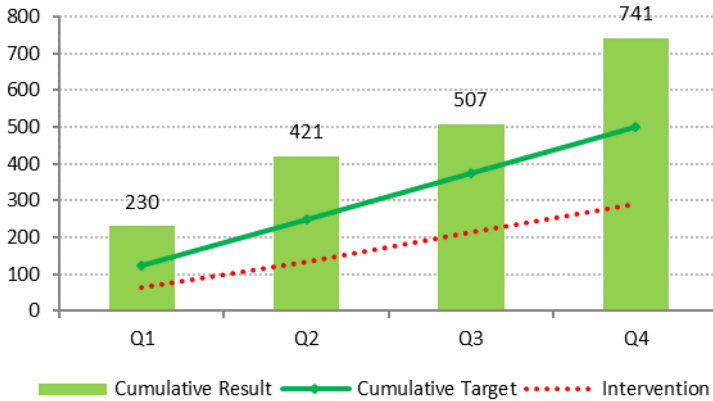
## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures

Measure	Latest Data		Measure Owner	Operational Comments	Chart																				
Description	Quarter 4 Result / Indicator	Year End Target 2018/19																							
LI 302: % of householder applications determined within 8 weeks or in extension of time	95.68% 	95.00%	Helen Mellors	This relates to 162 applications, 142 of which (88%) were determined in the 8-week period with 13 being determined within an extension of time, resulting in 95.68% being determined in an agreed time period. Although the overall percentage is lower than the previous quarter, the number determined in less than 6 weeks has increased.	 <table><caption>LI 302 Performance Data</caption><thead><tr><th>Quarter</th><th>Quarter Result</th><th>Target</th><th>Intervention</th></tr></thead><tbody><tr><td>Q1</td><td>97.50%</td><td>95.00%</td><td>92.00%</td></tr><tr><td>Q2</td><td>98.86%</td><td>95.00%</td><td>92.00%</td></tr><tr><td>Q3</td><td>98.59%</td><td>95.00%</td><td>92.00%</td></tr><tr><td>Q4</td><td>95.68%</td><td>95.00%</td><td>92.00%</td></tr></tbody></table>	Quarter	Quarter Result	Target	Intervention	Q1	97.50%	95.00%	92.00%	Q2	98.86%	95.00%	92.00%	Q3	98.59%	95.00%	92.00%	Q4	95.68%	95.00%	92.00%
Quarter	Quarter Result	Target	Intervention																						
Q1	97.50%	95.00%	92.00%																						
Q2	98.86%	95.00%	92.00%																						
Q3	98.59%	95.00%	92.00%																						
Q4	95.68%	95.00%	92.00%																						
MI 1037: % of householder applications determined within six weeks	63.00% 	60.00%	Helen Mellors	This relates to 162 applications, 102 of which (63%) were determined in the less than 6 week period. 142 of which (88%) were determined in the 8 week period with 13 being determined within an extension of time, resulting in 95.68% being determined in an agreed time period.	 <table><caption>MI 1037 Performance Data</caption><thead><tr><th>Quarter</th><th>Quarter Result</th><th>Target</th><th>Intervention</th></tr></thead><tbody><tr><td>Q1</td><td>72.0%</td><td>60.0%</td><td>55.0%</td></tr><tr><td>Q2</td><td>68.0%</td><td>60.0%</td><td>55.0%</td></tr><tr><td>Q3</td><td>59.0%</td><td>60.0%</td><td>55.0%</td></tr><tr><td>Q4</td><td>63.0%</td><td>60.0%</td><td>55.0%</td></tr></tbody></table>	Quarter	Quarter Result	Target	Intervention	Q1	72.0%	60.0%	55.0%	Q2	68.0%	60.0%	55.0%	Q3	59.0%	60.0%	55.0%	Q4	63.0%	60.0%	55.0%
Quarter	Quarter Result	Target	Intervention																						
Q1	72.0%	60.0%	55.0%																						
Q2	68.0%	60.0%	55.0%																						
Q3	59.0%	60.0%	55.0%																						
Q4	63.0%	60.0%	55.0%																						

## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures


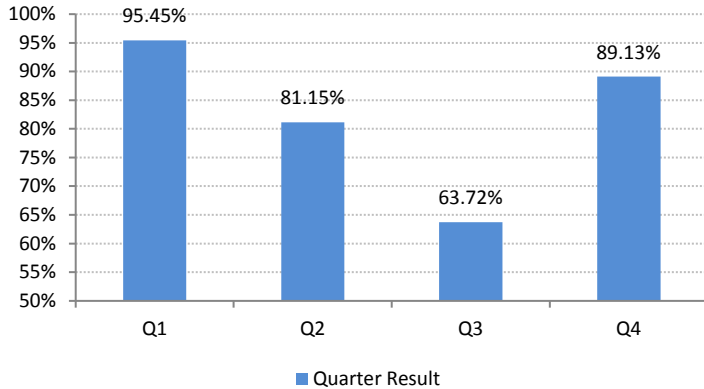
Measure	Latest Data		Measure Owner	Operational Comments	Chart																				
Description	Quarter 4 Result / Indicator	Year End Target 2018/19																							
(NEW) PL1801 : % of other and minor applications determined within eight weeks or extension of time	95.69% 	90.00% (Rolling two year figure)	Helen Mellors	This is a rolling 2 year figure. 95.69% (2621 / 2739) were determined in an agreed time period	 <table><caption>PL1801 Performance Data</caption><thead><tr><th>Quarter</th><th>Quarter Result</th><th>Target</th><th>Intervention</th></tr></thead><tbody><tr><td>Q1</td><td>97.04%</td><td>90%</td><td>87.5%</td></tr><tr><td>Q2</td><td>96.94%</td><td>90%</td><td>87.5%</td></tr><tr><td>Q3</td><td>96.55%</td><td>90%</td><td>87.5%</td></tr><tr><td>Q4</td><td>95.69%</td><td>90%</td><td>87.5%</td></tr></tbody></table>	Quarter	Quarter Result	Target	Intervention	Q1	97.04%	90%	87.5%	Q2	96.94%	90%	87.5%	Q3	96.55%	90%	87.5%	Q4	95.69%	90%	87.5%
Quarter	Quarter Result	Target	Intervention																						
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Q2	96.94%	90%	87.5%																						
Q3	96.55%	90%	87.5%																						
Q4	95.69%	90%	87.5%																						
MI 1038: % of major applications determined within 13 weeks or in extension of time	100% 	95.00%	Helen Mellors	This relates to 19 applications, 9 of which (47%) were determined in the 13 week period with 10 being determined within an extension of time, resulting in 100% being determined in an agreed time period.	 <table><caption>MI 1038 Performance Data</caption><thead><tr><th>Quarter</th><th>Quarter Result</th><th>Target</th><th>Intervention</th></tr></thead><tbody><tr><td>Q1</td><td>100.00%</td><td>95%</td><td>92.5%</td></tr><tr><td>Q2</td><td>100.00%</td><td>95%</td><td>92.5%</td></tr><tr><td>Q3</td><td>100.00%</td><td>95%</td><td>92.5%</td></tr><tr><td>Q4</td><td>100.00%</td><td>95%</td><td>92.5%</td></tr></tbody></table>	Quarter	Quarter Result	Target	Intervention	Q1	100.00%	95%	92.5%	Q2	100.00%	95%	92.5%	Q3	100.00%	95%	92.5%	Q4	100.00%	95%	92.5%
Quarter	Quarter Result	Target	Intervention																						
Q1	100.00%	95%	92.5%																						
Q2	100.00%	95%	92.5%																						
Q3	100.00%	95%	92.5%																						
Q4	100.00%	95%	92.5%																						

## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures

Measure	Latest Data		Measure Owner	Operational Comments	Chart																				
Description	Quarter 4 Result / Indicator	Year End Target 2018/19																							
PL 1602: % of Community Action Fund (CAF) spent.	100% 	95%	Mike Pursehouse	This relates to 19 applications, 9 of which (47%) were determined in the 13 week period with 10 being determined within an extension of time, resulting in 100% being determined in an agreed time period.	 <table><caption>PL 1602: % of Community Action Fund (CAF) spent</caption><thead><tr><th>Quarter</th><th>Quarter Result</th><th>Target</th><th>Intervention</th></tr></thead><tbody><tr><td>Q1</td><td>100.00%</td><td>95%</td><td>92.5%</td></tr><tr><td>Q2</td><td>100.00%</td><td>95%</td><td>92.5%</td></tr><tr><td>Q3</td><td>100.00%</td><td>95%</td><td>92.5%</td></tr><tr><td>Q4</td><td>100.00%</td><td>95%</td><td>92.5%</td></tr></tbody></table>	Quarter	Quarter Result	Target	Intervention	Q1	100.00%	95%	92.5%	Q2	100.00%	95%	92.5%	Q3	100.00%	95%	92.5%	Q4	100.00%	95%	92.5%
Quarter	Quarter Result	Target	Intervention																						
Q1	100.00%	95%	92.5%																						
Q2	100.00%	95%	92.5%																						
Q3	100.00%	95%	92.5%																						
Q4	100.00%	95%	92.5%																						
LI 350: Number of Affordable homes delivered in this year (2018-19)	741 Cumulative 	500 affordable homes by 31 March 2019. (1,500 by March April 2020)	Keith Mitchell	The 2018/19 outturn total was 741 affordable homes. This total comprises 329 through planning agreements with developers, 28 built or acquired by housing associations, and 384 reported sales through Help to buy (equity loan). The 329 through planning agreements were 'peak delivery' of obligations on sites allocated through the Greater Norwich Joint Core Strategy (adopted in March 2011).	 <table><caption>LI 350: Number of Affordable homes delivered</caption><thead><tr><th>Quarter</th><th>Cumulative Result</th><th>Cumulative Target</th><th>Intervention</th></tr></thead><tbody><tr><td>Q1</td><td>230</td><td>125</td><td>75</td></tr><tr><td>Q2</td><td>421</td><td>250</td><td>150</td></tr><tr><td>Q3</td><td>507</td><td>375</td><td>225</td></tr><tr><td>Q4</td><td>741</td><td>500</td><td>300</td></tr></tbody></table>	Quarter	Cumulative Result	Cumulative Target	Intervention	Q1	230	125	75	Q2	421	250	150	Q3	507	375	225	Q4	741	500	300
Quarter	Cumulative Result	Cumulative Target	Intervention																						
Q1	230	125	75																						
Q2	421	250	150																						
Q3	507	375	225																						
Q4	741	500	300																						




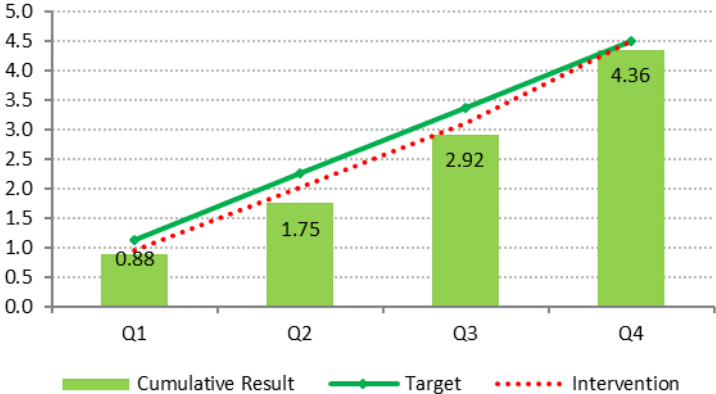
## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures

Measure	Latest Data		Measure Owner	Operational Comments	Chart										
Description	Quarter 4 Result / Indicator	Year End Target 2018/19													
PL 1604: % percentage of people applying to register to vote online as opposed to on paper.	89.13% 	Baseline	Julia Tovee-Galey	The increase in Q4 is due to the planned District and Parish Elections and the increased possibility of other elections or referendums.	 <table><caption>Quarter Results for PL 1604</caption><thead><tr><th>Quarter</th><th>Result (%)</th></tr></thead><tbody><tr><td>Q1</td><td>95.45%</td></tr><tr><td>Q2</td><td>81.15%</td></tr><tr><td>Q3</td><td>63.72%</td></tr><tr><td>Q4</td><td>89.13%</td></tr></tbody></table>	Quarter	Result (%)	Q1	95.45%	Q2	81.15%	Q3	63.72%	Q4	89.13%
Quarter	Result (%)														
Q1	95.45%														
Q2	81.15%														
Q3	63.72%														
Q4	89.13%														


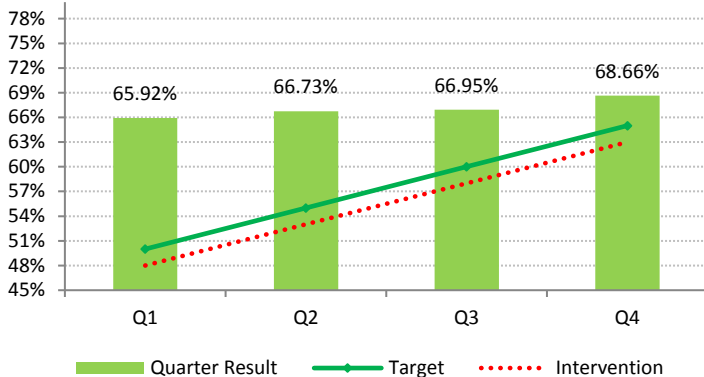
## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures





Key:	
	= Met or exceeded target
	= Within acceptable tolerance of target
	= Stretch target not reached
	= The measure is being 'baselined' in order to determine the target

Measure	Latest Data		Measure Owner	Operational Comments	Chart																				
Description	Quarter 4 Result / Indicator	Year End Target 2018/19																							
BV012a: Working days lost per FTE due to short term sickness absence.	4.36 	4.5 days (This is a cumulative total per FTE figure for the whole year)	Emma Hodds	With a cumulative result of 4.36 days, we remain below the annual target of 4.5 days. Even though short-term absence has shown a slight increase from last year (3.97 days in 2017-18 compared to 4.36 days in 2018-19) it is worth noting that when long-term sickness figure data is included, our overall absence has decreased in the last twelve months (from 8.05 days to 7.63 days now). This has been achieved through close monthly monitoring and quality checks, and ensuring managers follow our Absence policy and formal procedures where necessary.	 <table><caption>Chart Data</caption><thead><tr><th>Quarter</th><th>Cumulative Result</th><th>Target</th><th>Intervention</th></tr></thead><tbody><tr><td>Q1</td><td>0.88</td><td>1.125</td><td>1.125</td></tr><tr><td>Q2</td><td>1.75</td><td>2.25</td><td>2.25</td></tr><tr><td>Q3</td><td>2.92</td><td>3.375</td><td>3.375</td></tr><tr><td>Q4</td><td>4.36</td><td>4.5</td><td>4.5</td></tr></tbody></table>	Quarter	Cumulative Result	Target	Intervention	Q1	0.88	1.125	1.125	Q2	1.75	2.25	2.25	Q3	2.92	3.375	3.375	Q4	4.36	4.5	4.5
Quarter	Cumulative Result	Target	Intervention																						
Q1	0.88	1.125	1.125																						
Q2	1.75	2.25	2.25																						
Q3	2.92	3.375	3.375																						
Q4	4.36	4.5	4.5																						


## APPENDIX 1 - Quarter 4 performance report 2018/19: Strategic Measures


Measure	Latest Data		Measure Owner	Operational Comments	Chart																				
Description	Quarter 4 Result / Indicator	Year End Target 2018/19																							
(NEW) HO1801 % of services that have an online web form that were self service	68.66% 	65.00%	Simon Smith	The figures have increased this quarter due to the launching and marketing of more online services in Q4 which will continue to enable channel shift and improvements in customer service throughout all of 2019	 <table><thead><tr><th>Quarter</th><th>Quarter Result</th><th>Target</th><th>Intervention</th></tr></thead><tbody><tr><td>Q1</td><td>65.92%</td><td>51%</td><td>48%</td></tr><tr><td>Q2</td><td>66.73%</td><td>54%</td><td>51%</td></tr><tr><td>Q3</td><td>66.95%</td><td>57%</td><td>54%</td></tr><tr><td>Q4</td><td>68.66%</td><td>60%</td><td>57%</td></tr></tbody></table>	Quarter	Quarter Result	Target	Intervention	Q1	65.92%	51%	48%	Q2	66.73%	54%	51%	Q3	66.95%	57%	54%	Q4	68.66%	60%	57%
Quarter	Quarter Result	Target	Intervention																						
Q1	65.92%	51%	48%																						
Q2	66.73%	54%	51%																						
Q3	66.95%	57%	54%																						
Q4	68.66%	60%	57%																						

Directorate	Code	Risk/Opportunity	Owner	Commentary (including outcomes / benefits that may be gained)	2018/19 Business Plan Activity	Required/outstanding actions to support risk mitigation
<div> <div>  <p>Economic Growth, Productivity and Prosperity</p> </div> <div> <p>Providing the environment to stimulate growth, productivity and prosperity, sharing the benefits of growth with our communities.</p>  </div> </div>						
Place	S1	<p>Failure to secure a new funding package for the infrastructure.</p> <p>Failure to encourage business growth at Norwich Research Park Enterprise Zone (EZ) means the Council cannot recoup its investment in the site.</p> <p>Failure of landowners to deliver all of the required infrastructure on Zone 1, 4 and 3 to enable end users to avail of the financial incentives from new developments.</p>	Director of Place	<p>On 23 May 2016, Cabinet agreed to invest £12.54m to support infrastructure development at Norwich Research Park Enterprise Zone. The accompanying report highlighted the opportunity to:</p> <ul style="list-style-type: none"> <li>- invest, unlock and enable new development</li> <li>- generate significant economic and financial benefits</li> <li>- accelerate business growth and attraction of inward investment</li> <li>- generate business rates income</li> </ul> <p>Also highlighted were several key risk areas, most notably that the development of the site does not occur, which could ultimately result in the Council's investment not being recouped.</p> <p>Work has been completed on a market assessment for a building Zone 4 which shows a good level of demand for such an investment.</p>	Delivery of inward investment, new jobs and business rates income from the NRP EZ	<ul style="list-style-type: none"> <li>• Assessment of most advantageous borrowing options for South Norfolk Council at point of borrowing.</li> <li>• Secure funding contribution and agree terms of the JV package with the LEP for the Zone 4 building.</li> <li>• Secure funding contribution from the LEP for infrastructure.</li> <li>• Agree an investment package to deliver the multi-story car park</li> </ul>

Directorate	Code	Risk/Opportunity	Owner	Commentary (including outcomes / benefits that may be gained)	2018/19 Business Plan Activity	Required/outstanding actions to support risk mitigation
		<p>Interest rates are greater than expected and loan will take longer to repay.</p> <p>The EZ is not built out in a consistent manner leaving 'holes' within particular zones where infrastructure funding could not be secured.</p> <p>Opportunity to take forward a JV building on the NRP EZ with NA LEP is not delivered.</p> <p>Opportunity to grow key sectors including Life science &amp; bio-economy, Agritech and ICT.</p>				
Place	<b>S2</b>	Delivery of the Long Stratton Bypass is delayed	Director of Place	<ul style="list-style-type: none"> <li>The Greater Norwich City Deal facilitates a commitment to pool CIL to help fund infrastructure across the Greater Norwich area, with the Long Stratton Bypass identified as a key project to be delivered. A multi-year commitment to borrow</li> </ul>	E3 Infrastructure Delivery	<ul style="list-style-type: none"> <li>Two planning applications have been submitted, which include 1,800 homes, employment land, supporting infrastructure and the bypass. Currently working towards</li> </ul>

