Cabinet

Monday 24 October 2016

9.00 am, Colman and Cavell Rooms
South Norfolk House, Cygnet Court, Long Stratton, Norwich, NR15 2XE

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

Contact Claire White on 01508 533669 or democracy@s-norfolk.gov.uk
Members of the Cabinet

John Fuller (Chairman)  The Economy and External Affairs

Mr M Edney (Vice Chairman)  Finance and Resources

Mrs Y Bendle  Wellbeing and Early Intervention

Mr C Hudson  Stronger Communities and Leisure

Mr L Hornby  Regulation and Public Safety

Mrs K Mason Billig  Environment and Recycling

Group Meetings

Conservatives – 8.00 am, Cabinet Office

Liberal Democrats – 8.15 am, Blomefield Room

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.
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 6)

4. To confirm the minutes of the Cabinet meeting held on Monday 12 September 2016; (attached – page 7)


At its previous meeting on 12 September 2016, Cabinet agreed to defer consideration of the Infrastructure Investment Plan, due to concerns about funding of maintenance from CIL; the need for clear criteria to be in place for small projects; and that it would be premature to consider long-term commitments to the IIP in the light of the ongoing national CIL Review. Further work is being undertaken on these matters, and it is hoped that a revised IIP will be able to be considered at Cabinet and Council in December 2016.

Adam Nicholls
Planning Policy Manager
15. Cabinet Core Agenda;  

16. Improving the Quality of Recycling Materials  

(Note: Appendix 1 of this report is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)
DECLARATIONS OF INTEREST AT MEETINGS

Members are asked to declare any interests they have in the meeting. 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 on the matter.
- 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.
- In any case, members have the right to remove themselves from the meeting or the voting if they consider, in the circumstances, it is appropriate to do so.

Should Members have any concerns relating to interests they have, they are encouraged to contact the Monitoring Officer (or Deputy) or another member of the Democratic Services Team in advance of the meeting.
CABINET

Minutes of a meeting of the Cabinet of South Norfolk District Council held at South Norfolk House, Long Stratton on Monday 12 September 2016 at 9.00 a.m.

Members Present:

Cabinet: Councillors J Fuller (Chairman) Y Bendle, M Edney, L Hornby, C Hudson and K Mason Billig

Non-Appointed: Councillors C Foulger, M Gray, J Legg and M Wilby

Officers in Attendance: The Chief Executive (S Dinneen), the Director of Business Development (D Lorimer), the Director of Community Services (P Boyce), the Director of Growth and Localism (T Horspole), the Accountancy Manager (M Fernandez-Graham), and the Policy Officer – Revenues and Benefits (P Chapman).

2479 DECLARATIONS OF INTEREST

<table>
<thead>
<tr>
<th>Member</th>
<th>Item</th>
<th>Declaration</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cllr J Fuller</td>
<td>Greater Norwich IIP (min 2482)</td>
<td>Member of the CIL Review Panel</td>
<td>Other</td>
</tr>
<tr>
<td></td>
<td>Business Rate Consultations (min 2483)</td>
<td>Member of the LGA Business Rates Panel</td>
<td>Other</td>
</tr>
</tbody>
</table>

2480 MINUTES

The minutes of the meeting held on Monday 18 July were agreed as a correct record and signed by the Chairman.
2481 OFF STREET CAR PARKING PROPOSAL

Members noted that the item regarding off street car parking, was deferred to a future meeting of the Cabinet.

2482 GREATER NORWICH JOINT FIVE YEAR INFRASTRUCTURE INVESTMENT PLAN: 2017/18 – 2021/22

The Subject of the Decision

Members considered the report of the Planning Policy Manager, which presented the Greater Norwich Joint Five Year Infrastructure Investment Plan (IIP), setting out the proposed projects to be delivered through the pooled funding of the Community Infrastructure Levy (CIL), from South Norfolk, Broadland and Norwich councils.

Members noted that the IIP proposed that funding be set aside for the maintenance costs of some infrastructure projects, and that officers were recommending that this element of the IIP was not agreed at this stage. The Chairman referred to the current deficit in funds needed to deliver the required projects, and with this in mind, and noting that there was no current policy in place with regard to maintenance, it was felt that maintenance costs should not be agreed at this stage. The Chairman suggested that any future maintenance costs could only be funded through CIL in exceptional circumstances.

Some members expressed concern with regard to the proposed smaller projects, and the lack of criteria in deciding which smaller projects should be put forward. Cabinet agreed that more clarity was required before the proposed IIP could be agreed.

The Chairman reminded members that the Independent CIL Review would be reporting to Ministers shortly, and being mindful of this, he suggested that it would be premature of the Greater Norwich Growth Board (GNGB) to seal in any long term commitments to the IIP at this stage.

In response to questions, the Chairman explained that the Long Stratton bypass and the Hempnall crossroads roundabout would probably require two separate planning permission applications, but he stressed that they were intrinsically linked. The Director of Growth and Localism added that the schemes were yet to be fully costed, but would not solely be financed through CIL funding.
The Decision

RESOLVED:

1. To defer the decision on the Greater Norwich Joint Five Year Infrastructure Investment Plan, due to concerns regarding:
   
   (a) The issue of funding for maintenance, bearing in mind the existing funding deficit;

   (b) The need for clear criteria to be in place for the inclusion of smaller projects.

2. That the GNGB be mindful of the pending CIL Review, to be reported to Ministers later this month, and that it would be premature at this stage to seal in long term commitments into the Infrastructure Plan.

The Reasons for the Decision

To ensure that the IIP is fair, with clear criteria for the inclusion of all projects.

Other Options Considered

None

2483 100% BUSINESS RATES RETENTION AND NEEDS AND REDISTRIBUTION – SOUTH NORFOLK COUNCIL CONSULTATION RESPONSES

The Subject of the Decision

Members considered the report of the Director of Business Development, which outlined the Council's responses to two government consultations; 'Self – Sufficient Local Government: 100% Business Rates Retention' and 'Business Rates Reform: Call for Evidence on Needs and Redistribution'.

Cab Min 12/09/16CLW
The Director of Business Development presented her report, outlining the proposed key responses to both consultation documents.

With reference to the ‘Self – Sufficient Local Government: 100% Business Rates Retention’, Cabinet expressed its satisfaction with the proposed responses, however, suggested that more emphasis should be placed upon proposed powers being available to clusters of councils or ‘functional economic areas’, where investment was driving growth. Members wanted to ensure that strong incentives for growth were retained beyond resets and the point was made that the more regular the reset period, the greater the percentage of growth that would need to be retained. It was felt that to give greater stability and predictability partial resets were preferable to full resets, and that these should occur every 10 years, as opposed to the 5 years proposed. The Chairman also wished to highlight the differing needs of those combined authorities in tight urban areas, compared to the more rural shire counties.

Turning to the paper regarding ‘Business Rates Reform: Call for Evidence on Needs and Redistribution’, members agreed that the response should suggest that the Government needed to provide incentives to promote ‘demand reduction’ across council services. The Chairman also stressed that the funding for any additional functions of combined authorities should be devolved by Government, and not taken from business rates funding.

Cabinet acknowledged that the Council’s response might change, once officers had had full sight of the District Council’s Network (DCN) and the Local Government Association’s (LGA) draft reports. The Chief Executive expressed her appreciation to those officers who had worked on the Council responses, and had also been providing information to support the DCN and LGA reports.

The Decision

RESOLVED: To:

1. Note the potential financial implications of the consultations for the authority.
2. Approve the proposed draft South Norfolk Council consultation responses for submission, subject to minor amendments.
3. Delegate authority to the Director of Business Development to make any reasonable amendments to the consultation responses following receipt of the District Councils’ Network and Local Government Association’s draft response in order to reflect any key points.
The Reasons for the Decision

To ensure a fair and transparent scheme

Other Options Considered

None

2484 CABINET CORE AGENDA

Cabinet noted the latest version of the Cabinet Core Agenda.

The Chairman explained the need for Special Council and Cabinet meetings, to agree the Draft Order to create a Norfolk and Suffolk Combined Authority. Members noted that the date of these meetings would be confirmed shortly.

(The meeting concluded at 9.49 a.m.)

____________________________________
Chairman
Performance, Risks, Revenue and Capital Budget Position
Report for Quarter Two 2016/17

Report of the Accountancy Manager / Projects and Performance Manager / Senior Governance Officer

Cabinet Member: Michael Edney, Finance and Resources

CONTACT

Revenue/Budget: Matthew Fernandez-Graham 01508 533915
mgraham@s-norfolk.gov.uk

Performance: Andrew Mewes 01508 533656
amewes@s-norfolk.gov.uk

Risk: Emma Goddard 01508 533943
egoddard@s-norfolk.gov.uk
1. Introduction

1.1 This report details the Council’s performance against strategic measures, risk position and financial position at the end of the second quarter for 2016/17, and seeks approval for other consequential matters.

2. Overview

2.1 Performance: In February 2016, Cabinet approved the Corporate Business Plan for this financial year which included a revised set of strategic measures aligned to our new corporate priorities. These measures are monitored and reported on a quarterly basis to Cabinet. Appendix 1 shows each measure, end-year target and the result this quarter. The table below provides a summary for quarter 1.

<table>
<thead>
<tr>
<th>Q2 totals</th>
<th>Measures to note in Appendix 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Indicator</td>
<td>23 Measures met or exceeded the target.</td>
</tr>
<tr>
<td></td>
<td>• LI 758: External funding brought into the local economy.</td>
</tr>
<tr>
<td></td>
<td>• EG 1605: Number of apprenticeship placements available.</td>
</tr>
<tr>
<td></td>
<td>• HE 1601: % Increase in our Leisure Centre members.</td>
</tr>
<tr>
<td></td>
<td>• HE 1607: Number families and residents helped via Help Hub.</td>
</tr>
<tr>
<td></td>
<td>• LI 323: Number people supported to maintain independence in own home.</td>
</tr>
<tr>
<td></td>
<td>• NI 192a: % Municipal waste recycled, reused and composted.</td>
</tr>
<tr>
<td></td>
<td>• MI 1037: % household applications determined in 6 weeks.</td>
</tr>
<tr>
<td></td>
<td>• LI 350: Number of affordable homes delivered.</td>
</tr>
<tr>
<td>Amber Indicator</td>
<td>4 Measures are within an acceptable tolerance of target.</td>
</tr>
<tr>
<td></td>
<td>• LI 1013: CNC Building Control fee earning income.</td>
</tr>
<tr>
<td></td>
<td>• HE 1604: % of households contacting South Norfolk because of risk of losing their homes that are prevented from becoming homeless.</td>
</tr>
<tr>
<td></td>
<td>• HE 1606: Number of days taken to process new claims for Housing Benefit/ Council Tax Benefit.</td>
</tr>
<tr>
<td></td>
<td>• LI 262: Cost of waste collection per household.</td>
</tr>
<tr>
<td>Red Indicator</td>
<td>1 Measure did not reach the stretched target.</td>
</tr>
<tr>
<td></td>
<td>• LI 263: Number of missed bins for all waste per 100,000 collections.</td>
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</tbody>
</table>
2.2 **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.

<table>
<thead>
<tr>
<th>Capacity Indicator</th>
<th>Present Position</th>
<th>Present Risk Acceptability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>The Council's revised Medium Term Plan shows a balanced budget for 2016/17, and identifies the potential savings required in future years. There remains uncertainty regarding the future level of funding from central government in light of the lack of clarity of the New Homes Bonus and the outcome of continued discussions regarding a potential Devolution Deal for Norfolk and Suffolk. The Council currently has sufficient reserves to cushion it against any major funding reductions in the short term.</td>
<td>+</td>
</tr>
<tr>
<td>Service Delivery</td>
<td>The Council continues to perform strongly against its suite of strategic performance indicators. The quarter 2 2016/17 position is favourable with only one measure failing to achieve set targets for specific reasons.</td>
<td>+</td>
</tr>
<tr>
<td>Legal / Compliance</td>
<td>No significant legal / compliance issues have been raised over the past quarter and the status remains the same.</td>
<td>+</td>
</tr>
<tr>
<td>Reputation</td>
<td>The Council continues to retain a good reputation both nationally and regionally.</td>
<td>+</td>
</tr>
<tr>
<td>Capacity Indicator</td>
<td>Present Position</td>
<td>Present Risk Acceptability</td>
</tr>
<tr>
<td>--------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------</td>
</tr>
<tr>
<td>Human Resources</td>
<td>The Council remains in a position where it has sufficient staff with skills to deliver the Council’s priorities and key services. The Council is able to fill the majority of vacancies and in the event of vacant posts, it takes the opportunity to review each position to ensure that it continues to fulfil the needs of the organisation. The Council makes interim appointments where appropriate to ensure service continuity and delivery of key functions.</td>
<td>+</td>
</tr>
</tbody>
</table>

### 2.3 Revenue Position Quarter Two

The total net profiled budget to the end of September was (£435,787) compared to the actual total expenditure, net of income and Housing Benefit payments, which was (£1,678,400), produced a positive variance of £1,242,613 to the end of September. The Quarter Two outturn is set out in the graphs below. Budget managers have worked with the Accountancy Team to provide an initial year end forecast, which is for a positive position of £1.2 million on the General Fund, excluding any year end pension adjustments.

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.
2.3.1 Pay budgets

There are vacancies in some areas across the Council, but where necessary agency or temporary staff have been employed to maintain the level of service while recruitment takes place. The overall position on pay at the end of quarter 2 is a positive variance of £452,000 which is higher than for the same period in 2015/16 (£326k).

2.3.2 Non Pay Budgets

Non-pay budgets were reduced for 2016/17 to reflect lower expenditure in 2015/16. Overall, there was lower than budgeted non-pay expenditure across the Council.
The total value of invoices approved on the finance system but not yet paid were £223,817 at 30 September 2016 (these are referred to as ‘Trade Creditors’). The Council pays the majority of its suppliers within 30 days. 92% of all undisputed supplier invoices have been paid within 30 days throughout the 16/17 financial year to date. Budget Managers have also raised purchase orders and received goods/services to the value of £422,534 but have not yet received the invoice to pay for them as at 30 September 2016.

2.3.3 Income Budgets

Some specific income budgets were increased for 2016/17 to reflect higher income received in 2015/16. Overall income was at the budgeted level across the Council as a whole, with positive and negative variances offsetting each other.

Trade Debtors are all invoices raised by the Council and where we are awaiting payment. There are invoices totalling £1,846,736 waiting to be paid as at 30 September 2016, of which £1,562,594 has been invoiced in the last month and is not yet due. Of the overdue balance, 18% is committed to be repaid by instalment plans, 15% is under investigation (as debtors have raised a query with the relevant service) with the remaining 67% being subject to ongoing debt recovery activity. These invoices include charges for CNC Building Control, Community Infrastructure Levy, Rent Assisted Deposits and charges for Sewerage Services. £496,271 has been raised in the current financial year in relation to Community Infrastructure Levy (CIL) and is included in the figures above.

2.3.4 Capital Budget and Expenditure Quarter Two

The report details the position on the Capital Programme for the second quarter of the financial year 2016/17. Expenditure for the first half of the year was £1.6 million compared to a budget of £1.93 million. The report explains the main variances between budgeted and actual expenditure.

The revised budget for capital expenditure is £12,032,215 which includes an additional £30,000 to that agreed by Cabinet on 13 June 2016 to cover the cost of the refurbishment of a playground in Wymondham which is to be financed with Section 106 monies.

The two graphs below show the variances on the 2016/17 capital programme for those projects that were profiled to spend in the first half of the year. The main variances relate to Leisure Provision, Low Cost Housing, Wheeled Bin Purchase, Ketteringham
Depot and Neighbourhood Projects. With regard to the Neighbourhood projects the only expenditure this financial year is likely to be the residual expenditure on the Ice House at Long Stratton, the other funds which were carried forward in 2016/17 remain uncommitted. Further details of the variances on individual capital projects are included by relevant theme later in this report.

Figure 1 Cumulative Expenditure on Major Capital Schemes Quarter 2 2016/17

- Improved Leisure Provision
- Vehicle Procurement and Replacement
- Disabled Facilities Grants
Figure 2 Cumulative Expenditure on Other Capital Schemes Quarter 2
2016/17
3 Combined Performance, Risk and Financial Commentary by Corporate Priority

3.1 Economic Development

Both quarter two targets have been exceeded for the number of new business start-ups supported (LI 613) and the number of SMEs given advice and guidance (LI 356). In September 2016, the Memorandum of Understanding for the Norwich Research Park Enterprise Zone was signed with DCLG, demonstrating the Council’s commitment to supporting the Enterprise Zone. The remaining legal documentation is progressing through detailed negotiation with partners on the terms of the deal. This helps to mitigate the Strategic Risk associated with the Enterprise Zone (S1).

We have had an additional 22 new apprenticeship placements available in our local businesses this quarter (EG 1605). This means we have had 105 placements so far in this financial year to the end of Q2 which exceeds our year-end target of 70.

The amount of external funding identified and brought into the local economy (LI 758) so far to end-Q2 is £743k which indicates we will exceed our year-end target of £1m. In Q2, £500,000 per district across Norfolk and Suffolk was secured from New Anglia Growth Hub (£7m ERDF and £7m private sector match) a funding bid which SNC helped to prepare. Also, £243k was secured to install the new artificial grass 3G pitch at Long Stratton Leisure Centre. This figure is made up of £216k from the Football Foundation, £25k from Long Stratton High School and £2k from Long Stratton Football Club.

3.2 Business Rates

The quarter two target of non-domestic rates collected (BV010) has been exceeded. This is reflected in the latest finance estimates, showing an overall positive variance of £598,000 on South Norfolk Council’s share of NNDR (business rates) income. Income is marginally lower than was the case at Quarter 1 and therefore the levy is expected to be lower. This is principally due to
reductions in rateable values for 3 larger properties in Wymondham and Barnham Broom, and awarding of mandatory charitable reliefs to 3 charities. It is anticipated that some new businesses are likely to come onto the ratings list later in the year which would boost income, but the exact timing of this is uncertain.

3.3 Market Towns

The Council is working with the Town Teams to deliver a programme of seasonal events to encourage visitors to the market towns and continues to monitor car park ticket sales to help track visitor numbers. Further proposals relating to Market Towns will be considered at the Growth Infrastructure and Environment Policy Committee in November. This work all helps to maintain the viability of our Market Towns, and any associated risks will continue to be monitored through the Directorate Risk Register.

3.4 Property Development and Management

Overall the percentage of rental income returned from our property investments has been exceeded in quarter two (LI358), reflecting high levels of occupancy.

In Crafton House, further space is currently being fitted out for tenant occupation providing seven lettings units in total. Three units are currently let, with a further two under offer.

The construction of residential properties at both Rosebery Park Phase 2 and Maple Park is now well progressed. Marketing for ‘off-plan’ sales continues at Rosebery Park, Phase 2. Six reservations have now been secured with 4 more plots being reserved by Big Sky Property Management Ltd (BSPML) for lettings and two further plots identified for the investment portfolio from this phase. It is envisaged that up to ten plots will be retained for rental by BSPML from Maple Park.

Initial cash flow projections had earmarked properties to be available for sale from December 2016, however due to site configuration it may not be feasible to release properties for completion of sale until early Spring. Prospective purchasers have been notified, and there will be no impact on the overall profitability levels of the development. However, this may mean there is a temporary cash flow financing gap which might need to be considered by Cabinet in due course; in the meantime, we are continuing to work with the contractors to explore options to release properties without impacting on the health and safety requirements on the building site which it is critical to maintain.
As the projected cashflows are sensitive to the timely completion of property sales on both sites, this could mean that, due to timing, and crossing the financial year-end, the cashflow surplus arises in 2017/18, rather than 2016/17. To reflect this re-profiling situation, there is a negative variance in investment income from the Council’s companies of £158,000 recorded in Q2. As this is a timing issue, this position does not impact significantly on the Directorate risk relating to securing additional income and economic growth from Property Investment and Disposal Programmes.

Cabinet agreed in February 2016 to transfer a fourth hostel (4 Hurst Road, Chedgrave) to Big Sky Property Management Ltd. Following completion of legal work, the transfer is soon to be completed. The viability appraisal on Park Road, Diss is in progress and will be assessed to establish suitability for investment. The scope for a development at Friarscroft, Wymondham has been prepared so that a similar appraisal can be undertaken for this site.

3.5 CNC Building Control

There is a Directorate Risk relating to the ongoing uncertainty in the building market following Brexit. We continue to explore opportunities to expand income and evaluate the most effective service delivery models. The quarter two result for CNC Building Control fee earning income (LI 1013) is slightly lower than expected, but within acceptable tolerance. The Council continues to approach Local Authorities to encourage CNC membership and promote the benefits of Build Insight (BI) / BI Consultancy and has also remodelled BI/BI Consultancy business plans to ensure the most effective delivery model to generate returns whilst providing a great customer experience to mitigate risk in this area.
3.6 Leisure and Recreation

In spite of the second quarter being traditionally the quietest for leisure centre demand, there has still been a further 6% increase in memberships at the Leisure Centres equating to a net 117 new members in the second quarter and an overall 19% increase in Leisure Centre members (HE1601) since April. The most successful Kids Camp programme to date ran throughout the summer at both Long Stratton & Wymondham Leisure Centres.

The Directorate Risk Register recognises the importance of the Leisure Enhancement Programme contributing additional income and overall, there was a £93k increase in income during this second quarter which is a 19% rise quarter to quarter across all three centres.

However although Wymondham Leisure Centre’s business continued to grow; a challenging budget was set with an anticipated half year income of £989K in reality income of £708K was achieved. The service has implemented plans to address this deficit to budget and it is anticipated that after a full year of operation overall income deficits will be reduced with positive income trends ongoing in future years. The Spa is still not yet fully operational which has resulted in a £116k negative income variance in the year to date. Related savings at the Spa have been made with regards to staffing and consumables but it will not achieve the budgeted net profit this financial year. We have entered into partnership discussions with a local operator and the proposals are currently being considered. Over 150 members are now benefiting from the Spa membership, with Autumn promotions and price initiatives planned to attract further members. Future quarters will also continue to see the benefit of the new pricing plans and 50 week swim programmes. Members of the Scrutiny Committee will be reviewing the performance of Wymondham Leisure Centre following the refurbishment at their meeting on the 10 November.
The Leisure Capital budget for 16/17 has a negative variance of £95k due to additional associated essential building works including electrical adjustments and upgrades, IT development, and, centre access control to complete the project at Wymondham Leisure Centre. The total cost of the scheme already took account of these items which have fallen into this financial year resulting in the negative variance. This expenditure spend was necessary to ensure the centre was compliant, secure and met customer, staff and member expectations. It is anticipated that savings elsewhere in the Capital Programme will fully offset this variance.

Due to the new budget Gym Club on the outskirts of Norwich plus the movement of some members to our own refurbished Wymondham LC the memberships and general income at Long Stratton continue to drop but new gym equipment and the new 3G pitch project have commenced to address and halt the trend. Work has now commenced on the construction of the new 3G All Weather Pitch which is expected to be completed in Quarter 3, subject to the weather. This will further help to halt the decline in income. The Council is still developing proposals towards the overall refurbishment of Long Stratton Leisure Centre.

Diss Leisure Centre has had a £13k income improvement from Q1 to Q2, if the trend continues it will result in Diss exceeding its bottom line budget by the year end.

### 3.7 Housing

We have seen an increase in the number of households contacting us because of the risk of losing their homes (HE 1604). By the end of Q2 we saw 140 prevention cases compared with 92 for the same period last year and 171 for the whole of the previous year. We expect this upward trend to continue. Reflecting the national trend, the most common reason for homelessness is the ending of private rented tenancies followed by friends/family no longer able to accommodate. Once the changes coming to the Benefits System through Welfare Reform begin to impact we may expect a steep increase in the trend.

There is a positive variance of £44,000 on Housing Access and Standards, owing to the service carrying vacancies at present and a positive variance of £34,000 on Homelessness, reflecting reduced grant expenditure and lower than anticipated take up of the RADS rental deposit scheme.

As reported to Cabinet in February 2015, £427,267 was transferred to South Norfolk from Broadland District Council to fund Green Deal energy efficiency improvements to homes in the private sector. A total of £390,821 had been spent as at the end of September 2016 and the rest had been fully committed in compliance with grant conditions.
The Council has a duty to keep a register of people wishing to acquire a plot on which to build a home in South Norfolk. Draft Regulations, due to come into force on 31st October 2016 (subject to parliamentary approval) empower local authorities to charge a fee which must not exceed the reasonable cost incurred in maintaining the register. In November the Housing, Wellbeing and Early Intervention Policy Committee is to consider the possibility of introducing such a fee. If a recommendation to that effect is agreed by Cabinet at a subsequent meeting it will become Council Policy to charge a fee.