Directorate	Code	Risk/Opportunity	Owner	Commentary (including outcomes / benefits that may be gained)	2018/19 Business Plan Activity	Required/outstanding actions to support risk mitigation
				<p>£10m from the City Deals loan pot to help part-fund the bypass was agreed by the Greater Norwich Growth Board in 2016. Additional internal and external funding streams are also being investigated.</p> <ul style="list-style-type: none"> <li>• The Long Stratton AAP was adopted in May 2016, which requires developers/ landowners to contribute a 'substantive' amount of the funding required, adding certainty to the project happening</li> <li>• A successful bid to the National Productivity Investment Fund has secured £3.05m towards the improvements at Hempnall Crossroads and the scheme is currently being progressed;</li> </ul>		<p>determination by Development Management Committee in 2019.</p> <ul style="list-style-type: none"> <li>• The potential use of a Compulsory Purchase Order to ensure delivery remains an option if progress is too slow, Considerable internal resources would be needed if a formal CPO process is required for the Long Stratton bypass and 1800 houses plus associated employment land and infrastructure. A significant sum has been earmarked from the Council's reserves should additional costs be necessary to fund such work</li> <li>• SNC has supported the inclusion of the A140 as part of the Government's Major Roads Network, and has assisted Norfolk County Council in pursuing subsequent funding opportunities.</li> </ul>

Directorate	Code	Risk/Opportunity	Owner	Commentary (including outcomes / benefits that may be gained)	2018/19 Business Plan Activity	Required/outstanding actions to support risk mitigation
						
Place	<b>S3</b>	Shortage of 5-year land supply has resulted in uncoordinated development across South Norfolk, with pressure to approve housing applications on unallocated sites and housing planning appeals more likely to succeed when applications are refused on land supply grounds	Director of Place	Interim housing land supply figures for April 2018 have been published, which demonstrate over 6 years supply in the wider Greater Norwich Area. i	E2 – Adopted Local Plan delivery and implementation	<ul style="list-style-type: none"> <li>• All Greater Norwich Local Plan documents allocating sites have been adopted, but continuing to approve appropriate planning applications on unallocated sites will add to the housing land supply. Each application will be considered on its own merits. Planning applications for housing need to be considered having regard to the current five-year supply situation.</li> <li>• Officers will continue to take legal advice on various aspects of the current housing land supply situation, to ensure the position across greater Norwich is robust and defensible, in order to minimise the risk of cost at appeal.</li> </ul>

Directorate	Code	Risk/Opportunity	Owner	Commentary (including outcomes / benefits that may be gained)	2018/19 Business Plan Activity	Required/outstanding actions to support risk mitigation
<b>How we will deliver:</b> Customer focussed, Can do and collaborative, Business-like, efficient and entrepreneurial - Moving Forward Together						
						
Resources	S4	The Council is unable to deliver priority services as revenue funding falls short of required income	Group Accountant	<p>The Council's Medium Term Financial Strategy (MTFS) was updated in February 2019 and shows a balanced budget for 2018/19, 2019/20, 2020/21 and 2021/22. The £1 million challenge on budgets for 2019/20 will need to be delivered by staff. Further work is required to identify measures to balance the budget from 2022/23 onwards. The plan contains two major risks, around income.</p> <p>Firstly, it includes revenue income from the New Homes Bonus (NHB). The actual level of NHB received is dependent on continued delivery of planned housing growth in the District. The future of this funding stream beyond 2019/20 is subject to decisions in the government's Spending Review timetabled for 2019.</p> <p>Secondly, the plan assumes additional income from commercialisation, mainly from property development and the leisure</p>	<b>BAU: Finance:</b> Ensure the Council's resources are managed effectively and provide value for money, reducing the risk to the Council's reputation and procurement challenge.	<ul style="list-style-type: none"> <li>Balanced budget beyond 2022/23</li> <li>Delivery of Long Stratton Leisure Centre Enhancements (2018/19)</li> <li>Delivery of the Enterprise Zone</li> <li>Delivery of further property developments (2018/19 and beyond)</li> <li>Delivery of the savings from collaboration with Broadland Council (2019/20 onwards)</li> </ul>



Directorate	Code	Risk/Opportunity	Owner	Commentary (including outcomes / benefits that may be gained)	2018/19 Business Plan Activity	Required/outstanding actions to support risk mitigation
				<p>service and also from increases to fees and charges.</p> <p>The outturn for 18/19 is a surplus.</p>		
Resources	<b>S5</b>	Council assets are not managed effectively and do not support service delivery	Director of Resources	The Council's key operational assets need to be maintained adequately to support effective service delivery. These assets can assist the Council in improving services offered and increasing income generation. The repairs and maintenance of these assets is managed by the services responsible. Technical advice is provided by the Facilities and Technical Services Manager.		<ul style="list-style-type: none"> <li>• Rationalise floor space at South Norfolk House for rental income – office space has been created with a view to let (2018/19)</li> <li>• The Lodge has been refurbished, and is actively being marketed (2019/20)</li> <li>• Trumpeter House is being actively marketed (2019/20)</li> </ul>

Directorate	Code	Risk/Opportunity	Owner	Commentary (including outcomes / benefits that may be gained)	2018/19 Business Plan Activity	Required/outstanding actions to support risk mitigation
Resources	<b>S6</b>	Property Development activities are not successful and income generation is not realised	Development Project Manger	Through the Council's wholly owned property development company, Big Sky Developments Ltd, the Council is seeking to utilise its own land to develop a range of residential and commercial property. The commercial units will be retained within the Council to enable revenue income to be generated from rents. While the majority of the residential homes will be sold to generate profit, it is envisaged that a number will be retained in the Council's wholly owned property rental company, Big Sky Property Management Ltd. These homes will generate a rental income and the company's profits will be returned to the Council's revenue income.		<ul style="list-style-type: none"> <li>• Maximise opportunities by seeking to gain planning consent for development</li> <li>• Respond to market conditions, supply and demand</li> <li>• Feasibility appraisal of 5 potential development sites has led to pre-application discussions in relation to 4 sites, with a view to submit full planning applications in relation to two sites</li> <li>• Search for additional sites for development in progress (2018/19)</li> <li>• Assembling Design Team to deliver housing at the newly acquired site in Cringleford, purchased by Big Sky Developments</li> </ul>
Managing Director	<b>S7</b>	Opportunity to benefit from efficiencies and enhance services and quality of life for residents through collaborative working with Broadland District Council.	Assistant Director – Chief of Staff	<p>South Norfolk Council has been working alongside Broadland District Council (BDC) since October 2017 to consider options regarding collaborative working.</p> <p>This approach would enable both Councils to drive economic and housing growth, enhance quality of life and improve service delivery to residents of Broadland and South Norfolk.</p>	M2: BAU: Business Improvement Team: Undertaking Service Reviews for Strategic Leadership Team and the wider business to identify	<ul style="list-style-type: none"> <li>• Programme Team to: <ul style="list-style-type: none"> <li>• progress the actions outlined in the route map for delivery set out in the Feasibility Study (2019/20)</li> <li>• monitor risks as outlined in the Feasibility Study.</li> </ul> </li> <li>• Consult Joint Lead Members Group and Joint</li> </ul>

Directorate	Code	Risk/Opportunity	Owner	Commentary (including outcomes / benefits that may be gained)	2018/19 Business Plan Activity	Required/outstanding actions to support risk mitigation
				<p>This would also allow both councils to build capacity and resilience, deliver potential savings and increase their influence nationally with regard to shaping the local government agenda</p> <p>The Full Council of each authority resolved to form one joint officer team across the two autonomous councils on 12 July 2018</p>	<p>capacity, efficiencies, service delivery alterations. Tracking, reporting, challenging and intervening as necessary for Council performance, corporate projects and programmes. In conjunction with Digital Transformation , identify, prioritise and develop digital solutions to maximise self-service and 24x7x365 customer support</p>	<p>Scrutiny Committee when appropriate (2019/20)</p> <ul style="list-style-type: none"> <li>Track and support the delivery of the Routemap through the core programme team.</li> </ul>

### Appendix 3: Analysis of Major Variances on Service Areas – April to March 2019

Service Area	Direct Budget (net income)/net expenditure  £	Direct Net Expenditure/ (Income)  £	Variance (negative)/positive  £	Commentary
Kett's Park	-	35,841	(35,841)	Kett's park was budgeted to break even in its first year. The adverse variance is due to large one off set up costs.
Wymondham Leisure Centre (WLC)	(258,251)	(51,971)	(206,281)	WLC is a net income budget. The final position is that it has achieved lower net income. This was because of additional spend of 46k on salaries following a realignment to match business needs, utility overspend of £25k due to CHP installation, £40k overspend on building maintenance, income target being missed by £122k as memberships are below target, 3 months VAT correction on DD's membership income.
WLC Spa	(1,473)	33,065	(34,538)	WLC Spa is a net income budget. The operation started later than planned and significant one-off set up costs were incurred. Therefore the final position was £33,065 net spend and an adverse variance of £34,538.
WLC Cafe	(12,318)	14,737	(27,055)	WLC Café is a net income budget but income achieved during 2018/19 was much lower than expected due to lower than anticipated usage/sales so the final position was net spend of £14,737 and an adverse variance of £27,055 against budget.
Long Stratton Leisure Centre	214,546	258,611	(44,065)	The adverse variance of £44,065 was due to late opening of the centre meaning reduced income against budget together with a 3 month VAT correction on DD's membership income which further

				reduced income. Overall the centre under achieved on income by £44,065.
LSLC Soft Play	(23,563)	1,740	(25,303)	LSLC Soft Play is a net income budget and due to the late opening the centre late, the soft play under achieved on income by £25,303.
Recreation & Sport	88,320	122,715	(34,395)	Adverse variance was due to a feasibility study costing £42k around the Long Stratton pool project, which was expected to be treated as capital spend. However, the project was not formally agreed at the time so this had to be treated as revenue and this resulted in an overspend against budget.
Early Help Hub	248,821	213,018	35,803	The Early Help Hub over achieved on its income due to higher than anticipated income received from CCTV installations. This led to a favourable variance of £35,803.
Community Connectors	39,252	5,842	33,410	Due to staff vacancies, the community connectors service has been underspent during 2018/19. The remaining budget will be slipped into 2019/20 to continue the service in its final year.
Leisure Centre Management	213,080	170,071	43,009	There was a favourable variance on this budget due to underspends on uniform, consultancy and advertising.
Community Protection	219,042	178,357	40,685	Salary savings were made from the restructure of the service which meant that it was underspent overall for 2018/19.
Environmental Quality	329,738	262,019	67,719	Salary savings were made from the restructure of the service which meant that it was underspent overall for 2018/19.
Director of Community Services	156,607	123,675	32,932	Savings were made on supplies and consultancy leading to an underspend and favourable variance.

Recycling Strategy	119,567	48,631	70,936	Establishment savings after the service restructure together with advertising savings have led to an underspend on this budget of £70,936.
Hostels	9,435	(26,593)	36,028	Income was higher than anticipated due to greater use of hostels instead of B&B accommodation. This resulted in net income for the year of £26,593 which was £36,028 above budget.
Homelessness	(236,408)	(320,226)	83,818	Homelessness had a net income budget and due to increases in funding and savings on SLA's, the final position was net income of £320,226, £83,818 above budget.
Housing Options Team	448,147	415,041	33,106	Salary savings were made from the restructure of the service which meant that it was underspent overall for 2018/19.
Independent Living Team	323,922	280,158	43,764	Salary savings were made from vacant posts and savings on supplies and materials which meant that the service was underspent overall by £43,764.
Housing Benefit Payments	(280,068)	(208,192)	(71,876)	Housing Benefit recovery income continues to be higher than budgeted for reflecting effective recovery action by the team. However, Housing Benefit grants received were lower than anticipated. Therefore the net income budget underachieved by £71,876.
Management of Commons	39,766	13,400	26,366	A favourable variance on this budget arose due to savings on grounds maintenance and grants paid.
Benefits Team	367,481	439,466	(71,985)	The adverse variance is due to lower than expected recovery income during the year.

Building Control	(187,380)	(139,686)	47,694	<p>A net income budget was set which was underachieved by £47,694 due to the following: Negative variance resulted from 2 year-end provisions: application of new IFRS15 income provision (£270k) and IAS19 deferred pension benefits (£123k).</p> <p>Significant savings [£345k] were achieved during the year as the service struggled to recruit to vacancies due to a strong labour market. A successful recruitment drive in December meant that the service was able to fill these positions.</p> <p>Income before the provision sat 7% shy of budgeted expenditure because of Approved Inspectors increasing their market share in certain districts.</p>
Development Management	81,668	(142,203)	223,871	<p>Development Management is budgeted as a net expenditure budget. This budget centre exceeded expectations resulting in net income in 18/19 because of the following:</p> <p>Income exceeded budget by £423k, with application fees and the admin charge of the CIL levy posting positive variances of £345k and £56k respectively as applications, especially those of large developments, have been higher than anticipated.</p> <p>These are lower than reported at Q3 as a result of applying the new IFRS15 income provision (£305k).</p> <p>Additionally, savings on employment costs of £90k were also realised due to vacancies within the service.</p>

Planning & Housing	304,595	209,399	95,196	<p>A favourable variance has been achieved through grant income of £94k for work carried out on a Community Led Program with Broadland, which has funded employment costs for those working on it.</p> <p>An overspend of (£36k) on Consultancy services was also incurred due to several additional projects in this area undertaken but not known at the time of setting the budget.</p>
Food & Safety	203,675	151,254	52,421	<p>Positive variance achieved predominantly through a £37k saving on employment costs because of a decision not to recruit to a vacant budgeted role following a review of the service. This post has been removed from the establishment.</p>
Licensing	(101,410)	(120)	(101,290)	<p>A change in accounting treatment of income to reflect IFRS15 revenue recognition rules mean that fees &amp; charges generated by the service fall short of budget by (£81k). An additional (£10k) has been spent on agency staff to help manage workloads in Q3 due to staff sickness and a peak in the 3 year programme of inspections. This has resulted in an underachievement on the net income budget of £101,290.</p>
Car Parks	(178,477)	(136,786)	(41,691)	<p>This has a net income budget of £178,477. A (£35k) provision to comply with International Financial reporting rules has resulted in an adverse variance being recorded. In addition, a reduction in the number of Penalty Charge Notices being issued due to staffing vacancies has only increased the variance.</p>
Street Cleaning	323,556	271,472	52,084	<p>The reallocation of some employment costs [£28k] to reflect the work performed by the Streets team in opening and maintaining Public Conveniences have, with unfilled vacancies, driven a favourable variance.</p>



				Vacancies are being partly covered through agency staff until recruitment takes place.
Commercial Waste	(162,876)	(195,897)	33,021	Favourable variance achieved despite a shortfall on income (£38k) being reported. Savings made against budget on employment costs of £33k, and lower disposal costs of £60k outweigh the income deficit.
Domestic Waste	1,573,132	1,659,153	(86,021)	<p>Additional staffing and agency usage (£134k) and fuel costs (£33k) have been recorded because of additional rounds having to be put on to reduce the risk of vehicles being overweight as the volume of overall waste is continuing to increase reflecting the growth in housing delivery.</p> <p>These additional costs have been partially offset by higher income received from initial bin charges [£16k] and lower than anticipated disposal costs [£54k].</p>
Grounds Maintenance	127,334	69,212	58,122	<p>Favourable variance has been achieved by the decision not to recruit to vacancies [£57k].</p> <p>A review in the service work load has resulted in an optimisation of work and identified opportunities to take on additional contracts.</p>
Transport Fleet	379,953	666,970	(287,017)	<p>Maintenance costs of the fleet are currently running (£293k) over budget. This is predominantly down to the outsourcing of repairs due to a lack of resource and skills within the workshop.</p> <p>Following a review of the procedures surrounding maintenance of the fleet it has been concluded that</p>

				<p>the budgeted figures previously set were insufficient and these have been amended for 2019/20.</p> <p>Additional internal resource, improved processes including a more preventative approach to repairs, and tighter controls in the procurement of parts have been introduced to keep spending under control.</p> <p>A review of fleet management packages has led to the installation of a successful product which will enable enhanced tracking and analysis of maintenance costs going forward.</p>
Ops Management	412,232	465,590	(53,358)	Negative variance reported because of additional consultancy costs (£16k) being recorded for a review of procedures around fleet maintenance. Additional employment costs (£22k) have also been incurred due to role changes.
Ketteringham Depot	70,045	96,377	(26,332)	Adverse variance recorded due to a loss of income (£10k) as a result of not being able to find a tenant for the second unit at the Depot, an additional rates bill for the staff car park (£7k) and the installation of emergency lighting for H & S (£8k).
Growth and Business Development Business Support	502,490	451,567	50,923	Favourable variance achieved because of a decision to not fill budgeted roles that were vacant [£59k]. This was partly offset due to responsibility for the out of hours customer services costs (£6k) being transferred across but not the budget.
NHB ER Valley	192,409	164,364	28,045	Favourable variance reported due to the decision not to spend funds earmarked and carried over from previous years for the Digital Heritage project.
Chief Executive	249,802	279,336	(29,534)	Negative variance due to employment overlap of staff for a 3 month period. This amount was not included in the original budget.

Marketing	298,652	231,260	67,392	Positive variance due to vacancy savings of £44k. Costs have been lower than expected in consultancy, system improvement, advertising and subscriptions. The main vacancy carried is a Customer Insight Analyst which has been vacant for the whole year. Savings are being used in 2019-20 to fund the extension of a Developer contract.
IT	1,273,026	1,347,215	(74,189)	Negative variance due to increased software costs because of upgrades to existing software and introduction to new software.  Telephone costs have been higher than expected due to delays rolling out the new telephone system resulting in dual running of two systems. The new system has now been introduced and steps are being taken to remove services that have been replaced.  Larger data infrastructure expenses than anticipated. A review of suppliers is currently underway to reduce costs going forward.
Governance	514,806	354,456	160,350	The positive variance has resulted from a large refund received due to the underuse of our legal services contract. This is due to be renegotiated shortly. There was also a higher than budgeted profit share element.
Business Improvement	233,598	192,586	41,012	Positive variance due to an unbudgeted cost-sharing arrangement as part of the collaboration with Broadland Council alongside a vacancy within the establishment.
Investment Properties	(350,550)	(312,326)	(38,224)	A negative variance arose due to a large vacant unit in Wymondham foregoing £35k in rent, although the unit is now let; a smaller unit in Diss was vacant foregoing approximately £3k in rent but it is now let.

Council Tax Cost of Collection	(224,017)	(289,489)	65,472	Positive variance due to larger recovery of income than expected along with a larger profit share from Anglia Revenues Partnership than budgeted.
Crafton House Serv Acc	(43,229)	(15,236)	(27,993)	A negative variance arose due to overbudgeted rental income for this property. The budget for 2019/20 has been reviewed.
Investment Income	(510,000)	(705,793)	195,793	This positive income variance reflects additional interest from the outstanding loans to the Council's wholly owned companies and temporary loan required to cover the VAT payment on the land at Cringleford plus the "overdraft" facility.
Interest Payments on External Borrowing	437,530	0	437,530	The positive variance results from the fact that no external borrowing has yet taken place as the authority's cash balances are being used to avoid the need to borrow prematurely.
Business Rates (NNDR) Income	(3,374,503)	(4,951,703)	1,577,200	This positive variance reflects strong performance on collection of business rates and receipt of grants from Central Government in relation to mandatory reliefs given. Rateable values have increased and the level of discretionary reliefs given has fallen.

#### Appendix 4: Analysis of Major Variances on Capital Programme– Full Year 2018/19

Capital Projects	Budget	Expenditure	Variance	Commentary
	£	£	£	
Improved Leisure Provision	3,501,773	2,642,070	859,703	<p>£116k of this positive variance relates to the budget for pool filters at Wymondham Leisure Centre. As it was clear that this work could not be carried out before the end of 2018/19, the budget was slipped into 2019/20 as part of the Capital Programme approved by Council in February 2019.</p> <p>£230k for the refurbishment of the Long Stratton Tennis Courts and £387k for Kett's Park were also slipped as part of this process. In addition to the £387k for Kett's Park, there was also a further £80k remaining at the end of the year, which will need to be slipped to enable further improvements to take place during 2019/20.</p> <p>Following refurbishment, Long Stratton Leisure Centre was re-opened in March 2019, but £46k remained at the end of 2018/19 relating to specific works that were not complete by 31-03-19, namely the external stairway and car park. A slippage request has been made to cover these costs in 2019/20.</p>
Cringleford	6,000,000	6,613,041	(613,041)	<p>A loan of £6m was granted to Big Sky Developments Ltd during 2018/19 to fund the purchase of land. Extra expenditure of £613k was incurred on Highways works, which was fully financed through Pooled Business Rates and funding secured from Homes England.</p>

Waste Vehicle Replacements	1,092,590	1,050,007	42,583	Six refuse collection vehicles and a van have been purchased during 2018/19. A slippage request has been made to roll the remaining budget into 2019/20 to facilitate the evaluation of vehicle purchase options in 2019/20.
BSPM Rental Home Purchases	4,479,998	1,533,000	2,946,998	After purchasing properties at Maple Park & Rosebery Park from BSD, no further new homes were available for BSPM to purchase by the end of 2018/19. £3.32m was slipped into 2023/24 as part of the Capital Programme approved by Council in February 2019, however, in March there was a further property purchase of £375k, therefore the slippage will have to be reduced by this amount.
NRP Enterprise Zone – Infrastructure & Office	17,540,000	0	17,540,000	The budget for £12.54m for Infrastructure & £5m for the office development were both unutilised in 2018/19 and £10.2m of these budgets was slipped into 2019/20 and 2020/21 as part of the Capital Programme approved by Council in February 2019 to allow more time for plans to be formulated. A new deal has recently been negotiated and it is expected that all developments are due to be delivered by March 2021, at which stage the commercial building is expected to be fully pre let.
Toilet Refurbishments	215,000	98,068	116,932	The refurbishment of public conveniences in Wymondham & Harleston were complete as at 31-03-19. Work to toilets in Diss and Long Stratton had not commenced by the end of 2018/19, therefore a slippage request has been made to roll the remaining budget into 2019/20.

New IT Projects	521,484	244,791	276,693	£98k of this positive variance relates to the ongoing implementation of Windows 10, which will continue in 2019/20. £69k relates to equipment purchases, including equipment for mobile working & £52k relates to software purchases, where changes in requirements are being reviewed before proceeding. There was a remaining budget of £32k relating to Telephony, which will be needed in 2019/20 for phases 2 & 3 of the implementation. A slippage request equivalent to the whole remaining IT budget has been made to enable projects to continue given changes in need.
Wheeled Bin Replacements	200,000	128,258	71,742	Expenditure on new bins during 2018/19 has been predominantly driven by demand, whilst maintaining appropriate stock levels. A slippage request has been made for £20k of the remaining budget to be rolled into 2019/20 to cover potential cost increases.
Ketteringham Depot Improvements	211,500	0	211,500	No expenditure was incurred during 2018/19 as options are still being investigated. The remaining budget was slipped into 2019/20 as part of the Capital Programme approved by Council in February 2019.
Grounds Maintenance Equipment	81,500	0	81,500	Due to the ongoing servicing of current equipment, no replacements were required during 2018/19. No slippage will be required in future years as the existing budgets are deemed to be sufficient.
Section 106 grant funding	0	532,674	(532,674)	Expenditure in the year included £434k towards the provision of affordable housing in Diss & Harleston and £99k towards play improvements in Hales & Heckingham, Loddon & Diss. All these contributions have been made using Section 106 funds that the Council was holding and were in line with developers' conditions.

Street Lighting	531,000	51,792	479,208	The transfers of footway lighting to Town & Parish Councils were underway at the end of the year. Payments will be made during the early part of 2019/20, therefore a slippage request has been made.
Car Park Improvements	134,200	67,852	66,348	Twenty electric car charging points have been installed at five car parks across the district. A grant was secured to fund 75% of the cost. Quotes have been received to progress with resurfacing works in 2019/20. £21k of the remaining budget was slipped into 2019/20 as part of the Capital Programme approved by Council in February 2019.
Poringland Phase 2 Commercial	750,000	0	750,000	This project has been delayed whilst viability is being reviewed. The whole budget was slipped into 2020/21 as part of the Capital Programme approved by Council in February 2019.



## Reserves

## Appendix 5

Name of Reserve	Actual Balance 31 March 2018 £'000	Transfers in £'000	Transfers Out £'000	Actual Balance 31 March 2019 £'000	Transfers in £'000	Transfers Out £'000	Projected Balance 31 March 2020 £'000	Transfers in £'000	Transfers Out £'000	Projected Balance 31 March 2021 £'000	Transfers in £'000	Transfers Out £'000	Projected Balance 31 March 2022 £'000	Transfers in £'000	Transfers Out £'000	Projected Balance 31 March 2023 £'000	Transfers in £'000	Transfers Out £'000	Projected Balance 31 March 2024 £'000
<b>Corporate Reserves</b>																			
New Homes Bonus contained within General Revenue Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance of General Revenue Reserve excluding New Homes Bonus	10,938	2,498	(5,484)	7,952	1,501	(278)	9,175	0	(2,260)	6,915	0	0	6,915	0	0	6,915	0	0	6,915
<b>Total General Revenue Reserve</b>	<b>10,938</b>	<b>2,498</b>	<b>(5,484)</b>	<b>7,952</b>	<b>1,501</b>	<b>(278)</b>	<b>9,175</b>	<b>0</b>	<b>(2,260)</b>	<b>6,915</b>	<b>0</b>	<b>0</b>	<b>6,915</b>	<b>0</b>	<b>0</b>	<b>6,915</b>	<b>0</b>	<b>0</b>	<b>6,915</b>
General Fund Balance	1,400	0	0	1,400	0	0	1,400	0	0	1,400	0	0	1,400	0	0	1,400	0	0	1,400
<b>Total Corporate Reserves</b>	<b>12,338</b>	<b>2,498</b>	<b>(5,484)</b>	<b>9,352</b>	<b>1,501</b>	<b>(278)</b>	<b>10,575</b>	<b>0</b>	<b>(2,260)</b>	<b>8,315</b>	<b>0</b>	<b>0</b>	<b>8,315</b>	<b>0</b>	<b>0</b>	<b>8,315</b>	<b>0</b>	<b>0</b>	<b>8,315</b>
<b>Service Specific Reserves</b>																			
Broadland/SNC Collaboration Costs Reserve	0	0	0	0	107	(107)	0	189	(189)	0	101	(101)	0	101	(101)	0	101	(101)	0
Broadland/SNC Collaboration Savings Reserve	0	0	0	0	427	0	427	788	0	1,199	1,073	0	2,268	1,376	0	3,644	1,674	0	5,318
Infrastructure Reserve	3,525	0	(118)	3,407	0	(1,570)	1,837	0	(1,000)	837	0	0	837	0	0	837	0	0	837
Non-Commercial Assets Replacement Reserve	593	450	(150)	893	260	(264)	889	10	(37)	862	10	(12)	860	10	(12)	858	10	(12)	856
Street Lighting Replacement Reserve	0	0	0	0	5	0	5	5	0	10	5	0	15	5	0	20	5	0	25
Localisation of Business Rates Reserve	2,489	1,812	0	4,301	0	0	4,001	0	0	4,001	0	0	4,001	0	0	4,001	0	0	4,001
Localisation of Council Tax Benefit	500	0	0	500	0	0	500	0	0	500	0	0	500	0	0	500	0	0	500
Neighbourhood Grants	22	0	(22)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District and Parish Elections	142	40	0	182	0	(160)	22	50	0	72	50	0	122	50	0	172	0	(170)	2
Land Charges	152	0	(152)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Local Development Reserve	855	0	0	855	0	(250)	605	0	0	605	0	0	605	0	0	605	0	0	605
Vehicle and Equipment Procurement and Replacement Reserve	949	1,021	(1,199)	771	1,316	(1,037)	1,050	1,037	(1,080)	1,007	55	(748)	314	55	(55)	314	55	(55)	314
Low Cost Housing (New Homes Bonus)	876	0	0	876	0	0	876	0	(875)	1	0	0	1	0	0	1	0	0	1
Car Park Upgrades Reserve	0	70	0	70	70	(35)	105	70	(35)	140	70	(35)	175	70	(35)	210	70	(35)	245
Charging Points Maintenance Reserve	0	0	0	0	1	0	1	1	0	2	1	0	3	1	0	4	1	0	5
Enterprise Zone Reserve	59	0	0	59	303	(303)	59	342	(342)	59	321	(321)	59	287	(287)	59	287	(287)	59
3G Pitch Renewal Reserve	11	15	0	26	15	0	41	15	0	56	15	0	71	15	0	86	15	0	101
Communities and Localism Reserve	191	0	(19)	181	0	0	181	0	0	181	0	0	181	0	0	181	0	0	181
<b>Total Service Specific Reserves</b>	<b>10,364</b>	<b>3,108</b>	<b>(1,651)</b>	<b>11,821</b>	<b>2,504</b>	<b>(3,726)</b>	<b>10,599</b>	<b>2,487</b>	<b>(3,558)</b>	<b>9,528</b>	<b>1,701</b>	<b>(1,217)</b>	<b>10,012</b>	<b>1,970</b>	<b>(490)</b>	<b>11,492</b>	<b>2,188</b>	<b>(630)</b>	<b>13,050</b>
<b>Total Revenue Reserves</b>	<b>22,702</b>	<b>5,606</b>	<b>(7,135)</b>	<b>21,173</b>	<b>4,005</b>	<b>(4,004)</b>	<b>21,174</b>	<b>2,487</b>	<b>(5,818)</b>	<b>17,843</b>	<b>1,701</b>	<b>(1,217)</b>	<b>18,327</b>	<b>1,970</b>	<b>(490)</b>	<b>19,807</b>	<b>2,188</b>	<b>(630)</b>	<b>21,365</b>
<b>General Reserves</b>	<b>21,302</b>	<b>5,606</b>	<b>(7,135)</b>	<b>19,773</b>	<b>4,005</b>	<b>(4,004)</b>	<b>19,774</b>	<b>2,487</b>	<b>(5,818)</b>	<b>16,443</b>	<b>1,701</b>	<b>(1,217)</b>	<b>16,927</b>	<b>1,970</b>	<b>(490)</b>	<b>18,407</b>	<b>2,188</b>	<b>(630)</b>	<b>19,965</b>
<b>Capital Reserves</b>																			
<b>Usable Capital Receipts</b>																			
General Receipts	1,652	5,685	(7,337)	0	1,200	(756)	444	225	(398)	271	3,814	(4,064)	21	12,225	(5,093)	7,153	6,225	(4,325)	9,053
Longwater Lane Capital Receipt	0	75		75			75		0	75		0	75		0	75		0	75
IT Replacement LSVT	708		(245)	463		(385)	78		(77)	1		0	1		0	1		0	1
LSVT Capital Receipt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aids & Adaptations	127		(100)	27		(27)	0		0	0		0	0		0	0		0	0
Insurance	100		(100)	0			0		0	0		0	0		0	0		0	0
Capital Grants Unapplied Account	0	262		262		(262)	0		0	0		0	0		0	0		0	0
<b>Total Capital Reserves</b>	<b>2,587</b>	<b>6,022</b>	<b>(7,782)</b>	<b>827</b>	<b>1,200</b>	<b>(1,430)</b>	<b>597</b>	<b>225</b>	<b>(475)</b>	<b>347</b>	<b>3,814</b>	<b>(4,064)</b>	<b>97</b>	<b>12,225</b>	<b>(5,093)</b>	<b>7,229</b>	<b>6,225</b>	<b>(4,325)</b>	<b>9,129</b>
<b>Total Usable Reserves</b>	<b>25,289</b>			<b>22,000</b>			<b>21,771</b>			<b>18,190</b>			<b>18,424</b>			<b>27,036</b>			<b>30,494</b>

## Appendix 6

Capital Project	Approved Budget 2019/20	Slippage from 2018-19	Adjustments	Total Budget 2019-20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24	Total Capital Programme (2019/20 to 2023/24)
	£	£	£	£	£	£	£	£	£
Long Stratton Leisure Centre Improvements	-	46,098		46,098	-	-	-	-	46,098
Long Stratton 3G Pitch	-			-					-
Further Works at Wymondham Leisure Centre	251,691		85,000	336,691	170,465	-	20,000	-	442,156
Further Works at Diss Leisure Centre	75,000			75,000	120,000	10,000	-	330,000	535,000
Further Works at Long Stratton Leisure Centre	40,000			40,000	10,000	-	10,000	40,000	100,000
Funding towards Long Stratton Pavilion	-		150,000	150,000					150,000
Framingham Earl High School	-			-	300,000	-	-	-	300,000
Ketts Park 3G Pitch	387,000	79,886		466,886	-	-	-	-	466,886
Ketts Park Kitchen	25,000			25,000	-	-	-	-	25,000
Long Stratton Pool	450,000		- 340,000	110,000	-	-	-	-	110,000
Refurbishments of Tennis Courts behind Long Stratton LC	230,000			230,000	-	-	-	-	230,000
Aids/Adaptations	-	26,877		26,877	-	-	-	-	26,877
Disabled Facilities Grants	845,000		67,547	912,547	845,000	845,000	845,000	845,000	4,292,547
Diss Heritage Triangle	-			-	-	-	-	-	-
<b>Total Priority: Health, Well-being and Early Help</b>	<b>2,303,691</b>	<b>152,861</b>	<b>- 37,453</b>	<b>2,419,099</b>	<b>1,445,465</b>	<b>855,000</b>	<b>875,000</b>	<b>1,215,000</b>	<b>6,809,564</b>
Wheeled Bin Purchase - Domestic Rubbish and Recycling	80,000	20,000		100,000	80,000	80,000	80,000	80,000	420,000
Wheeled Bin Purchase - Garden Waste	30,000			30,000	30,000	30,000	30,000	30,000	150,000
Vehicle Procurement and Replacement	687,000	42,583		729,583	868,945	748,000	748,000	748,000	3,842,528
Waste Route Optimisation System	125,000			125,000					125,000
Grounds Maintenance Equipment	75,000			75,000	61,000	-	-	15,000	151,000
Workshop Equipment	-			-	-	-	-	-	-
Ketteringham Depot - Expanding facilities	211,500			211,500	-	-	-	-	211,500
Play Area Refurbishments - Sites with Commuted Sums	136,750			136,750	72,385	-	25,150	113,973	348,258
Sums for Affordable Housing Financed by S106 Contributions				-	2,420,000				2,420,000
Toilet Refurbishments	105,000	116,932		221,932	-	-	-	-	221,932
Street Lighting	34,440	479,208		513,648	29,340	24,240	24,240	24,240	615,708
<b>Total Priority: Place, Communities and Environment</b>	<b>1,484,690</b>	<b>658,723</b>	<b>-</b>	<b>2,143,413</b>	<b>3,561,670</b>	<b>882,240</b>	<b>907,390</b>	<b>1,011,213</b>	<b>8,505,926</b>
Norwich Research Park Enterprise Zone Infrastructure	2,100,000			2,100,000	-	3,100,000	-	-	5,200,000
Norwich Research Park Enterprise Zone Office	2,000,000			2,000,000	3,000,000	-	-	-	5,000,000
Other Strategic Property & Economic Investment	4,150,000			4,150,000	-	-	-	-	4,150,000
Commercial Waste Service - Bin Purchase	40,000			40,000	40,000	40,000	40,000	40,000	200,000
Better Broadband	570,000			570,000	-	-	-	-	570,000
Car Park Improvements	56,348			56,348	35,000	35,000	35,000	35,000	196,348
Installation of Electric Car Charging Points	-		28,000	28,000	-	-	-	-	28,000
Wymondham Tourism App	-			-	-	-	-	-	-
Other Property/Economic Development Investment	5,000,000			5,000,000	5,000,000	-	-	-	10,000,000
Maple Drive (Cygnet House) Commercial	-			-	-	-	-	-	-
Cringlford	3,000,000			3,000,000	3,000,000	-	-	-	6,000,000
BSPM Rental Homes on new sites	-	375,000		-	4,000,000	4,000,000	4,000,000	2,946,998	14,946,998
Funding to finance BSD's 5 year strategy	9,589,038			9,589,038					9,589,038
Poringland Phase 2 Commercial	-			-	-	1,632,000	-	-	1,632,000
Park Rd, Diss				-	408,000		-		408,000

Strategic Economic Development	7,202,000			7,202,000	1,798,000	-	-		9,000,000	
Total Priority: Economic Growth, Productivity and Prosperity	33,707,386	-	375,000	28,000	33,735,386	17,281,000	8,807,000	4,075,000	3,021,998	66,920,384
New IT Projects	125,000	170,835		295,835	125,000	125,000	125,000	125,000	125,000	795,835
Data Cleanse Software	16,000	36,390		52,390	-	-	-	-	-	52,390
Digital	100,000	2,211		102,211	50,000	25,000	25,000	25,000	25,000	227,211
Telephony	-	31,865		31,865	-	-	-	-	-	31,865
South Norfolk House - Roofing Asphalt Replacement	-			-	-	-	-	-	-	-
South Norfolk House - Replacement of Boilers	-			-	-	-	50,000	-	-	50,000
South Norfolk House -Uninterruptable Power Supply	-			-	-	-	-	-	-	-
South Norfolk House -Replacement of the Felt on the Roof	-			-	-	-	20,000			20,000
Total: Improving services through being business-like, efficient and entrepreneurial	241,000	241,301	-	482,301	175,000	150,000	220,000	150,000	150,000	1,177,301
Total Capital Programme	37,736,767	677,885	(9,453)	38,780,199	22,463,135	10,694,240	6,077,390	5,398,211		83,413,175

Capital Expenditure				Revised Estimate 2019-20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24	Total Capital Programme (2019/20 to 2023/24)
				£000s	£000s	£000s	£000s	£000s	£000s
<b>Services</b>				26,151	15,015	5,022	2,037	2,411	50,637
<b>Commercial activities</b>				12,629	7,448	5,672	4,040	2,987	32,776
<b>Total</b>				<b>38,780</b>	<b>22,463</b>	<b>10,694</b>	<b>6,077</b>	<b>5,398</b>	<b>83,413</b>

## Appendix 7

		2018/19 Outturn £000	2019/20 Revised Budget £000	2020/21 Forward Budget £000	2021/22 Forward Budget £000	2022/23 Forward Budget £000	2023/24 Forward Budget £000
	<b>Capital Programme Expenditure</b>	<b>15,925</b>	<b>38,780</b>	<b>22,463</b>	<b>10,694</b>	<b>6,077</b>	<b>5,398</b>
	<b>Financed by:</b>						
<b>Grants Total</b>	Grants	2,299	4,024	2,357	857	857	857
<b>S106 Funds Total</b>	S106 Funds	878	391	2,493	-	25	114
<b>Revenue Total</b>	Revenue	5,042	2,656	3,305	795	102	102
<b>Capital Receipts Total</b>	Capital Receipts	7,706	1,168	475	4,064	5,093	4,325
<b>Grand Total</b>	<b>Total Capital Resources Available</b>	<b>15,925</b>	<b>8,239</b>	<b>8,630</b>	<b>5,716</b>	<b>6,077</b>	<b>5,398</b>
	<b>Borrowing Requirement For Year</b>	<b>-</b>	<b>30,541</b>	<b>13,833</b>	<b>4,978</b>	<b>-</b>	<b>-</b>

## **Treasury Management Annual Report 2018/19**

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**Portfolio:**

Finance & Resources

**Ward(s) Affected:**

All

**Purpose of the Report:**

This report reviews the treasury management activity during the financial year 2018/19 and reports on the prudential indicators as required by CIPFA's Treasury Management Code of Practice.

**Recommendations:**

Cabinet is recommended to request that Council:

1. Note the treasury activity for the second half of the year and that it complies with the agreed strategy.
2. Note the 2018/19 prudential indicators for the latter six months of the year.

## **1 SUMMARY**

- 1.1 The report reviews the treasury management activity during the financial year 2018/19 and reports on the prudential indicators as required by CIPFA's Treasury Management Code of Practice.
- 1.2 Investments totalled £44.529 million as at 31 March 2019, including loans and equity in the Council's wholly owned companies of £15.653m.
- 1.3 Interest received on external cash investments during the financial year was £215,000 which is £111,000 above the budget of £104,000. More cash was held in short term investments during the year in order to ensure that funds were available for the capital programme, to avoid the need to borrow externally.