3.8 Independent Living

By end-Q2 we had supported 1165 vulnerable people to maintain independence in their own homes (LI 323) which exceeds the Q2 target of 900. Care & Repair Officers undertaking low level social services assessments have improved the Integrated Housing Adaptations Team (IHAT) waiting list figures and additional promotion and repeat users of the handyperson service have also seen the number of vulnerable assists increase.

With regard to the Disabled Facilities Grant/Aids and Adaptations, a combined total of £401,382 has been granted so far for 2016/17 to provide 76 grants to date, compared to 81 grants approved in the first half of 2015/16. Based on the current levels of demand, expenditure on Disabled Facilities Grants is on track to utilise all of the £715,645 funding received by the Council to provide this service in 2016/17.

3.9 Early Help

So far this year to end-Q2, we have helped 724 families and residents to achieve positive outcomes through our Help Hub service (HE 1607). This exceeds the Q2 target of 500 and is on track to exceed the year-end target of 1000. Over this quarter we had 3727 information or networking requests to the hub and 125 families are currently being worked with through family support plans.

3.10 Housing Benefit/Council Tax Support claimants moving into work (MI 1041)

We have a measure ‘The number of Housing Benefit/Council Tax Support claimants moving into work’ (MI 1041) that we are unable to continue reporting because over the last 2 years there has been a sharp decline in number of residents claiming JSA who also claim our benefits (Housing Benefit and Council Tax Support), so much so that the ‘pool’ of unemployed is now negligibly low. This is because significant numbers who were claiming out-of-work benefits have now found employment and so claim in-work benefits from this council.
We therefore seek agreement from Cabinet on an alternative measure and propose we instead monitor the number of residents on Universal Credit as it is introduced by DWP. This would be tracked as a baseline figure rather than having a target number to achieve. We currently have 22 Universal Credit residents who are liable for council tax in Q2 out of a caseload of 8277.
3.11 Development Management

We have a three year target (LI 350) of 850 Affordable homes to be delivered. We can report that as at quarter two, we have achieved 868 homes therefore exceeding our year-end, and the three year, target.

Low Cost Housing is funded from the affordable homes element of the New Homes Bonus. Under the New Homes Bonus Scheme, the Council receives additional funding for six years for each additional affordable property. This is then recycled into supporting other affordable housing projects. One scheme has been approved in principle, but funding has not yet been released. There is one other scheme that may require funding in this financial year. The budget is £267,000 and the total commitment from these two schemes is expected to be £117,200 for this financial year. Changes to the New Homes Bonus Scheme, which have not yet been released, mean that the Affordable Homes element is likely to reduce, therefore a review of this budget will be required for 2017/18.

The Strategic Risk associated with the impact of a shortage of 5-year land supply in the Norwich Policy Area continues to be mitigated by officers; however the figure has reduced slightly from 4.39 years to 4.22 years due to the recent outcome of the Wymondham Rugby Club appeal requiring changes to methodology. This risk now takes account of the increased threat of planning applications that are refused on land supply grounds being appealed. If these appeals are allowed, this will have a negative impact on the Council being able to achieve the Government performance target of not losing more than 40% of major appeals over a two year period. Officers will continue to ensure all decisions are robust and have defendable reasons for refusal to mitigate against this.

69% of householder applications were determined within six weeks (MI 1037) in the second quarter, which is a considerable improvement on the performance compared to the same period last year. There is a negative variance of £110,000 relating to
Development Management budgets. This reflects the setting of an ambitious planning application income budget for the year, whereas, assuming that the income pattern of recent years is repeated, actual income is now expected to be at a similar level to that of last year. Although income fell in June and July, it has recovered in August and September to levels that are higher than previous years. This position will continue to be monitored closely.

### 3.12 Waste

The cost of waste collection per household (LI 262) has reduced this quarter through our income streams and having completed the rounds re optimisation over the period.

The number of missed bins for all waste per 100,000 collections (LI 263) has missed the target for this quarter. This arises from the changeover to the new service which commenced in June and was 'bedding in' for a number of weeks thereafter during this quarter. The trend in recent weeks has been a decreasing number of reports with a return to pre-changeover levels. In context the figure represents around 0.1% of the 70,000 collections we make each week although we recognise any 'missed bin' is regrettable.

The amount of municipal waste recycled, reused and composted (NI 192a) has exceeded its Q2 target and has been achieved given the increasing amounts we are collecting from the recycling bins and a higher garden waste tonnage given the continued popularity of the scheme. We are still on track for our year-end target.

Against the Vehicle Procurement and Replacement budget for 2016/17 of £819,669, a total of £446,649 has been spent to the end of September. Two further smaller vehicles are due for delivery in quarter 4, totalling a further £250,000 spend. The Workshop Equipment budget of £32,000 is reliant upon the commencement of the depot re-development before any expenditure can be incurred, therefore this capital expenditure is on hold.

A bid has been submitted as part of the One Public Estate programme to contribute towards the preliminary work around the potential redevelopment of Ketteringham Depot. We have recently heard that this bid was successful.
3.13 **Resources**

We recognise there is a strategic risk that the Council is unable to deliver priority services as revenue funding falls short of required income. The updated Medium Term Financial Strategy also on this Cabinet agenda sets out the projected position on future revenue funding and the Efficiency Plan recently submitted to DCLG outlines the Council’s plan to deal with this risk.

3.14 **Staff**

The number of working days lost due to short term sickness absence (BV012a) was 2.07 per FTE at the end of quarter two which is good and below the Q2 target.

With respect to the Corporate staffing budgets, there is a positive variance of £104,000 in the HR budget owing to vacancies in the HR service and lower expenditure on job advertising. At the start of the year the Council had 10 apprenticeships, so far this year five have been offered main service contracts and plans are in development to support additional recruitment of apprenticeships, particularly bearing in mind forthcoming Government targets.

3.15 **Devolution**

The Norfolk and Suffolk Devolution Deal was subject to public consultation over the summer and the outcomes are now available online. DCLG are presently translating the Deal into a Draft Order to create a Combined Authority. This order will be presented to Council for agreement in November, prior to Secretary of State approval being sought. This progress is positive and helps to mitigate the Strategic Risk regarding anticipated benefits related to the Deal not being achieved due to it falling through.
3.16 **IT/Digital**

The data recovery solution at Wymondham Leisure Centre is progressing well assisting the mitigation of the associated strategic risk (S8). Equipment at Wymondham Leisure Centre will be configured shortly and Office 365 is now being trialled throughout the council, which will assist with data recovery if the need arises. It is hoped that the project will be complete by the end of 2016.

69% of our top 10 service requests are now being made via online webforms (LI 759). This is an increase in Q1 and mostly attributable to continued increases in online bookings for leisure.

There is a positive variance of £67,000 in the Business Solutions team owing to the service carrying vacancies. This is the result of these posts being held vacant pending the completion of a realignment in the Business Improvement area. Work on digital transformation has been progressing and the new website is now in the testing phase.

4 **Recommendation**

4.1 It is proposed that Cabinet:

a) Notes the 2016/17 performance for the second quarter 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 regard 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).

d) Agree the alternative measure to MI 1041(Housing Benefit/Council Tax Support claimants moving into work) so that we monitor the number of residents on Universal Credit as it is introduced by DWP.
APPENDIX 1 - Quarter 2 performance report 2016-17: 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

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<th>Chart</th>
</tr>
</thead>
<tbody>
<tr>
<td>LI 1013: CNC Building Control fee earning income.</td>
<td>£811,000 😞 £1,680,000</td>
<td>Dave Shaw</td>
<td>The Q2 result is slightly lower than expected but within acceptable tolerance. The Council continues to approach Local Authorities to encourage CNC membership and benefits of BI/BI Consultancy and has also remodelled Build Insight (BI) / BI Consultancy business plans to ensure the most effective delivery model to deliver returns whilst providing great customer experience.</td>
<td></td>
</tr>
</tbody>
</table>
### APPENDIX 1 - Quarter 2 performance report 2016-17: Strategic Measures

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<tbody>
<tr>
<td>LI 358: % rental income return from property investment.</td>
<td>5.4%</td>
<td>Renata Garfoot</td>
<td>Quarter 2 cumulative performance is ahead of target. It is lower than last year due to the addition of the full asset value of Crafton House at Rosebery Business Park, which is not fully let.</td>
</tr>
<tr>
<td>(NEW) EG 1601a: Number of residential dwellings developed through our Big Sky Developments company.</td>
<td>0</td>
<td>Baseline</td>
<td>The running total remains at 16 residential dwellings developed so far. Phase 2 at Rosebery Park is under construction with first homes due to be ‘build complete’ during Q3. The remaining units to be build complete by Q4. Marketing is being undertaken with reservations secured. Income from sales expected starting Q4. Maple Park is also under construction with the show home due to be completed during Q4 in conjunction with a (marketing) launch of the site to secure off plan sales. Construction of the remaining units is to be completed during 2017/18.</td>
</tr>
</tbody>
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### APPENDIX 1 - Quarter 2 performance report 2016-17: Strategic Measures

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<tr>
<td>(NEW) EG 1601b: Sq Metre area of commercial space developed through our Big Sky Developments company.</td>
<td>0 Baseline</td>
<td>Renata Garfoot</td>
<td>The running total remains at 2438 Sqm area of commercial space developed so far. Marketing of Crafton House continues with further tenants being secured. Due to strong take up the fit out of 2 of the 3 remaining floor plates is underway. A flexible layout and terms are offered.</td>
</tr>
<tr>
<td>LI 356: Number of SME's provided with advice and guidance in South Norfolk.</td>
<td>202 1,200</td>
<td>Julian Munson</td>
<td>The breakdown of which teams provided the support is: 139 - Licencing, Food &amp; Safety Team 31 - Economic Development Team 32 - Growth Hub Team.</td>
</tr>
</tbody>
</table>

![Chart](chart.png)
### APPENDIX 1 - Quarter 2 performance report 2016-17: Strategic Measures

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<tbody>
<tr>
<td>Description</td>
<td>Quarter 2 Result / Indicator</td>
<td>Year End Target 2016/17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LI 613: Number of new business start-ups supported in South Norfolk.</td>
<td>17</td>
<td>Julian Munson</td>
<td>These businesses have been supported by SNC Economic Development Team.</td>
<td></td>
</tr>
<tr>
<td>LI 758: External funding identified and brought into the local economy.</td>
<td>£743,000</td>
<td>£1,000,000</td>
<td>Julian Munson</td>
<td>£500k per district has been secured from New Anglia Growth Hub (£7m ERDF and £7m private sector match) a funding bid which SNC helped to prepare. £243k has been secured to install a new artificial grass pitch at Long Stratton Leisure Centre/ High School. This figure is made up of £216k from the Football Foundation, £25k from Long Stratton High School and £2k from Long Stratton Football Club.</td>
</tr>
</tbody>
</table>
APPENDIX 1 - Quarter 2 performance report 2016-17: Strategic Measures

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<tbody>
<tr>
<td>BV 010: % of non-domestic rates collected.</td>
<td>57.30%</td>
<td>Amanda Adams</td>
<td>We have built on good collection in Quarter 1 and performance at collecting business rate debt to the end of Quarter 2 has seen an improvement on 2015/16 and is above target.</td>
</tr>
<tr>
<td>LI 210: % of food premises which have an FHRS (Food Hygiene Rating Scheme) rating of satisfactory or above.</td>
<td>98.19%</td>
<td>Julian Munson</td>
<td>Food businesses in South Norfolk continue to achieve a high level of compliance with food hygiene legislation.</td>
</tr>
</tbody>
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### APPENDIX 1 - Quarter 2 performance report 2016-17: Strategic Measures

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<tr>
<td>(NEW) EG 1605: Number of apprenticeship placements available in our local businesses for our young people.</td>
<td>22</td>
<td>Julian Munson</td>
<td>This is a live list held on the County Council's website which shows that there have been 22 new additions within the last quarter. This means we have had 105 apprenticeship placements up to the end of Q2 and this exceeds our year-end target of 70.</td>
</tr>
<tr>
<td>MI 1039: % of units liable for business rates occupied.</td>
<td>92.31%</td>
<td>Julian Munson</td>
<td>We continue to have more occupied business premises in the district (up by over 120 on the same time last year). New units to be let at Rosebery Business Park have in part affected the percentage occupancy rate.</td>
</tr>
</tbody>
</table>

**Chart:**

- **Left Chart:**
  - **Axis:** Quarter (Q1, Q2, Q3, Q4)
  - **Legend:**
    - Quarter Result
    - Target
    - Intervention

- **Right Chart:**
  - **Axis:** Year (%)
  - **Legend:**
    - Quarter Result
    - Target
    - Intervention

*Appendix 1: 6*
## APPENDIX 1 - Quarter 2 performance report 2016-17: Strategic Measures

**Key:**
- Green smiley face = Met or exceeded target
- Yellow smiley face = Within acceptable tolerance of target
- Red smiley face = Stretch target not reached
- Blue smiley face = The measure is being ‘baselined’ in order to determine the target

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<tr>
<td>(NEW) HE 1601: % increase in our Leisure Centre members following the refurbishment of our three Centres.</td>
<td>18.95%</td>
<td>Steve Goddard</td>
<td>Due to the new budget Gym Club on the outskirts of Norwich plus the movement of some members use to our own refurbished Wymondham LC, Long Stratton LC has lost a further (-50) monthly Direct Debit (DD) members from July to September (-95 YTD). Proposals for the planned refurbishment of LSLC are pending to address/reverse this trend. Diss LC monthly membership is now increasing again with a small increase of +5 in Q2. Wymondham has increased by a further +94 monthly DD members in this quarter. Across the three centres 23 more members have taken out an annual membership option so we have increased by a net 117 memberships overall in the second quarter. Overall across all three centres for the first half year memberships have increased by a total 401.</td>
</tr>
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<tr>
<td>(NEW) HE 1603: % of households in temporary accommodation for 8 weeks or less from the date of the homelessness decision to housing solution.</td>
<td>100% / 90%</td>
<td>Tony Cooke</td>
<td>The move on plans we have in place are a feature of the private members bill currently going through parliament and a means by which we work with clients to move them into more permanent accommodation.</td>
</tr>
<tr>
<td>(NEW) HE 1604: % of households contacting South Norfolk because of risk of losing their homes that are prevented from becoming homeless.</td>
<td>82% / 90%</td>
<td>Tony Cooke</td>
<td>By the end of Q2 we have seen 140 prevention cases compared with 92 for the same period last year and 171 for the whole of the previous year. We expect this upward trend to continue. Reflecting the national trend, the most common reason for homelessness is the ending of private rented tenancies followed by friends/family no longer able to accommodate. Once the changes to the benefits regime begin to impact we may expect a steep increase in the trend.</td>
</tr>
</tbody>
</table>

### Chart

#### (NEW) HE 1603

- **Quarterly Result**
- **Target** (100%)
- **Intervention**

#### (NEW) HE 1604

- **Quarterly Result**
- **Target** (100%)
- **Intervention**
## APPENDIX 1 - Quarter 2 performance report 2016-17: Strategic Measures

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<tr>
<td>(NEW) HE 1605: % of those housed by SNC Housing which are still in there after a 6 month period.</td>
<td>100%</td>
<td>Tony Cooke</td>
<td>Included in this period is a 20 year old male who was banded low need but secured a home through our local connection policy, an example of how section 106 local connection conditions are working to house local residents.</td>
</tr>
<tr>
<td>MI 1041: The number of Housing Benefit / Council Tax Support claimants moving into work.</td>
<td>n/a Baseline</td>
<td>Amanda Adams</td>
<td>We are unable to continue reporting a figure for this measure because over the last 2 years there has been a sharp decline in number of residents claiming JSA who also claim our benefits (Housing Benefit and Council Tax Support), so much so that the ‘pool’ of unemployed is now negligible low. This is because significant numbers who were claiming out-of-work benefits have now found employment and so claim in work benefits (such as ours) instead if on low income. We seek agreement from Cabinet for an alternative measure; one could be to monitor the number of residents on Universal Credit as it is introduced. We currently have 22 who are council tax liable in Q2 out of a caseload of 8277.</td>
</tr>
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## APPENDIX 1 - Quarter 2 performance report 2016-17: Strategic Measures

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<tr>
<td>BV 009: % of Council Tax collected.</td>
<td>55.73%</td>
<td>Amanda Adams</td>
<td>Council Tax collection performance continues to be above target level.</td>
<td><img src="chart1.png" alt="Graph" /></td>
</tr>
<tr>
<td>(NEW) HE 1606: Number of days taken to process new claims for Housing Benefit/Council Tax Benefit.</td>
<td>9.8 days</td>
<td>Amanda Adams</td>
<td>Quarter 2 saw a 1.5% increase in new claims most of which were from working age claiming in-work benefits. These claims require additional processing time in comparison to those from people in out-of-work benefits and pensioners. This quarter has been impacted by an anomaly where the annual apprentice intake from one employer skewed the measure. Due to this employer taking an average of 60 days to forward information 15 claims were affected. Without this anomaly the Quarter 2 measure would have been 9 days. We have put in place a more stringent process for next year to avoid this happening again.</td>
<td><img src="chart2.png" alt="Graph" /></td>
</tr>
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<tr>
<td>(NEW) HE 1607: Number of families and residents helped to achieve positive outcomes through our Help Hub service.</td>
<td>724</td>
<td>Mike Pursehouse</td>
<td>We helped 325 in Q2 compared to 399 in Quarter 1, the Quarter 2 figure is slightly down but this is due to summer holidays with a reduction in requests for support. Over this quarter we had 3727 contacts for the hub requesting information or networking. In addition, 125 families are currently being worked with through family support plans.</td>
<td><img src="image" alt="Chart" /></td>
</tr>
<tr>
<td>(NEW) HE 1608: Number of residents who are assisted to access support within their community to meet low level need.</td>
<td>766</td>
<td>Mike Pursehouse</td>
<td>The connectors have supported 378 people in the period but also engaged with an additional 573 over the quarter.</td>
<td><img src="image" alt="Chart" /></td>
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<tr>
<td>LI 323: Increase the number of vulnerable people supported to maintain independence in their own homes, with support from interventions.</td>
<td>Quarter 2 Result / Indicator: 1165</td>
<td>Year End Target 2016/17: 1,800</td>
<td>Sam Cayford Care &amp; Repair Officers undertaking low level social services assessments through the Integrated Housing Adaptation Team (IHAT) has meant we have improved the IHAT waiting list figures. Additional promotion and repeat users of the handyperson service have also seen the number of vulnerable assists increase.</td>
<td><img src="image" alt="Chart" /></td>
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**Operational Comments:**
- Care & Repair Officers undertaking low level social services assessments through the Integrated Housing Adaptation Team (IHAT) has meant we have improved the IHAT waiting list figures.
- Additional promotion and repeat users of the handyperson service have also seen the number of vulnerable assists increase.
### Measure Description

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</table>
| LI 263: Number of missed bins for all waste per 100,000 collections | 128 | Bob Wade | This figure is above target and arises from the change over to the new service which commenced in June and was 'bedding in' for a number of weeks thereafter during this quarter. The trend in recent weeks has been a decreasing number of reports with a return to pre changeover levels. In context the figure represents around 0.1% of the 70,000 collections we make each week albeit we recognise any 'missed bin' is regrettable.

### Chart

- **Quarter Result**
- **Target**
- **Intervention**

---

**Key:**

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<tbody>
<tr>
<td><strong>LI 262: Cost of waste collection per household</strong></td>
<td>£37.68</td>
<td>Bob Wade</td>
<td>The cost of waste collection per household has reduced this quarter given income streams and having completed the rounds re-optimisation over the period.</td>
<td><img src="image1.png" alt="Chart" /></td>
</tr>
<tr>
<td><strong>NI 192a: % Municipal waste recycled, reused and composted</strong></td>
<td>46.86%</td>
<td>Bob Wade</td>
<td>The above target provisional performance figure has been achieved given the increasing amounts we are collecting from the recycling bins and a higher garden waste tonnage given the continued popularity of the scheme. Quarter1 figure was projected and has now been adjusted with the final, confirmed figures received. We are still on track with our end of year target.</td>
<td><img src="image2.png" alt="Chart" /></td>
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<tr>
<td>LI 302: % of household applications determined within 8 weeks or in extension of time</td>
<td>97.65% 90.00%</td>
<td>Helen Mellors</td>
<td>This relates to 213 applications, 190 (89%) of which were determined in the statutory time period and 18 of which were determined in an extension of time. The average number of days for determining householder applications is 35 days.</td>
</tr>
<tr>
<td>MI 1037: % of household applications determined within six weeks</td>
<td>69.0% 50.0%</td>
<td>Helen Mellors</td>
<td>This relates to 213 applications of which 146 were determined in less than 6 weeks. The average number of days for determining householder applications is 35 days.</td>
</tr>
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<tr>
<td>MI 1038: % of major applications determined within 13 weeks or in extension of time</td>
<td>Quarter 2 Result 94.12%</td>
<td>Helen Mellors</td>
<td>This relates to 17 applications, 7 (41%) of which were determined in the statutory time period (an increase of 8% from Q1) and 9 of which were determined in an extension of time.</td>
</tr>
<tr>
<td></td>
<td>Year End Target 90.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(NEW) PL 1602: % of spend through grants to community groups that match corporate and early help priorities.</td>
<td>100%</td>
<td>Mike Pursehouse</td>
<td>Community capacity team are working to create local delivery plans that identify need that will help identify issues to enable Members to better place their Ward funding.</td>
</tr>
<tr>
<td></td>
<td>90%</td>
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</table>
### Measure Description

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<tbody>
<tr>
<td>LI 350: Number of Affordable homes delivered in the third year of the three year affordable homes target</td>
<td>868</td>
<td>850</td>
<td>Tony Cooke</td>
<td>Housing construction and completions is well underway at a number of locations across South Norfolk and as a result we have already exceeded the year-end total.</td>
</tr>
<tr>
<td>(NEW) PL 1604: % percentage of people applying to register to vote online as opposed to on paper.</td>
<td>74.25% Baseline</td>
<td>Julia Tovee-Galey</td>
<td>During Quarter 2, we had 3,449 electors registered online and 1,196 by paper.</td>
<td></td>
</tr>
</tbody>
</table>

### Chart

**LI 350: Number of Affordable homes delivered in the third year of the three year affordable homes target**

- **第一季度**: 786
- **第二季度**: 868

**目标**

- **第一季度**: 600
- **第二季度**: 650
- **第三季度**: 700
- **第四季度**: 750
- **结果到目前为止**: 900

**干预**

- **第一季度**: 50%
- **第二季度**: 55%
- **第三季度**: 60%
- **第四季度**: 65%
- **目标**: 70%
- **干预**: 75%
- **结果到目前为止**: 90%

**图示**

- **第一季度**: 99.90%
- **第二季度**: 74.25%
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<tr>
<td>BV012a: Working days lost due to short term sickness absence.</td>
<td>Quarter 2 Result / Indicator: 2.07</td>
<td>Debbie Lorimer</td>
<td>The result is under the target for Quarter 2 which is good. HR continue to monitor both short term and long term absence cases and are making interventions wherever possible to support the organisation.</td>
<td><img src="image" alt="Chart" /></td>
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APPENDIX 1 - Quarter 2 performance report 2016-17: Strategic Measures