## **2 BACKGROUND**

- 2.1 The Council's treasury management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which requires local authorities to produce annual Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members are informed of treasury management activities at least twice a year. Over the past financial year, formal reports have been presented at six month intervals to Cabinet with recommendations to Full Council and, where appropriate, scrutiny of treasury policy, strategy and activity is delegated to the Scrutiny Committee.
- 2.2 Treasury management is defined as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 2.3 Overall responsibility for treasury management remains with the Council. No treasury management activity is without risk; the effective identification and management of risk are integral to the Council's treasury management objectives. Treasury management is led by the Section 151 Officer (Director of Resources) and day to day treasury management activity is carried out by the Accountancy Team.

## **3 ECONOMIC ENVIRONMENT & INTEREST RATES**

- 3.1 After weak economic growth of only 0.2% in quarter one of 2018, growth picked up to 0.4% in quarter 2 and to a particularly strong 0.7% in quarter 3, before cooling off to 0.2% in the final quarter. Given all the uncertainties over Brexit, this weak growth in the final quarter was as to be expected. However, some recovery in the rate of growth is expected going forward. The annual growth in Q4 came in at 1.4% confirming that the UK was the third fastest growing country in the G7 in quarter 4.

- 3.2 After the Monetary Policy Committee raised Bank Rate from 0.5% to 0.75% in August 2018, it is little surprise that they have abstained from any further increases since then. We are unlikely to see any further action from the MPC until the uncertainties over Brexit clear. If there were a disorderly exit, it is likely that Bank Rate would be cut to support growth. Nevertheless, the MPC has been having increasing concerns over the trend in wage inflation which peaked at a new post financial crisis high of 3.5%, (excluding bonuses), in the three months to December before falling only marginally to 3.4% in the three months to January. British employers ramped up their hiring at the fastest pace in more than three years in the three months to January as the country's labour market defied the broader weakness in the overall economy as Brexit approached. The number of people in work surged by 222,000, helping to push down the unemployment rate to 3.9 percent, its lowest rate since 1975. Correspondingly, the total level of vacancies has risen to new highs.
- 3.3 As for CPI inflation itself, this has been on a falling trend since peaking at 3.1% in November 2017, reaching a new low of 1.8% in January 2019 before rising marginally to 1.9% in February. However, in the February 2019 Bank of England Inflation Report, the latest forecast for inflation over both the two and three year time horizons remained marginally above the MPC's target of 2%.
- 3.4 The rise in wage inflation and fall in CPI inflation is good news for consumers as their spending power is improving in this scenario as the difference between the two figures is now around 1.5%, i.e. a real terms increase. Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months.
- 3.5 The latest interest rate forecast from the Council's Treasury Management Advisors, is shown in the table below, with a rise in the central bank rate now expected in September 2020. Rates on cash investments are often linked to the London Interbank Bid Rate (LIBID), which are predicted to be around or marginally higher than the Bank rate. Borrowing rates from the Public Works Loans Board continue to be relatively low for short term borrowing, increasing to a peak of 3.3% for 25-year borrowing and then reducing slightly for very long-term borrowing.

Link Asset Services Interest Rate View											
	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75	0.75	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50	1.50
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.20	1.30	1.40	1.40	1.40
6 Month LIBID	0.80	0.90	0.80	0.90	1.00	1.20	1.40	1.50	1.60	1.60	1.60
12 Month LIBID	1.00	1.00	1.10	1.20	1.30	1.40	1.50	1.60	1.70	1.80	1.80
5yr PWLB Rate	1.50	1.60	1.70	1.80	1.90	2.00	2.10	2.10	2.20	2.30	2.40
10yr PWLB Rate	1.80	1.90	2.00	2.10	2.20	2.30	2.40	2.50	2.60	2.60	2.70
25yr PWLB Rate	2.40	2.50	2.60	2.70	2.80	2.90	3.00	3.00	3.10	3.20	3.30
50yr PWLB Rate	2.30	2.40	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.10	3.20

## 4 THE COUNCIL'S OVERALL BORROWING REQUIREMENT

- 4.1 The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. Based on the draft accounts, as at 31 March 2019, the Council had a CFR of £0 showing no need to borrow for a capital purpose as the capital programme was fully funded.
- 4.2 The Council's CFR for the year is shown below and represents a key prudential indicator.

CFR (£m)	31 March 2019 Provisional	31 March 2020 Estimate
Closing Balance	£0	£30,541,000

- 4.3 Given the significant cuts to local government funding putting pressure on Council finances, the strategy followed was to minimise debt interest payments by using the Council's own resources. The differential between the cost of new longer-term debt and the return generated on the Council's temporary investment returns was significant (over 2%). The use of internal resources in lieu of borrowing was judged to be the most cost-effective means of funding capital expenditure. The timing of capital expenditure during 2018/19 meant that planned borrowing was not required. This has, for the time being, lowered overall treasury risk by maintaining a position of no external debt and reducing temporary investments. Looking forward, the extent of the Council's capital investment programme means that the Council will need to borrow externally in the future.
- 4.4 The Council is currently estimated to have a Capital Financing Requirement of £30,541,000 for 2019/20, which will increase in future years given the size of the capital programme agreed by Cabinet in February 2019. The Council's Treasury Management Strategy agreed by Full Council on 18 February 2019 states that the



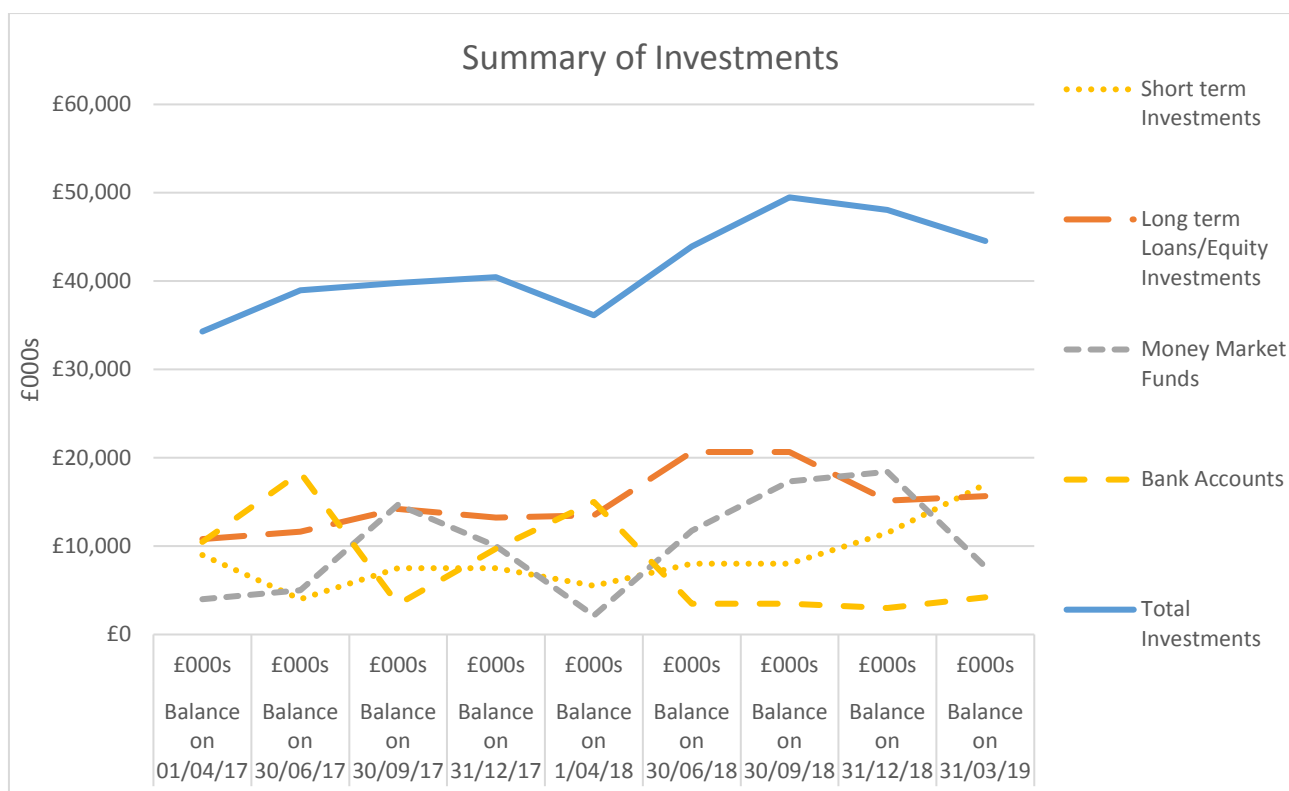
CFR would be financed from internal borrowing in the first instance and then external borrowing. Whether external borrowing is ultimately required in 2019/20 will depend on the extent of net cash flows into the authority and the speed at which the Council's capital programme is delivered.

## **5 COMPLIANCE WITH PRUDENTIAL INDICATORS**

- 5.1 The Council approved a set of Prudential Indicators for 2018/19, in February 2018, as part of the Council's Treasury Management Strategy.
- 5.2 Under the Council's Constitution, the Full Council approves the Treasury Management Strategy and therefore any deviation or breach must be reported to Full Council. In practice, all breaches are also reported to Cabinet prior to Full Council. The prudential indicators can be found in Appendix A. There were no breaches of the indicators during the year.

## **6 INVESTMENT ACTIVITY**

- 6.1 The CLG's Investment Guidance requires local authorities to prioritise security and liquidity over yield. The graph below shows the position on investments as at 31 March 2019 compared to the position over the past 2 years. Short term investment balances have increased as slippage in the Council's Capital Programme has enabled investments in fixed term products to be made in order to maximise return.  
With regard to long term investments, the Council has continued to use its cash to invest in property and commercial activities via its wholly owned companies. A loan of £6m was made to Big Sky Developments Ltd during the first quarter of 2018/19, however, there was a decrease in these investments during quarter 3, when a loan of £5.38m was repaid.



- 6.2 For new investments this year, the Council has invested for up to one year in order to maintain a more liquid position, taking the advice of its treasury management advisors at the time. Details of these investments (excluding those placed in money market and bank call accounts) are provided below.

Investment made in Month	Counterparty	Amount £m	Length of Investment	Rate
December	Goldman Sachs	2.0	6 months	1.055%
January	Lloyds Bank	3.0	3 months	0.95%
February	Lloyds Bank	1.0	9 months	1.05%
February	Lloyds Bank	1.0	95 Days Notice	1.10
February	Lloyds Bank	5.0	175 Days Notice	1.13%
March	Denbigshire County Council	5.0	6 months	0.95%

The Council has also made use of Enhanced Money Market Funds that have been able to provide slightly higher returns than call accounts.

- 6.3 Security of capital remains the Council's main investment objective. At the end of March 2019, no counterparty in which the Council has invested funds for longer than 1 day had a long term credit rating lower than A.

- 6.4 Liquidity is important due to the Council's sizable capital programme and decision to use its cash rather than borrow. Funds have therefore been reinvested for shorter periods to increase liquidity. The maximum length of an investment is 2 years, though to ensure that funds are available for the Capital Programme when required, the Council has only invested in counterparties for up to one year. It is important that the Council keeps a balanced portfolio in terms of risk, rates and liquidity.
- 6.5 The Council's budgeted investment income for the year had been set at £104,000. The cash balances invested, representing the Council's reserves and working balances were £28.876 million as at 31 March 2019 and interest earned was £215,000 which was £111,000 above budget. This was due to delays in the Capital Programme, which meant that cash balances were higher than anticipated, attracting greater interest. Some capital spend was slipped into the 2019/20 financial year. The 2018/19 interest was £65,000 more than the £150,000 received in 2017/18.
- 6.6 The Council holds £25,000 in shares in the Municipal Bonds Agency. This is an equity investment and was accounted for as capital expenditure.
- 6.7 The Council has invested in its companies. As at 31 March 2019, this consisted of £6,468,000 of equity shares in Big Sky Ventures Limited, the holding company for the Council's property companies.
- 6.8 As per the agreed capital programme, there were outstanding loans as at 31-03-19 of £3,160,000 to Big Sky Property Management Ltd, to enable it to purchase rental property from Big Sky Developments Limited. Interest rates on these loans are applied at a commercial rate of 4%, reflecting the relative risk in the company and the market environment. The Council also had an outstanding loan of £6,000,000 as at 31-03-19 to Big Sky Developments Ltd, at a commercial interest rate of 6%.
- 6.9 The detailed position as at 31 March 2019 on the Council's investments is shown in Appendix B.

## **7 INVESTMENT PROPERTIES**

- 7.1 The Council has a commercial rental portfolio worth around £7.0 million. The majority of these properties are rented out, so the return obtained on these properties is as important as if the Council had invested the same amount in the Treasury Strategy. However, under CIPFA's code they are recognised as Capital Assets in the Balance Sheet.

- 7.2 The average rate of return for the total investment portfolio was projected to be 6.2% gross, calculated on the property value as at 1/4/18. This is a significantly better rate of return than if the same value had been invested with financial institutions.

## **8 CONCLUSION**

- 8.1 Investment balances have increased from £36.137 million at 31 March 2018 to £44.529 million at 31 March 2019, but this includes £15.65 million in loans and equity in the Council's companies.
- 8.2 Interest earned on cash investments was £215,000 for the year, which is £111,000 above the budget of £104,000 and is £65,000 more than the £150,000 received in 2017/18.

## **9 RECOMMENDATIONS**

- 9.1 Cabinet is recommended to request that Council:
- a) Note the treasury activity for the second half of the year and that it complies with the agreed strategy.
  - b) Note the 2018/19 prudential indicators for the latter six months of the year.

## Appendix A: Prudential Indicators

### Capital Financing Requirement and Borrowing

Estimates of the Council's Capital Financing Requirement for 2018/19 to 2020/21 are shown in the table below:

	<b>31/03/2019 Outturn £000s</b>	<b>31/03/2020 Estimate £000s</b>	<b>31/03/2021 Estimate £000s</b>
Capital Financing Requirement before MRP	0	30,541	44,374
Less Minimum Revenue Provision	0	0	(218)
<b>Capital Financing Requirement</b>	<b>0</b>	<b>30,541</b>	<b>44,156</b>

The table below shows the maximum borrowing planned, which is both internal borrowing from cash balances and external borrowing from funders such as PWLB.

	<b>31/03/2019 Outturn £000s</b>	<b>31/03/2020 Estimate £000s</b>	<b>31/03/2021 Estimate £000s</b>
Existing Profile of Borrowing	0	0	30,541
<b>Less: Other Long Term Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
Borrowing in Year	0	30,541	13,833
<b>Cumulative Maximum Borrowing Requirement</b>	<b>0</b>	<b>30,541</b>	<b>44,374</b>

## Balances and Reserves

Estimates of the Council's level of Balances and Reserves (both Revenue and Capital) for 2018/19 and future years are as follows:

	31/03/2018 Actual £000s	31/03/2019 Provisional Outturn £000s	31/03/2020 Estimate £000s	31/03/2021 Estimate £000s
Balances and Usable Reserves	25,289	22,001	21,771	18,190

These have risen from the estimates in the Treasury Management Strategy due to lower than anticipated capital expenditure during the year.

## Prudential Indicator Compliance

### (a) Authorised Limit and Operational Boundary for External Debt

- The Local Government Act 2003 requires the Council to set an Affordable Borrowing Limit, irrespective of their indebted status. This is a statutory limit which should not be breached.
- There was no external borrowing in 2018/19 and therefore the limits set for 2018/19 were not breached.

### (b) Interest Rate Exposure

- The Council has managed the extent to which it is exposed to changes in interest rates. It has done this throughout the year by making a combination of fixed and variable rate investments.

### (c) Maturity Structure of Fixed Rate Borrowing

- This indicator sets upper and lower limits for the proportion of borrowing at both fixed and variable rates that is repayable within defined timescales (maturity is defined as the earliest date at which the loan could be required to be repaid).

<b>Maturity Structure of Borrowing</b>	<b>Lower Limit %</b>	<b>Upper Limit %</b>	<b>Actual Borrowing as at 31/03/19</b>	<b>% Borrowing as at 31/03/19</b>	<b>Compliance with Set Limits?</b>
Under 12 months	0	20	0	0	Yes
12 months to 2 years	0	40	0	0	Yes
2 years to 5 years	0	60	0	0	Yes
5 years to 10 years	0	80	0	0	Yes
10 years and above	0	100	0	0	Yes

### (d) Total principal sums invested for periods longer than 364 days

- This indicator allows the Council to manage the risk inherent in investments longer than 364 days.
- The limit for 2018/19 was set at £15 million, but no funds were invested for longer than 364 days during the year.

## Appendix B

MONIES INVESTED AS AT: 31 March 2019

Date Invested	Borrower	Amount Invested £000
<b>INVESTMENT BANK ACCOUNTS</b>		
15/05/12	Royal Bank of Scotland	-
28/03/12	HSBC	2,500
28/05/12	Barclays	1,712
24/04/13	Close Brothers Ltd	-
<b>Total Bank Accounts</b>		<b>4,212</b>
<b>FIXED TERM INVESTMENTS</b>		
<b>Investments Fixed for up to 6 months</b>		
16/10/2018	Lloyds	-
24/11/2017	Central Bedfordshire Council	-
14/05/2018	Goldman Sachs via Links	-
14/05/2018	Goldman Sachs via Links	-
15/11/2018	Standard Chartered	-
06/09/2018	Standard Chartered	-
16/01/2019	Lloyds	3,000
21/02/2019	Lloyds	1,000
21/02/2019	Lloyds	5,000
28/03/2019	Denbigshire CC	5,000
		<b>14,000</b>
<b>Investments Fixed from 6 Months to 1 Year</b>		
31/07/2017	Goldman Sachs via Capita	-
14/08/2017	Goldman Sachs via Capita	-
14/08/2017	Goldman Sachs via Capita	-
10/12/2018	Goldman Sachs via Links	2,000
18/02/2019	Lloyds	1,000
		<b>3,000</b>
<b>Investments Fixed for up to 2/3 Years</b>		
		-
<b>Total Fixed Term Investments</b>		<b>17,000</b>
<b>MONEY MARKET FUND INVESTMENTS</b>		
	Aberdeen Asset	7,000
	CCLA Investment Management	664
		<b>7,664</b>
<b>Total Money Market Fund Investments</b>		<b>7,664</b>
<b>CASH</b>		
	Investment Bank Accounts	4,212
	Fixed Term Investments	17,000
	Money Market Funds	7,664
<b>Total Cash</b>		<b>28,876</b>
<b>EQUITY INVESTMENTS</b>		
	Municipal Bonds Agency	25
	Big Sky Ventures Ltd	125
	Big Sky Ventures Ltd	1,020
	Big Sky Ventures Ltd	3,580
	Big Sky Ventures Ltd	336
	Big Sky Ventures Ltd	152
	Big Sky Ventures Ltd	80
	Big Sky Ventures Ltd	308
	Big Sky Ventures Ltd	90
	Big Sky Ventures Ltd	164
	Big Sky Ventures Ltd	198
	Big Sky Ventures Ltd	265
	Big Sky Ventures Ltd	150
<b>Total Equity Investments</b>		<b>6,493</b>
<b>LOANS TO COUNCIL COMPANIES</b>		
	Big Sky Property Management Ltd	490
	Big Sky Property Management Ltd	55
	Big Sky Developments Ltd	6,000
	Big Sky Property Management Ltd	228
	Big Sky Property Management Ltd	504
	Big Sky Property Management Ltd	120
	Big Sky Property Management Ltd	462
	Big Sky Property Management Ltd	135
	Big Sky Property Management Ltd	246
	Big Sky Property Management Ltd	297
	Big Sky Property Management Ltd	398
	Big Sky Property Management Ltd	225
<b>Total Loans to Companies</b>		<b>9,160</b>
<b>TOTAL FUNDS INVESTED</b>		<b>44,529</b>



## **Council Tax Support Scheme**

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**Portfolio:** Health, Housing and Wellbeing

**Ward(s) Affected:** All

### **Purpose of the Report:**

For Cabinet to agree to go out to consultation on proposals to changes to Council Tax support, to mitigate the impact of the increase in zero hours contracts, the Gig economy and Universal Credit (UC) on Council Tax Support (CTS)

### **Recommendations:**

To agree to commence an 8-week public consultation regarding the amendment of CTS to move to a variance scheme for those receiving the Housing Element of UC and to incorporate operational changes already enacted within the Housing Benefit system. The results of the consultation will be detailed in a further Cabinet report before moving to full Council.

## **1 SUMMARY**

- 1.1 We currently have a comprehensive Council Tax Support (CTS) scheme in place which is based in the ethos of making work pay. The implementation of Universal Credit (UC) also has the same ethos which has been rolled out to all new claimants in South Norfolk but is increasing the administrative burden on the Council due to the need to recalculate Council Tax liability each time there is a change in UC entitlement which affects a claimant's council tax reduction claim. This problem is exacerbated where there are frequent changes to income as the recalculated Council Tax bills can cause confusion to customers who are unsure what to pay. This will increase administrative burdens upon the Benefits team and in time lead to increased difficulty in collecting council tax by revenues from those on UC and has the risk of pushing people into arrears. This reports details why change is needed and what the options are, to ensure we continue to provide a scheme that supports residents into work but is also business-like and efficient.

## **2 BACKGROUND**

- 2.1 The traditional benefit system relies on people informing us of their changes in income and works predominately in line with Housing Benefit. When completing an assessment Housing Benefit requires a minimum of three months' income, the amount then being averaged. This process allowed people to only notify where income changes were more significant and the impact any one-off income variances to be mitigated when spread across the three months. Relying on people's judgment on whether to notify us of a change inevitably results in overpayments.
- 2.2 UC's core function is to ensure work is easier to obtain and people are better off within work. The system of income change notification is wholly automated and much better at working in real time due to its close working relationship with HMRC. This allows people to take additional hours whenever available, without then worrying they will obtain a benefit overpayment. However, each and every change, no matter how minute, requires action. Each change notification costs circa £10.00 to administer the benefit change, therefore anything that can be done to minimise this increase in work will mitigate potential increasing costs. We support the ethos of flexible working and responsive automated systems, the CTS scheme is based on legislation which when written in 2012, did not truly recognise the impact UC would have on the assessment of CTS. There is therefore a need to amend the CTS scheme for those claiming the Housing Element of UC to reduce the administrative burden created by the roll out of UC.
- 2.3 Any work completed within this project has been undertaken in collaboration with Broadland District Council, who are undertaking the same process.
- 2.4 Analysis of possible changes to the CTS scheme has been conducted in conjunction with all Norfolk authorities as part of a countywide group in conjunction with a consultant organisation.

## **3 CURRENT POSITION/FINDINGS**

- 3.1 Throughout the joint work completed on CTS one thing became apparent and therefore worth mentioning. Within any CTS scheme it would be desirable to have fairness, cheapness and simplicity. It has become apparent that in any modelled scheme you can only choose two of these elements. We have also found that there is

no easy remedy, as UC simply was not designed to fit with current benefit and therefore CTS legislation and working models.

- 3.2 The original principles of the current CTS scheme focused on two elements, those being; making work pay and making sure the system was robust enough to protect those who are unable to work. We therefore have a complicated system but one which is very fair and meets the ethos of the Council.

#### **4 PROPOSED ACTION**

- 4.1 There are 4 main options; do nothing, discount scheme, banded scheme and variance scheme. Each option has elements of fairness, cheapness and simplicity but not all three.

- 4.1.1 Discount scheme – This piggy back upon UC whereby CTS awards are decided upon the UC elements they receive. Whilst this is a very simplistic and cheap route, its simplicity creates inherent unfairness, especially for those who are already being failed by UC. Whilst UC caseload is growing and it is important to make sure we are ready the caseload is still limited therefore this option would be impracticable at present. The main aim is to mitigate the impact of those who have already gone over during this period of transition.

- 4.1.2 Banded scheme – This creates income bands that people can move within without prompting changes. Whilst this process will decrease change of circumstances there will always be those who sit right on the cliff edge. This is a good system however all its advantages are found within the variance scheme which is not subject to the same cliff edges. This approach is fairer and simpler than the current process, however a variance scheme would provide a better offer.

- 4.1.3 *To note any implementation of a banded or discount scheme will require a complete overhaul of our schemes. As the ambition is for South Norfolk and Broadland to align the schemes this would require political compromise on the principals of both schemes as both differ. This will also attract substantial system costs circa £40,000.00 per a council*

- 4.1.4 Do nothing - We can continue to annually review, consult and implement future schemes with minor adjustments. This would not enable us to address the impact on collection or streamline the administration associated with delivering the CTS scheme. This will either result in decreased performance due to insufficient resource to meet demand which could impact on government subsidy or the need for additional resource within the Housing and Benefit team. This would result in unfairness and be the most expensive option due to the complexity of the impact of UC

- 4.1.5 Variance scheme – A Variance Scheme is best described as a personalised banding scheme as it allows an income tolerance for each claimant. All the fundamentals of each Councils schemes would remain the same and this would only impact those receiving the Housing Element of UC. The applicable tolerance can be decided and moved by the council to make sure it ensures a suitable level of fairness whilst also mitigating the increased administration prompted by UC changes. Due to its close alignment to the current CTS schemes it has been much easier to complete internal modelling across both councils. A variance of £20 per month will allow for a 67% decrease in reassessments within the caseload who claim the Housing element of UC. This approach will mitigate increased costs, be tailored and therefore fair and, whilst arguably complicated its complications are only to a level that officers are used to working to at present as the core scheme remains the same.

## 5 OTHER OPTIONS

### Legislative changes

- 5.1 Alongside the UC work detailed above each year the Department of Work and Pensions (DWP) change specific details within housing benefit regulations. To ensure consistency for claimants, keep administration costs low and avoid officer error we have always amended our scheme to reflect these changes. At present a joint officer working group between South Norfolk Council and Broadland District Council has been set up to make sure these legislative changes are incorporated into current CTS schemes ensure continuity moving forwards

### Collection

- 5.2 Alongside suggested amendments to the CTS schemes there needs to be a review of the way that we collect Council Tax from those in receipt of CTS. Whatever approach taken peoples income are inherently more fluent now with the increase of zero hours contracts, the Gig economy and for those on UC whose income variance is greater than £20.00. Any change to CTS schemes requires a public consultation period however how we collect Council Tax does not. Alongside the suggested changes to CTS a project group will be created to explore different options including but not limited to more flexible direct debits or payment dates. Work will also be conducted to analyse the viability of collecting small sums of Council Tax following adjustment to CTS entitlement. Any outcomes will be presented in the first instance to the Finance, Resources, Audit and Governance policy committee.

## 6 ISSUES AND RISKS

- 6.1 These have been detailed within each option
- 6.2 **Resource Implications** – Providing variance scheme option supported there will be no resource implications in the short term. With the increase of UC there may be requirements for system upgrades in the future
- 6.3 **Legal Implications** – Whatever change that is recommended we must complete an 8-week consultation exercise. Failure to do so will breach paragraph 3 of Schedule 1A of the Local Government Finance Act 1992.
- 6.4 **Equality Implications** – An equality impact assessment has been completed and found that although those who claim UC will be slightly worse off when income goes down by under £5.00 the impact of this is minute compared to the financial pressure placed upon people when receiving multiple and varied Council Tax demands.
- 6.5 **Environmental Impact** – There are no environmental impacts anticipated
- 6.6 **Crime and Disorder** – There are no crime and disorder impacts anticipated
- 6.7 **Risks** – It is difficult to 100% foresee the most suitable and rounded solution at present with this continuing to be an issue all councils are trying to resolve. Any decision made will require amendments over the next few years, but to sit and wait for another solution, which may never come, will create hardship for our residents, the very thing this scheme is designed to avoid. South Norfolk and Broadland Councils can take the initiative for the benefit of our residents.

## **7 CONCLUSION**

7.1 Jointly implement a variance scheme with Broadland District Council.

7.2 As detailed within the report this allows for initial alignment of both schemes whilst maintain the same ethos of the existing schemes. It allows the key aim to be met by mitigating the impact of UC by reducing opportunity for people to accrue unsustainable arrears and makes sure that staff only have to administer one form of CTS scheme and not multiple schemes depending on people's circumstances.

## **8 RECOMMENDATIONS**

8.1 To recommend the commencement of an 8-week public consultation regarding the amendment of CTS to move to the variance scheme for those receiving the Housing Element of UC and to incorporate operational changes already enacted within the Housing Benefit system. The results of the consultation will be detailed in a further Cabinet report before moving to full Council.

## **AFFORDABLE HOME OWNERSHIP**

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**Portfolio:** Health, Housing and Wellbeing

**Ward(s) Affected:** All

### **Purpose of the Report:**

This report considers eligibility for homes provided for affordable home ownership, focusing on those provided through negotiation with developers under planning policy (secured through S106 agreements). Supply and demand are analysed, and it is concluded that the benefits of expending eligibility mean there is no necessity to prioritise local residents for these homes. The report asks Cabinet to introduce the recommended changes.

### **Recommendations:**

It is recommended that Cabinet agrees the following policy:

1. All applicants for affordable home ownership must register with the regional Help to Buy agency.
2. For homes developed under the 'exceptions policy' a local connection cascade will apply to all affordable homes for rent and for affordable home ownership.
3. For affordable homes provided through negotiation with developers:
  - a) Affordable home ownership:

- Ordinarily there will be no local connection priority, but authority is delegated to the Director of Place to agree to a local connection priority when necessary on the basis of supply and demand.
- b) Affordable housing for rent:
- In settlements of less than 3,000 population, local people with proven housing need are to have priority for all.
  - In settlements with a population of 3,000 or more, local people with proven housing need are to have priority for about one third.
  - Authority is delegated to the Director of Place to vary this when the homes to be provided are intended for people with special needs.
4. The local connection cascade is to be based on the format agreed by Cabinet on 7 November 2005 (see Appendix 4).

## Affordable Home Ownership in Broadland and South Norfolk

### 1 SUMMARY

- 1.1 This report arises from the Joint Strategic Housing Statement which was produced to identify activities whereby a common approach by Broadland and South Norfolk Councils could benefit the residents of both Districts. One of the projects agreed is 'Affordable Home Ownership – a common approach to tenures and qualification'.
- 1.2 The report relates to homes provided through the planning policy in the Greater Norwich Joint Core Strategy which requires a proportion of dwellings on larger sites to be affordable homes. More specifically, the subject is affordable home ownership dwellings for sale at no more than 80% of their open market value. Consideration does not include homes built for local needs under the 'exceptions policy', which are prioritised for people having a connection with the parish.
- 1.3 The Joint Strategic Statement suggested a common approach to all affordable home ownership on the following basis:
- method of application;
  - eligibility (connection to the District).
- 1.4 The Statement noted that both Councils prefer shared ownership to shared equity because it is a more affordable product (savings required and monthly cost). Any council, as the Local Planning Authority, cannot refuse to accept an affordable housing tenure permitted by national planning guidance (the National Planning Policy Framework February 2019, Annex 2). However, Local authorities do have the flexibility to choose the appropriate affordable home ownership products to meet local need - as set out in the National Planning Policy Framework.
- 1.5 This report was considered by the People and Communities Policy Committee on 3 July 2019, which endorsed this approach and recommended improving publicity about affordable home ownership tenures.

### 2 BACKGROUND

- 2.1 The three most common tenures of affordable home ownership are:
- **Shared ownership (S/O):** part buy / part rent, with the purchaser buying 25%-75% of the equity, usually having the right to buy the remaining equity at any time.
  - **Shared equity (S/E):** purchase of a specified percentage of the equity, most commonly 75%, with no rent payable on the remaining equity. The purchaser has the right to buy the remaining equity, but often not before a specified period has passed.
  - **Discounted market sale (DMS):** purchase of a home at a specified percentage of its market value, usually 75%. These are sold with a



restriction on the title deeds and so all future sales must be at the same percentage of open market value.

- 2.2 Homes England (which sets the regulations for developments by Registered Providers) does not permit any local eligibility criteria for shared ownership properties other than on exceptions sites because the Government regards them as a contribution to meeting national housing need. A standard approach to all tenures would simplify publicity, making the available products more understandable for potential purchasers.
- 2.3 Currently Broadland and South Norfolk Councils adopt different eligibility criteria for shared equity and discounted market sale. This report considers whether there is justification for retaining this approach, potentially adopting common eligibility criteria, and/or removing all local connection criteria.
- 2.4 The Council's approach to affordable home ownership contributes to broader policy objectives:

***An effective housing market:*** These tenures allow first-time buyers to access owner-occupation. This benefits the households concerned, and this reduces pressure on the rented sector.

***Helping the local economy:*** The availability of affordable home ownership helps local employers in the private and public sectors to recruit and retain staff, wherever the workplace is in the Greater Norwich area.

***Contributing to social mobility:*** The availability of affordable ownership helps households to benefit from rising incomes.

***Financial savings:*** shared equity and discounted market sales are marketed directly by the housebuilder. Therefore, the Council must ensure that each sale complies with local connection requirements. At times, this can be time-consuming for officers, and ending the local connection priority would remove this ongoing cost.

### 3 CURRENT POSITION

#### Broadland

- 3.1 Applicants meet the local connection criteria by either living working or having close family within the district and as such are eligible to purchase an affordable home within the district.
- 3.2 Broadland has seen a large supply of affordable home ownership products on sites across the district. The largest delivery has been as DMS, particularly on sites at Sprowston, Aylsham and currently Horsford. However, most recently a more balanced mix of affordable home ownership tenures is being sought through the planning process with the aim of delivering more new build shared ownership homes.

#### South Norfolk

- 3.3 Recently there has been a very good supply of affordable home ownership in South Norfolk. In some locations (Hethersett, Wymondham and Loddon) supply has sometimes exceeded demand. The outcome is that anyone in

housing need who could afford a home has been able to buy, irrespective of any connection to South Norfolk.

- 3.4 Over 90% of purchasers in South Norfolk were not currently owners, although they might have owned in the past. About 30% of purchasers applied from addresses outside South Norfolk, with most of those being from Breckland.

### **Analysis**

- 3.5 The attached Appendices show the detailed findings and analysis of combined Broadland and South Norfolk affordable home ownership data (Appendix 1 and Appendix 2). The main findings of this were that:
- The largest proportion of purchasers already lived within the LA area in which they purchased.
  - Both areas had a significant number of applications where one of the applicants lived or worked in an adjoining LA area.
  - For both areas it was also noted that there were a small number applicants who lived or worked outside of Norfolk
- 3.6 These various data collections indicate that the homes available in both Districts are contributing to meeting the housing needs of people from outside their boundaries: people leaving Norwich, people leaving other rural Norfolk locations, and people moving from outside Norfolk.
- 3.7 It is anticipated that there will be an ongoing good supply of new build properties for affordable home ownership, and the table in Appendix 3 summarises the expectations from existing planning permissions.

## **4 PROPOSED ACTION**

- 4.1 Both Councils have recognised for many years that the Norwich housing market extends across their districts. The 2017 Central Norfolk Housing Market Assessment used housing and economic evidence to demonstrate that the housing market now extends beyond Greater Norwich to most of Breckland and North Norfolk.
- 4.2 These factors, combined with the anticipated supply, support the proposition that restricting eligibility for affordable home ownership to local people is no longer necessary. Ending the practice could eliminate the councils' process of checking and approving the circumstances of applicants.
- 4.3 Broadland's practice is to require all applicants to register with the regional Help to Buy agency, which checks eligibility on the basis of income and current housing status. South Norfolk does not have this requirement, but it could be imposed.
- 4.4 It is considered that such an approach would suffice for both councils, ending

a time-consuming activity for officers. It would also align the eligibility requirements for all three affordable home ownership tenures.

## **5 POLICY IMPLICATION**

### **Broadland**

- 5.1 Cabinet decisions relating to Local Lettings Policy are only referred to within the Housing Allocation Policy (adopted in April 2012 and last updated in May 2015). This policy outlines how rented homes are allocated in Broadland.
- 5.2 Allocation of Affordable Home Ownership products is via an informal arrangement with the developer and which requires a local connection to the district. However, the S106 agreement affordable housing clauses could allow for removal of the local connection criteria from Affordable Home Ownership products, subject to Member approval.

### **South Norfolk**

- 5.3 Two South Norfolk Council Cabinet resolutions require amendment if eligibility is to be changed.

- a) In June 2005, Cabinet agreed to a Planning Committee recommendation that:

In settlements with a population of less than 3,000 population local people with proven housing need are to have priority for all affordable housing provided through negotiation with developers.

In settlements with a population of 3,000 or more local people with proven housing need are to have priority for about one third of affordable housing provided through negotiation with developers.

A Cabinet resolution is required to amend these priorities to only housing for rent.

- b) In November 2005, Cabinet considered the precise wording of local connection cascades in S106 agreements for homes negotiated with developers and homes approved under the exceptions policy. It was resolved to 'approve the definition of "Local" as outlined in the report, to be included in all relevant planning agreements.' A Cabinet resolution is required to disapply this practice to affordable home ownership provided through any mechanism other than an exceptions policy planning permission.

## **6 ISSUES AND RISKS**

- 6.1 **Resource implications** – No new costs, and release of Officer time for housing enabling activity.
- 6.2 **Legal implications** – None.

- 6.3 **Equality implications** – No negative implications and may improve applicant access to affordable home ownership for all equalities groups.
- 6.4 **Environmental impact** – None.
- 6.5 **Crime and disorder** – None.
- 6.6 **Risks** – If in the future applicants with a local connection are unable to access new build homes then the local connection criteria might be justified, and could be reinstated.

## **7 CONCLUSION**

- 7.1 It is concluded that there should be no eligibility criteria other than registration with the Help to Buy agency for affordable home ownership tenure where the dwellings are not provided as part of an exception site. This is justified because:

- The anticipated supply is expected to meet the needs of Broadland and South Norfolk.
- It contributes to the effective working of the housing market.
- It supports economic development by enabling people in housing need to buy a home which they believe meets their needs.
- It removes an unnecessary administrative burden from both Councils.
- It provides consistency and it simplifies arrangements for potential purchasers, housebuilders and financial advisors.

\*A flexible approach should be taken to allow a reversion to Local Lettings if circumstances change and indicate there is a requirement for local lettings within a particular location

## **8 OTHER OPTIONS**

- 8.1 The alternative to agreeing to the proposal is to retain a local connection priority for affordable home ownership.

## **9 RECOMMENDATIONS**

- 9.1 It is recommended that Cabinet agrees the following policy:
- 9.1.1 All applicants for affordable home ownership must register with the regional Help to Buy agency
- 9.1.2 For homes developed under the 'exceptions policy' a local connection cascade will apply to all affordable homes for rent and for affordable home ownership.
- 9.1.3 For affordable homes provided through negotiation with developers:

### ***a) Affordable home ownership:***

- Ordinarily there will be no local connection priority, but authority is delegated to the Director of Place to agree to a local connection priority when necessary on the basis of supply and demand.

***b) Affordable housing for rent:***

- In settlements of less than 3,000 population, local people with proven housing need are to have priority for all.
- In settlements with a population of 3,000 or more, local people with proven housing need are to have priority for about one third.
- Authority is delegated to the Director of Place to vary this when the homes to be provided are intended for people with special needs.