<table>
<thead>
<tr>
<th>Measure Description</th>
<th>Latest Data</th>
<th>Measure Owner</th>
<th>Operational Comments</th>
<th>Chart</th>
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</thead>
<tbody>
<tr>
<td>LI 759: % of our top 10 service requests made via online web-forms.</td>
<td>69.44%</td>
<td>Sophie Scott</td>
<td>The Quarter 2 target has been exceeded, again as in the previous quarter; this is mostly due to the high level of customers using Leisure's web-forms.</td>
<td><img src="chart.png" alt="Chart" /></td>
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<td>Directorate</td>
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<td>Risk/Opportunity</td>
<td>Owner</td>
<td>Commentary (including outcomes / benefits that may be gained)</td>
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<tr>
<td>Growth and Localism</td>
<td></td>
<td>Failure to encourage business growth at Norwich Research Park Enterprise Zone (EZ) means the Council cannot recoup its investment in the site. Parts of the NRP not covered by EZ status fail to attract new growth.</td>
<td>Director of Growth and Localism</td>
<td>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:  - invest, unlock and enable new development  - generate significant economic and financial benefits  - Accelerate business growth and attraction of inward investment.  - generate business rates income Also highlighted were a number of key risk areas, most notably that the development of the site does not occur, which could  • Delivery of the Greater Norwich City Deal which is centred around the Expansion of the NRP  • Delivery of economic growth within a key growth sector  • Securing new inward investment into the District  • Delivering the A11 Growth corridor which the NRP EZ forms part of.</td>
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<td>ultimately result in the Council's investment not being recouped.</td>
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<td>In September 2016, the Memorandum of Understanding with DCLG was signed, demonstrating the Council’s commitment to supporting the Enterprise Zone. The remaining legal documentation is progressing through detailed negotiation with partners on the terms of the deal.</td>
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<tr>
<td></td>
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<td>• For new/expanding non-EZ located businesses at NRP, SNC to offer business rate incentives on a case by case basis in line with current policies.</td>
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<tr>
<td>Growth &amp; Localism</td>
<td>S2</td>
<td>Delivery of the Long Stratton Bypass is delayed</td>
<td>Planning Policy Manager/ Director of Growth &amp; Localism</td>
<td>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. Additional funding streams are also being investigated, and the developers/landowners will need to contribute a “substantive” amount of the funding required. The Long Stratton AAP was adopted in May 2016, which adds certainty to the project happening.</td>
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<tr>
<td>Growth &amp; Localism</td>
<td>S3</td>
<td>Shortage of 5-year land supply in the Norwich Policy Area results 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.</td>
<td>Planning Policy Manager</td>
<td>The Norwich Policy Area (NPA) housing land supply figure for the end of year 2014/15 is 4.22 years, partly due to the Greater Norwich councils accepting that there has been persistent under-delivery of housing in the NPA over recent years. This means that the Council remains under pressure to approve residential development proposals on unallocated sites. Despite the pressure to approve, the Council is also under increasing risk of planning applications that are refused on land supply grounds being appealed. If these appeals are allowed, this will have a negative impact on the Council being performed. E2 – Adopted Local Plan Delivery and Implementation • There is a desire not to undermine the spatial approach of the Joint Core Strategy by allowing uncoordinated development on unallocated sites, but housing planning applications in the NPA need to be considered with regard to the fact that there is not currently a 5-year supply of land (i.e. given greater weight) • South Norfolk, Broadland and Norwich need to continue to work together closely on this matter, particularly in relation to consistency of approach. All Greater Norwich Local Plan documents allocating sites have now been adopted, but approving planning applications on unallocated sites in the NPA will help add...</td>
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<td>able to achieve the Government performance target of not losing more than 40% of major appeals over a two year period.</td>
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<td>• Officers will continue to try to work with housebuilders and landowners to identify the reasons why some sites are not progressing as quickly as desirable, and explore whether any assistance (through working with the LEP and exploring the use of the Local Infrastructure Fund to help deliver infrastructure, for example) could help speed up delivery of such sites</td>
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**How we will deliver:** Customer focussed, Can do and collaborative, Business-like, efficient and entrepreneurial - Moving Forward Together
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<th>Directorate</th>
<th>Code</th>
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<th>Commentary (including outcomes / benefits that may be gained)</th>
<th>Business Plan Activity</th>
<th>Required/outstanding actions to support risk mitigation</th>
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| Business Development | S4   | The Council is unable to deliver priority services as revenue funding falls short of required income | Accountancy Manager            | The Council's updated Medium Term Plan (MTP) shows a balanced budget for 2017/18. In the final three years of the plan there is a projected funding gap of £2.1 million. The plan contains two major risks, around income. Firstly, it includes income from the New Homes Bonus over the next 5 years. Reforms to the New Homes Bonus have been consulted on and the outcomes are expected soon. The MTP’s figures model the impact of the government’s preferred option, but there are other options in the consultation that would further reduce income from New Homes Bonus. If no New Homes Bonus at all were received, then the funding gap would widen to £4.6 million. Secondly, the plan assumes additional income of £1.1 million from BAU Finance: Budget Setting, Monitoring and Reporting and Business Cases BAU: Development of the Leisure Portfolios offering: Ensure residents have access to high quality leisure services across the district and increase our leisure offering by identifying additional business opportunities, including the resurrection of the New Diss Leisure Centre project & or temporary dry side unit option | • Balanced budget beyond 2016/17  
• Delivery of Long Stratton Leisure Centre Enhancements (2016/17)  
• Completion of Phase 2 Poringland development (2016/17)  
• Completion of Maple Park development (2017/18)  
• Delivery of the Enterprise Zone |
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<td>commercialisation, mainly from property development and the leisure service. Should the additional income not be achieved, then the funding gap will increase.</td>
<td>investment and development activities to maximise income generation to the Council</td>
<td>ACTIVITY: Supporting growth: Support growth and local communities by growing and offering services which meet business needs of others ACTIVITY: Build Insight: support Build Insight to deliver our services to their customers both supporting local business, customers and the Council on its commercialisation agenda</td>
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<tr>
<td>Business Development</td>
<td>S5</td>
<td>Council assets are not managed effectively and do not support service delivery</td>
<td>Property Manager</td>
<td>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.</td>
<td>J2 - Ketteringham Depot expansion and upgrade&lt;br&gt;J2 - Leisure Centre Enhancement Programme</td>
<td>• Acquisition of land for depot enhancement (2016/17)&lt;br&gt;• Delivery of Long Stratton Leisure Centre enhancements (2016/17)&lt;br&gt;• Rationalise floor space at SN House for rental income (2016/17)&lt;br&gt;• ‘One Public Estate’ programme: funding bid has been submitted to support development of proposals to rationalise / review Council and partner assets</td>
</tr>
<tr>
<td>Business Development</td>
<td>S6</td>
<td>Property Development activities are not successful and income generation is not realised</td>
<td>Property Manager</td>
<td>• 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</td>
<td>Maximise income generation and opportunities of surplus or underutilised land and property assets. Creation and effective management of a broad commercial property investment portfolio (capital investment) to support economic growth</td>
<td>• Maximise opportunities by seeking to gain planning consent for development&lt;br&gt;• Respond to market conditions, supply and demand (2015/18)&lt;br&gt;• 4 former Hostels disposed to Big Sky Property Management.&lt;br&gt;• Big Sky Property Dev: Up to 20 residential units from development sites let for income generation within 18 months’ time. (4 let currently. 16 in total to construct (2016/17)&lt;br&gt;• Maple Park show home to be completed (Q4 2016/17)&lt;br&gt;• Rosebery Park phase 2 first</td>
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|             |      |                  | Chief Executives | 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.  
• An Expression of interest has been submitted to the Homes and Communities Agency on behalf of all Norfolk and Suffolk authorities in relation to starter home delivery. | Cross cutting activities throughout Business Plan | houses to be completed from Q4 2016/17  
• Submit land assets in the “call for sites “ phase of the local plan process Q2 2016  
• Scope developed for feasibility appraisal of 2 potential development sites |
| Chief Executives | S7   | The Devolution Deal for Norfolk and Suffolk falls through, meaning that the benefits foreseen in the deal cannot be achieved | Chief Executive | At its Council meeting on 30 June, South Norfolk Council agreed to support a devolution deal for Norfolk and Suffolk. This was subject to public consultation over the summer and the outcomes are now available online.  
DCLG are presently translating the Deal into a Draft Order to create a Combined Authority. This order will be presented to | | |
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<tbody>
<tr>
<td>Chief Executives</td>
<td>S8</td>
<td>An incident occurs at South Norfolk</td>
<td>Head of Business</td>
<td>Following an audit there have been a number of issues in • To enable efficient working</td>
<td>The outcome of an audit review has led to the agreement to...</td>
<td>Council for agreement in November, prior to Secretary of State approval being sought. The proposal is earmarked to bring significant benefits to Norfolk and Suffolk, particularly with respect to additional funding towards infrastructure, additional funding for affordable housing, and greater accountability with respect to transport, planning and economic development. If this proposal falls through, it is unlikely that additional funding will be available to the Norfolk and Suffolk area, which, combined with the uncertainty given ongoing negotiations to withdraw the UK from the European Union, could have a detrimental impact on the likelihood of further investment to secure jobs and economic growth.</td>
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<tr>
<td>Directorate</td>
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|             |      | House/Swan Lane resulting in the Council being unable to recover data | Improvement | the provision of Disaster Recovery that have been raised. The biggest of these is the fact that our data doesn't leave the site. Although we have mitigated this risk in part by utilising the lodge and the outhouse facility onsite, if we were to lose access to Swan Lane we would have no access to our data to recover it. It was also noted that there are several single points of failure located in South Norfolk House including power and connectivity. | practices  
- support existing infrastructure, communications technology and systems across the business,  
- Undertaking and supporting system upgrades to meet changes in legislation and working practices.  
- Managing hardware, software and resources to meet the current and future needs, to improve resilience for users, members and the public while ensuring compliance  
- Managing implementation projects e.g. | establish remote Council sites to store data remotely as Data Recovery locations.  
Wymondham Leisure Centre (WLC) to be active by November 2016, which has been deferred due to delays in hardware.  
Office 365 contract signed and migration of data has started.  
WLC communications room is now ready for equipment to be moved into. Equipment has been procured. |
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<td>County Telephony Partnership etc. (K2)</td>
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Appendix 3: Analysis of Major Variances on Service Areas

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<tr>
<th>Service Area</th>
<th>Direct Budget</th>
<th>Direct Net Expenditure/ (Income)</th>
<th>Variance</th>
<th>Commentary</th>
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<tbody>
<tr>
<td>NNDR Income</td>
<td>(1,361,490)</td>
<td>(1,941,579)</td>
<td>580,089</td>
<td>Based on the latest estimates, South Norfolk Council’s share of NNDR (business rates) income is higher than anticipated when the budget was set. Income as at the end of Q2 was slightly lower than for Q1 (as detailed in the report) and therefore the levy is expected to be lower.</td>
</tr>
<tr>
<td>Domestic Waste Collection</td>
<td>722,503</td>
<td>535,092</td>
<td>187,411</td>
<td>There is a positive variance this quarter given income streams and having completed the rounds re-optimisation project over the period</td>
</tr>
<tr>
<td>New Homes Bonus</td>
<td>(2,548,295)</td>
<td>(2,671,109)</td>
<td>122,814</td>
<td>The amount of New Homes Bonus received is ahead of budget due to the additional premium for Affordable Homes built which will be utilised as capital funding.</td>
</tr>
<tr>
<td>Garden Waste Collection</td>
<td>(856,717)</td>
<td>(962,708)</td>
<td>105,991</td>
<td>Growth in demand has meant that income from charges for the garden waste service has already exceeded the target for the year.</td>
</tr>
<tr>
<td>Human Resources</td>
<td>368,260</td>
<td>264,481</td>
<td>103,779</td>
<td>There is a positive variance on pay owing to vacancies. Spending on job advertising and corporate training was also less than budgeted, but is anticipated to increase in the second half of the year.</td>
</tr>
<tr>
<td>Service Area</td>
<td>Direct Budget</td>
<td>Direct Net Expenditure/(Income)</td>
<td>Variance</td>
<td>Commentary</td>
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<tr>
<td>Housing Access and Standards and Partnerships Team</td>
<td>323,862</td>
<td>253,096</td>
<td>70,766</td>
<td>There is a positive variance owing to service vacancies which have yet to be filled.</td>
</tr>
<tr>
<td>Business Solutions Team</td>
<td>160,287</td>
<td>93,737</td>
<td>66,550</td>
<td>There is a positive variance on pay owing to service vacancies which have been held vacant as part of the realignment in the Business Improvement area.</td>
</tr>
<tr>
<td>Commercial Waste Collection</td>
<td>7,403</td>
<td>(42,888)</td>
<td>50,291</td>
<td>Sales have exceeded income targets for the first six months of the year and there has been a planned delay in recruitment to a sales post while the service is reviewed.</td>
</tr>
<tr>
<td>Depot Management</td>
<td>190,308</td>
<td>141,659</td>
<td>48,649</td>
<td>There is a positive variance on pay due to the merger of two management roles into one.</td>
</tr>
<tr>
<td>Homelessness</td>
<td>(141,415)</td>
<td>(175,137)</td>
<td>33,722</td>
<td>There has been lower than budgeted use of grants and lower demand for the RADS rent deposit scheme, resulting in less expenditure.</td>
</tr>
<tr>
<td>IT Services</td>
<td>666,370</td>
<td>641,210</td>
<td>25,161</td>
<td>Management action has eliminated the negative variance on non-pay budgets reported at Q1 and there is now a positive variance on pay budgets owing to service vacancies which have been held vacant as part of the realignment in the Business Improvement area.</td>
</tr>
<tr>
<td>Service Area</td>
<td>Direct Budget</td>
<td>Direct Net Expenditure/(Income)</td>
<td>Variance</td>
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<tr>
<td>Corporate Budgets</td>
<td>465,262</td>
<td>507,836</td>
<td>(42,574)</td>
<td>Due to the high levels of performance of staff during the 2015/16 financial year, the performance review process awarded a higher level of reward than had been budgeted for. The budget will be reviewed for 2017/18.</td>
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<tr>
<td>Development Management</td>
<td>(31,446)</td>
<td>78,340</td>
<td>(109,786)</td>
<td>Although planning fee income fell in June and July, it recovered in August and September to levels that are higher than previous years and continues to be carefully monitored.</td>
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<tr>
<td>Investment Income</td>
<td>(417,500)</td>
<td>(258,980)</td>
<td>(158,520)</td>
<td>As explained in the report, this is due to variances in the timing of cashflows from Big Sky Developments, which will affect the timing of dividend income.</td>
</tr>
<tr>
<td>Leisure Centres</td>
<td>37,357</td>
<td>323,319</td>
<td>(285,962)</td>
<td>As highlighted in the report, membership has risen by 19% in 6 months, but income is less than the challenging budgets that were set, partly as a result in the delay to the full opening of the leisure centre. However, officers have implemented plans to redress the position and are expecting income to rise further in the second half of the year, which would follow the traditional trend.</td>
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Treasury Management Quarter 2 2016/17

Report of the Accountancy Manager
Cabinet Member: Michael Edney – Finance and Resources

CONTACT
Matthew Fernandez-Graham 01508 533915
mgraham@s-norfolk.gov.uk
1. Introduction

1.1 The report reviews the treasury management activity during the first six months of the financial year 2016/17 and reports on the prudential indicators as required by CIPFA’s Treasury Management Code of Practice.

1.2 Investments totalled £39.911 million as at 30 September 2016, including loans and equity in the Council’s wholly owned companies.

1.3 Interest received on external cash investments during the financial year is forecast to be around £194,000 which is £14,000 above the budget of £180,000. The average rate of return is forecast to be 0.81%, a decrease from the 2015/16 figure of 0.9%, reflecting the lower rates available on cash investments following the Bank of England’s decision to reduce the base rate to 0.25% from 4 August 2016.

2. Economic Background and Interest Rates

2.1 Overall, the first half of the year has been solid, but nothing more. This leaves open the option for further stimulus measures in the coming months. However, as with the UK, Japan and China, central banks are at pains to restate that monetary policy cannot solve all ills, and that fiscal support is also needed. The issue is whether this remains palatable, especially in Europe, where a number of countries have general elections to contend with in the coming year.

2.2 Brexit has trumped all other considerations for the time being. UK and European markets have been most affected, with analysts increasingly pricing in expectations of another near term rate cut in the UK. Further support measures, in addition to the recent boost to Quantitative Easing, could also be put in place, as highlighted by the Governor of the Bank of England, in efforts to stabilise market sentiment. Note that when enacting its fresh policy support in August, the Bank suggested that July’s activity data was likely too pessimistic and that growth for the quarter should be around 0.1%. Even if this was to materialise, then it could still see the need for a further rate cut in the coming months.
2.3 On the economic front, central bank activity continues to dominate underlying sentiment and will remain at the forefront in driving market confidence for some time to come. The current bout of market volatility reminds investors that sentiment remains subject to abrupt changes. It is likely that further bouts will occur in the coming months as investors react to events, such as prospects of future Federal Reserve policy moves later this year, and whether the most recent European Central Bank support package will be enough to turn around the fortunes of the currency bloc. However, Brexit considerations have now added a further layer of uncertainty into the thinking for the Eurozone and the US.

2.4 In August, the Bank of England (BoE) cut the bank rate for the first time since 2009 to 0.25%, as the Monetary Policy Committee (MPC) voted unanimously in favour of a cut. It also expanded its Quantitative Easing (QE) programme by £60bn to £435bn. However, three policymakers voted against the expansion. In addition, the BoE unveiled two new schemes: one to buy £10bn of high grade corporate bonds and the “Term Funding Scheme”. This could be worth up to £100bn and is aimed at ensuring banks keep lending into the real economy even after rates have been cut.

2.5 The August Inflation Report showed the BoE left its growth forecasts unchanged at 2% for 2016 but lowered its forecast for 2017 significantly to 0.8% from the previous estimate of 2.3%. The inflation forecast was revised up sharply due to the fall in sterling and is now forecasted to hit its 2% target in 2017 and rise further to 2.4% in 2018 and 2019.

2.6 The Brexit vote, alongside negligible inflation and the fact that the recovery was already going through something of a wobble, suggests that the next move in rates is more likely down again. Markets are now increasingly pricing in expectations of another rate cut, potentially before the year is out, with no expectation of a hike for the foreseeable future. The Council’s Treasury Management advisors, Capita Asset Services, last updated their forecast for interest rates in August, as set out below:

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<tr>
<td><strong>BANK RATE</strong></td>
<td>0.25</td>
<td>0.25</td>
<td>0.10</td>
<td>0.10</td>
<td>0.10</td>
<td>0.10</td>
<td>0.10</td>
<td>0.10</td>
<td>0.25</td>
<td>0.25</td>
<td>0.25</td>
<td>0.25</td>
<td>0.50</td>
</tr>
<tr>
<td>3 month LIBID</td>
<td>0.50</td>
<td>0.30</td>
<td>0.20</td>
<td>0.20</td>
<td>0.20</td>
<td>0.20</td>
<td>0.20</td>
<td>0.20</td>
<td>0.30</td>
<td>0.30</td>
<td>0.30</td>
<td>0.40</td>
<td>0.60</td>
</tr>
<tr>
<td>6 month LIBID</td>
<td>0.55</td>
<td>0.40</td>
<td>0.30</td>
<td>0.30</td>
<td>0.30</td>
<td>0.40</td>
<td>0.40</td>
<td>0.40</td>
<td>0.50</td>
<td>0.50</td>
<td>0.60</td>
<td>0.60</td>
<td>0.70</td>
</tr>
<tr>
<td>12 month LIBID</td>
<td>0.75</td>
<td>0.60</td>
<td>0.60</td>
<td>0.60</td>
<td>0.60</td>
<td>0.70</td>
<td>0.70</td>
<td>0.70</td>
<td>0.80</td>
<td>0.80</td>
<td>0.80</td>
<td>0.80</td>
<td>0.90</td>
</tr>
<tr>
<td>5 yr PWLB</td>
<td>1.60</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>1.10</td>
<td>1.10</td>
<td>1.10</td>
<td>1.20</td>
<td>1.20</td>
<td>1.20</td>
<td>1.20</td>
<td>1.30</td>
<td></td>
</tr>
<tr>
<td>10 yr PWLB</td>
<td>1.60</td>
<td>1.60</td>
<td>1.60</td>
<td>1.60</td>
<td>1.60</td>
<td>1.60</td>
<td>1.60</td>
<td>1.70</td>
<td>1.70</td>
<td>1.70</td>
<td>1.70</td>
<td>1.80</td>
<td></td>
</tr>
<tr>
<td>25 yr PWLB</td>
<td>2.30</td>
<td>2.30</td>
<td>2.30</td>
<td>2.30</td>
<td>2.40</td>
<td>2.40</td>
<td>2.40</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.60</td>
<td>2.60</td>
<td></td>
</tr>
<tr>
<td>50 yr PWLB</td>
<td>2.10</td>
<td>2.10</td>
<td>2.10</td>
<td>2.10</td>
<td>2.20</td>
<td>2.20</td>
<td>2.20</td>
<td>2.30</td>
<td>2.30</td>
<td>2.30</td>
<td>2.30</td>
<td>2.40</td>
<td></td>
</tr>
</tbody>
</table>
3. The Council’s Overall Borrowing Requirement

3.1 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 audited accounts, as at 31 March 2016, the Council had a CFR of zero showing an underlying need to borrow for a capital purpose. No borrowing took place, due to the Council choosing to use its internal cash reserves as a more cost effective means of financing its capital programme.

3.2 The Council’s estimated CFR is shown below, and represents a key prudential indicator.

<table>
<thead>
<tr>
<th>CFR (£m)</th>
<th>31 March 2016</th>
<th>31 March 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing Balance</td>
<td>£0</td>
<td>£2,783,000</td>
</tr>
</tbody>
</table>

3.3 The Council is currently estimated to have a Capital Financing Requirement of £2,783,000 for 2016/17, which will increase in future years as a result of the Cabinet decision on May 23rd 2016 to approve borrowing of up to £12.54 million for the Norwich Research Park Enterprise Zone. The Council’s Treasury Management Strategy, agreed by Full Council on 22 February 2016 states that, apart from the Enterprise Zone, the CFR would be financed from internal borrowing in the first instance. Whether internal borrowing is actually required will depend on the speed at which the Council’s capital programme is delivered.

4. Investment Activity

4.1 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 30 September 2016 compared to the position for the previous 2 quarters.
4.2 For new investments this year, the Council has invested for up to one year due to the paucity of deals available beyond one year, taking the advice of its treasury management advisors at the time. Details of these investments (excluding those placed in money market and call accounts) are provided below:

<table>
<thead>
<tr>
<th>Investment made in Month</th>
<th>Counterparty</th>
<th>Amount £m</th>
<th>Length of Investment</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>Lloyds PLC</td>
<td>3.0</td>
<td>1 year</td>
<td>1.050%</td>
</tr>
<tr>
<td>May</td>
<td>Lloyds PLC</td>
<td>3.0</td>
<td>1 month</td>
<td>0.570%</td>
</tr>
<tr>
<td>June</td>
<td>Lloyds PLC</td>
<td>2.0</td>
<td>1 year</td>
<td>1.050%</td>
</tr>
<tr>
<td>July</td>
<td>Lloyds PLC</td>
<td>2.0</td>
<td>1 year</td>
<td>1.050%</td>
</tr>
</tbody>
</table>

The Council has also made use of Enhanced Money Market Funds that have been able to provide slightly higher returns than call accounts.
4.3 Security of capital remains the Council’s main investment objective. As economic uncertainty has decreased, the Council has begun to place investments on a longer term basis with those institutions whose credit rating is at least the same or above the Council’s minimum risk rating criteria. The maximum length of an investment is 2 years, though there are few deals beyond 1 year currently available from suitable counterparties. The Council’s strategy itself is not risk free, as further comparatively high-yielding investments will mature in 2016/17 and will need to be reinvested, and will therefore be subject to the market conditions, credit ratings and rates prevailing at that moment. It is important that the Council keeps a balanced portfolio in terms of risk, rates and liquidity.

4.4 The Council’s budgeted investment income for the year has been set at £180,000. The cash balances invested, representing the Council’s reserves and working balances were £29.266 million as at 30 September 2016 and interest earned is forecast to be around £194,000 which is £14,000 above budget, due to higher balances than originally predicted, as the capital expenditure is profiled to the second half of the financial year. This would be £116,000 less than the £310k received in 2015/16, due to the use of reserves for the capital programme. With reductions to interest rates, the average rate of return is forecast to be 0.81% which compares to a rate of return for 2015/16 of 0.9%.

4.5 As per the agreed capital programme, there are outstanding loans made to Big Sky Developments Ltd of £5.38 million and a loan of £490,000 to Big Sky Property Management Ltd. These loans were originally advanced at an interest rate of 8%, reflecting the risks inherent in new companies and the advice of the Council’s Treasury Management advisors. Now that Big Sky Property Management (BSPM) Ltd has significant assets and in the light of reductions in the base rate, this rate no longer reflects the market environment and the level of risk that the Council is taking in making these loans. A review of comparable commercial loan rates has established that a lower rate of 4% would be more appropriate for BSPM Ltd. This would still be sufficiently high to ensure that the Council was compliant with State Aid rules. If this new rate is applied from 1st November, then the interest generated on the loans would reduce by £8,100 in 2016/17, however this would be partially offset through increased profitability for the company.

5. Compliance with Prudential Indicators

5.1 The Council approved a set of Prudential Indicators for 2016/17, in February 2016, 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 between April and September.

5.3 In line with the decision of Cabinet in May to approve the Council borrowing towards the cost of the Norwich Research Park Enterprise Zone (EZ), the Council’s borrowing limits for 2016/17 need to be increased, since these were set before this opportunity arose. By increasing the Affordable Borrowing Limit and the Operational Boundary as set out in Appendix A, this will mean that the Council can borrow the first tranche of funding (£4.5 million) should the EZ progress to the stage where it needs funding before March 2017.

6. Investment Properties

6.1 The Council has a portfolio of Investment Properties worth around £6.6 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.

6.2 The average rate of return for the total investment portfolio was projected to be 5.4% gross, calculated on the property value as at 1/4/16, which now includes Crafton House. This is a significantly better rate of return than if the same value had been invested with the Council’s counterparties.

7. Conclusion

7.1 Investment balances have increased from £33.648 million at 31 March 2016 to £39.911 million at 30 September 2016, but this includes £10.62 million in loans and equity in the Council’s companies. These balances are expected to reduce as the capital programme progresses in the second half of the year.

7.2 Interest earned on cash investments is forecast to be £194,000 for the year, which is £14,000 above the budget of £180,000, but would be £116,000 less than the £310,000 received in 2015/16.
8. Recommendation

8.1 Cabinet is recommended to request that Council:

a) Note the treasury activity between April and September and that it complies with the agreed strategy.

b) Approve the change in the interest rate on the loan to Big Sky Property Management Ltd, as set out in section 4.5

c) Approve the 2016/17 prudential indicators for the first six months of the year.

d) Approve the increase in the Affordable Borrowing Limit and the Operational Boundary as set out in section 5.3
Appendix A: Prudential Indicators

Capital Financing Requirement
Estimates of the Council’s cumulative maximum borrowing requirement for 2016/17 to 2018/19 are shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th>31/03/2016 Actual £000s</th>
<th>31/03/2017 Estimate £000s</th>
<th>31/03/2018 Estimate £000s</th>
<th>31/03/2019 Estimate £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Financing Requirement</td>
<td>0</td>
<td>2,783</td>
<td>2,344</td>
<td>13,753</td>
</tr>
<tr>
<td>Less: Existing Profile of Borrowing</td>
<td>0</td>
<td>0</td>
<td>(4,500)</td>
<td>(12,540)</td>
</tr>
<tr>
<td>Less: Other Long Term Liabilities</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cumulative Maximum Borrowing Requirement</td>
<td>0</td>
<td>2,783</td>
<td>(2,156)</td>
<td>1,213</td>
</tr>
</tbody>
</table>

In the Prudential Code (November 2009), it states\footnote{Prudential Code, November 2009, page 4, paragraph E19} ‘Where there is a significant difference between the net and gross borrowing position the risks and benefits associated with this strategy should be clearly stated in the annual strategy.’

Balances and Reserves
Estimates of the Council’s level of Balances and Reserves for 2015/16 and future years are as follows:

<table>
<thead>
<tr>
<th></th>
<th>31/03/2016 Actual £000s</th>
<th>31/03/2017 Estimate £000s</th>
<th>31/03/2018 Estimate £000s</th>
<th>31/03/2019 Estimate £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances and Usable Reserves</td>
<td>20,574</td>
<td>17,163</td>
<td>16,981</td>
<td>14,833</td>
</tr>
</tbody>
</table>

These have risen from the estimates in the Treasury Management Strategy due to the predicted revenue surplus for 2016/17.
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.
- The Council’s Affordable Borrowing Limit is set at £6,500,000 for 2016/17 (an increase from £2,000,000 to reflect the EZ plus additional headroom).
- The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included within the Authorised Limit.
- The Operational Boundary for borrowing for 2016/17 is set at £4,500,000 (an increase from £1,000,000 to reflect the first tranche of borrowing planned for the EZ).

(b) Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

- These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.
- The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

<table>
<thead>
<tr>
<th>Limits for 2016/17 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper Limit for Fixed Interest Rate Exposure on Debt</td>
</tr>
<tr>
<td>Upper Limit for Fixed Interest Rate Exposure on Investments</td>
</tr>
<tr>
<td>Net Upper Limit for Fixed Rate Exposure</td>
</tr>
<tr>
<td>Compliance with Limits:</td>
</tr>
<tr>
<td>Upper Limit for Variable Interest Rate Exposure on Debt</td>
</tr>
<tr>
<td>Upper Limit for Variable Interest Rate Exposure on Investments</td>
</tr>
</tbody>
</table>
(c) Maturity Structure of Fixed Rate Borrowing

This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

<table>
<thead>
<tr>
<th>Maturity Structure of Fixed Rate Borrowing</th>
<th>Upper Limit %</th>
<th>Lower Limit %</th>
<th>Actual Fixed Rate Borrowing as at 30/09/16</th>
<th>% Fixed Rate Borrowing as at 30/09/16</th>
<th>Compliance with Set Limits?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 12 months</td>
<td>60</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Yes</td>
</tr>
<tr>
<td>12 months and within 24 months</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Yes</td>
</tr>
<tr>
<td>24 months and within 5 years</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Yes</td>
</tr>
<tr>
<td>5 years and above</td>
<td>50</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Yes</td>
</tr>
</tbody>
</table>

(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 2016/17 is set at £15 million.
Medium Term Financial Strategy and Efficiency Plan 2017/18 to 2020/21

Report of the Accountancy Manager
Cabinet Member: Michael Edney – Finance and Resources

CONTACT
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1. Introduction

1.1 This report sets out a revised Medium Term Financial Strategy (MTFS) that covers the period 2017/18 up to 2020/21. It also includes the Efficiency Plan that had to be submitted to the DCLG by 14th October 2016.

1.2 The MTFS contains three major risks, around income. Firstly, based on an estimate of the impact of a reduction in the New Homes Bonus following reforms that are currently being considered by the government and projections of properties qualifying for New Homes Bonus, it forecasts a decrease of £2.61 million in New Homes Bonus over the next 4 years. This compares to a reduction of £2.34 million when the plan was last updated in February. This is based on the numbers of homes actually being banded for Council Tax in the period September 2015 to September 2016 and the trajectory for house building in future years. In the worst case scenario, where South Norfolk Council would receive no New Homes Bonus at all from 2018/19, the decrease would be £5.2 million, which equates to 49% of the Council’s net revenue budget.

Secondly, it assumes further growth in income over the next 4 years from commercialisation of £0.5 million, mainly from rental of investment properties and leisure enhancement. Costs associated with delivering on the commercialisation programme have also been included. It assumes income from the Council’s companies of £0.6 million over the next four years.

Thirdly, business rates (NNDR) income of around £3.5 million each year has been included. The overall impact of the localisation of business rates is assumed to be neutral, however the technical detail of the changes are still to be consulted on.

1.3 The revised plan also incorporates the estimated revenue income and costs of borrowing in relation to the Norwich Research Park Enterprise Zone and the capital programme.

1.4 As long as the major risks are managed effectively, the Senior Leadership Team is confident that a balanced budget can be achieved for 2017/18. From 2018/19 to 2020/21 there is a combined funding gap of £2.1 million that remains to be addressed. This gap increases to £4.6 million should the worst case scenario for the New Homes Bonus actually happen.

1.5 The Efficiency Plan sets out how the Council is seeking to meet the challenge of financial sustainability and bridge the projected funding gap.
2. Background

2.1 The current financial year 2016/17 has a balanced budget. The budget does assume increases in income from leisure owing to the enhancement programme and in areas such as Planning Applications and Housing Benefit overpayment recovery which reflect the outturn position for 2015/16. Reductions were also made to expenditure budgets in the current financial year. These reductions were identified by Officers as part of ongoing efficiency savings work.

2.2 The audited statement of accounts for 2015/16 showed a surplus on the comprehensive income and expenditure statement which was used to fund capital expenditure. This led to a decrease in usable revenue reserves of £1,507 million after funding capital expenditure from revenue reserves, reducing them to a total of £14.661 million. Total usable reserves including capital receipts reduced to £20.574 million at 31 March 2016, due to the use of capital receipts to fund the 2015/16 capital programme.

2.3 The Final Financial Settlement for local government in February 2016 confirmed the Government’s intention to continue to reduce central government funding to local authorities. This is to be achieved through the reduction of government funding from Revenue Support Grant (RSG).

3. Central Government Funding

3.1 Revenue Support Grant

- In February 2016, the Government confirmed indicative funding levels for the next four years up to 2019/20. This included reductions in Revenue Support Grant (to zero in 2019/20) and the introduction of a “negative subsidy” where the Council will have to pay central government £50,000 in 2019/20. No specific amount was shown in the settlement for South Norfolk Council to help to compensate parishes for the effect of Council Tax Support. In its response to the funding settlement, the Council indicated that it would accept the government’s offer of a four year funding settlement, due to the greater certainty that this provides. This was conditional on the Council producing an Efficiency Plan, which had to be submitted by 14th October 2016. Although the figures in the plan are based on the previous version of this Medium Term Strategy, it nevertheless sets out the same areas where savings and additional income will be found as in this revised strategy. Due to the timescales involved, the
plan was submitted with the approval of the Council Leader and Chief Executive and Cabinet is therefore requested to approve the plan in retrospect.

3.2 New Homes Bonus

- Current estimates of New Homes Bonus receivable, including the Affordable Homes Premium, are set out below. These are based on the government implementing its preferred options as outlined in the consultation on reforms to the New Homes Bonus. Cabinet agreed the response to this consultation in February 2016, but at the time of writing the government has yet to publish its decisions on those reforms.

<table>
<thead>
<tr>
<th>Year</th>
<th>New Homes Bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>£787,157 (actual)</td>
</tr>
<tr>
<td>2012/13</td>
<td>£1,707,168 (actual)</td>
</tr>
<tr>
<td>2013/14</td>
<td>£2,630,322 (actual)</td>
</tr>
<tr>
<td>2014/15</td>
<td>£3,465,699 (actual)</td>
</tr>
<tr>
<td>2015/16</td>
<td>£4,533,708 (actual)</td>
</tr>
<tr>
<td>2016/17</td>
<td>£5,333,602 (actual)</td>
</tr>
<tr>
<td>2017/18</td>
<td>£5,464,930</td>
</tr>
<tr>
<td>2018/19</td>
<td>£3,458,148</td>
</tr>
<tr>
<td>2019/20</td>
<td>£3,184,689</td>
</tr>
<tr>
<td>2020/21</td>
<td>£2,623,570</td>
</tr>
</tbody>
</table>

- The number of New Homes used to calculate the Bonus is expected to be around 800 for 2017/18. The impact of the expected reforms is estimated to reduce New Homes Bonus by almost half from a peak in 2017/18. In the worst case scenario the government’s reforms of the New Homes Bonus scheme could result in South Norfolk Council not receiving any New Homes Bonus. This would be a reduction of £5.465 million, of which £5.197 million would be lost from the Council’s revenue budget, with the balance being used lost from capital funding for Affordable Homes from the Affordable Homes premium.
3.3 Localisation of Business Rates

- The Council has achieved growth in NNDR above the baseline funding level set for 2013/14. This resulted in cumulative growth of £581k of income from 2013/14 to 2015/16. However, the impact of appeals reduced growth to £10k in 2015/16. Projections for future growth have been revised down accordingly. At its meeting in September 2016, Cabinet received a report on the consultation on 100% localisation of business rates. Further technical consultation is expected in the autumn and for the MTFS it is assumed that the net impact will be neutral on the Council. Once more details are known as to the exact impact of specific proposals, officers will assess the overall financial impact and update Cabinet

4. Other Income

4.1 The plan assumes a 3% increase in income (£37k for 2017/18) as a result of growth in the demand for services especially around Environmental Services and Licensing. There may be increases in specific fees and charges as a result of ongoing reviews of pricing following the implementation of the fees and charges policy which is included on this agenda.

4.2 It is estimated that the Council will benefit by a total of £1,442k from its property developments, through a combination of rental income from commercial units, recharges for support services and interest on loans to its wholly owned companies.

4.3 It is estimated that the enhancement programme at the Leisure Centres will generate an additional total of £909k in net income over the MTFS period. This assumes that the 3G pitch at Long Stratton is fully complete by 1 April 2017, in line with the project timescale. Options for the refurbishment of Long Stratton Leisure Centre in the next financial year are currently being explored by officers.

4.4 The costs associated with delivering the additional income have been included within the MTFS.
5. Cost Pressures

5.1 Pay Award – Officers have assumed a 1% pay award in 2017/18 (£166k) and then a 1% pay award in each future year of the plan. This is in line with the general public sector pay award cap.

5.2 Performance Related Pay – A budget of £278,000 has been incorporated in 2017/18 for performance related pay. The performance related pay scheme will be reviewed for future years to ensure it continues to drive performance and assist the organisation to deliver its objectives.

5.3 Utilities and Rates – A 2% inflationary increase is assumed for utilities (£10k) and a 3% inflationary increase is assumed for rates (£14k), however when preparing the budget for 2017/18 each area of use will be assessed.

5.4 Contracts – A 2% inflationary increase is assumed (£40k) to cover those contracts where the fees are linked to RPI each year, otherwise it is anticipated that costs will be maintained or reduced when contracts are renewed.

5.5 Pension Contributions –The latest pension revaluation took place in March 2016 and though final figures are yet to be agreed, an estimate of the results is incorporated into the plan. The pension revaluation continues the stabilisation approach for the three year period ending 2019/20. It is anticipated the stabilisation method will be continued beyond this period. This approach consisted of contributions of 15% of the salary bill plus an annual lump sum. The increase shown in the MTFS is the year on year increase in the annual lump sum.

5.6 Cost Pressures – Specific cost pressures at the moment include the apprenticeships levy and reduction in income from the Material Recycling facility due to the drop in world prices for recyclables. The plan also includes £150k annual funding in anticipation of as yet unknown cost pressures in future years.

5.7 Land Charges are anticipated to move over to HM Land Registry in the second half of 2017 and therefore the Council is expected to lose the income associated with this transfer. It is assumed that New Burdens funding will only cover the residual ongoing costs of the reduced Council role in this service.
5.8 Housing Benefit Subsidy – Although it is assumed that this will decrease over the duration of the MTFS as Universal Credit takes over, the government recently announced a further delay in the implementation of Universal Credit. It is therefore now anticipated that the subsidy will only begin to decrease in 2020/21.

6. Borrowing

6.1 The plan incorporates borrowing of £12.5 million for the Norwich Research Park Enterprise Zone. This has two revenue consequences, the cost of interest payments on the loan and the Minimum Revenue Provision for the repayment of the loan. The exact amount of interest payments will be determined by the timing of borrowing and the interest rate prevailing at the time. Estimated revenue costs are included in the MTFS, but these are fully offset by the anticipated NNDR income for the Enterprise Zone, meaning that the net impact in the MTFS period is zero.

7. Council Tax and Taxbase

7.1 In line with the plan that went to Cabinet in February 2016, the MTFS allows for an increase in Council Tax of £3.00 every year over the MTFS period. For all shire district councils, the referendum limit for 2016/17 was an increase that was both 2% higher than 2015/16 and also more than £5.00 higher than in 2015/16. The government is currently consulting on applying exactly the same limits for shire district councils for 2017/18.

7.2 The Council will need to review the grant it provides to Parishes and Town Councils for the Council Tax Support Scheme on an annual basis. No specific amount was shown in the settlement for South Norfolk Council to help to compensate parishes for the effect of Council Tax Support. Members will need to consider the level of grants they wish to be passed onto Parishes in future years. For the purposes of the MTFS, the grant is shown to fall in line with the indicative reductions in Revenue Support Grant until it ceases in 2019/20.
8. Reserves

8.1 The MTFS assumes that there will be planned use of reserves to fund the capital programme, as per the current five year strategy, and for earmarked activities such as district elections.

8.2 Total usable reserves are anticipated to fall from £20.5 million in 2015/16 to £13 million in 2020/21. This assumes that the funding gap can be met without recourse to use of reserves. In the worst case scenario where the Council received no New Homes Bonus, reserves could be used in the short term to allow time for sustainable solutions to be implemented.

9. Funding Gap

9.1 Based on the assumptions above the funding gap over the four years up to 2020/21 is in the region of £2.1 million, see Appendix A. This can be broken down as follows:

- 18/19 £66K
- 19/20 £1,260K
- 2020/21 £789K

9.2 In addition the plan assumes additional income from commercialisation of its services totalling £1.1 million over 4 years. If this is not delivered, then the Council will have to find further savings from elsewhere. The income breaks down as follows:

- 2017/18 £336K
- 2018/19 £553K
- 2019/20 £91K
- 2020/21 £97K

9.3 In the worst case scenario where the Council no longer receives any New Homes Bonus, then the funding gap rises to £4.6 million, broken down as follows:
• 2018/19 £3,283K
• 2019/20 £1,023K
• 2020/21 £285K

9.4 In the worst case scenario, it is proposed that the General Revenue Reserve should be used to cushion the effect in the immediate term, whilst a budget review is undertaken.

10. **Capital Strategy**

10.1 The current capital programme was revised at the start of the financial year to ensure it fully reflects the corporate priorities. In 2016/17 the programme is now expected to be 77% funded, increasing to being fully funded in the following year due to the timing of capital receipts against planned expenditure. Therefore, the Council may need to borrow internally during 2016/17, depending on the level of slippage on the capital programme. In 2018/19, the Council may need to borrow externally (in addition to borrowing for the Enterprise Zone), but this is dependent on slippage and the level of Council reserves.

10.2 The Capital Strategy elsewhere on this agenda provides more detail on the funding of future capital expenditure.

11. **Treasury Management**

11.1 Currently the Council has around £26 million invested, ranging from overnight to one year investments. The current economic climate, with the reduction to base rates to 0.25% in August, is impacting on the return being achieved by cash investments and this has been reflected in the MTFS.

11.2 The Council has a programme to develop commercial property, which will return on average at least 5% net in terms of rental income. The effect of this strategy is reflected in the assumptions in the MTFS.

12. **Conclusion**
12.1 The Council can be confident of achieving a balanced budget in 2017/18. This gives it space to plan how to deliver expected income and savings for 2018/19 to 2020/21 and to address the significant funding gap up to 2020/21. This MTFS has been based on number of assumptions. The MTFS will need to be regularly updated during this financial year as further information becomes available. The position on the New Homes Bonus will have to be monitored carefully as this is a major risk to the plan.

12.2 In order to enable long term financial and service planning, it is recommended that the Financial Year 2017/18 budget is based on projected levels of Business Rates, Revenue Support Grant and New Homes Bonus as assumed in the Medium Term Financial Strategy (and shown at Appendix A). Should the final allocations vary from these projections; reserves will be used to offset any impact. This, in effect will enable the Council to continue to reduce its cost base and increase its income in a managed way, using its reserves to remove any sudden impact of financial volatility out of its control.

12.3 The Efficiency Plan submitted to DCLG is attached as Appendix B. This sets out the Council’s approach to ensuring long term financial stability, highlighting the key areas where savings and additional income will be sought over the plan period.

13. **Recommendations**

13.1 It is recommended that Cabinet:

13.2 Agrees the assumptions on which the MTFS is based, in particular:

13.3 That the increase in the budget for Performance Related Pay is acceptable.

13.4 That the approach to Council Tax Support for Parishes is acceptable.

13.5 Approves the Medium Term Financial Strategy described in this report as a basis for further work, particularly preparing the 2017/18 budget, and the Business Plan.

13.6 Approves the Efficiency Plan submitted to DCLG as set out in Appendix B.
## Summary Medium Term Plan

### Appendix A

<table>
<thead>
<tr>
<th></th>
<th>Approved Budget 2016/17 £000</th>
<th>Projected 2017/18 £000</th>
<th>Projected 2018/19 £000</th>
<th>Projected 2019/2020 £000</th>
<th>Projected 2020/2021 £000</th>
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<tbody>
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<td>9,569</td>
<td>11,255</td>
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<td></td>
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<tr>
<td></td>
<td>170</td>
<td>1,182</td>
<td>705</td>
<td>645</td>
<td>608</td>
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<tr>
<td><strong>Net Income from Commercial Activities and Fees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Big Sky</td>
<td>-7</td>
<td>-22</td>
<td>-33</td>
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<td>Build Insight Ventures</td>
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<td></td>
</tr>
<tr>
<td>Trade Waste</td>
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<td></td>
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<tr>
<td>Preapplication advice</td>
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<td></td>
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<td><strong>Efficiency Plan to meet Funding Gap:</strong></td>
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<td></td>
<td></td>
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<td>Remove Contribution to Renewals Reserve</td>
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<td>Efficiencies and Process Reviews</td>
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<tr>
<td>Reducing SLA’s to External Bodies</td>
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<td>Remove MTI</td>
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<tr>
<td><strong>BASE BUDGET</strong></td>
<td>9,483</td>
<td>9,569</td>
<td>11,255</td>
<td>10,693</td>
<td>10,917</td>
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<tr>
<td>One off adjustments</td>
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<td>10,701</td>
<td>10,588</td>
<td>10,464</td>
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<td>Business Rates</td>
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<td>-6,640</td>
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<tr>
<td>Band D Council Tax - £3.00 annual increase</td>
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<td>138.00</td>
<td>141.00</td>
<td>144.00</td>
<td>147.00</td>
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<td>Taxbase (1.9% annual increase)</td>
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<td>47,988</td>
<td>48,899</td>
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<td><strong>Budget Deficit/ (Surplus)</strong></td>
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South Norfolk Council Efficiency Plan 2016/17 to 2019/20

Introduction

The Council is faced with delivering £4 million in efficiencies up to 2019/20. Its plan to address this is to

1. Increase its income by using capital expenditure to promote economic growth and commercial income streams
2. Reduce its cost base through specific service reductions and process reviews
3. Manage demand through digital transformation and early intervention

The plan is set in the context of the Council’s ongoing programme of continuous improvement and cultural change, Moving Forward Together (MFT). This aims to deliver increased value for money through increasing productivity and working in a business-like, efficient and entrepreneurial way, making the best use of technology. Other documents related to this plan are listed in Appendix A.

A Credible Plan

South Norfolk Council has a track record of successful delivery that makes this a credible plan. Recent achievements include:

- Fostering business rates growth of 22% over the past four years
- Supporting the development of 3,500 homes in the District over the past 5 years (including 1,000 affordable homes) contributing almost 1% of the national house building total. This generated the fourth highest New Homes Bonus of any Council in 2015/16
- Investment in infrastructure for new homes, in our Council leisure centres and in our market towns.
- Bringing £250 million in external funding and investment into the area in the last 2 years.
- Developing new homes for sale and for rental through our wholly-owned Council companies.

Economic Growth

The Council’s plan depends on continued economic and housing growth in the District to generate increasing revenues from business rates, Council Tax and New Homes Bonus. Specific measures to promote economic growth include:

- Investing in Superfast Broadband to improve speed and coverage
- Developing and investing £12.5 million in an Enterprise Zone at the Norwich Research Park.
- Working in partnership to develop a technology growth corridor along the newly dualled A11.
• Supporting the development of the Long Stratton bypass.
• Using its planning powers and working with developers to deliver new homes including through its wholly owned development company.

**Income Generation**

The Council has adopted a commercial approach to generate additional income through the establishment of wholly owned companies and through commercialising its services. Key areas expected to generate additional income are:

• Property - through the Council’s company, Big Sky Developments Ltd, which is building new commercial units to let and residential property for sale and rental on the open market, currently developing over 100 residential properties. The company has been funded through the New Homes Bonus.
• Leisure – by investing in enhancing the Council’s 3 leisure centres to drive up membership and develop new revenue streams with the aim of becoming a subsidy free and self-sustaining service.
• Building Control – through the Council’s Approved Inspector company, Build Insight Ltd, delivering building control services outside the District and competing with the private sector.
• Planning – through a pre-application advice service for businesses and householders, this has improved both the service and demand management.
• Waste – through expansion of our subscription-based Garden Waste service for residents and proactive marketing of Commercial Waste services for businesses.

**Cost Reduction and Demand Management**

The Council is moving to a lower cost base in a number of ways:

• Market Towns Initiative – funded through the New Homes Bonus, this programme has worked with Town Teams to ensure the longer term viability and economic vibrancy of South Norfolk’s market towns, with the aim of the Town Teams becoming self-sufficient over the medium term. With the likelihood of the cut from 6 years to 4 years in New Homes Bonus funding, this programme will cease.
• Vehicle renewals reserve - No longer contributing to this reserve from revenue, the impact will be that future waste collection vehicles will be funded from capital borrowing.
• Service Level Agreements – reducing SLAs with external bodies
• Performance Related Pay – ending consolidation of performance bonuses into basic pay and a whole review of the scheme to ensure it is affordable.
• Process reviews – carrying out a programme of reviews that will remove 15 FTEs (3.7%) from the Council’s headcount.