9.1.4. The local connection cascade is to be based on the format agreed by Cabinet on 7 November 2005 (see Appendix 4).

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**Background Papers**

None

## **APPENDIX 1: SALES OF AFFORDABLE HOME OWNERSHIP**

**Combined Affordable Home Ownership Data collection for BDC and SN on properties purchased since April 2017**

<b>Affordable Home Ownership Product</b>	<b>Average Full market price</b>	<b>Average Purchase Price paid</b>	<b>Min discounted price paid</b>	<b>Max discounted price paid</b>	<b>Average Equity Purchased</b>	<b>Average House hold Income</b>	<b>Average Equity / Savings</b>
Shared Ownership x 44	£201,776	£83,119	£59,500 2 bed house (35% equity)	£140,000 2 bed house (70% equity)	42%	£26,130	£26,404
Shared Equity x 43	£191,470	£142,750	£112,000 1 bed flat	£176,250 3 bed house	76%	£27,804	£23,800
Discounted Market Sale x 50	£208,441	£166,015	£140,000 2 bed house	£216,000 3 bed house	79.5%	£31,420	£37,945

Data was collected for sales of affordable home ownership products within Broadland and South Norfolk from Early 2017 to the end of 2018. The data collected was for 137 sales completions of Affordable Home Ownership products and the total number of each tenure is shown in the table above. Not all data was accessible (such as sales price or household income) for each sale completed, however the data collected allowed for comprehensive findings as outlined below:-

The main points arising from analysis of these affordable home ownership product sales in Broadland and South Norfolk are:

- Most purchasers (69%) previously lived in the LA area where they purchased.
  - 29% of purchasers lived in or had a connection to an adjacent area.
  - A significant proportion of purchasers had a connection to the district through work or close family.
  - Both South Norfolk and Broadland saw applicants wishing to move between their LA areas as well as from Norwich City or Breckland Council area.
  - Broadland also saw applicants from Gt Yarmouth and North Norfolk who met the local connection criteria whilst applicants moved from Suffolk Authorities to South Norfolk.
  - Two applicants living within adjacent LA areas were MOD or ex-MOD and therefore met the local connection criteria under the Forces Covenant.
  - The remaining purchasers were from out of the LA area but met the eligibility criteria as required by the relevant LA.
- a) For Shared Ownership it was noted that there was an almost equal split of purchases between 2 and 3 bedroom houses (48% 2 bedroom and 52% 3

bedroom). Rather unusually there were slightly more 3 bedrooms delivered within this tenure – as compared to Shared Equity and DMS completions. The percentage equity ranged from the lowest equity of 30% up to a max of 70%, but included a large choice of equity shares from 30% equity up thru 35%, 40%, 45%, 50%, 60% to a max of 70%.

- b) Shared Equity properties purchased ranged from 1 bedroom flats and houses, 2 bedroom flats and houses and 3 bedroom houses. Therefore, this tenure offered the best mix of affordable homes out of all of the tenures. Within the S/E units the predominant properties purchased were 2 bedroom property types (44%) which were predominately as 2 bedroom houses but also included 2 x 2 bedroom flats/apartments.
- c) Although Shared Equity provided the lowest amount of complete data this was still seen to be the affordable home ownership tenure requiring the next lowest combined household income – when compared to DMS. This would be expected as the average discount for the Shared Equity products was higher (24%) compared to DMS (almost 20% discount).
- d) DMS units were delivered mainly as 2 bedroom houses (64%) with the remainder as 3 bedroom houses within this data collection. The percentage equity ranged from 75% up to 80% with the greater number of properties being delivered with a 20% discount. Therefore because of the smaller discount available this could be considered to be the least affordable of the homeownership products.

Comparing these findings to previous data collections (Broadland sales completions – AHO report November 2017) it was noted that the average joint household income for Shared Ownership purchasers was now closer to the Norfolk average household income data. The main reason for the increase may be because there were considerably more results available within this data collection which was combined for South Norfolk and Broadland DC. There was also a more equal spread of data across the three tenures.

This latest data collection reiterates the findings that Shared Ownership is still the most affordable tenure, requiring the lowest deposit and the lowest income. Whilst it was noted that DMS requires the highest joint household income and average savings. For Shared Equity (as previously) this tenure still showed the lowest amount of completed / collected data but was found to be the next most affordable tenure compared to DMS. This was expected as the average discount for the Shared Equity products was higher (24%) compared to DMS (almost 20% discount).

## APPENDIX 2: APPLICANTS FOR AFFORDABLE HOME OWNERSHIP

### Help to Buy East South East data - extracted for BDC and SN

Applications with one or more applicant as current resident of Broadland	BDC where either applicant lives or works within another LA area	Applications with one or more applicants as current resident of South Norfolk	SN where either applicant lives or works within another LA area
<b>197</b>	Norwich City = 52	<b>181</b>	Norwich City = 41
	South Norfolk = 18		Broadland = 11
	Breckland = 7		Breckland = 11
	North Norfolk = 6		North Norfolk = 3
	Gt Yarmouth = 1		Mid Suffolk = 3
	Waveney = 1		Ipswich = 3
	Ipswich = 1		Waveney = 2
			KLWN = 2
			Gt Yarmouth = 1

Analysis of Help to Buy applications for all Affordable Home Ownership applicants registered from Jan 2018 to March 2019 shows:

- 197 applicants registered for Broadland where one or both applicants live within Broadland district
- 181 applicants registered for South Norfolk where one or both applicants live within South Norfolk

This was applicants registering for all property sizes and for all tenures of AHO products.

Again this data showed that both areas had a significant number of applications where one of the applicants lived or worked in an adjoining LA area (if recorded). For both areas it was also noted that there were applicants who lived or worked out of area, some outside Norfolk.

- For Broadland we saw applicants (where recorded) originally living or working in other LA areas further afield, including Chelmsford, Hillingdon, Hounslow, South Cambs and St Edmundsbury.
- For South Norfolk the data also showed applications where one of the applicants lived or worked in another LA area, including Aylesbury Vale, Islington, Bedford, Braintree, Birmingham, Colchester, East Cambs, and South Somerset.
- Therefore, both LA areas had applicants who lived or worked outside of Norfolk, wishing to relocate from quite distant locations.

When filtering only on applicants specifying Shared Ownership, it was noted that South Norfolk shows a greater proportion of applicants indicating this tenure (if



specified) compared to Broadland. For Shared Ownership only (for all property sizes) South Norfolk had 133 applications whilst Broadland had 67 – within the above totals. This is to be expected as the largest delivery of AHO products within Broadland has been as DMS at 75% or 80% OMV and so we would expect a larger number of applicants to have specified this tenure.

### **APPENDIX 3: PREDICTED PIPELINE SUPPLY FOR AFFORDABLE HOME OWNERSHIP**

	Expected completions to 2025			
	S/O	S/E	DMS	Total
Broadland	86	42	114	<b>242</b>
South Norfolk	148	74	2	<b>224</b>
<b>Total</b>	<b>234</b>	<b>116</b>	<b>116</b>	<b>466</b>
<i><b>Of which, before December 2020</b></i>	<b>86</b>	<b>24</b>	<b>30</b>	<b>140</b>

Note: additional completions can be expected from planning permissions not yet granted.

This table summarises expectations from existing planning permissions, assuming no major changes in the housing market. This indicates a good predicted continuing supply, although the tenure mix varies between the two districts because of the outcomes of past priorities and negotiations.

#### **APPENDIX 4: STANDARD BASIS FOR THE SOUTH NORFOLK LOCAL CONNECTION CASCADE**

- a) Residents of the parish of aaaaaaaaa who have lived in the parish for a total of at least 3 of the last 10 years,
- b) Former residents of the parish of aaaaaaaaa who lived in the parish for at least 3 of the last 10 years,
- c) Residents of the parish of aaaaaaaaa who have lived in the parish of aaaaaaaaa or the adjacent parishes of bbbbbbbbbb, cccccccc, dddddddd for the last 3 years or more,
- d) People working in the parish of aaaaaaaaa and have done so for the last year or more for at least 10 hours each week,
- e) Residents of the following adjacent parishes: bbbbbbbb, ccccccc, dddddddd, who have lived in one or more of these parishes (or the parish of aaaaaaaaa) for the last 3 years or more,
- f) Residents of the parish of aaaaaaaaa who have lived in the parish for less than 3 years,
- g) Residents of the following adjacent parishes: bbbbbbbb, ccccccc, dddddddd, who have lived in these parishes (or the parish of aaaaaaaaa) for less than 3 years,
- h) Residents of South Norfolk,
- i) Any other person.

## **AMENITY AND FACILITY STANDARDS FOR LICENSED HOUSES IN MULTIPLE OCCUPATION**

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**Portfolio:** Housing, Wellbeing, Leisure & Early Intervention

**Ward(s) Affected:** All

### **Purpose of the Report:**

The Housing Act 2004 and associated regulations set minimum standards to help ensure homes are not overcrowded and do not pose risks to the health or safety of occupiers or blight the local communities in which they are located.

The approach is to support good private landlords who provide decent well-maintained homes and avoid unnecessary regulation on them by the provision of clear guidance to the Private Rented sector of the minimum standards of accommodation South Norfolk expects for our residents living in houses in multiple occupation.

### **Recommendation:**

That Cabinet adopts the “South Norfolk Council Houses in Multiple Occupation – Amenity and Facility Standards for Houses in Multiple Occupation 2019”

## **1 SUMMARY**

- 1.1 Enforcement of amenity standards in Houses in Multiple Occupation (HMO) is undertaken using the Housing Health and Safety Rating System (HHSRS) created by the introduction of the Housing Act 2004.
- 1.2 Most HMOs occupied by 5 or more people require a licence under the Housing Act 2004 and in considering an application for such a licence the Council must be satisfied that the property is reasonably suitable for occupation by the number proposing to live there.
- 1.3 Some standards are prescribed in the Licensing and Management of Houses in Multiple Occupation (Miscellaneous Provisions) (England) Regulations 2006(SI2006/373). South Norfolk has power to specify other standards and the “Houses in Multiple Occupation – Amenity and Facility Standards for Houses in Multiple Occupation 2019” (Appendix One) outlines those standards which should be interpreted as guidance to landlords as to what the Council is likely to consider reasonable taking account of property type and layout.
- 1.4 The document provides clear guidance on the Councils expectations on the standard of accommodation to be provided, these include
  - 1.4.1 Sleeping Accommodation – minimum room sizes that can be used for sleeping
  - 1.4.2 Space Standards & Heating – to prevent overcrowding
  - 1.4.3 Personal Washing Facilities – to ensure satisfactory facilities for personal hygiene
  - 1.4.4 Sanitary Conveniences – ensuring satisfactory sanitary provision for the number of occupants
  - 1.4.5 Storage, Preparation & Cooking of Food – ensuring provision for the safe preparation of food
  - 1.4.6 Fire Safety – ensuring measures are in place to reduce the risk of fire and to protect occupants, enabling them to safely exit the property
  - 1.4.7 Management – ensure proper management arrangements are in place and that the people involved are “fit and proper”
  - 1.4.8 Refuse Disposal & Storage Facilities – ensuring there is proper provision for the hygienic storage and disposal of domestic refuse.
- 1.5 It should also be noted that a Local Authority may consider, in certain justified circumstances that a higher standard than specified in this guidance is required and landlords are advised to discuss their specific property with officers prior to carrying out alterations.
- 1.6 Full compliance with the standards contained in the document means that formal enforcement action against an HMO Landlord for amenity-related issues should not be necessary. Conversely, failure to comply with them places a Landlord at heightened risk of enforcement action.

- 1.7 This document will be subject to review at least every 3 years or earlier if considered necessary as a result of any relevant changes in legislation or government guidance.

## **2 CURRENT POSITION**

- 2.1 Houses in Multiple Occupation make a valuable contribution to meeting the housing need of people whose housing options are limited and may not be able to meet the cost of renting a house or flat. When well managed and regulated, HMOs have negligible impact on the area around them, but in some parts of the country poorly managed substandard HMOs put residents' lives at risk and give rise to anti-social behaviour and blight.
- 2.2 South Norfolk previously adopted a HMO Amenity and Space Standard in 2008/09 to support a voluntary Greater Norwich Landlord Registration scheme that was discontinued in 2011/12; those standards have not been reviewed since.
- 2.3 Broadland District Council adopted an Amenity and Space Standards document in August 2018 in preparation for the introduction of the new mandatory licensing scheme in October 2018.
- 2.4 At the time of writing there are 10 licensed HMO's in Broadland and 19 in South Norfolk. Both councils have applications pending.
- 2.5 South Norfolk has successfully trialled a South Norfolk version of the Broadland Amenity and Space for HMO licence applications in South Norfolk.
- 2.6 Adopting a single agreed set of standards provides consistency for landlords across the wider the geographical area and clear statement of a single team approach.

## **3 OTHER OPTIONS**

- 3.1 South Norfolk adopts a different Space and Amenity Standards.

## **4 ISSUES AND RISKS**

- 4.1 **Resource Implications** – a single agreed standard will remove barriers to officers to working over the wider geographical area and provided consistency of approach to landlords who have property portfolio's in both areas.
- 4.2 **Legal Implications** – the Council has a duty to ensure that HMO's are properly licensed and managed and do not pose a risk to the health and well-being of their occupants.
- 4.3 **Equality Implications** – none.

- 4.4 **Environmental Impact** – a set of minimum standards will help to prevent poor property being a blight on their local community.
- 4.5 **Crime and Disorder** – poorly managed housing can give rise to crime and disorder.
- 4.6 **Risks** – none.

## **5 CONCLUSION**

- 5.1 An agreed set of minimum standards helps to ensure that HMO's are not overcrowded and do not pose risks to the health or safety of occupiers or blight the local communities in which they are located.
- 5.2 They provide support for good landlords whilst enabling officers to focus on the poorer parts of the sector.
- 5.3 A single set of standards for both Councils will provide consistency of approach to the sector and enable officers to work more easily across the wider geographical area.

## **6 RECOMMENDATION**

- 6.1 That Cabinet adopts the South Norfolk Council Houses in Multiple Occupation – Amenity and Facility Standards for Houses in Multiple Occupation 2019” (Appendix One).

## **Background Papers**

None

**South Norfolk  
Council  
Houses in Multiple Occupation**



**Amenity and Facility Standards  
for  
Houses in Multiple Occupation  
2019**



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## Introduction

The Houses in Multiple Occupation (HMO) Amenity and Facilities Standards have been produced by Broadland District Council & South Norfolk Council to assist owners, agents and occupiers who may own, manage or live in a HMO in those Council areas of the standard of accommodation both Council's expect.

### What is a HMO?

A house is a HMO if both of the following apply:

1. At least **3 persons** live there, **forming more than 1 household**; and
2. Facilities such as a toilet, bathroom or kitchen are shared with other tenants.

A **household** is either a single person or members of the same family who live together. A family includes people who are:

- married or living together - including people in same-sex relationships
- relatives or half-relatives, for example grandparents, aunts, uncles, siblings
- step-parents and step-children.

This includes shared houses and bedsits.

A HMO is also a building that has been converted into self-contained flats and less than two-thirds are owner occupied and the conversion does not meet the appropriate Building Regulations.

If the property was converted prior to June 1992, it must meet the 1991 Building Regulations. The property is therefore an HMO unless it meets the 1991 Building Regulations.

### The Licensing requirement.

Mandatory licensing of large HMO's, (i.e. those 3 storeys high with at least 5 tenants), came into force in 2006. In April 2018 the Government extended the scope of mandatory HMO Licensing by removing the 3-storey rule. **The Licensing of Houses in Multiple Occupation (Prescribed Description) (England) Order 2018** came into force on 1<sup>st</sup> April 2018.

This means that a licence is required where HMO's are occupied by five or more persons forming more than one household, regardless of the number of storeys.

A licence is also required for any purpose-built flats where there are up to two flats in the block and one or both are occupied as an HMO, including flats above or below shops and other businesses.

### Why is licensing needed?

The Government values the private rented sector. It is an important part of our housing market, housing 4.3 million households in England. HMO's form a vital part of the sector, providing often cheaper accommodation for people whose housing options are limited. Some of the occupiers of HMO's are the most vulnerable people in our society. It is estimated that there are about 500,000 HMO's in England. Many are managed to good standards by reputable landlords, but unfortunately this is not always the case. The Government has set out create a level playing field for landlords, so the rogues cease to be able to operate substandard accommodation for maximum profit. Licensing will help ensure HMO's are not overcrowded and do not pose risks to the health or safety of occupiers or blight the local communities in which they are located. The objective is to support good private landlords who provide decent well-maintained homes and avoid unnecessary regulation on them.

### **Legal standards in HMO's.**

The Housing Act 2004 and associated regulations state the minimum standards in HMO's. This document will explain the legal requirements and provide the minimum standards for HMO's adopted by Broadland District Council and South Norfolk Council.

### **Management Regulations.**

All HMO's are subject to the Management Regulations irrespective of their licensable status. Please see attached link;

<http://www.legislation.gov.uk/ukxi/2006/372/contents/made>

### **What HMO's does this guide cover?**

These Standards are for all HMOs in the Broadland and South Norfolk areas, including those covered by mandatory Licensing. Further guidance is available in the document <https://tinyurl.com/y9czvaeI>

These standards should be used as a guide only; the actual provisions required will be dependent on a risk assessment undertaken by a Council Officer. It does not provide an authoritative interpretation of the law; only the courts can do that.

There are mandatory conditions in licences to regulate the size and use of rooms used as sleeping accommodation. The minimum sleeping room sizes are:

- A usable floor area\* of **6.51m<sup>2</sup> – one adult (over 10 years of age)**
- A usable floor area of **10.22m<sup>2</sup> – two adults (over 10 years of age)**
- A usable floor area of between **4.64m<sup>2</sup> and 6.5m<sup>2</sup>** may be occupied by **a child under the age of ten only if the room is let / occupied in connection with the letting / occupation of a room with a useable floor area of at least 6.51m<sup>2</sup> to a parent or guardian of the child.**

\* usable floor area of a room is where the distance between the lowest part of the floor and the ceiling measures at least **1.5m, (5ft)**. Any area less than 1.5m is disregarded.

The minimum room size is simply a standard below which a room cannot be used as sleeping accommodation. It is not intended to be the norm or the lowest common denominator.

A room of less than 6.51m<sup>2</sup> cannot be occupied as sleeping accommodation by any person aged 10 or over.

Any room less than 4.64 m<sup>2</sup> may not be used as sleeping accommodation. Communal space in other parts of the HMO cannot be used to compensate for rooms smaller than the prescribed minimum.

The minimum room sizes reflect those in section 326 of the Housing Act 1985 which is concerned with overcrowding in residential accommodation in England.

Licenses will be granted with a condition stating the maximum number of persons, (adults and children under 10), who may occupy the specified rooms as sleeping accommodation. Any room not specified as suitable for sleeping accommodation is prohibited from use as sleeping accommodation.

Temporary visitors are excluded from the regulations.

Hostels and charities providing temporary accommodation are also excluded from the minimum room size condition.

### **Transitional arrangements.**

**No person sleeping in accommodation which was adequate for them to do so at the time of letting, but then becomes by reason of the regulations no longer suitable should be immediately evicted.**

Where licensed HMO's do not immediately comply with the maximum occupancy mandatory condition, **up to a maximum of 18 months** from the granting of a licence will be permitted to enable landlords to regulate the number of occupiers permitted under the licence.

During this period, provided the landlord takes steps to reduce the number of occupiers which exceed the permitted number, no offence of breaching the condition will be committed.

In the event of a pregnant woman living in a single occupancy room and the birth of the child causing the room to become overcrowded, potential remedies could include securing alternative accommodation in the HMO or elsewhere. Alternatively, and if practicable, the overcrowding might be remedied by the enlargement of the room or the provision of an additional room (of not less than 4.64m<sup>2</sup>) for use as sleeping accommodation by the child.

Babies should always sleep in a separate cot or Moses basket and not sleep in the same bed as the parents.

However, the offence of breaching the licence condition will be committed if the accommodation becomes deliberately overcrowded after the licence has been issued, e.g. if a tenant moved their partner into a room which was only suitable for one person and the landlord did not take all reasonable action to address the breach.

### **What are the sanctions for breaching minimum room sizes?**

A licence holder commits an offence if, without reasonable excuse, the licence holder breaches the licence by:

- Knowingly permitting the HMO to be occupied by more persons or households than is authorised by the licence; and
- Failing to comply with a condition of the licence such as a prohibition against occupation as sleeping accommodation.