The Council is seeking to manage demand for its services (and wider public services) through prevention, early intervention and promoting on-line use of services. This is being accomplished through:

• Early Help Hub - established by the Council in collaboration with agency partners to provide holistic support to residents at the earliest stage possible. This includes our use of Community Connectors across the District, working with the voluntary sector to support capacity in the community, and securing a sustainable outcome for residents leading to savings across the public sector as a result of reductions in high cost interventions at a much later stage.
• Independent Living – as part of our Help Hub approach, supporting vulnerable and older people with home repairs, adaptations, grants, debt and welfare advice and giving support to reduce demand on health and social care services by keeping people in their own homes for longer. Our experience of collaborative working in this way is informing the Norfolk & Waveney Sustainability and Transformation Plan (STP) working with health and social care partners.

• Digital Transformation – a new tool within MFT which aims to ensure that customers access services digitally wherever appropriate and that back-office processes use effective digital solutions. It will include the creation of a new website, making it easier for residents and businesses to interact with the Council and moving high volume transactional contacts on-line.

**Partnership Working**

The Council’s whole approach is predicated on partnership working. For example, the Council is part of the Greater Norwich Growth Board along with Norwich City Council, Broadland District Council and Norfolk County Council, set up to deliver growth across the Greater Norwich area. Other initiatives involving multiple partners include the Early Help Hub, the Enterprise Zone and the A11 Growth Corridor.

The Council is supportive of the move towards a Combined Authority in Norfolk and Suffolk which is currently progressing through the democratic process.

At the service level, the Council works with others on individual services, for example it manages the Internal Audit consortium for 5 other councils and the Broads Authority. Building on this, it is currently setting up a procurement consortium and is engaged in discussions with 3 councils to offer this service. It also runs the very successful CNC Building Control service for 5 councils. Other opportunities will be explored on a service by service basis.

**Key Targets**

Key targets that will need to be achieved to deliver this plan are:

• 16,500 new homes by 2026
• 102 residential dwellings and 3,170m² of commercial land developed through its wholly owned company
• 40% increase in its leisure centre members
• Support 5,000 families to achieve positive outcomes through Early Help
• Support over 9,000 people to live independently in their own homes
• 70% of Council customers using the website to access services

**Summary**

The approach outlined above will deliver the majority of the required savings required by 2019/20, leaving a gap of £645,000, as set out in the table below. Measures to address this gap will be identified in the course of 2016/17 and 2017/18.
<table>
<thead>
<tr>
<th>Efficiency</th>
<th>2016/17</th>
<th>2017/18</th>
<th>2018/19</th>
<th>2019/20</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Income Generation</td>
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<td>310</td>
<td>258</td>
<td>251</td>
<td>1,583</td>
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<tr>
<td>Cost Reduction and Demand</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>238</td>
<td>1,269</td>
<td>208</td>
<td></td>
<td>1,715</td>
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<tr>
<td>Remaining Funding Gap</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>645</td>
</tr>
<tr>
<td>Total</td>
<td>764</td>
<td>548</td>
<td>1,527</td>
<td>1,104</td>
<td>3,943</td>
</tr>
</tbody>
</table>

Risks to Delivery of the Plan

A key risk to the plan is the wider economic environment and its impact on growth locally. If national growth falters then this would reduce the Council’s income from business rates, fees and charges and from the New Homes Bonus. There would also be an impact on the demand on the services provided by the Council such as increasing homelessness and benefit claimants. To mitigate this risk, the Council has created reserves for localisation of business rates and for Council Tax Support.

South Norfolk Council will receive over £5.3 million from New Homes Bonus in 2016/17, which equates to around 50% of the Council’s net revenue budget. The Council has assumed a reduction of £2.3 million in New Homes Bonus over 4 years to reflect the government's proposals set out in its consultation. There is a risk that the proposals actually implemented are more severe than planned for, which would reduce income for the Council. Depending on the level of reduction, this could have a major impact on services and how they are delivered and increase the funding gap of £645,000 considerably. Reserves could be utilised in the short term while the Council reviews which services it can afford to deliver in future.

Reserves

The Council will be using capital reserves to fund investments to generate income. Capital reserves are therefore expected to reduce from £6 million to under £1 million by the end of 2019/20. General reserves are expected to reduce from £13 million to £10 million, allowing for the management of the risks outlined above.

Conclusion

The Council faces a significant financial challenge over the next 4 years. This plan sets out how the Council can ensure financial stability while maintaining key services for residents and businesses.

Appendix A

List of Supporting Documents

Corporate Plan 2016 to 2020
Revenue Budget 2016/17 and Medium Term Plan and Capital Programme 2016/17 to 2019/20
Digital Engagement Strategy
Capital Strategy 2017/18 to 2020/21

Report of the Accountancy Manager
Cabinet Member: Michael Edney – Finance and Resources

CONTACT
Matthew Fernandez-Graham
01508 533915
mgraham@s-norfolk.gov.uk
1. Introduction

1.1 This report presents the Capital Strategy for the financial year 2017/18 to 2020/21. The Capital Strategy sets out South Norfolk Council’s approach to the use of its capital assets and resources. The strategy provides the framework for determining the capital programme and the effective use of the Council’s resources and will be reviewed and updated as required during the period 2017/18 to 2020/21 to reflect major changes in priorities and the processes of delivering these.

1.2 The Final Financial Settlement for local government in February 2016 confirmed the Government’s intention to continue to reduce central government funding to local authorities. In this context, the Capital Strategy needs to help the Council to achieve financial sustainability in line with the Medium Term Financial Strategy.

1.3 The Council’s three priority areas are:

- Economic Growth, Productivity and Prosperity.
- Place, Communities and Environment.
- Health, Well-being and Early Help.

1.4 This Capital Strategy focuses investment to deliver these priorities while also contributing to the financial sustainability of the Council by supporting opportunities to develop more efficient service delivery and to generate additional income.

1.5 The Capital Strategy is closely linked to the annual Treasury Management Strategy which will be presented to members in February 2017. The prudential code permits Councils to determine the appropriate level of capital investment to deliver quality public services, subject to affordability.

1.6 With low interest rates continuing for the foreseeable future there remains the opportunity to invest monies in property as an alternative to bank deposits if the rate of return exceeds the rate of interest which would be achieved through cash investments. However members need to be aware that this form of investment is deemed to be capital and under the current guidance therefore if an investment property is sold the sale proceeds will be accounted for as capital receipts and cannot be used for revenue purposes in the future.
1.7 Members’ involvement is essential in order that the Council can demonstrate that capital expenditure plans are affordable, financing plans are prudent and sustainable, and that treasury decisions are taken in accordance with good practice.

2. Capital Funding

2.1 Under the Prudential Code, Councils determine how much they will borrow as long as any borrowing is affordable and prudent, thus clearly linking the financing of capital with the Treasury Management Strategy and the revenue budgets. The Council can finance its future capital programme from various sources as outlined below:

- Revenue – The Council can utilise its revenue income in year however, the General Fund Revenue Balance Reserve is not used.
- Revenue Reserves – from time to time existing reserves are used to fund specific projects. However a number of reserves are earmarked for specific use which does not include capital projects.
- Capital Receipts from asset disposals – When the Council disposes of any assets it holds, the income it receives can only be used to fund new capital projects. Loans repaid by the Council’s companies are also treated as capital receipts if they result in expenditure that would have been classed as capital expenditure of the Council had incurred the expenditure directly. Repayment of short term loans for cashflow and working capital purposes would not be capital receipts.
- Right to Buy Receipts – as part of the LSVT agreement the Council will continue to receive income from the sale of right to buy properties. The amount per property is reduced on a sliding scale over the next 30 years and an administration fee from Saffron Housing Trust. The amount is paid over in a lump sum in the April following the financial year they relate to, which is subject to the Pooling Levy. Right to Buy receipts are anticipated to increase from the low levels of recent years, although changes in the Right to Buy for social landlords may affect this.
- LSVT Receipt – The Council received £31,659,527 from the transfer. This funding has been used to finance Sewage Treatment Works, Aids and Adaptations, financing replacement vehicles, property developments and the ICT Strategy. At 31 March 2016 there is a balance of just under £1.5 million. This balance is earmarked to funding Aids and Adaptations and the ICT Strategy and expenditure on these will utilise the majority of these funds by the end of 2017/18, leaving a balance of £100,000 remaining as an ongoing contingency in the event of any insurance claims relating to the LSVT properties.
Grants – as well as government grants the Council has taken advantage of lottery and any other grants in the past. The Council encourages and supports partner organisations in making applications for external funding, assisting where possible by ‘pump priming’.

Enterprise Zone Grant – As part of the Norwich Research Park Enterprise Zone (EZ) funding, the Council is expecting to receive a grant of £5 million from the Local Enterprise Partnership.

Tax Increment Financing (TIF) – This allows local authorities to borrow against predicted growth in their locally raised business rates. The borrowing is used to fund key infrastructure and other capital projects, which will support locally driven economic development and growth. This is the approach being used to drive the development of the EZ.

Private Finance Initiative/Public Private Partnership – these can be used as a means of finance but so far there has not been a project which makes this a viable proposition.

CIL – This is a form of levy on every property built in the district. A percentage is required to be set aside for local communities to use for their infrastructure requirements. 25% to the local community if they have adopted a local neighbourhood plan reducing to 15% for those communities who have no plan in place. The remainder will be spent on the infrastructure requirements outlined in the LIPP.

New Homes Bonus – The Government match funds the additional council tax raised on the net growth of new homes and homes brought back into use for a period of six years. An additional sum of £350 per annum is given for each new affordable house, again for a period of six years. The match funding is based on the national average council tax for each band and the District retains 80% with 20% going to the County Council. This scheme began in 2011/12. The funding can be used for either revenue or capital purchases. However after 2012/13, a large proportion was recycled Revenue Support Grant and therefore not additional money for the Council. The Affordable Homes Premium has been used to finance Affordable Housing in the District. The government consulted in the spring on potential changes to the New Homes Bonus funding. At the time of writing, the outcome of this consultation has not been released. This source of funding remains the major risk to the Council’s revenue budget and there is no certainty that this funding stream will be received by the Council at its current level in future years.

Bonds – The Council is a shareholder in the Municipal Bonds Agency (MBA) which has been set up to issue bonds on behalf of groups of Local Authorities that Capital Market investors would be interested in. The MBA is currently intending to make its first Bond Issue in the autumn of 2016.

Internal borrowing – The Council can use its cash to finance capital expenditure. This reduces the amount available to invest, but avoids the need to borrow externally, and with lower interest rates on cash investments than on external
borrowing, it is the most cost effective form of borrowing.

2.2 At the start of the current financial year the Council had over £23 million invested as listed below:

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<thead>
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<th>Cash and Investments as at 31st March 2016</th>
<th>£000</th>
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<tr>
<td>Cash</td>
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**Representing:**

<table>
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<th>Used to fund the Capital Programme</th>
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</thead>
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<tr>
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<tr>
<td>Working Capital</td>
<td>No</td>
</tr>
<tr>
<td>Usable Reserves (includes earmarked reserves)</td>
<td>Yes but prudently</td>
</tr>
<tr>
<td>General Fund Balance</td>
<td>No</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23,605</strong></td>
</tr>
</tbody>
</table>

The Treasury Strategy shows that over the next few years the total amount of investments and cash will fall as cash is spent on the capital programme and reserves are used to support the revenue budget.

2.3 As part of the budget setting process a review of all usable reserves will be undertaken. It is important that the authority retains a level of reserves to enable it to cope with the uncertainty around future funding in relation to business rates and New Homes Bonus. There will be a requirement to ensure sufficient levels of reserves are available to respond to this. It is vital therefore to retain earmarked reserves for particular risks e.g. volatility of business rates and council tax benefit claims. This means that any volatility in year can be managed through reserves rather than affecting services during that year. This protects service delivery by ensuring that there is no knee jerk reaction whilst allowing time to plan for the future.

Currently of the £13.2 million of usable reserves above, £6.1 million is earmarked for specific use including the renewals reserve,
the infrastructure reserve and the “invest to grow the business” reserve. The remaining £7.1 million relates to the revenue reserve, which has been earmarked to fund part of the capital programme in 2016/17 but will also be needed to support the reduction in funding of the revenue budget in future years.

2.4 As shown above in 2.3 it would be prudent not to use all of the £23.5 million to finance the capital programme. Of the Useable Reserves only the Renewals Reserve and New Homes Bonus for Low Cost Housing relates directly to capital expenditure. The proposed resources available to finance the current capital programme going forward from 2017/18 based on the capital programme and funding of the renewals reserve will be in the region of:

<table>
<thead>
<tr>
<th>Resources</th>
<th>£ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Receipts</td>
<td>14.2</td>
</tr>
<tr>
<td>Grants</td>
<td>6.6</td>
</tr>
<tr>
<td>Revenue Reserves</td>
<td>2.2</td>
</tr>
<tr>
<td><strong>Subtotal before Borrowing</strong></td>
<td><strong>23.0</strong></td>
</tr>
<tr>
<td>Internal Borrowing</td>
<td>6.1</td>
</tr>
<tr>
<td>External Borrowing</td>
<td>12.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41.6</strong></td>
</tr>
</tbody>
</table>

The consequence of funding the capital programme with these resources is a reduction in the amount of cash available to invest and therefore a reduction in income from investments which supports the revenue budget. However this is mitigated by the Council investing in commercial property to achieve revenue income, the cost of which is classed as capital expenditure.

The level of internal borrowing required means that the Council’s cash is projected to reduce to £7.7 million by March 2021. This reduction means that further capital expenditure in this period would need to be funded from generating additional resources or external borrowing.
3. Approach to Borrowing

3.1 The consequence of the funding position outlined in Section 2 is that the Council will be in a position where it will be required to borrow to finance any additional capital expenditure in the coming period. However, any borrowing must be affordable in line with the requirements of the prudential code.

3.2 The need to borrow is not based on our levels of investment balances/reserves but on the Council’s capital financing requirement (CFR). A certain level of cash will still be required for working capital; this can be held in money market funds, call accounts and short term investments. However, the Council will not be permitted to make long term investments.

3.3 The total amount of debt that the Council can take on needs to be affordable. Based on the revised Medium Term Financial Strategy, the cost of financing loans of £22.5 million (interest payments and the Minimum Revenue Provision) would be £703,000 by 2020/21, which equates to 3.1% of the Council’s revenue expenditure by 2020/21 and £12.09 per dwelling. This compares to a median average of 3% and £9 per dwelling for District Councils in 2014/15, per the National Audit Office. Councils in the top 25% of shire districts for debt servicing costs spend 7.1% of revenue expenditure and £23 per dwelling on debt servicing. Another indicator used by lenders is that a Council can take on debt of twice its gross total revenue less its long term debts including the pension liability. Based on the 2015/16 statement of accounts, this would equate to total debt of £32 million. Taking into account borrowing for the EZ, the Council is therefore in a position where it could decide to take on a further £19.5 million in debt.

3.4 The current interest rate environment means that interest rates are lower for shorter borrowing periods and higher for longer loans. Therefore, the Council could borrow short term even for long life assets, re-borrowing as loans mature. The risk with this approach is if short term rates rise relative to long term rates. It would therefore be prudent to have some longer term loans to guard against this risk. The Treasury Management Strategy will contain more detail on borrowing.

3.5 There are many sources of borrowing available to the Council and it is likely that the Council will utilise a mix of these to spread the risk around loan maturities and future interest rates. Sources include:

- Public Works Loan Board (PWLB)
- Borrowing from other local authorities
• Borrowing via the Municipal Bonds Agency (MBA)
• Borrowing from institutions such as the European Investment Bank and directly from commercial banks
• Borrowing from the money markets
• Local Authority stock issues and bills
• Commercial paper
• Structured finance

4. Priorities for the Capital Programme

4.1 Within the funding constraints outlined above, it will be necessary to set clear priorities for capital expenditure. All expenditure proposals will require a clear business case to justify the expenditure.

4.2 It is recommended that all future expenditure be categorised into one of three categories. This categorisation will clarify whether the funding for the capital expenditure will ultimately be repaid from income generated by this expenditure or from general revenue.

1. Commercial: Where the return on investment will exceed the costs of borrowing and pay back over time.
2. Operational: Where the investment is required to ensure continued service delivery.
3. Health and Safety: Where the investment is required to ensure the Council meets its health and safety obligations.
4.3 Potential proposals should be assessed in line with the Corporate Plan agreed in December 2015. The table below highlights capital expenditure that is already planned or could be undertaken to meet the Council’s priorities:

<table>
<thead>
<tr>
<th>Economic Growth, Productivity and Prosperity</th>
<th>Health, Well-being and Early Help</th>
<th>Place, Communities and Environment</th>
<th>Improving services through being business-like, efficient and entrepreneurial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norwich Research Park Enterprise Zone</td>
<td>Leisure Enhancement at Long Stratton</td>
<td>Grants for Low Cost/Affordable Housing</td>
<td>Delivering the ICT Strategy</td>
</tr>
<tr>
<td>Property Development at Poringland and Maple Park</td>
<td>Disabled Facilities Grants</td>
<td>Waste Vehicle Replacement</td>
<td></td>
</tr>
<tr>
<td>Better Broadband</td>
<td>Decent Home Loans</td>
<td>Expansion of Ketteringham Depot</td>
<td></td>
</tr>
<tr>
<td>Commercial Waste Bins</td>
<td>Further enhancement of Leisure Facilities</td>
<td>Toilet Refurbishments</td>
<td></td>
</tr>
<tr>
<td>Further Commercial/Residential Property Development</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. Conclusion

5.1 This Capital Strategy clarifies the funding constraints within which the capital programme can be set.
5.2 The aims of this Capital Strategy are to use capital resources to deliver the Council’s priorities as set out in the Corporate Plan and to make either on-going revenue savings or additional revenue income to contribute to the sustainability of the Council.

5.3 The outcome of this evaluation will be to propose a capital programme to cover 2017/18 to 2020/21 to Cabinet and Council in February 2017 which meets the priorities of the Council.

6. Recommendation

6.1 It is recommended that Cabinet adopts the Capital Strategy in order to guide the formulation of the capital programme up to 2020/21. The strategy will be reviewed annually, but not updated until 2020/21, unless the Council's environment changes significantly.
Cabinet
24 October 2016
Agenda Item No: 9

Charging Policy

Report of the Accountancy Manager
Cabinet Member: Michael Edney - Finance and Resources

CONTACT
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1. Introduction

1.1 This report details the corporate approach to charges for services provided by the authority. It sets the overall policy for decisions on setting individual fees and charges. The policy has been devised in accordance with relevant guidance, including CIPFA’s Service Reporting Code of Practice (SERCOP) and its publication “A practical guide for local authorities on income generation (2015)”.

1.2 Local authorities can only levy charges for certain services and in some cases the charges are controlled by the Government. Therefore any charging policy can only cover those services where there is the discretion to levy charges. The principal fees which are fixed centrally are planning fees.

1.3 In the situation where local discretion exists a balance has to be struck between the contributions from the service user and the general council taxpayer in covering the cost of providing the service. A key consideration for the policy is therefore whether the cost of the service should be met wholly by the council taxpayer or whether there should be a full or partial specific charge to the user of the service.

1.4 The policy also covers what costs should be included in determining the charge to be set, for example, whether overheads should be added.

1.5 This report covers the principles of charging, not about the details of any specific charges. Where appropriate, future reports to Cabinet will detail changes to individual charges.

2. Charging Principles

2.1 As local authorities are increasingly expected to be financially self-sufficient with continuing financial pressures from reducing government funding and referendum limits on Council Tax increases remaining in place, it is not generally appropriate or financially viable for council taxpayers to meet the whole cost of services where the user can be charged. Users of specific services will be expected to make a contribution in line with the costing principles set out in this report.
2.2 Local government costing guidance in SERCOP specifies that services should be costed on a full cost basis. This means that costs should include the direct costs of providing the service, such as staffing, capital costs via depreciation charges and departmental and central overheads such as senior management and support services like HR.

2.3 All fees and charges should therefore aim to cover the full cost of the service except in the following circumstances:

- where the market will not support paying a price that recovers the full cost of the service. In this case, at least direct costs should be covered and partial recovery of overheads should be the aim.

- where Cabinet exceptionally determines that the level of charges shall be varied in line with specific factors, on a case by case basis.

2.4 In service areas, particularly discretionary services, where the market will bear price increases and remain competitive with other providers, then charges should be increased to allow for future reinvestment in the service, allowing services to become sustainable in the long term.

2.5 In some service areas, where it is appropriate, consideration should be given to establishing a pricing structure that caters for people on low incomes, in line with recovering full costs overall.

2.6 Where charges are not made for a service or are reduced from full cost recovery level, the reasons should be reconsidered as part of an annual review to ensure that they remain valid and that significant income is not being foregone.

2.7 These principles should be taken into account when service managers carry out continuous improvement reviews. This charging policy will then be subject to review by the Scrutiny Committee and approval by Cabinet.

3. Factors to be taken into Account in Determining a Charging Policy for any Service

3.1 It should be confirmed what legal powers the Council is using to levy a charge. Where this is unclear, the Monitoring Officer should be consulted.
3.2 When a charge is legally possible, the feasibility of levying and collecting a charge should be determined. To do this, the following questions need to be answered:

- Is it possible to control access to the service so that users can be identified?
- Can the charge be related to the extent of use of a service or would it be an arbitrary charge?
- Would the incidence of charge (i.e. who pays and how often) be substantially different from that of the current system?
- Could the charge be collected economically?

3.3 If a charge is to be made, it should usually aim to recover all the costs of the service (see Section 2) at the level of the total cost of the service.

3.4 While costs should usually be recovered in full through charging, this can be done at a total service level and does not exclude different charges to different types of customers, as long as the full cost is recovered overall. There are equality and service access reasons for not charging the full cost for services to all customers. Such differential pricing arrangements can be:

- Specific to certain categories of users.
- Means tested on a personal basis.
- Aimed to help people who already receive various state benefits.

3.5 At the moment we do not have a clear and consistent policy on how we reduce charges for people on low income. Practices have developed over many years and need reviewing. A separate clear and consistent policy will be developed for the Cabinet to approve. This review should also consider if the ‘subsidy’ should be paid by other users of the service or generally by the council taxpayer.

3.6 There are other possible reasons for charging less than the full cost to certain customers such as:

- To encourage more use of an under-used but much needed service.
- To encourage more use at off-peak periods.
To achieve wider Council objectives.
To be competitive with outside organisations also providing similar services.
To generate more overall income, i.e. if a lower charge results in considerable greater use and hence more income.

3.7 There are a number of reasons for charging at least something for each service:

- It will help identify the real need for the service.
- It will help promote the optimum use of the service.
- It will discourage frivolous consumption.

3.8 There may be instances where charges beyond the full cost could be justified. In such situations they could be based on an assessment of what the market will bear. There is nothing wrong in making a surplus on the provision of services within individual years as long as it is utilised for reinvestment in these services in the future. Charges may even need to be structured to discourage use at certain times.

3.9 If competitors/comparators are all charging more that it costs the Council to provide services, the Council should always consider increasing charges, if it can, to make a surplus for reinvestment and to assist in the long term sustainability of these services, unless there are compelling reasons not to do so.

3.10 Many charges will be subject to VAT and this needs to be considered as individual customers will not be able to reclaim VAT. The position on VAT should be clarified with the Accountancy Manager before any new charge is set.

4. The Cost of the Service to be taken into Account in Determining a Charging Policy

4.1 It is important that the full cost of each service is calculated. This must include not only all operating costs but also departmental and central overheads and a charge for the use of capital. The figures included in the Council’s budget book reflect the Service Reporting Code of Practice (SERCOP) and hence the full cost of services.
Where differential charging is proposed, detailed costing may need to go beyond ascertaining the full cost. It may, for example, be necessary to calculate costs at different periods of the day, so that charges can be set for off-peak periods, or to calculate marginal costs where a service is expanding geographically or to a new set of customers. Marginal costs are the extra cost of extending an existing service and would be lower than the average cost for the whole service, because, for example, overheads would not be expected to increase if there is a relatively small expansion of the service.

5. Periods of Review

5.1 This charging policy should be reviewed every five years.

5.2 Charging levels should be reviewed at least annually.

5.3 If charges are not reviewed regularly a situation may develop whereby large increases may be necessary. Such large increases are bound to be disliked by the users of services.

6. Consultation

6.1 Formal consultation on the level of fees and charges is required where there is a statutory duty to consult or where there is a legitimate expectation of consultation creating a common law duty to consult. Informal consultation may also be used to test the market for particular changes to prices.

6.2 A list of fees and charges on which the Council would formally consult on changes is attached as Appendix A. Officers must include the time to consult in determining the overall timeframe for any changes to fees and charges.

7. Decisions on Charging

7.1 The Council’s Constitution specifies that Directors shall:
• agree with the Cabinet which fees and charges the Cabinet will approve and which the Director will approve;
• review all fees and charges on an annual basis in accordance with the Council’s charging policy in consultation with the Director of Business Development and the relevant Cabinet member, this to be undertaken annually.

7.2 It is proposed that where there is a requirement to consult more widely on particular fees and charges then approval should be made by Cabinet (i.e. for fees and charges listed in Appendix A). In all other cases, Directors are empowered to approve fees and charges, having consulted with the appropriate Cabinet member.

7.3 Where a new charge is proposed for introduction then approval to levy the charge and its initial level should be made by Cabinet. Subsequent changes would be governed by the overall charging policy set out in this report.

7.4 At its meeting in December 2015, Cabinet agreed to implement a pricing structure for core prices for leisure services. Cabinet agreed to delegate any other decisions on pricing at the leisure centres, including incentive schemes to the Head of Leisure.

7.5 There are 3 specific exemptions to this approach set out in the Council’s Constitution, which are:

• The Licensing, Appeals and Complaints Committee advises Cabinet on the level of fees and charges to be made for non Licensing Act 2003 Licensing and Registration functions.
• The approval of the Council’s charging schedule for Building Control is reserved to Full Council, who are required to give due consideration to the views of the CNC Building Control Board.
• Planning application fees and for Pollution Prevention and Control (PPC) are set nationally on an annual basis.

8. Inflation and Charging

8.1 In the normal course of the economy, prices tend to rise. This means that where fees and charges remain the same in nominal terms, the real level of those fees and charges can fall significantly over time. By not increasing fees every year to keep pace with inflation, the Council is effectively decreasing those fees each year. This is not sustainable in the context of Councils being expected to be financially self-sustainable. The impact of not adjusting fees is cumulative and increases over time. For example, if
the Council foregoes annual inflation increases of 50p each year on a service with 20,000 customers, then it would lose income of £10,000 in the first year, but a cumulative total of £150,000 if it froze fees for 5 years.

8.2 It is therefore proposed that all fees or charges are increased by the level of inflation (as measured by the Retail Prices Index in December), with the increase being applied from the 1st April each year except in the exceptional cases of those listed in 7.5. Where officers feel there is a case for not applying this general increase to a specific service then they will make this case through the annual budget setting process.

9. Recommendations

9.1 Cabinet is recommended to:
   a) Adopt the corporate principles set out on Section 2.
   b) Approve the list of services on which to consult as outlined in Section 6 attached at Appendix A.
   c) Approve the decision making process for changing fees and charges as set out in Section 7.
   d) Delegate to Directors to increase all fees and charges annually by the level of inflation (as measured by the Retail Prices Index), as outlined in Section 8.
   e) Review, over a period of time, those services which are currently free to decide if this practice should continue or if a charge should now be introduced.
Appendix A Fees and Charges requiring formal consultation

- Hackney Carriage and Private Hire Licence Fees
- Premises and Services regulated under the Gambling Act 2005:
  
  Bingo Premises  
  Betting Premises  
  Family Entertainment Centre Premises  
  Adult Gaming Centre Premises  
  Gaming machine permits  
  Small Society Lotteries
Off Street car parking proposals

Report of the Senior Economic Growth Coordinator.

Cabinet Member: Cllr. Lee Hornby, Regulation and public Safety

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1. Introduction

1.1 South Norfolk Council has the responsibility of providing and managing 17 public car parks (off street) across five locations – Diss, Harleston, Loddon, Long Stratton and Wymondham – with a total of 987 spaces overall. The Council provides an enforcement service with two Civil Enforcement Officers (CEOs) for both on and off street parking across the District.

1.2 The last full review of the South Norfolk car parking service was undertaken in 2008, which established some very clear principles which remain valid today and underpin this report.

1.3 This report assesses the current position identifying key issues to consider and makes recommendations in line with the key principles 2008. The aim is to continue to improve the quality of car parking service provision for residents, visitors and businesses, ensure it is fit for purpose, achieves financial sustainability as well as enhancing the overall economic vitality of the market towns.

2. Background

2.1 South Norfolk Council last undertook a full review of its car parking services in 2008 with new charges agreed by Cabinet and implemented in October 2008. Those charges were based on the following fundamental principles:

   a) The public should expect to receive an improved standard of service in terms of maintenance, security etc.

   b) The approach to the question of charging for car parks should be on a consistent basis across the district, recognising the need to encourage the use of our market towns.

   c) Charges and free parking periods should be set to encourage short stay use in the town centres, and separate long stay use in other areas.

   d) As a general rule the cost of maintaining car parks should fall on the beneficiaries rather than the general council tax payer.

   e) Any surplus generated should be retained in a car park reserve and used to increase maintenance or decrease costs for following years.

   f) The charging regime should not be inconsistent with the Council’s overriding principles.
2.2 Fees and charges were reviewed by Full Council in 2009 and in 2012 there was a minor review of the car parking service with a focus on on-street parking and an agreement by Cabinet as part of its budget setting process that charges would remain unchanged. The fundamental 2008 principles remained the same.

2.3 It is prudent to review fees and charges on a regular basis to ensure that the service provision is financially sustainable, albeit any review has to be made in the context of ensuring that the provision is also fit for purpose.

2.4 This 2016 review of car parking charges has applied the principles agreed in 2008. The review examined the portfolio of SNC car parks and service provision, information on the ticket sales, ticket machines, payment methods, the tariffs and the effect they have on ticket sales, town centre footfall and also how we manage consumer demand. There has also been an analysis of the Action for Market Towns Benchmarking data, local and National surveys and information gathered from neighbouring districts.

3. Current position and Proposals

3.1 South Norfolk Council currently operates eight car parks in Diss with some 393 spaces, two in Harleston with 196 spaces, two in Loddon with 83 spaces, one in Long Stratton with 58 spaces and four in Wymondham with 257 spaces. This gives us a total of 987 spaces, the vast majority of which are Pay and Display, the exceptions being Harleston and Long Stratton, which are both currently free to the end user.

3.2 There are a number of issues to consider in relation to the market towns and car parking provision in South Norfolk and these can be broadly summarised under the following headings:
High Street Accessibility

3.3 Accessible High streets are a vital part of improving our local economy. In particular principles b), and c). of 2.1 set out the need to provide balanced parking provision and appropriate tariffs to help maintain and encourage the use of our Market Towns.

3.4 The Market Towns Initiative since its inception has been instrumental in working with Town Teams across the district in devising projects and events to increase the footfall in our Market Towns. This activity is designed to increase the vibrancy of the High Streets and positively drive the economic growth not only in the towns themselves, but also in their outlying communities. Central to the effective access of residents and visitors is the provision of safe and secure, clean and efficient car parks with effective and reasonable charges as stated in 2008 principles b). and c). The expectation of being able to find a vacant space and a choice of convenient and state of the art payment methods is the very minimum residents should expect in return for those charges. The review has acknowledged that the 2008 principles are still valid and proposals should reflect this.

3.5 Benchmarking surveys carried out by both SNC officers and by Action for Market Towns (AMT) conclude that the expected level of footfall recorded in the High Streets of some towns does not correspond to the number of cars in parked in the majority of our car parks. In Harleston and Diss on market day 12% vacancy rates are reported, with Wymondham dropping to 9% and Loddon better at 29%. The report highlights the fact that an accepted industry standard for vacancy rate of free parking spaces should equate to about 15% of the total, if the tariff, provision and policy are right.

3.6 Looking at our Market Towns and principally at our busy town centre car parks in both Wymondham and Diss, both AMTs and our own car park surveys agree that availability of free spaces is below this benchmark and at peak times, non-existent. This in turn impacts on the shopper footfall and therefore the vitality of the town centres we are working to support. Market Days and other times of peak demand leads to residents driving round the town centre looking for available spaces with the obvious congestion and frustration that this creates; loss of custom to other centres such as Norwich may be the result. The 2008 principles b). and c). have led to proposals for changes to the status of these car parks.

3.7 The conclusions officers have drawn is that all day users of the car park who are not shoppers or visitors, are either using our car parks for Park and Ride purposes, are workers in the town’s shops and businesses or are resident or non-resident permit holders. Town Centre spaces are frequently occupied by long term parking and this is an important issue to consider as we currently do not distinguish between long and short stay car parking options.
3.8 If no spaces can be found close to the High Street, this may lead to instances of people ‘cruising’ whilst seeking a space and also an increase in inconsiderate and sometimes illegal “on street” parking, a potential cause of complaint and ill feeling in the community.

3.9 Lack of car parking space may also affect the perception of the ‘accessibility of market towns’ and impact on the decision by residents and visitors on whether or not to shop locally or elsewhere. Convenience is a greater influence than cost of parking in consumer surveys carried out by both the Diss Heritage Triangle Partnership and AMT.

3.10 With minor strategic changes, this “space blocking” can be reduced and the balance of the provision better suited to the peaks and troughs of customer demand and the expectation of free spaces will encourage shoppers to our Market Towns. By adjusting the charges to provide both Short and Long Stay car parks we can strategically control visit duration to the high demand sites, whilst improving the turnover of available spaces to short stay shoppers, outlined in the 2008 principle b). The specific Long Stay car parks will ensure there continues to be an affordable car parking option for workers in shops and businesses.

3.11 In recognition of 2008 principle c). and the need to provide a balanced car parking service in South Norfolk the proposal is to create “Short Stay” Shopper’s and Resident Permit Holder car parks in Market Street and Back Lane, Wymondham. Chapel Street Upper and Lower, Weavers Court and Mount Street in Diss and make all other car parks “Long Stay” and Non-Resident Permit Holders only.

3.12 Additionally we propose to limit the time allowed in Short Stay car parks to 4 hours, to prevent “Park and Ride” usage and space blocking, and to keep the high demand Short Stay car parks free of non-resident Permit holders, encouraging take up of under-utilised edge of town sites which will in turn free up the available town centre spaces. (101 in Diss and 65 in Wymondham)

3.13 The current charging model for car parks in South Norfolk is as outlined in the following table.
The current charging profile in the majority of Pay and Display car parks in South Norfolk is:

First hour is FREE  
1 - 2 hours £1.00  
2 - 3 hours £1.50  
3 - 4 hours £2.00  
Over 4 hours £3.00

The exceptions being:

Cemetery Lane, Wymondham:  
Up to 1 hour £1.00  
1 - 6 hours £3.00  
All day £3.00

Loddon:  
First two hours FREE  
2 - 3 hours £1.50  
3 - 4 hours £2.00  
Over 4 hours £3.00

Harleston and Long Stratton:  
No charge to the end user

All charges apply 8am - 6pm Monday to Saturday inclusive (excluding Bank Holidays).
3.14 In order to differentiate the two types of car parking, different charging regimes will enable residents to clearly see the added value of the Short Stay car parks proximity to the High Streets with visitor and longer durations benefitting from a tariff suited to their out of town locations.

3.15 The proposed new tariffs align directly with 2008 principles b). and c). in their consistent approach to charging and an effective balance between short and long stay provision.

Proposed new tariffs:

**Short Stay Shoppers car parks:**

- First hour is FREE
- 1 - 2 hours £1.00
- 2 - 3 hours £2.00
- 3 - 4 hours £5.00
- Max Stay 4 hours. (Machines to be re-calibrated to make 4 hours max time allowed)

**Long Stay car parks:**

- First hour is FREE
- 1 - 2 hours £1.00
- 2 - 3 hours £2.00
- 3 - 4 hours £3.00
- All Day £4.00

3.16 Together these measures will increase churn and in turn offer a bigger opportunity to increase footfall in the town centres across the district and therefore meet with the 2008 key principles a). b). and c).
Quality of Car Parking Service Provision

3.17 Key principle a). agreed in the 2008 report required us to ensure that in order to maintain a high standard of service and ensure that South Norfolk Car Parks are safe and ‘fit for purpose’. In response to this principle, it is proposed that we will continue with an active programme of ongoing maintenance and improvements to both the physical car parks in the timely repair of surfaces to prevent potholes and also in the infrastructure such as the upgrading and maintenance of ticket machines. An analysis of the costs involved in running the service has been undertaken, see Appendix 3

3.18 Many of our car parking ticket machines are old and only offer a coin only pre-payment option. This does not reflect a modern service which ought to provide multiple payment methods, by credit card and mobile phone for example, and a pay on exit option to increase dwell times in the towns. In accordance with 2008 principle a). the review highlights the need to improve this service.

3.19 The option to pay by notes/paper money has been considered, but because the proposed revised tariffs reflect only minor changes it is felt that the extra cost of machines and the cash handling implications to the Council, far outweigh the expected take up and is not cost effective. Ticket machine manufacturers advise that this option really only is effective where much higher tariffs exist.

3.20 New £1 coins are to be introduced in March 2017 which will either need the current machines to be retrofitted with new mechanisms at a cost of approximately £1800 or new machines to be purchased (offering a wider range of payment options for the consumer). We aim to replace the obsolete ticket machines with state of the art new ones that accept all coins, cards and a pay on exit option to offer a full range of options to users. Pay on exit payment options will offer a unique opportunity for residents to spend more time in the towns without worrying about time limits. This will accord with 2008 principles a). b). in improving the service provision and encouraging use of our Market Towns by offering an improved service.
3.21 To further adhere to 2008 principle a), the service will be improved with the proposal to introduce an additional Pay by Phone option. With no initial set up costs to the Council, this service will pass on a 20p transaction charge to users and allow the most up to date payment options available. The only cost to the council is the processing charge for card payments set up through our existing payment service provider and merchant acquirer and currently is set at approximately 1.25% depending on what payment card type is used. Ringo, the largest provider is considered the best option for this service as they already have the widest coverage meaning more existing users would use this option without needing to register.

3.22 To further reinforce principle a), it is proposed to improve our range of services by offering a pay on exit card payment option on future ticket machines as part of our planned replacement programme. Users simply use their credit card to buy a ticket, and on return offer the card to the machine which will calculate the payment; failure to do so will simply trigger a full day’s payment to the card. This will in effect remove the barrier to increasing dwell times for visitors and encourage users to explore the area, covered in principle b).

3.23 Generally, the car parks are in a reasonable state of repair and are subject to ongoing daily management and maintenance as well as an annual survey by the Parking Services Manager and ward members to agree a schedule for any works or repairs. However, it is worth highlighting that earlier this year, a £33,000 investment was required to re-design and resurface the Mount Street, Diss car park and in the future a number of tariff boards will require upgrading; all such repairs have to be considered in the light that our car parks, at present, make a net loss.

3.24 The recent introduction of electric vehicles and the forecasted increase in availability and predicted sales might require us to consider in future the provision of charging facilities in our Market Towns. Officers will continue to monitor public interest and potential demand and should this become sustainable, will work with both manufacturers and government agencies on the best practice and a way forward.

**Wymondham Car Parking Provision**

3.25 Wymondham currently has four car parks operated by South Norfolk Council offering a total of 257 spaces. On a population basis, the town has the lowest car parking provision of all our Market Towns and with planned housing development in the area the situation will become more challenging. The 2008 principle a). directs us to strive to improve the quality of our service
and b). directs our attention to encouraging use of the Market Towns and proposals for introducing charges to the Ayton Road car park will increase the parking provision and encourage increased footfall to the town.

3.26 Wymondham’s population is expected to increase from the current 14,405 to 20,668 by 2026 assuming a national average occupation of the new housing, both currently in build and planned. Although not every new resident will be a car owner, or drive to the town centre, the minimum 2,200 new homes planned for Wymondham will create up to 3300 additional vehicles; according to the ONS 2011 census statistic used to calculate car ownership. This will be in addition to the growth in the surrounding villages, in particular Hethersett, meaning that the current 257 car parking spaces offered by South Norfolk Council will be inadequate for the anticipated growth; even when taking the Central Hall’s privately operated additional 130 spaces into account. Totalling 387, this would still be less than the 393 spaces currently offered in Diss which has a population of just 10,022.

It is therefore proposed to create an additional Long Stay Pay and Display car park, initially for 30 vehicles in Ayton Road, Wymondham, to provide extra spaces for station users and also to take the overspill of permit holders who would normally park in the town centre. This will provide an opportunity to create more space according to demand as there is land available to increase the number of spaces as the need arises, see Appendix 2.

3.27 It is further proposed that every effort is made to identify further potential new car parks or land that could be acquired for future provision as and when necessary as this may well aid the parking provision in the future.

**Special Arrangements**

3.28 Cemetery Lane in Wymondham has a charging regime that doesn’t include a free period because when opened, it was felt that the majority of users would require long stay visits due to its proximity to the mainline station. The proposal is for this to become a Long Stay car park, which will also give non-resident Permit Holders an additional option to the South of the town centre.

3.29 Car parking in Harleston is currently available at no cost to the end user as a result of a special arrangement between South Norfolk Council and Redenhall and Harleston Town Council. This arrangement has just been mutually agreed with a 12 month continuation to its leases at a combined rental of £17,156.00 and is therefore now due October 2017. Due to the
limited time to agree new terms and the desire to incorporate wider opportunities for the town which are currently under development, it was felt prudent to agree a 12 month extension whilst these other opportunities are explored and progressed.

3.30 Long Stratton has a rental agreement in place with the Co-Op which allows free parking and the rent is currently £18089 per annum reviewed every 5 years; the next review due on 30.11.2018. The term is however fixed until 2063 according to the original lease terms and so fall outside the effective remit of this report.

3.31 Loddon currently has its second free hour subsidised by the local Co-Op. The annual renewal for 2016 at a fixed sum of £5000.00 has been agreed.

3.32 South Norfolk residents are able to purchase an annual season ticket, normally referred to as a permit. These permits which can be purchased either in full or by monthly direct debit in arrears are priced at £20.00 per month, £240.00 annually. However Loddon residents currently benefit from a 50% discount intended as an introductory concession in 2008, but not increased in either of the reviews in 2009 and 2012.

3.33 It is proposed that the cost to be increased from £240 annually to £300 and then annually by 5% for the next five years, to reflect the true value of the service, and to keep pace with tariff changes. Loddon’s permit discount to be reduced pro rata on an equal basis per year to nil over the same period.

3.34 Currently South Norfolk residents who apply for a special dispensation permit for carrying out essential works to property and requiring vehicles to be accessed on site are issued with a permit free of charge. This involves administration time and costs and because it is difficult to assess the merits of the individual case, it is felt that the requirement need and duration is sometimes stretched to avoid car parking charges locally.

3.35 In line with several Norfolk Councils for example, Norwich City Council, King’s Lynn &West Norfolk District Council and Great Yarmouth Borough Council it is therefore proposed to make a daily charge equivalent to the Long Stay tariff for any dispensation permits issued to vehicles for essential building works which require a licence to waive enforcement.

Financial Sustainability
3.36 Referring again to the 2008 principles d) and e), both of which state that it is important that any car parking service operated by South Norfolk Council is financially sustainable and any costs are covered by the ongoing income generated with any additional income reinvested back into improving the standard of car parks and their offer in the South Norfolk market towns for example, potentially the creation of new car parks to support increasing demand as highlighted above.

3.37 A financial breakdown of income and costs is outlined in Appendix 3.

3.38 All financial modelling has been based on income received during 2014/15 and assumes that visitor numbers overall would remain the same. (Estimates for Short and Long Stay usage are based on 40/60% split and reflects the current demand.)

3.39 2014/15 Pay and Display ticket sales income produced £194,874 with Permit sales producing £64,185 and rental and recovery income a further £59,982 totalling £319,041 for all our car parks in the current chargeable sites. This against an operational cost of some £343,096 gives an operating deficit of £24,055.

3.40 Based on the proposed tariff changes and permit charges, the same parking pattern would have produced £265,703 in ticket sales, Permits a further £82,800, rental and recovery the same £59,982 totalling £408,485 producing a surplus for re-investment of the service of £65,388 (these figures do not include potential Ayton Rd income).

<table>
<thead>
<tr>
<th>Ticket Sales</th>
<th>Permit Sales</th>
<th>Rental/Recovery</th>
<th>Total Income</th>
<th>Direct Costs</th>
<th>Result</th>
<th>Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>194,874</td>
<td>64,185</td>
<td>59,982</td>
<td>319,041</td>
<td>343,096</td>
<td>(24,055)</td>
<td>Current</td>
</tr>
<tr>
<td>265,703</td>
<td>82,800</td>
<td>59,982</td>
<td>408,485</td>
<td>343,096</td>
<td>65,388</td>
<td>Proposed</td>
</tr>
</tbody>
</table>

3.41 There are 19 machines currently in our car parks requiring an upgrade at an estimated cost of £64,500 as well as an upgrading of tariff boards and additional signage required. These new machines will offer a greater range of payment methods. The additional investment has been factored into the financials. It should be noted that the Department for Transport operational guide to Local authorities states that:

*The income from on-street charging and any penalty charge payments received (whether for on-street or off-street enforcement) must only be used in accordance with section 55 of the Road Traffic Regulation Act 1984 (as amended).*

*Section 55 in essence states that any surplus must be used for maintaining or improving car parks, or on highway related projects, environmental improvement in the local authority area or any other purpose which the authority in their area may lawfully incur expenditure.*
Overview of Proposals, Outcomes and Underlying Principles

Summary of Proposals:

- **Car Parking Charges**
  - First hour free (as before)
  - Same charging under 2 hours (as before)
  - Long term stay charging to increase (£4 all day)
  - Permits to increase by £60 p.a. and then 5% p.a.
  - No changes to Loddon and Harleston in 2016-17

- **Short / Long Term Parking**
  - Short stay shoppers parking in town centres (time limited to 4 hours max)
  - Long stay and permit holders at edge of town sites
  - Additional Long Stay parking in Wymondham
  - New dispensation permits (for building works)

- **Enhancement of Services**
  - New ticket machines – multiple payment options
  - Additional Pay by Phone Options
  - Any additional annual income to be reinvested back into enhancing quality of car parks and services
  - More efficient and effective service provision

Summary of Outcomes:

- Enhanced quality of car parks & services
- Fit for purpose
- Increased footfall
- Improved economic vitality of high streets
- Reduced congestion
- Enhanced benefits to residents and visitors
- More cost effective service delivery
- Improved parking provision
- Reduce complaints

UNDERLYING PRINCIPLES (AS PREVIOUSLY AGREED IN 2008)

a) The public should expect to receive an improved standard of service in terms of maintenance, security etc.

b) The approach to the question of charging for car parks should be on a consistent basis across the district, recognising the need to encourage the use of our market towns.

c) Charges and free parking periods should be set to encourage short stay use in the town centres, and separate long stay use in other areas.

d) As a general rule the cost of maintaining car parks should fall on the beneficiaries rather than the general council tax payer.

e) Any surplus generated should be retained in a car park reserve and used to increase maintenance or decrease costs for following years.

f) The charging regime should not be inconsistent with the Council’s overriding principles.
<table>
<thead>
<tr>
<th></th>
<th>a). The public should expect to receive an improved standard of service in terms of maintenance, security etc.</th>
<th>We have ensured that our proposals maintain the standards identified and continue to offer properly maintained, safe and secure car parks.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>b). The approach to the question of charging for car parks should be on a consistent basis across the district, recognising the need to encourage the use of our market towns.</td>
<td>The proposals present a consistent approach to charging with both Short and Long Stay options providing a better service to the needs of businesses, residents and visitors to the towns.</td>
</tr>
<tr>
<td></td>
<td>c). Charges and free parking periods should be set to encourage short stay use in the town centres, and separate long stay use in other areas.</td>
<td>The proposals for Short and Long Stay car parks seek to balance the parking provision to encourage use of our town centres.</td>
</tr>
<tr>
<td></td>
<td>d). As a general rule the cost of maintaining car parks should fall on the beneficiaries rather than the general council tax payer.</td>
<td>The tariffs have been modelled to provide the Council with income to offset the cost of operation.</td>
</tr>
<tr>
<td></td>
<td>e). Any surplus generated should be retained in a car park reserve and used to increase maintenance or decrease costs for following years.</td>
<td>The proposals provide for any surplus to be reinvested directly into the service.</td>
</tr>
</tbody>
</table>
The charging regime should not be inconsistent with the Council’s overriding principles. The proposals adhere to the following priorities:

- Increasing our ability to be self-financing through commercialising where appropriate to support those services that matter to residents the most
- Delivering increased value for money by increasing productivity
- Delivering the services that customers need when they need them.
- Leading and building collaborative working with our private, public and voluntary sector partners to deliver better and more efficient services for our residents.