**If convicted of such an offence the licence holder is liable to an unlimited fine. A financial penalty of up to £30,000 may be imposed as an alternative to prosecution.**

## **Space Standards**

### **Legal requirements.**

The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 require kitchens, bathrooms and WC's to be of adequate size, as set by this guide.

Broadland District Council & South Norfolk Council have adopted the following minimum space standards:

### **HMO's where occupiers share kitchen facilities.**

Follow the table from left to right to work out the space requirements in your HMO.

<b>Total number of people in HMO</b>	<b>Minimum kitchen size</b>	<b>1 to 2 storey HMO minimum living space</b>	<b>3+ storey HMO minimum living / dining space</b>
3-5 people	7m <sup>2</sup>	11m <sup>2</sup> separate living room; or  18m <sup>2</sup> combined kitchen/living room	Either: 11 m <sup>2</sup> separate living room within 1 floor distance of kitchen; or  13 m <sup>2</sup> kitchen/diner and 11 m <sup>2</sup> living room elsewhere; or  18 m <sup>2</sup> combined kitchen/living/dining room.
6-10 people	10m <sup>2</sup>	14 m <sup>2</sup> separate living room; or  24 m <sup>2</sup> combined kitchen / living room	Either: 14m <sup>2</sup> separate living room within 1 floor distance of kitchen; or  16m <sup>2</sup> kitchen/diner and 14m <sup>2</sup> living room elsewhere; or  24m <sup>2</sup> combined kitchen/living/dining room.
<ul style="list-style-type: none"> <li>• The minimum kitchen area must be provided in all cases.</li> <li>• A living room will be accepted as a dining room and vice versa, provided the minimum space requirements are fulfilled.</li> </ul>			

### **HMO's with kitchen facilities for the exclusive use of occupants (Bedsits).**

1. A bedsit is typically where sleeping, living and cooking amenities are provided for exclusive use by occupants within a single unit of accommodation, (i.e. one room), but where an amenity, i.e. a toilet, personal washing facilities or cooking facilities, are shared with the occupants of other bedsits in the same

building.

2. A bedsit can be occupied by a maximum of two persons.
3. Room sizes:
  - 1-person bedroom/sitting room/kitchen: minimum of 13m<sup>2</sup>
  - 2-person bedroom/sitting room/kitchen: minimum of 20m<sup>2</sup>

### **1 or 2 person self-contained flats contained within a licensable HMO.**

1. A self-contained flat is typically where all basic amenities are available for the exclusive use of its occupants and no amenities are shared with the occupants of other accommodation in the same building.
2. The bedrooms in self-contained flats must meet the minimum sizes of 6.51m<sup>2</sup> for one occupant and 10.22m<sup>2</sup> for two occupants.

Note: If the kitchen is within the same room as the bedroom the minimum room sizes detailed for bedsits above must be met, i.e. 1-person bedroom/sitting room/kitchen: minimum of 14m<sup>2</sup> and 2-person bedroom/sitting room/kitchen: 18m<sup>2</sup>.

### **Notes.**

The measured space in any room must be 'usable space'. The room should be able to accommodate the required amount of appropriate furniture easily and still allow space for movement about the room.

Any floor space that has a ceiling height of less than 1.5m (5ft) shall be disregarded for the purpose of measuring the total space in the room.

### **Heating.**

Each unit of living accommodation in an HMO must be equipped with adequate means of space heating, capable of maintaining temperatures of 21°C in living rooms and 18°C in bathrooms when the outside temperature is –1°C.

The fixed space-heating appliance may be a central heating system with thermostatic radiator valves (TRVs), or a fixed, hardwired electrical appliance.

Each occupant should be provided with controls to allow them to regulate the temperature and timing settings within their unit of accommodation.

## **Personal Washing Facilities**

### **Legal requirements.**

The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 set standards for washing facilities as below:

1. Bath/showers shall be provided in the ratio of at least one to every five persons sharing.
2. The bathrooms or shower rooms shall be readily accessible and normally not more than one floor away from the user. Shared facilities shall be accessible from a communal area. Facilities must be inside the building.
3. Bathrooms and shower rooms must be of adequate size and be laid out in such a way as to enable persons to undress, dry and dress themselves in a safe manner.
4. Each bath, shower and wash hand basin shall be provided a continuous and adequate supply of hot and cold running water, designed to ensure reasonable temperature control.
5. Bathrooms and shower rooms must have adequate lighting, heating and ventilation.
6. All baths, toilets and wash hand basins must be fit for the purpose.

To meet the above requirements of adequate size, layout, and fit for purpose, Broadland District Council & South Norfolk Council have adopted the following minimum standards:

1. An efficient and safe fixed space-heating appliance must be provided in the bathroom/personal washing room that can maintain a minimum temperature of 18°C when the outside temperature is -1°C. The fixed space-heating appliance may be a central heating system with thermostatic radiator valves (TRVs) or a fixed electrical appliance. The heating must be under the control of the occupiers for timings and temperature settings.
2. Bathrooms must have mechanical ventilation to the outside air at a minimum extraction rate of 15 litres/second in addition to any window(s). The system is to be either coupled to the light switch and incorporate a suitable over-run period, or an appropriately set humidistat. This is in addition to any windows.
3. A tiled splash-back shall be provided to all baths and wash hand basins.
4. Shower cubicles shall have fully tiled walls and be provided with a suitable water-resistant curtain or door to the cubicle. Bathrooms and shower rooms shall have smooth, impervious wall and ceiling surfaces, which can be easily cleaned. The flooring should be capable of being easily cleaned and slip-resistant.
5. The following minimum dimensions shall apply:

Item	Dimension
Wash hand basin	500mm X 400mm
Splashback	300mm high
Bath	1700mm X 700mm



Shower (Floor area)	800mm X 800mm
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6. Bathrooms and shower rooms must be constructed in such a way as to ensure and protect the privacy of the users.

## Sanitary Conveniences (toilet facilities)

### Legal requirements.

The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 set standards for sanitary conveniences.

1. Where there are four or fewer occupiers sharing facilities, there must be one toilet which may be situated in the bathroom.

2. Where there are five or more occupiers there must be one separate toilet with wash hand basin with appropriate splash back for every five sharing occupiers.
3. Toilets are to be provided in bathrooms or separate compartments of an adequate size and layout. The rooms shall have smooth, impervious wall and ceiling surfaces, which can be easily cleaned. The flooring should be capable of being easily cleaned and slip-resistant.
4. Toilets shall be readily accessible and normally not more than one floor away from the user. Shared facilities shall be accessible from a communal area. Facilities must be inside the building.
5. A toilet provided in a separate compartment must have a wash hand basin with an appropriate splash-back.

To meet the above requirements for sanitary conveniences, Broadland District Council & South Norfolk Council have adopted the following minimum standards:

1. Separate toilet compartments should be a minimum dimension of 1300mm × 900mm with 750mm in front of the toilet.
2. Each toilet in a separate compartment is required to have a window equivalent to 1/20th of the floor area or mechanical ventilation to the outside air at a minimum extraction rate of six litres/second.
3. An efficient and safe fixed space-heating appliance that can maintain each room at a minimum temperature of 18°C when the outside temperature is –1°C must be provided. The fixed space-heating appliance may be a central heating system with thermostatic radiator valves (TRVs), or a fixed, hardwired electrical appliance. The heating must be under the control of the occupiers for timings and temperature settings.
4. A wash hand basin must be provided in the same compartment as the toilet.
7. Compartments must be constructed in such a way as to ensure and protect the privacy of the users.

## **Sharing Ratios for Bathrooms & Sanitary Conveniences**

### **Legal requirements.**

The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 set standards for the number of bathrooms/showers and toilet facilities in HMOs.

1. Where there are four or fewer occupiers sharing facilities, there must be one bathroom with fixed bath or shower and a toilet (which may be situated in the bathroom)

2. Where there are five or more occupiers sharing facilities, there must be:
- One separate toilet with wash hand basin for every five sharing occupiers
  - One bathroom (which may contain a toilet) with a fixed bath or shower for every five sharing occupiers

The information below explains this requirement in more detail:

Number of people (irrespective of age)	Facilities required (If a child under 10 lives at the property, a bath must be provided)
1 – 4 people	<p>The minimum provision is 1 bathroom containing toilet, bath or shower and wash hand basin.</p> <p>The bathroom and toilet may be in the same room.</p>
5 people	<p>The minimum provision is 1 bathroom with a bath or shower and 1 separate toilet with wash hand basin.</p> <p>The separate toilet may be located in a second bathroom.</p>
6 – 10 people	<p>The minimum provision is:</p> <ul style="list-style-type: none"> <li>• 2 bathrooms containing a bath or shower</li> <li>• 2 toilets with wash hand basins, one of which must be in a separate room.</li> </ul>
11 – 15 people	<p>The minimum provision is:</p> <ul style="list-style-type: none"> <li>• 3 bathrooms containing a bath or shower</li> <li>• 3 toilets with wash hand basins, one of which must be in a separate room.</li> </ul>
Bedrooms with en-suites	<p>Where a room is provided with a complete en-suite facility (bath/shower, toilet and wash hand basin) for the exclusive use of that occupant then that occupant will be disregarded when considering the provision of sanitary facilities.</p> <p>Six occupants and one occupant had exclusive use of a fully equipped en-suite. The requirement for the remaining occupants would be for five people.</p> <p>If, however, the en-suite only provides one facility (either a bath/shower or a WC) then the occupant will not be disregarded for the missing amenity.</p>

## **Facilities for the Storage, Preparation & Cooking of Food**

### **Shared kitchens.**

#### **Legal requirement.**

The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 require:

1. A kitchen suitably located in relation to the living accommodation, and of such layout and size and equipped with such facilities to adequately enable those sharing the facilities to store, prepare and cook food.
2. The kitchen must be equipped with the following equipment, which must be fit for the purpose and supplied in a sufficient quantity for the number of those sharing the facilities:

- (i) sinks with draining boards;
- (ii) an adequate supply of cold and constant hot water to each sink supplied;
- (iii) installations or equipment for the cooking of food;
- (iv) electrical sockets;
- (v) worktops for the preparation of food;
- (vi) cupboards for the storage of food or kitchen and cooking utensils;
- (vii) refrigerators with an adequate freezer compartment (or, where the freezer compartment is not adequate, adequate separate freezers);
- (viii) appropriate refuse disposal facilities; and
- (ix) appropriate extractor fans, fire blankets and fire doors

To meet the above requirements, Broadland District Council & South Norfolk Council have adopted the following minimum standards:

**Location.**

- The kitchen must be contained in the main building and located not more than one floor distant from the bedrooms. If this is not practicable in HMOs of not more than three storeys and not more than 10 persons, communal kitchens may be provided up to two floors distant from some bedrooms.
- All kitchen facilities must be available for use 24 hours a day

**Layout.**

- The kitchen layout must be safe, convenient and allow good hygienic practices.
- Cookers should be located away from doorways and have enough floor space for items to be safely retrieved from the oven.
- It must be possible to stand directly in front of the cooker and sink and to place utensils down on both sides of each.
- If two sets of facilities are provided the layout must allow them to be used safely at the same time.

## Examples of approved and poor layout

This layout is not suitable as neither the cooker nor the sink can be practically or safely used.



This layout meets the minimum requirements as there is adequate worktop to both sides of the cooker and suitably located extraction.

The cooker is in an unsafe location due to its proximity to the door.



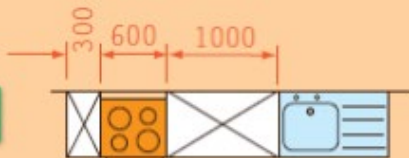
This cooker location meets the minimum requirements for a suitably sited cooker with sufficient worktop to both sides of it.

## Examples of approved and poor layout



### Good practice

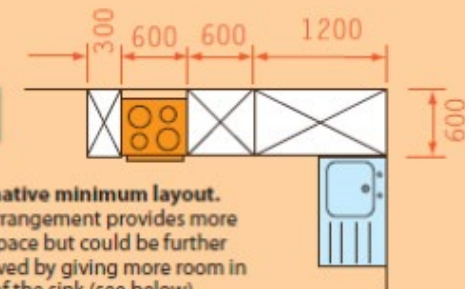
A satisfactory kitchen must be safe, convenient and must allow good hygiene practices. It must be possible to stand directly in front of the cooker and sink and to place utensils down on both sides of each. Worktops must be secure, level and impervious and must be of adequate size. Adjacent walls require splash-backs and power points must be suitably located.



**This is the minimum provision for a kitchen.**

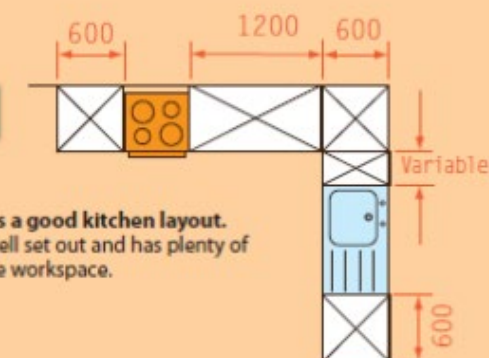
It incorporates worktop on both sides of the cooker and working space both sides of the sink bowl.

Note 300mm is a minimum width and should be made wider where possible.



**Alternative minimum layout.**

This arrangement provides more workspace but could be further improved by giving more room in front of the sink (see below).



**This is a good kitchen layout.**

It is well set out and has plenty of usable workspace.



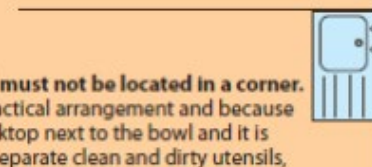
### Unacceptable

Cookers cannot be safely used if they are located in corners, do not have adequate worktop on both sides or are too close to sinks. Sinks require space to put dirty utensils on one side and clean on the other.



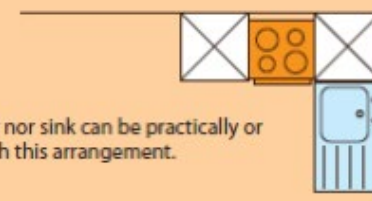
**Cooker may not be located in a corner.**

This arrangement is impractical and unsafe.

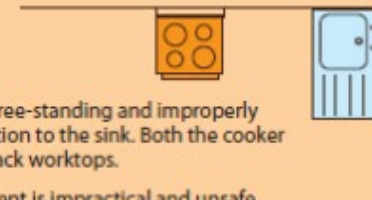


**The sink bowl must not be located in a corner.**

This is an impractical arrangement and because there is no worktop next to the bowl and it is impossible to separate clean and dirty utensils, it also creates a hygiene hazard.



Neither cooker nor sink can be practically or safely used with this arrangement.



The cooker is free-standing and improperly located in relation to the sink. Both the cooker and sink also lack worktops.

This arrangement is impractical and unsafe. Adding worktops will still not give a practical and safe kitchen.

## Size.

- For three to five residents, kitchens shall have a usable floor area of at least 7m<sup>2</sup>.
- For six to ten residents, kitchens shall have a usable floor area of at least 10m<sup>2</sup>.
- The width of the kitchen must be at least 1.8m to allow safe movement of occupants.



## Quantity of equipment:

Number of people (irrespective of age)	Minimum provision of kitchen facilities
3 – 5 people	<p>A complete set of kitchen facilities consisting of the following:</p> <p><b>Sink:</b> A stainless steel sink, integral drainer and a tiled splash-back, on a base unit. The sink must have constant supplies of hot and cold running water and be properly connected to the drains. The cold water must come directly from the rising water main. It must be possible to stand directly in front of the cooker and sink and to place utensils down on both sides of each.</p> <p><b>Cooker:</b> A gas or electric cooker with four ring burners, oven and grill, that are capable of simultaneous use. The cooker is to be located away from doorways with a minimum of 300mm worktop to both sides.</p> <p><b>Electrical sockets:</b> At least three double 13amp electrical power points (in addition to those used for fixed appliances, such as washing machines).</p> <p><b>Worktop:</b> A kitchen worktop that is level, secure and impervious. The minimum dimensions are 1000mm length and 600mm width.</p> <p><b>Storage:</b> A food storage cupboard for each occupant that is at least one 500mm wide base unit or a 1000mm wide wall unit. This may be provided within each occupant's room. (The space in the unit beneath the sink and drainer is not allowable for food storage).</p> <p><b>Fridge/Freezer:</b> A refrigerator with a minimum capacity of 130 litres plus a freezer with a minimum capacity of 60 litres. If not in the kitchen the fridge/freezer must be freely accessible</p>



	<p>and adjoining the kitchen.</p> <p><b>Refuse disposal:</b> Appropriate refuse disposal facilities must be provided.</p> <p><b>Ventilation:</b> Mechanical ventilation to the outside air, in accordance with current Building Regulations. This is in addition to any windows.</p> <p><b>Fire precautions:</b> Please see fire safety section.</p>
6 – 7 people	<p>Two complete sets of kitchen facilities as above with a 1500mm x 600mm work surface. However;</p> <ul style="list-style-type: none"> <li>• a combination microwave is acceptable as a second cooker</li> <li>• a dishwasher is acceptable as a second sink.</li> </ul>
8 – 10 people	<p>Two complete sets of kitchen facilities as above with a 2000mm × 600mm work surface.</p>
11 – 12 people	<p>At least two separate kitchens containing three complete sets of kitchen facilities as above, each kitchen with 2500mm x 600mm of work surface. However;</p> <ul style="list-style-type: none"> <li>• a combination microwave will be acceptable as a third cooker</li> <li>• a dishwasher will be acceptable as a third sink</li> <li>• Two × 130 litre refrigerators with an additional 20 litres capacity of refrigerator space per person over 10</li> <li>• Two × 60 litre freezer space with an additional 10 litres capacity of freezer space per person over 10.</li> </ul>
13 – 15 people	<p>At least two separate kitchens containing three complete sets of kitchen facilities as above, each kitchen with 5000mm × 600mm of work surface.</p>

#### Kitchens for exclusive use.

## **Bedsits.**

A bedsit is typically where sleeping, living and cooking amenities are provided for exclusive use by occupants within a single unit of accommodation (i.e. one room), but where an amenity, i.e. a toilet, personal washing facilities or cooking facilities, are shared with the occupants of other bedsits in the same building.

## **Legal requirement.**

The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 requires rooms without shared amenities to be provided with adequate equipment.

To achieve compliance with the above requirements for adequate size, layout and equipment, Broadland District Council & South Norfolk Council have adopted the following minimum standards:

1. **Cooking:** A gas or electric cooker with a minimum two-ring hob, oven and grill.
2. **Storage:** A 130 litre refrigerator with freezer compartment plus at least one food storage cupboard for each occupant in the bedsit (base units shall be 500mm wide and wall units shall be 1000mm wide). The sink base unit cannot be used for food storage.
3. **Preparation:** Worktop of at least 500mm deep and 1000mm long, comprising a minimum of 300mm both sides of the cooking appliance to enable utensils and pans to be placed down. All worktops must be securely supported, impervious and easy to clean.
4. **Electricity:** Two double 13 amp power sockets suitably positioned at worktop height for use by portable appliances, in addition to sockets used by fixed kitchen appliances, plus two double sockets located elsewhere within the bedsit.
5. **Washing:** A stainless steel sink and integral drainer set on a base unit with constant supplies of hot and cold running water. The sink shall be properly connected to the drainage system. The cold water shall be direct from the mains supply. A tiled splash-back shall be provided behind the sink and drainer.
6. **Ventilation:** Mechanical ventilation to the outside air at a minimum extraction rate of 60 litres/second or 30 litres/second if the fan is sited within 300mm of the centre of the hob. This is in addition to any windows.
7. **Layout:** The same principles of safe layout and design apply in bedsits as for shared kitchens. Cookers must not be located near doorways to avoid collisions.

## **Notes.**

Where a gas appliance is provided within a unit of accommodation, a carbon monoxide detector should also be provided.

Proprietary micro-style kitchenettes incorporating the above features may be suitable in certain situations, following consultation with a case officer.