4. Strategic Context

The South Norfolk Corporate Plan has two priority areas which relate to this strategy.

**Economic Growth, Productivity and Prosperity**

- Providing the conditions to stimulate growth, productivity and prosperity, sharing the benefits of growth with our communities. This strategy aims to create a better balance for parking in our Market Towns. By minor restructuring of tariffs, creating short and long stay options, offering a wide range of payment options and improving space availability we are creating a service for residents and visitors alike that will encourage footfall to our High Streets. Business operators will benefit from shoppers able
to park close to their premises more often and by having the option to pay on exit will be free from time limited stays. Longer visits will be concentrated on the outer edges of the towns encouraging footfall to the less frequented areas benefiting more of the towns.

Place, Communities and Environment:

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

With a strategic approach, congestion and cruising around the town looking for spaces should be reduced to a minimum, improving traffic flow and reducing pollution. Extra availability will reduce the incidence of inconsiderate and illegal parking which will improve the community feel of the towns and avoid confrontation and ill feeling this behaviour causes.

5. Strategic Objectives

In accordance with the 2008 key principles already outlined, the proposals continue to:

- To recognise the important role that parking plays in the economic vitality of our Market Towns and the effect it can have on the visitor economy.
- Ensure that the car park services are developed and delivered to a high standard in terms of economy, efficiency, safety and customer needs.
- Maintain a charging structure that maximises the use of existing car parks, whilst managing a balance between economic, environmental and traffic management objectives.
- Reduce the burden on the taxpayer and shift the cost of car parking provision towards the service users and manage the Councils car parking assets in a cost effective manner.
* To explore the potential to add to our car parking sites with a view to providing additional provision for the planned growth of our Market Towns.

6. Risks and implications arising

6.1 We have carefully examined the position regarding consultation. Whilst the introduction of fees in 2008 attracted significant local interest, the proposals contained in this review do not present a fundamental shift in our approach towards car parking which may necessitate a wider consultation, as we are not deviating from the principles stated then. Having taken legal advice, officers do not consider a wider public consultation is therefore required, but do consider it appropriate and prudent to consult with the relevant local Parish and Town Councils on the proposals for a period of four weeks.

6.2 Inevitably, there will be some consequence as a result of the proposed changes, for example the need to change tariff boards and publicity to ensure they correctly reflect the pricing structure and payment options.

6.3 The proposed Ayton road car park will need to be patrolled and enforced by our CEO’s, however they will be spending much less time attending breakdowns on our older ticket machines and attending complaints regarding unenforceable inconsiderate parking complaints as a result of no spaces being available, and therefore it is expected that there will be no additional staffing requirements as a result.

6.4 The proposals do not make any changes to concessions to disadvantaged groups, and officers consider that by increasing the availability of Town Centre car parking spaces users of the Town Centre should benefit from the proposals. Given that officers do not consider overall disadvantaged groups should be affected, it has not been considered necessary to undertake an equalities impact assessment.
7. Other options

7.1 The potential to charge higher tariffs exists but charges should reflect the overall offer of the towns. Charging too high a tariff may affect footfall adversely and not achieve the aim of managing the demand. We have to consider our neighbouring districts charges and how consumers may view a larger increase. See below summary of tariffs.

<table>
<thead>
<tr>
<th>Town</th>
<th>First Hour</th>
<th>2-3 Hours</th>
<th>3-4 Hours</th>
<th>All Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beccles</td>
<td>0.70p</td>
<td>£1.40</td>
<td>£2.10</td>
<td>Max 3 hours</td>
</tr>
<tr>
<td>Bungay</td>
<td>0.65p*</td>
<td>£1.80</td>
<td>£2.40</td>
<td>£3.25</td>
</tr>
<tr>
<td>Halesworth</td>
<td>0.65p*</td>
<td>£1.80</td>
<td>£2.40</td>
<td>£3.25</td>
</tr>
<tr>
<td>Stowmarket</td>
<td>Up to 2 hrs £1.00</td>
<td>£1.50</td>
<td>£2.00</td>
<td>£2.50</td>
</tr>
<tr>
<td>Attleborough</td>
<td>Free **</td>
<td>Free **</td>
<td>Free **</td>
<td>Free **</td>
</tr>
<tr>
<td>Dereham</td>
<td>Free **</td>
<td>Free **</td>
<td>Free **</td>
<td>Free **</td>
</tr>
</tbody>
</table>

(* Halesworth and Bungay have negotiated a special arrangement with Waveney DC to allow at least one of their main car parks to have a free first hour. ** Residents in Breckland agreed a 7.8% increase in Council Tax to mitigate car park charges; this is currently being reviewed again.)

7.2 The charging regimes proposed present the biggest opportunity to strategically manage the traffic and yet present the smallest amount of tariff change possible to achieve it. The free first hour is seen by survey respondents as very important and charging from the first minute has been evaluated and could be introduced at a later date, but is felt to be a too big departure from the current arrangements at present.

7.3 Increasing charges without making strategic decisions to provide extra capacity would not solve the problems that exist and may well alienate residents from their Market Towns and cause a further decline in footfall.

7.4 Doing nothing will continue to result in the Council being required to significantly subsidise car parking provision and space blocking will continue and lead to a further decline in ticket sales and reduced footfall in our Market Towns.
8. Recommendations

For Cabinet to re-endorse the basic principles agreed in 2008 and agree:

• A period of consultation direct with relevant Town and Parish Councils.

• The package of proposed tariff and permit charges outlined in the report.

• To recommend the introduction of Long Stay charging to the Ayton road, Wymondham car park into an additional Pay and Display site and to agree that officers continue to investigate potential sites within the District.

Appendix 1

Evidence

• The 2015 Diss survey conducted by the Heritage Triangle Partnership found that the cost of parking in determining the length of a stay is cited by only 7% of residents and an overwhelming 74% consider the current charges fair. We consider the implication for South Norfolk is that, the tariff may be too low and encourages “Park and Ride” users and too many shop staff and resident permit holders are using the high demand car parks; effectively blocking them from High Street shoppers.

• The same survey mirrors the Action for Market Towns (AMT) survey findings carried out in the Market Towns in 2013 and 2014 in that the cost of parking only influences 8% of residents when selecting a car park. Convenience for destination, the first free hour and availability of spaces all score higher in residents stated reasons for car park selection.
The British Parking Association’s Research the Research National report states in its executive summary:

“Contrary to the popular belief that free parking will resolve many issues, it has been found that free parking leads to excess demand and consequently cruising for spaces”. And “Searching for a parking space affects congestion, the reason for traffic management.”
• Overall percentage of vacant spaces on a Market/ Busy Day and on a Non Market/ Quiet Day.

<table>
<thead>
<tr>
<th>Car Park:</th>
<th>Nat. Small Towns%</th>
<th>East of Eng. Small Towns%</th>
<th>Typ.%</th>
<th>Wym.%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacant Spaces on a Market Day:</td>
<td>28</td>
<td>20</td>
<td>29</td>
<td>9</td>
</tr>
<tr>
<td>Vacant Spaces on a Non Market Day:</td>
<td>36</td>
<td>32</td>
<td>38</td>
<td>25</td>
</tr>
</tbody>
</table>

• On the Market Day 9% of the car parking spaces in the town centre were vacant, which is noticeably lower than the National (28%) and Typology (29%) averages. Following the footfall pattern, car parking use also dropped on a Non Market Day from a Market Day with the vacancy rate increasing to 25%. To place the data in further context, at a meeting of the British Parking Association in 2013 a figure of 15% vacancy rates was offered as the benchmark if pricing, provision and policy are all set correctly.
Harleston Town Centre

- Overall percentage of vacant spaces on a Market/ Busy Day and on a Non Market/ Quiet Day.

<table>
<thead>
<tr>
<th>Car Park:</th>
<th>Nat. Small Towns%</th>
<th>East of Eng. Small Towns%</th>
<th>Typ.%</th>
<th>Harleston%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacant Spaces on a Market Day:</td>
<td>28</td>
<td>20</td>
<td>29</td>
<td>12</td>
</tr>
<tr>
<td>Vacant Spaces on a Non Market Day:</td>
<td>36</td>
<td>32</td>
<td>38</td>
<td>24</td>
</tr>
</tbody>
</table>

- On the Market Day 12% of the car parking spaces in the town centre were vacant, which is noticeably lower than the National (28%) and Typology (29%) averages. Following the footfall pattern, car parking use also dropped on a Non Market Day from a Market Day with the vacancy rate doubling to 24%.

133
Loddon Town Centre

- Overall percentage of vacant spaces on a Busy Day and on a Quiet Day.

<table>
<thead>
<tr>
<th>Car Park:</th>
<th>Nat. Small Towns%</th>
<th>East of Eng. Small Towns%</th>
<th>Typ.%</th>
<th>Loddon %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacant Spaces on a Busy Day:</td>
<td>28</td>
<td>20</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>Vacant Spaces on a Quiet Day:</td>
<td>36</td>
<td>32</td>
<td>38</td>
<td>43</td>
</tr>
</tbody>
</table>

Diss Town Centre

- Unfortunately the AMT survey in 2013 counted both supermarket car parks in Diss as part of its overall provision for the town and only in the later surveys for other towns was this methodology corrected. This skews the overall vacancy percentage and fails completely to record SNC’s Pay and Display space availability separately. We are therefore reliant on recent survey counts and the evidence of our Civil Enforcement Officers (CEO) who are in the town daily.

General.

- Reports from our CEOs’ confirm that there are regular examples of “cruising” around the high demand town centre car parks in Diss and Wymondham by residents trying to find available parking spaces. This in turn causes congestion and undoubtedly leads to frustration and abandoned shopping visits to the town and results in lower than expected footfall. Though impossible to quantify, it is conceivable that the expectation of full car parks with no free spaces puts many people off from visiting our Market Towns in the first place; choosing out of town, easy to park in alternatives instead.

- The Market Towns Coordinator and other officers have witnessed lower than expected High Street numbers during numerous regular visits to gather footfall counts and to attend Town Team meetings etc. despite the fact that the car parks have been generally full.
• Physical counts taken during June, July and August in Loddon, Harleston, Wymondham and Diss have pointed to high demand in the town centre locations and “cruising” on almost all occasions in Wymondham and Diss. Counts taken on 25th May, 3rd, 6th, 7th, 10th, 13th, 14th, 15th, 17th June and 5th August have found that with the exception of Loddon, all other town centre car parks are virtually full by 10.30am.

• In most counts, fewer than 5 spaces across the town centre existed in Diss and Wymondham; Harleston had fewer than 20 on most occasions and mid-morning fewer than 5 also. Wymondham and Diss town centre car parks prove almost impossible to assess as most spaces have people waiting to occupy them, as soon as they are vacated. The outer car parks located at Park Lane Diss and Cemetery Lane in Wymondham have never been more than half full on any visit.

• Wymondham as a percentage of population has the lowest number of car park spaces of any of our Market towns and needs extra provision in light of the considerable development already in progress and planned.

• 10 of our Accent ticket machines are obsolescent and are being maintained from a stock of old machine parts as new parts are no longer available. 9 Aura machines are currently maintained from stock parts, but these too will need replacing soon and an upgrade for the new £1 coin due next year will cost approximately £1800 across the district.

Appendix 2.

Ayton Road car park.

Why?

This proposal forms part of a wider strategy for Off St parking for the district which includes Short Stay and Long Stay options designed to improve the availability of parking spaces in the high demand town centre locations and improve the overall parking service provision.
This report proposes the creation of additional new Pay and Display parking spaces which is vital to the infrastructure of the town and would contribute to the revenue of the Council, whilst adding to the parking offer for residents and visitors in the future. It can also complement the Council’s strategy of increasing “churn” in the town centre car parks.

Wymondham’s population is expected to increase from the current 14,405 to 20,668 by 2026 assuming a national average occupation of the new housing, both currently in build and planned. This will mean that the current 257 car parking spaces offered by South Norfolk Council will be inadequate for the anticipated growth; even when taking the Central Hall’s privately operated additional 130 spaces into account. Totalling 387, this would still be less than the 393 spaces currently offered in Diss which has a population of just 10,022.

**Outcomes**

- Improvement of Place and Environment as a direct result of investment
- Entrepreneurial use of SNC asset
- Increase in Pay and Display and Permit income for SNC
- Enhanced parking provision for residents and visitors
- Freeing up permit holders spaces in the high demand town centre
- Increase in overall footfall
- Improved access to Browick Recreation Park

SNC operate a car park in Ayton Road, Wymondham, which offers an area currently free of charge to use for cars and a further fairly poorly maintained area where trucks are able to park and turn. The land extends past some wooden posts which effectively divides the area and then adjoins an unmade access to Browick Road over Wymondham Town Council (WTC) owned land.
Proposal.

To convert the current brick weaved area to a Pay and Display car Park.

It is estimated that the lighting, lining, ticket machine and tariff board and some additional signage would have a one off cost of approximately £10,000.00 and produce:

- 30 additional spaces @ 266.56 per Long Stay space = 7,996.80
- A potential 15 additional annual permits @ 300.00 = 4,500.00
- Totalling additional income per year of £12,496.80

Alternatives

- Do nothing; leave the situation as it is.
- Look for other additional car parking potential
- Develop the land for other use.

Risks

- Potential resistance from Ayton Road businesses to Pay and Display.
- A burger van rents a small site from SNC and relies on workers from the industrial estate for much of its trade. SNC is currently the owner of some of the leased property in Ayton Road and workers routinely and historically use this car park rather than park in the road itself; however Property Services have given assurance that none of the current leases are conditional on the Council providing parking spaces, free or otherwise.
- Increase in the maintenance commitments (considered by Env. Services to be minimal) would have to costed and scheduled.
Conclusion

In order to demonstrate we are improving the parking provision in the town to match both the demand from new developments and by providing more long term car parking for permit holders to use and walk into Wymondham, this facility will offer a potential boost to footfall and strengthen the tourism offer to the south of the town centre. The scheme allows for further spaces to be created if demand increases with the development of the nearby Browick Interchange or the newly planned 500 seater auditorium at the Hub Church in Ayton Road.

As such we will proceed with plans taking into account issues including but not limited to:

- Legal costs
- Electricity supply issues and costings
- Additional impact on Civil Enforcement Officers.
- Cash collection implications
- Additional drainage requirements.

Appendix 3.

Financial report for 2014/15

Car parking Services.

| Ticket sales, rental and recovery income | £319,042 |
| Direct costs, salaries, maintenance etc.  | £343,096 |
| Overall deficit                          | (£24,054) |
Council Tax discounts for empty homes, second homes and those undergoing/requiring major repair works.

Report of the Policy Officer  
Cabinet Member: Cllr Yvonne Bendle, Wellbeing and Early Intervention

Paul Chapman  01508 533892  
pchapman@s-norfolk.gov.uk
1. Introduction

1.1 The Council has powers to reduce or remove the Council Tax discount for empty homes, second homes and those undergoing/requiring major repair works. A similar approach was taken by all Norfolk authorities in applying these discounts from April 2013. However in recent years some of the Norfolk authorities have reviewed their use of these discounts so there is now significant inconsistency. With increased pressure on funding available for councils and the Police, Norfolk County Council have asked all Norfolk districts to consider the overall position of Council Tax discounts to explore options for further harmonising the discounts offered across the county.

1.2 Cabinet are asked to review the approach of South Norfolk Council for the financial years starting April 2017 by considering the powers and options as set out in this report.

2. Background

2.1 The Local Government Act 2003 amended the Local Government Finance Act 1992 to give local authorities the discretion to vary the level of discount for second homes and to vary or remove the discount entirely for long-term empty properties.

2.1.1 The Government has since, through the Local Government Finance Act 2012 and subsequent regulations, introduced legislation which took effect from April 2013 to give local authorities greater freedoms to apply discounted charges where certain exemptions previously applied, and to vary charges on long-term empty properties (by charging an additional premium of up to 50% once empty for more than 2 years) and to vary the discount on second homes.

2.1.2 For the purposes of Council Tax a second home is a property that is no-one’s main residence but is not substantially unfurnished, and a long-term empty property is one which is no-one’s main residence, is substantially unfurnished and has been such for six months or more.

2.1.3 There are some situations where the legislation requires that a 50% discount must be awarded, and others where we may not charge the long-term empty premium.

2.1.4 Any discount period is dependent on the period the property is empty and is unaffected by changes in ownership or tenancy i.e. a new owner does not get a fresh discount period where the property has already been empty for a period exceeding the discount period available.
2.1.5 These powers can particularly be used to encourage properties back into use and raise additional revenue for areas affected by high numbers of second homes and empty properties. Reducing the number of long-term empty properties (those empty for six months or more) generates yet further funding through the calculation of the New Homes Bonus, which also rewards local authorities for ensuring that long-term empty properties are brought back into use. Offering a reduction to owners of empty properties can act as a disincentive to bringing the property back into use.

3. Current Position/Findings

3.1 In South Norfolk the following discount levels have been in place since 1 April 2013:

<table>
<thead>
<tr>
<th>Class of property</th>
<th>Period</th>
<th>Discount level</th>
<th>Council Tax charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empty/unfurnished properties (Class C discounts)</td>
<td>0-3 months</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>3-24 months</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>24 months +</td>
<td>0%</td>
<td>150%</td>
</tr>
<tr>
<td>Empty properties undergoing or requiring major repair works (Class D discounts)</td>
<td>0 – 12 months</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Second homes – furnished properties (Class B discounts)</td>
<td>At all times</td>
<td>5%</td>
<td>95%</td>
</tr>
</tbody>
</table>

3.2 Once a Class D discount expires (after no more than 12 months) if the property remains empty it will attract the relevant charge for a Class C discount property which will be dependent on whether it has been empty for less than or more than 24 months (i.e. 100% or 150%).
3.3 Below is a table to show the charge levels after discounts in 2016/17 for all Norfolk authorities and for those Suffolk authorities bordering on South Norfolk. As can be seen overall the current discount scheme operated in South Norfolk, Great Yarmouth and North Norfolk is more generous than that operated by other local districts.

<table>
<thead>
<tr>
<th></th>
<th>Empty/unfurnished - initial period (Class C)</th>
<th>Empty unfurnished - subsequent period (Class C)</th>
<th>Long term empty premium cases (empty 24 months plus)</th>
<th>Undergoing/requiring major repair works (Class D)</th>
<th>Second homes (Class B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breckland</td>
<td>0% for 3 months</td>
<td>100%</td>
<td>150%</td>
<td>50%</td>
<td>100%</td>
</tr>
<tr>
<td>Broadland</td>
<td>100%</td>
<td>100%</td>
<td>150%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Great Yarmouth</td>
<td>0% for 3 months</td>
<td>100%</td>
<td>150%</td>
<td>50%</td>
<td>95%</td>
</tr>
<tr>
<td>Kings Lynn &amp; West Norfolk</td>
<td>0% for 3 months</td>
<td>100%</td>
<td>150%</td>
<td>50%</td>
<td>100%</td>
</tr>
<tr>
<td>North Norfolk</td>
<td>0% for 3 months</td>
<td>100%</td>
<td>150%</td>
<td>50%</td>
<td>95%</td>
</tr>
<tr>
<td>Norwich</td>
<td>100%</td>
<td>100%</td>
<td>150%</td>
<td>50%</td>
<td>95%</td>
</tr>
<tr>
<td>South Norfolk</td>
<td>0% for 3 months</td>
<td>100%</td>
<td>150%</td>
<td>50%</td>
<td>95%</td>
</tr>
<tr>
<td>Waveney</td>
<td>0% for 1 week</td>
<td>100%</td>
<td>150%</td>
<td>75%</td>
<td>100%</td>
</tr>
<tr>
<td>Mid-Suffolk</td>
<td>75% for 3 months</td>
<td>100%</td>
<td>150%</td>
<td>75%</td>
<td>100%</td>
</tr>
</tbody>
</table>

3.4 Members should note that Broadland and Norwich have removed all Class C discounts for empty properties so that a 100% charge applies from day one. Broadland have also removed the discount for empty properties that are undergoing or requiring major repair works.

3.5 Norfolk County Council have recognised there is a demand on billing authority’s resources in implementing these changes and have offered to provide a one-off funding contribution to help support district councils with the management of any changes to discounts.
4. Proposals

4.1 Members are asked to take the opportunity to review those discounts where we have local discretion and recommend to Council the proposals below. If agreed any changes will come into effect from 1 April 2017.

4.2 Empty properties - to retain the class C discount empty property at a discount level of 100% but to reduce the maximum period for which it is available from three months to one calendar month.

Analysis of discounts awarded has shown that of £560k of discounts currently awarded, over 58% is awarded during the first month, which means that in the majority of cases properties are re-occupied within a month without the need for a longer discounted period. Making this change would bring South Norfolk’s approach to discount closer to that operating in other districts locally.

Any Council Tax discount reduces the tax base and reduces the potential revenue available to fund public services. Reducing the extent of this discount will increase the tax base, will help spread the tax burden and encourage the owners of properties to bring them back into use sooner which in turn helps with the demand for local housing.

Retaining a discounted period does provide some encouragement for the growing private rented sector, acknowledging that it does often take a period of time to turn a property around in between lets, and that there is often a short period when properties are empty on changes of owner-occupier.

Moving to a one month free period would save £235k in discounts that were previously awarded and would generate a further £19.7k towards funding public services provided by South Norfolk Council.

To add clarification to operation of current rules such that “it will only be possible to qualify for an empty property discounted period where that period immediately follows a period in which a property has been continuously occupied for more than six weeks. Any one period, not exceeding six weeks, during which it was occupied shall be disregarded for this purpose.” This seeks to incorporate an equivalent rule to that which applied previously under legislation when the class C discount was formerly a national exemption.
4.3 **Major repair works** - to retain the 50% class D discount for properties which are empty and are not currently capable of being inhabited either because of their need for major repair works or because they are in the course of major repair works/structural alterations. With this particular discount the Council can vary the discount level but does not have the power to vary the discount period, there are national rules governing its operation which mean that it cannot apply for more than twelve months.

Offering a discount at such a stage can help act as an incentive for developers to improve the housing stock and bring empty properties back into use. This has a knock on impact on the amount of New Homes Bonus received, as under the current scheme bringing long term empty properties back into use counts towards the calculation of the bonus funding.

4.4 **Second homes** - to retain the 5% class B discount as at present.

Having a modest second home discount in place acts as a small incentive for owners to use properties rather than have them stand empty, and to report such use to us so that we can differentiate these properties from our long-term empty properties. When these properties are brought back into use as second homes it also has a positive effect on the New Homes Bonus calculation by reducing the number of long-term empty dwellings.

5. **Risks and implications arising**

5.1 The financial implications of any proposed variations from the current practice of applying these discretionary discounts are set out alongside the proposals or other options set out in this report. If no variation is made from discounts as they are currently operated there will be no additional funding generated which would otherwise provide valuable funding for public services provided by Norfolk County Council, The Office of the Police & Crime Commissioner for Norfolk, Parish and Town Councils and South Norfolk Council.

5.2 Any change to be made to the discount levels will have a greater effect in terms of increased/reduced revenue for Norfolk County Council and The Office of the Police & Crime Commissioner for Norfolk than it does for South Norfolk Council as these authorities make up greater shares of the Council Tax bill. Money that goes to fund South Norfolk Council represents only 8.4% of the average Council Tax bill.

5.3 Some of the potential changes set out in the options could have a knock-on effect on calculation of New Homes Bonus and where that is the case reference to this is made in the respective options.
6. Other options

6.1 To retain the class C discount as at present so that when a property first becomes empty a discount is awarded for the first three months that it is empty and unfurnished. The value of discounts currently awarded in this way is approximately £560k. Keeping this more generous discount approach in place would give even greater support to the rented sector, but would do nothing to increase the tax base and spread the tax burden. It would also not help to greater harmonise the discounts across the county.