## **Fire Safety**

### **Legal requirement.**

The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 require appropriate fire precaution facilities and equipment to be provided of such type, number and location

as considered necessary.

The Regulatory Reform (Fire Safety) Order 2005 requires all HMOs to have a sufficient risk assessment with regard to fire.

The Management Regulations require firefighting equipment and fire alarms to be maintained in good working order.

Norfolk Fire and Rescue Service enforce fire safety Regulations in communal, (shared), parts of an HMO such as shared kitchens, living rooms, hallways, stairways, etc. Broadland District Council & South Norfolk Council will liaise and work with Norfolk Fire and Rescue Service whenever appropriate to obtain specialist advice and guidance.

The Council will undertake the inspection of HMO's and determine whether adequate fire precaution facilities and equipment are in place. A joint inspection may be undertaken with Norfolk Fire and Rescue Service where appropriate.

National Guidance on fire safety provisions for certain types of existing housing, published by LACORS, Housing – July 2008 (ISBN978-1-84049-638-3) will be used in the decision-making process. Specialist advice may also be sought from Norfolk Fire and Rescue Service in relation to property specific requirements.



This document contains advice for landlords and fire safety enforcement officers in both local housing authorities and fire and rescue authorities on how to ensure adequate fire safety. Please use attached link to the document;  
<https://www.rla.org.uk/docs/LACORSFSguideApril62009.PDF>

The information below is summarised from the Fire Safety Guidance document and provided to help landlords understand their responsibilities and the fire safety precautions judged necessary for HMOs.

### **Fire Risk Assessment.**

A Fire Risk Assessment is required. A Fire Risk Assessment is an organised and methodical look at the premises, the activities carried on there and the likelihood that a fire could start and cause harm to those in and around the premises. The aims of a

Fire Risk Assessment are:

- to identify fire hazards;
- to reduce the risk of those hazards causing harm to as low as reasonably practicable; and
- to decide what physical fire precautions and management arrangements are necessary to ensure the safety of people in the premises if a fire does start.

A landlord or specialist contractor can undertake the risk assessment. Most properties will be relatively small and will have a straightforward and simple layout. Therefore, little fire safety expertise is likely to be required to carry out the risk assessment. In larger buildings or where the building contains different uses, i.e. commercial and residential, then specialist advice may be required.

### **Fire precaution requirements.**

The requirements expected by the Council will vary according to the observations and findings arising from any inspection undertaken and will be based on the advice detailed in the LACORS Fire Safety guide.

Landlords should also be aware that where premises are occupied in a manner other than that intended under the original construction, compliance with the Building Regulations at the time of that construction will not necessarily negate the requirement for additional fire safety measures.

Although an exhaustive list of likely requirements cannot be given in this document necessary measures may include: fire doors on high risk rooms, fire separation, a fire blanket in the kitchen and automatic fire detection systems.

Landlords are required to test and maintain fire alarm and emergency lighting systems in accordance with the British Standards.

- Grade D fire alarm systems should be tested on a regular basis, not less than monthly and more frequently whenever circumstances require. All detectors must be cleaned at least annually. Testing and maintenance must be in accordance with the manufacturer's instructions. Landlords can self-certify this has been completed.
- Grade A fire alarm systems should be tested on a regular basis, not less than monthly and more frequently whenever circumstances require. The system must be inspected and serviced at periods not exceeding six months in accordance with the recommendations of Clause 45 of BS 5839-1:2013. An inspection and servicing certificate of the type contained in H.6 of BS 5839-1:2013 should be issued by a suitably qualified and competent person.
- Emergency lighting systems should be tested regularly, and a full system test and service must be completed annually by a competent person in line with BS5266.
- Landlords are required to service firefighting equipment annually.

## Non-standard layout/Higher risk homes.

If the property is of a non-standard layout or if the occupants present a higher risk due to factors such as drug/alcohol dependency or limited mobility, then the risk may increase, and additional precautions may need to be taken. This must be factored into your Fire Risk Assessment.

An example of a non-typical layout is 'inner rooms' where the bedroom is located such that the occupant passes through risk rooms (living rooms, kitchens or dining rooms) in order to reach the means of escape. There are various solutions available such as escape windows or water suppression systems; these should be discussed with a case officer before undertaking works.

## Examples.

The examples on the following pages are based on typical properties with a simple layout, i.e. where all bedrooms lead onto the means of escape (i.e. the landing and hallway) and do not have to pass through any other room and the residents are not vulnerable.

**Low risk shared houses:** For properties let on a joint contract with shared access to all areas of the property and shared facilities the following requirements apply

Area	Measure	1-2 Storey	3-4 Storey	5+ Storey
Fire Doors	Doors to kitchen must be 30-minute fire doors with heat and smoke seals		Yes	Yes
	Bedroom doors must be solid and close fitting	Yes	Yes	Yes
	Bedroom doors must 30-minute fire doors with heat and smoke seals		Yes	Yes

	Fire door to living room must be 30-minute fire doors with heat and smoke seals		Yes	Yes
	Doors to ant cellars must be 30-minute fire doors with heat and smoke seals	Yes	Yes	Yes
<b>Fire Alarm System</b>	BS 5839-6:2004 Grade D, LD3 fire alarm system with smoke detectors in escape route at all levels and heat alarm in the kitchen	Yes	Yes	Yes
	Additional interlinked smoke alarms in any cellar	Yes	Yes	Yes
	Additional interlinked smoke alarm in living room		Yes	Yes
	Additional interlinked smoke alarms to bedrooms if smoke seals fitted to bedroom doors	Yes	Yes	Yes
<b>Firefighting equipment</b>	Fire blanket in kitchen	Yes	Yes	Yes
	Simple multipurpose fire extinguisher in hallway	Yes	Yes	Yes
<b>Locks on doors</b>	Final exit doors have a security lock that can be opened from the inside without a key (break glass boxes not acceptable)	Yes	Yes	Yes
	Locks on bedroom doors (where fitted) capable of being opened from inside without a key.	Yes	Yes	Yes
<b>Protected escape route</b>	Under stairs cupboards must have a ceiling that is 30 minutes fire resistant	Yes	Yes	Yes
	Cellars must have a ceiling that is 30 minutes fire resistant	Yes	Yes	Yes
	30 minute protected fore route		Yes	Yes
	Escape windows (to current building regulation standard)	Yes	Yes	Yes

## Bedsits.

A bedsit is where tenants rent a room and have shared use of a kitchen or bathroom. The tenants will not always know each other and may have locks on their bedroom doors.

Each property will be risk assessed for the individual particular needs.

## No more than 2 storeys.

- Mains wired interlinked optical type smoke detectors / alarms in common parts, basement /cellar and in all habitable rooms and a heat detector in the kitchen (BS

5839-6:2004 Grade D, LD2);

- 30 minute fire resisting structure to walls and ceilings separating habitable rooms from other habitable rooms, kitchens and the common escape route.
- Fire doors with 30 minute fire resistance, complete with intumescent smoke seals and an overhead self-closing device (FD30S)
- Emergency lighting to common parts (BS5266) where escape route is long or complex
- Fire escape signage where escape route is long or complex
- Provision of a fire blanket and dry powder fire extinguisher in the kitchen and a 9 litre water extinguisher to each floor level.
- A fire sprinkler system (BS 9251:2005) with relaxations on the above requirements.

### **3 or 4 storeys.**

- Mains wired interlinked optical type smoke detectors / alarms in common parts, basement /cellar and in all habitable rooms and a heat detector in the kitchen (BS 5839-6:2004 Grade A, LD2);
- 30 minute fire resisting structure to walls and ceilings separating habitable rooms from other habitable rooms, kitchens and the common escape route.
- Fire doors with 30 minute fire resistance, complete with intumescent smoke seals and an overhead self-closing device (FD30S)
- Emergency lighting to common parts (BS5266) where escape route is long or complex
- Fire escape signage where escape route is long or complex
- Provision of a fire blanket and dry powder fire extinguisher in the kitchen and a 9 litre water extinguisher to each floor level.
- A fire sprinkler system (BS 9251:2005) with relaxations on the above requirements.

### **Buildings converted into flats.**

Compliance with the 1991 Building Regulations will usually be considered sufficient. In general:

- 60 minutes fire resistance between flats and any commercial premises.
- 30 minutes fire resistance between flats and common parts and other flats.



- 30 minute fire resisting doors to the flat entrances (FD30S)
- Mains wired interlinked optical type smoke detectors/alarms in common areas, basement/cellar and a heat detector in the room/lobby opening onto the escape route (BS5839-6:2004 Grade D, LD2).
- Mains wired non-interlinked optical type smoke detectors/alarms in hallway (BS 5839-6:2004 Grade D, LD3).

## Management

The Management of Houses in Multiple Occupation (England) Regulations 2006 apply to all HMO's. Please see attached link to the Regulations;

<http://www.legislation.gov.uk/ukxi/2006/372/contents/made>

The Regulations can be accessed in full at [www.legislation.gov.uk](http://www.legislation.gov.uk). Under both sets of Regulations the person in control of or managing the HMO has a number of duties:

- Provision and display of the manager's contact information to the occupiers;
- Maintenance of common parts, fixtures, fitting and appliances;
- Maintenance of living accommodation;
- Safety measures, including fire safety;
- Supply and maintenance of gas and electricity;
- Maintenance of water supply and drainage; and

- Provision of waste disposal facilities.

### **Fit & proper person.**

A licence holder and any manager of an HMO must be a “fit and proper” person. Applicants must declare relevant information and appropriate checks will be undertaken to ensure they are fit and proper to operate an HMO.

A database of rogue landlords and property agents has been introduced which can be used to verify / confirm any previous convictions.

### **Occupiers.**

Occupiers of HMO's have a duty to ensure that they take reasonable care to avoid damage and disrepair to the property, and do not obstruct the manager in complying with any Management Regulation.

## **Refuse Disposal & Storage Facilities**

HMO licences will require the licence holder to comply with their local authority policy for the provision of facilities for the proper disposal and storage of domestic refuse.

The Council's provide a standard set of 240 litre bins to each household (one bin for general refuse and one bin for recycling bins for household waste collection to all households in the district who pay Council Tax.

The Council operates an alternate weekly collection of refuse and recycling waste. To comply with the requirements of the licence the landlord must:

-Agree suitable waste storage and collection arrangements with the Council at the earliest opportunity;

-Store all household waste from the property safely and securely within the boundary of the property;

-Ensure all household waste is contained within bins provided by the Council and that any other waste is dealt with promptly and legally to prevent any potential nuisance/issue;

-Ensure all tenants are aware of the household waste collection arrangements for the property including what can be accepted through the refuse and recycling scheme (details are available on the Council's website or from the Environmental Services Department at the Council);

-Ensure that all household bins are presented by 07:00 on the day of collection and are returned to the property following collection; and

-Legally dispose of any waste generated in any maintenance of the property, including any DIY and construction and demolition waste. The landlord must be able to provide a Waste Transfer Note upon request for such controlled waste.

Note – Further information on waste collection policy can be viewed on the respective Council's websites.

## **Housing Health and Safety Rating System (HHSRS)**

The Housing Health and Safety Rating System, (HHSRS), is the legislation which gives minimum standards for all homes, including HMO's. When HMO's are inspected, any defects found as part of this procedure will be subject to HHSRS. It is a risk-based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in properties. There are 29 hazards detailed within the HHSRS, the most common being:

### **Damp & mould growth.**

Houses should be warm, dry, well-ventilated and maintained free from rising and penetrating damp and condensation. There should be adequate provision for the safe removal of steam / moisture to prevent damp and mould growth.

### **Excess Cold.**

Houses should be adequately insulated to prevent excessive heat loss and have an effective heating system capable of maintaining temperature.

An Energy Performance Certificate, (EPC), is required every time a home is put up for sale or for rent. There are a few exceptions, i.e. for a room that's being rented out

by a resident landlord and listed buildings may also be exempt.

### **Entry by Intruders.**

Houses should be capable of being secured against unauthorised entry. Windows and doors must be robust and fitted with adequate security. Externally, the curtilage of the property should be restricted and secure. Sheds and outbuildings should be maintained secure and in good repair.

### **Lighting.**

All habitable rooms should have an adequate level of natural lighting. All rooms and circulation areas should have provision for electric lighting.

### **Electrical Hazards.**

The electrical installation should be maintained in a safe condition. There is a legal requirement for the electrical installations in HMO's to be inspected by a competent person every five years.

### **Flames, hot surfaces, etc.**

Heating and cooking appliances should be maintained in a safe condition and be suitably located so as not to become hazardous. Cooking appliances should be set on an even surface and heating appliances securely fixed in a suitable position within the room.

### **Falls.**

Internally, floors should be even, non-slip and be maintained in a good condition. Stairs should be maintained in good condition and be free from disrepair. Stair coverings should be securely fitted and should not be worn or loose. A securely fixed hand rail should be provided the full length of the stairway. Balconies and basement light wells should have securely fixed guarding. Externally, paths should be even, properly drained and steps should be maintained in good condition and be free from disrepair.

### **Personal hygiene, sanitation and drainage.**

Bathroom and kitchen surface finishes should be capable of being readily cleaned. The external of the property should be free from disrepair and free from access by pests, such as rats and mice. There should also be suitable provision for the storage of domestic waste inside and adequate receptacles outside the property – see additional section on new licensing requirements for refuse disposal and storage facilities.

### **Water supply.**

An adequate supply of potable drinking water should be available from the kitchen sink. All pipework should be adequately protected from frost damage.

Further guidance can be found on the Housing and Safety Rating System via the following link; <https://www.gov.uk/government/publications/housing-health-and-safety-rating-system-guidance-for-landlords-and-property-related-professionals>

## **Planning**

**HMOs with 3 to 6 persons:**

HMO's occupied by between three and six unrelated persons are defined as Use Class C4 by the Town and Country Planning (Use Classes) Order 1987 (as amended). Dwellings occupied by families or fewer than three unrelated people are defined as Use Class C3.

Planning permission may be required from the Council to change the use of a dwelling to an HMO in Use Class C4.

**HMOs with 7+ occupiers:**

HMO's with seven or more occupiers require planning permission and owners and managers are recommended to contact the Planning Team to clarify the planning status of the property;

**Address:** South Norfolk House, Cygnet Court, Long Stratton NR15 2XE

**Telephone:** 01508 533633

**Email:** [planning@S-NORFOLK.GOV.UK](mailto:planning@S-NORFOLK.GOV.UK)

## Building Control

Alteration / improvement works, including those requested by the Council such as window replacement, drainage works or alterations to the electrical system, etc. may require Building Regulation or Building Notice approval.

For further information:

**Address:** CNC Building Control, PO Box 1370, Norwich, NR15 2GX

**Telephone:** 0808 168 5041

Quotations: [quotations@cncbuildingcontrol.gov.uk](mailto:quotations@cncbuildingcontrol.gov.uk)

General Enquiries: [enquiries@cncbuildingcontrol.gov.uk](mailto:enquiries@cncbuildingcontrol.gov.uk)

Technical Advice: [technical@cncbuildingcontrol.gov.uk](mailto:technical@cncbuildingcontrol.gov.uk)

Applications: [applications@cncbuildingcontrol.gov.uk](mailto:applications@cncbuildingcontrol.gov.uk)

## Further Information

For further information on the licensing of HMO's please contact the Housing Standards Team at South Norfolk Council on (01508) 533711.

**Applying for an HMO Licence:**

You can apply for an HMO Licence by downloading the application form on our website:

<https://www.south-norfolk.gov.uk/residents/housing/houses-multiple-occupation-hmo>

To make a valid HMO licence application you must:

1. Complete the HMO Licence application form;
2. Ensure declarations within the Licence application form are signed;
3. Submit any required documentation; and
4. Pay the licence fee.

Once this has been completed, send the application form to [hstandards@s-norfolk.gov.uk](mailto:hstandards@s-norfolk.gov.uk) or by post to:

South Norfolk House  
Cygnet Court  
Long Stratton  
NR15 2XE

### **HMO Licence Fee:**

The fee for a 5-year HMO Licence is set at £833.00. An HMO Licence renewal-fee is £500 for another 5 years.

Once an application is valid, an inspection of the property will be undertaken. The HMO may have been inspected recently, where all necessary observations, measurements and information was collected. Therefore, a further inspection may not be necessary. In addition, sufficient information and evidence may be provided by you in the application to enable a Licence to be issued without an inspection of the property prior to issuing a Licence. In that situation, compliance with Licence conditions will be determined during future routine inspections of the property.

The Council will prepare a draft licence called an 'Proposal to Grant a Licence'. This Proposal Notice will contain conditions to be applied to the licence. Licence Conditions will detail standards required to be met concerning occupancy, spacing, amenities and facilities for the HMO.

There is a 14-day consultation period before the final licence is issued. If you disagree with any conditions on the licence (as detailed in the proposed licence), you can make representation against the condition. These will be reviewed. We may amend / vary the licence as requested or reject the representation.

The actual licence is then issued. You have the right of appeal to the First Tier Tribunal against conditions on the licence. This must be done within 28 days. The licence application will be acknowledged and processed by the Housing Standards Team as quickly as possible and, in any event within **62 days**.

An HMO licence runs for five years from the date of issue.

You must renew your licence before the current licence expires. A valid renewal requires timely submission of the online renewal application form, signed declaration and fee payment.

Renewals received after licence expiry will be rejected and you will be required to submit a full new application.

## CABINET CORE AGENDA 2019

	<b>Decisions: Key, Policy, Operational</b>	<b>Key Decision/Item</b>	<b>Lead Officer</b>	<b>Cabinet Member</b>	<b>Exempt Y/N</b>
<b>Council 15 July 2019</b>					
<b>22 Jul</b>	O	Performance, Risks, Revenue and Capital Budget Position Report for the Financial Year 2018/19 Q4	E Pepper / J Brown/ E Goddard	A Thomas/ K Mason Billig	N
	O	Treasury Management Annual Report	Julie Brown	A Thomas	N
	K	Council Tax Support/Reduction	Richard Dunsire	Y Bendle	N
	K	Future Direction of BI Companies	Debbie Lorimer	J Fuller	Y
	O	House in Multiple Occupation Amenity Standard	Tony Cooke	Y Bendle	N
	K	Eligibility for Affordable Home Ownership	Keith Mitchell	L Neal	N
<b>9 Sept</b>	O	Performance, Risks, Revenue and Capital Budget Position Report for Quarter One 2019/20	E Pepper / J Brown/ E Goddard	A Thomas	N
	K	Greater Norwich LP Regulation 18 Consultation	Phil Courtier	J Fuller	N
	O	Inclusive Growth Strategy	Jamie Sutterby	J Fuller	N
	K	Diss OPE	Mark Heazle	Y Bendle	Y
<b>Council 16 September</b>					
<b>14 Oct</b>	O	Offender Protocol	Mike Pursehouse	Y Bendle	N
<b>11 Nov</b>	O	Performance, Risks, Revenue and Capital Budget Position Report for Quarter Two 2019/20	E Pepper / J Brown/ E Goddard	A Thomas /K Mason Billig	N
	K	Diss OPE	Mark Heazle	Y Bendle	Y
	O	Essential Worker Housing	Keith Mitchell/ Kay Oglieve-Chan	Y Bendle	N
	O	Review of Discretionary Rate Reliefs	Paul Chapman/ Simon Quilter	A Thomas	N
<b>9 Dec</b>	O	Consultation followed by adoption of CA Appraisals and Boundary Amendments	Chris Bennett	L Neal	N
	O	Early Help Model Across Authorities	Mike Pursehouse	Y Bendle	N
<b>Council 16 December 2019</b>					
<b>Jan 2020</b>	K	Greater Norwich 5-Year Investment Plan and Annual Business Plan	Phil Courtier	J Fuller	N

Key decisions are those which result in income, expenditure or savings with a gross full year effect of £100,000 or 10% of the Council's net portfolio budget whichever is the greater which has not been included in the relevant portfolio budget, or are significant (e.g. in environmental, physical, social or economic) in terms of its effect on the communities living or working in an area comprising two or more electoral divisions in the area of the local authority.