6.2 To completely remove the class C discount so that 100% Council Tax is charged on an ongoing basis on an empty property from the point it first becomes empty. This action would save £560k in discounts that were previously awarded and would generate a further £47k towards funding public services provided by South Norfolk Council. This would place a high burden on landlords and would result in issuing lots of bills for small amounts for very short periods that properties are empty when there are changes of owner-occupiers, or where landlords become liable again for only a matter of days. Issuing bills in this way would not be very cost-effective.

6.3 To completely remove the class D discount for properties which are empty and are not currently capable of being inhabited either because of their need for major repair works or because they are in the course of major repair works/structural alterations. This would generate a discount saving of £58k (of which £4.8k would be a saving for South Norfolk Council). Removing this discount could be considered punitive as this is awarded to properties which are not currently capable of being inhabited either because of the need for major repair works or because they are in the course of structural alterations.

6.4 To remove the 5% class B ‘second home’ discount. If we did so the total amount of discount saved would be £41k (of which the saving to South Norfolk would be nearly £3.4k). If we had the same level of charge for empty homes (after initial discount period, if any) as for second homes the integrity of our data on empty homes would gradually be eroded as property owners would often not inform us of a switch from empty home to second home or vice versa. Having less reliable data on empty homes could adversely affect the amount of New Homes Bonus that is paid for this area.

7. Recommendation

7.1 Cabinet is recommended to request that Council:
7.1.1 Amend the class C empty property discount to 100% to operate for a period of one month
7.1.2 Retain the class D major repair works discount at 50% for twelve months
7.1.3 Retain the class B second home discount at 5%
Development of a Community Assets Strategy

Report of the Head of Environmental Services
Cabinet Member: Cllr K Mason Billig, Portfolio Holder for Environment and Recycling

CONTACT
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Head of Environmental Services
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1. Introduction

1.1 The Council has a responsibility to oversee operational, investment and community assets. In relation to community assets the Council is responsible for maintaining a range of non-commercial assets which are of value to the community – these include public open spaces, play, parks and countryside areas, commons and a range of infrastructure such as footway lights. The development of an all-embracing Community Assets Strategy sets out how South Norfolk open spaces and other public amenity assets will be managed from 2016 onwards. The Strategy provides an overarching management framework which contributes to the delivery of the Council's vision and priorities.

1.2 In terms of legislative requirements there are none which require that the Council to have a Strategy for the management of community assets; it is however good practice. There are clearly legislative requirements associated with the proper administration of these assets such as health and safety, property law and so on.

2. Background

2.1 The Community Asset Strategy covers those assets that the Council manages which provide, in the main, public amenity value e.g. open spaces, play areas, commons but also footway lights and other non-commercial assets. The Council currently manages over 120 open spaces, 60 play areas, trees on council land as well as responsibilities for several commons and miscellaneous assets such as garages and surplus land.

2.2 The draft Community Asset Strategy (Appendix 1) proposes a more sustainable and progressive management regime, encouraging greater community involvement with attendant benefits to health and wellbeing, enhanced biodiversity and opportunities for increasing local devolvement. Given the likely future funding challenges our aim is to create a more sustainable approach to our asset management and minimising future liabilities given the challenging financial environment we are facing whilst ensuring open spaces and other community assets remain part of the South Norfolk landscape.

2.3 The Strategy supports the Corporate Vision and Council Priorities and embeds the following objectives:

- An efficient and effective community asset and customer focused service making the most of our assets for the benefit of the community at least cost. This includes seeking opportunities for divestment and no longer adopting open spaces, drainage features, etc. whilst continuing to deliver high quality sustainable development.
• The introduction of more innovative sustainable management regimes for existing assets including, where appropriate, “community divestment initiatives” supporting biodiversity and healthy living.

• Improving and increasing partnership work to deliver asset management:
  - Securing additional agency partnership and/or third party funding
  - Formulation of innovative delivery structures
  - support as part of the Council’s ‘Early Help’ approach and the Health and Wellbeing strategy
  - Delivery of community development mechanisms

2.4 There are a number of current policies and strategies which the draft Community Asset Strategy supports, not least the 5-year Corporate Plan. The development of such a Strategy is in line with the Council’s Business Plan.

3. Components of the Strategy

3.1 The Strategy has been discussed and its direction informed by members through the former Environment and Regulation Policy Committee earlier this year. As part of that work officers undertook a consultation with Town and Parish Councils, the Broads Authority and Norfolk County Council on an earlier draft and feedback received was considered and reported to the Growth, Infrastructure and Environment Policy Committee (21 June 2016). At that point consultation was designed to invite comment on the key approaches the Council was proposing within the draft Strategy. Three issues were highlighted specifically as part of the response form which related to:

a) Public open space and play equipment provision and funding – how best to fund and manage future public open space and playground equipment provision relating to new developments (e.g. 4 options for future funding including developer funding and management, existing 10 year s106 funding, management company charging and other forms of funding such as special expense levies).

b) Footway lighting – how best to fund continuing and future provision.

c) Public open space maintenance - how best to manage existing and future provision of public open space – maintain current regimes, less intensive regimes and other uses to the benefit of the community.
3.2 Limited response to this initial consultation were received; nine Town/Parish Councils and one response from a ward councillor, one from the Broads Authority and another from the Tree Warden Scheme. Those comments indicated that the Council needed to be clear on its divestment approach and how this would be communicated and implemented with interested parties as part of the Community Asset Strategy. Comment from Parishes indicated a need to consider any transfer of ownership of open spaces on case by case basis. The Policy Committee therefore concluded that further work was required before the Community Asset Strategy was ready for consideration by Cabinet. In particular, the issue of the future adoption of open spaces and other infrastructure as part of the development management process warranted further consideration. Parish participation and community involvement was to be encouraged and members supported a further consultation exercise. Members also recognised that this was a huge cross cutting exercise, which would involve other officers of the Council.

3.3 Members recognise that the types of community assets which are the subject of this draft Strategy are already being managed effectively and efficiently therefore within the terms of the proposed draft Community Asset Strategy the Council will need to evolve and plan its services so maintenance of assets can be protected given the challenges that the community and the Council face in terms of resources and financial sustainability. The updated draft Strategy therefore proposes management plans set against the guiding principles in the Strategy from 2016/17 onwards designed to achieve the following outcomes:

- Safeguard the contribution made by community assets to the community
- Promote community participation in asset management and maintenance
- Contribute to health and wellbeing and social capital
- Improve contributions towards biodiversity
- Identify opportunities for income generation and low impact infrastructure initiatives
- Increase diversification and divestment opportunities
- Improve where appropriate opportunities for external funding

3.4 As it stands around a third of new open spaces and playgrounds are adopted by this Council, a third are looked after through a land or property management company arrangement organised by the developer and a third are adopted by Parish/Town Councils. Management companies servicing new developments are increasing in popularity with developers retaining playground ownership and charging residents a management fee/service charge.

3.5 Following changes to the requirements for Sustainable Urban Drainage Schemes (SUDS) associated with development there are a number of balancing ponds and other features that are coming forward as part of the Development Management process which may have significant cost and other liabilities which need to carefully considered for adoption. On average it costs approximately
£50,000 to renew the play equipment at one site (typically after circa. 10 years) whereas refurbishment of a SUDs scheme incorporating large infiltration/filtration ponds and drainage infrastructure could run into £100,000’s. Current charging regimes do not specifically cover this Council’s long term costs, the assumption being that costs will be met from Council funds. Arguably with existing and likely budgetary constraints and competing demands existing budgetary shortfalls are set to increase against a backdrop of increased liabilities. Whilst the Council could decide not to replace play equipment once developer funding had ceased this Council would have to maintain SUDS and other drainage features in perpetuity in the absence of any other adopter which is highly unlikely in view of the residual liabilities.

3.6 A recent development has been a decision by Norfolk County Council to no longer adopt street lighting on new developments apart from to support highway safety. This has meant that there could be an expectation from new communities for either the Town/Parish Council or this Council to adopt non highway safety lighting schemes. It should be acknowledged that our duties under community safety legislation could place some calls for limited lighting in some circumstances. Street/footway lighting assets therefore forms part of the draft Strategy.

3.7 Given the above mentioned position, the Development Manager has sought information on the approaches to these issues by other Authorities across the County. At the time of writing not all authorities have responded but most seem to be reviewing their approaches and policies. Others are wary of SUDS features in particular given liabilities.

3.8 It is apparent that up until now, albeit they are reviewing their approaches, a number of authorities have sought 15 year commuted sums under s 106 agreements rather than our 10 years to fund management and maintenance costs.

3.9 Legal advice has been sought on our obligations in relation to the Development Management process and SNC’s wider legal obligations relating to taking on the responsibility for public amenity/open spaces. We have been advised that the Council is under no legal option to accept ownership and maintenance responsibility for such infrastructure.

4. Consultation on Community Asset Strategy

4.1 Members of the Growth, Infrastructure and Environment Policy Committee met on 4 October 2016 to refine the content of the Strategy in light of comments and further information above and commented on the Council’s future approach to the adoption of public open spaces, playgrounds, Sustainable Urban Drainage Schemes (SUDS), and street and footway lighting.
4.2 Due to the increase in development and the anticipated future housing growth within the District, and the associated costs and responsibility for maintaining public areas and playgrounds, members felt it was necessary for the Council to consider whether to continue to adopt such assets or whether, in the future, these should instead be transferred directly from the developer to either specialist land management companies or town/parish councils. The Policy Committee’s recommendation was:

“This Council will accept no further transfer of S106 infrastructure (other than those developments currently in the pipeline and being considered as part of the development management process). The Council’s expectation being that the developer is expected to make arrangements for the adoption of open spaces, street lighting, SUDs etc. as part of the development management process and to arrange long term robust management and maintenance strategies to cover all future maintenance responsibilities”.

4.3 As part of the update to the South Norfolk Local Development Scheme also being considered at this Cabinet meeting, the Council will be continuing to develop and update the current 1994 Open Spaces Supplementary Planning Guidance into a new Open Spaces Supplementary Planning Document. The SPD will be of assistance in providing guidance and advice for developers and officers as part of the process of discussing and determining applications for new developments. Requirements for the ongoing maintenance of public open spaces will therefore form part of the Development Management planning approval process. Should the revised LDS timetable be agreed, it is proposed that Cabinet will consider the draft SPD in April 2017, with public consultation to follow and then adoption in summer 2017.

4.4 Given the above, the draft Community Asset Strategy has been amended to reflect this view and the changing circumstances. It is proposed that a wider consultation now commences for four weeks to seek views from interested parties in order to finalise the Strategy ready for adoption thereafter. In particular members wish to understand from a wider cross section of stakeholders how best to make the Strategy work in practice to ensure we continue to deliver high quality sustainable development, support the health and wellbeing of our communities and secure the best interests of all.

5. Risks and implications

5.1 There are a number of potential issues and risks associated with moving to a policy of non-adoption of open spaces, lighting etc. as part of the Council’s proposed Community Asset Strategy. Those risks, potential implications and mitigations are summarised below:

<table>
<thead>
<tr>
<th>Risk</th>
<th>Issue</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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</tbody>
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| Ensuring high quality design of future community assets | The Council will need to continue to ensure schemes are high quality and designed properly at an early stage given that well-designed community assets e.g. drainage basins, SUDS and flood alleviation schemes for example, are all features that pose particular risks for the adopter. | The Council will seek to work with developers at an early stage to ensure open spaces etc. are fit for purpose and in-keeping with our planning policy and design standards in terms of local community benefit, health and wellbeing. Development Management will co-ordinate input and seek the views from the relevant statutory bodies in terms of local requirements, risk management and good design. |
| The provision of adequate ongoing maintenance | Open spaces and other public amenity assets are not maintained to the standard expected of residents. This would be a significant change to our approach which, by way of mitigation, will need to be managed positively with interested parties to safeguard communities by supporting best practice. It may also lead to the Council being asked to intervene to rectify areas perceived sub-standard e.g. grass cutting, weed control, lighting repairs etc. | As part of the planning process, Development Management and community assets will work with the developer to understand and agree how open spaces are to be maintained. A number of options are available such as the development of a maintenance agreement discharged via: Formation of residents' association, a form of community trust and/or a management or maintenance company in perpetuity or arrangements via the relevant Parish/Town Council. |
| Equalities | The Council will need to continue to ensure that there is no impact on disadvantaged groups in relation to use of and access to open spaces and | It is not considered that there is likely to be a negative impact on disadvantaged groups. Arguably with more community involvement and sound local management decision |
| Crime and disorder | The Council will need to ensure it continues to guide the development of open spaces that support safe environments. | It is not considered that crime and disorder will be negatively impacted. |

5.2 In terms of general risks associated with implementation of the Strategy overall these can be summarised as follows:

- There are no specific risks associated with the implementation of the Strategy. There are risks inherent to the management of the assets but these risks will be effectively managed given the Strategy.
- Officers consider that adopting the Strategy should lead to a positive and therefore more sustainable financial impact as a result of the implementation of the Strategy. Given ongoing financial pressures the Strategy is aimed to deliver outcomes which deliver value for money and manage the assets more sustainably. Budgets are in place for the current financial year.
- It is not considered that there is likely to be impact on disadvantaged groups and arguably with more community involvement this will benefit individuals and communities in a variety of ways.
- There are also very positive environmental and biodiversity benefits being sought which will enable a more sustainable approach to the management of these assets.
- Crime and disorder will not be negatively impacted indeed the reverse could occur.

6. Other options

6.1 There is no legal or other requirement placed on the Council to have a Community Asset Strategy. There is therefore an option not to have one. Given the anticipated benefits and outcomes of the proposed Strategy however, it is considered a desirable approach to managing the Council’s assets into the future.

7. Recommendation
7.1 Cabinet consider the content of the draft Community Assets Strategy and endorse a 4-week consultation with interested parties in order to inform a final version of the Strategy for adoption.
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1. Introduction

The Community Asset Strategy is the Council’s corporate land and property strategy that sets out how the council will manage all aspects of community assets. This Strategy involves more sustainable and progressive management regimes, encouraging greater community involvement with attendant benefits to health and wellbeing, enhanced biodiversity and opportunities for increasing local devolution. Given the likely future funding challenges a key aim is to create a more sustainable approach to our asset management and minimising future liabilities given the challenging financial environment we are facing whilst ensuring open spaces and other community assets remain part of the South Norfolk landscape.

South Norfolk Council holds a variety of land and property assets within its portfolio. These can broadly be divided into three main asset groups:

- **Operational Assets** – Used by the Council or partners to deliver direct services such as leisure centres, waste services, Council offices. These are often subject to a separate Asset Management Plan or programme of works.

- **Investment Assets** – Assets held solely for the purpose of generating rental/investment income/capital. These are often subject to a separate Asset Management Plan or programme of works.

- **Community Assets** – assets held or managed by the Council that play a vital role in the community with regards to delivering the Council’s corporate objectives.

For the purposes of this Strategy, community assets are defined as:

- Common Land – registered commons subject to Schemes of Regulation
- ‘Commons’ – none registered ‘Public Open Space’
- Parks, countryside areas and public open space land
- Trees and planting
- Easements and rights e.g.
  - Easements/rights of access, drainage
  - Grazing rights, agricultural tenancies
  - Leases/licenses commented with or ‘over’ community assets
- Community infrastructure assets:
  - Roadways, street and community lighting, pathways, car park areas
  - Playgrounds and Play equipment
  - Public toilets
  - Benches
  - Signage
  - Safety equipment (lakes and ponds)

Community assets may be held or “managed” historically by the Council on behalf of the community in a number of different ways:
• Freehold ownership
• Assets owned by third parties or with no defined owner over which the council has statutory or management responsibilities (for examples Common Land)
• Assets held by the Council under Lease/license/agreement for community benefit
• Assets held by others into which the Council has an input via various mechanisms, management, financial, advisory

2. Corporate Vision and Priorities

Community assets will be managed and maintained by the Council to enable the delivery of the Council’s corporate vision, objectives, priorities and Business Plans as follows:

Corporate Vision, 2016 to 2020:

“To retain and improve the quality of life and prosperity of South Norfolk, for now and future generations, to make it one of the best places to live and work in the country”

Corporate Priorities:
3. Community Asset Strategy - Summary

The Community Asset Strategy provides an overarching framework which defines how the Council will actively manage open spaces, commons and other community property to the maximum benefit of the Council and the community. The Strategy fully supports the corporate vision and priorities and can be summarised by the following fundamental principles:

- The introduction of more innovative sustainable management regimes including where appropriate “community divestment initiatives” supporting biodiversity and healthy living.
- An efficient and effective community asset and customer focused service making the most of our assets for the benefit of the community at least cost.
- Improving and increasing partnership work to deliver asset management:
  - Formulation of innovative delivery structures
  - Delivery of community development mechanisms.
  - Practical support as part of the Council’s ‘Early Help’ approach and the Health and Wellbeing strategy
  - Securing additional ‘government’, agency partnership and/or third party funding

The Community Asset Strategy is intended to improve the future contributions made by community assets to the Council’s vision and priorities.

Guiding Principles Beyond 2016

- To improve and increase the contribution made by community assets to the community and in particular the agenda for Health and Wellbeing given the Council’s vision and priorities
- To identify opportunities for income generation and low impact infrastructure initiatives
- To improve the contribution made by community assets to biodiversity
- To contribute to the Council’s Health and Well-being Strategy working with schools, adult educational programmes and through the delivery of Early Help projects
- To increase diversification opportunities through potential promotion of community based initiatives involving other areas of community interest:
  For example:
  - Sculpture/art in appropriate settings
  - Theatrical and musical events
  - Local craft markets
  - Community allotments
  - Community planting schemes
- To improve where appropriate opportunities for external funding contributions (Government agencies, partner agencies, private investment) towards community asset maintenance and improvement
To promote community participation in asset management and maintenance through various mechanisms including:

- Development of engagement initiatives enabling responsibility and involvement of public sector partners and community groups
- Development of “divestment” initiatives where appropriate enabling public sector partners, community groups to take over Council management and maintenance responsibilities
- Promotion of volunteer days assisting in community asset improvements and maintenance

These guiding principles will be formulated into specific objectives and works programme as opportunities are identified within available resources.

4. Portfolio of Community Assets

These are assets of community benefit held or managed by the Council on behalf of the community which may have reservations, restrictions as to use and their disposal.

<table>
<thead>
<tr>
<th>Asset</th>
<th>Number</th>
<th>Acreage</th>
<th>Maintenance Budget 2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commons and Parish lands</td>
<td>35</td>
<td>288.4</td>
<td>£20,000</td>
</tr>
<tr>
<td>Commons (Grants paid)</td>
<td></td>
<td></td>
<td>£26,000</td>
</tr>
<tr>
<td>Countryside sites</td>
<td>8</td>
<td>102.6</td>
<td>£30,000</td>
</tr>
<tr>
<td>Amenity land</td>
<td>103</td>
<td>73.6</td>
<td>£20,000</td>
</tr>
<tr>
<td>Cemeteries</td>
<td>2</td>
<td>3.7</td>
<td>£4,000</td>
</tr>
<tr>
<td>Street/footway lighting</td>
<td>1,063</td>
<td>N/A</td>
<td>£29,000</td>
</tr>
<tr>
<td>Play equipment (including inspection)</td>
<td>62</td>
<td>N/A</td>
<td>£97,000</td>
</tr>
<tr>
<td>Heritage sites</td>
<td>1</td>
<td>N/A</td>
<td>£2,500</td>
</tr>
<tr>
<td>Grounds maintenance services</td>
<td>N/A</td>
<td></td>
<td>£244,604</td>
</tr>
</tbody>
</table>

Note – Data taken from South Norfolk Asset Management Plan and Programme 2014-17.

A number of community assets have been identified as surplus under the Council’s existing asset management plan and programme 2014/17. These assets will be reviewed during 2017/18 against the overarching vision and priorities of the Council and the approach determined by the Community Asset Strategy.

This Strategy has strong links with the following Council documents:

- South Norfolk Corporate Plan 2016/20
- South Norfolk Business Plan 2016/17
- South Norfolk Local Plan (2011 – 2026)
- South Norfolk Capital Strategy 2014/17
- South Norfolk Capital Programme
- Economic Growth Strategy (2016 – 2021)
- Tree Management Strategy
- South Norfolk Alliance, Your sustainable Community Strategy for South Norfolk (2008 – 2018)
Council Management Plans to be produced subject to approval of the Community Asset Strategy:

- Tree Maintenance Plan  Proposed implementation 2017/18
- Community/Street Lighting Management Plan  Proposed implementation 2017/18
- Playgrounds/Play Equipment Management Plan  Proposed implementation 2017/18
- Public Open Spaces management Plan Proposed implementation 2017/18
- Common Land and a Registered Commons Management Strategy

The Community Asset Strategy and associated Management Plans will have due regard to:

- Legislative and regulatory provisions/recommendations
- Codes of best practice
- Associated financial and regulatory constraints
5. Scheme for managing Community Assets 2016 and beyond

The Council will review, prepare and update the following strategies and management plans to reflect the Council’s vision and objectives within this Strategy in relation to the following topical assets:

A. Introduction of Commons Land (Regulated Commons) Management Strategy

Outcomes:
- A strategic approach to commons management.
- Clear definition of the Council’s management responsibilities
- Clear definition of owner, partner and owner responsibilities
- Enhancement of divestment opportunities

B. Tree Maintenance and Management Plan

This will include existing contracted survey and maintenance arrangements and the preparation and implementation of a robust, sustainable and risk based management and works regime.

Outcomes:
- Robust sustainable risk based survey and management strategy
- Identification of opportunities for active woodland management techniques enhancing woodland health, biodiversity, increased community access
- Identification of opportunities for increased involvement of services regarding survey and maintenance followed by potential to provide contracted services externally

C. Community/Street Lighting Management Plan

This will include the preparation of a robust, sustainable and risk based management plan.

Outcomes:
- A robust risk-based maintenance and survey regime and decision making based on future sustainable management
- The ability to introduce new technologies to reduce future maintenance and electricity costs.

D. Playgrounds/Play Equipment Management Plan

To include the preparation of a management plan which will detail the Council’s standards and policy for existing and new play areas and equipment as part of developments.

Outcomes:
- Provision of challenging and safe play environments providing long term benefits to residents’ health and wellbeing.
- The affordable enhancement of existing play equipment infrastructure by a robust quality plan of equipment replacement and installation
- Affordable quality planting schemes adjacent to play equipment providing enhancement to the environment and educational/community involvement opportunities

E. Public Open Spaces Management Plan

The preparation of management plans which detail standards and policy for public open/communal space as part of the planning policy development process.
Outcomes:

- The affordable enhancement of existing public open space management regimes to provide maintainable, consistent quality environments in keeping with their location which is affordable
- Affordable quality planting schemes providing enhancement to the environment and educational/community involvement opportunities
- Increased opportunities for community divestment
6. Divestment Strategy

South Norfolk’s community assets represent valuable and in some instances landscapes and environments which deserve careful and proactive management so as to ensure their protection and availability for the use and enjoyment of the community.

The Council promotes community involvement and where appropriate ‘divestment’ enabling other organisations and groups to undertake the future management, improvement and maintenance of community assets. Given ongoing resource constraints it is important that the Council actively promotes alternative management approaches.

Any divestment partnership arrangement must be appropriate taking into account the following fundamental principles:

- Many Community Assets have legal encumbrances in the form of statute, covenants, restrictions and reservations which restrict opportunities for disposal.
- The Council in divesting of a community asset must where applicable ensure adequate and legally enforceable protection of that asset in the form of covenants and reservations. Generally such protection is more legally robust when an asset is disposed of under lease or license as opposed to freehold sale.
- Any disposal of public open space must comply with legislative provisions.
- The divestment partnership mechanism chosen must:
  
  I. Enable the recipient organisation/group to meet current and future objectives and plans.
  II. Ensure that the asset remains protected for the benefit of the community.
  III. Provide identifiable advantages in terms of community benefit, management, financial terms as compared with retention by the Council.
  IV. Ensure local community involvement in the divestment process.
  V. Comply with the Council’s statutory, legal and fiduciary duties.

A community asset will only be considered as ‘surplus’ and therefore available for unencumbered freehold sale in the following circumstances:

I. The Council has undertaken a robust review and identified that the asset concerned provides no current or future identifiable community need.
II. Unencumbered freehold sale is considered to be in the public interest and accords with the Council’s legislative and fiduciary duties.
III. There is no financial benefit from retention having regards to:
- The financial and other resources required in continued ownership.
- There are no current/future development opportunities/considerations.
- The financial consideration achieved through sale represents ‘best value’ taking into account:
  - The provisions of Section123 of the Local Government Act 1972.
  - The cost of future maintenance and management of asset if retained.
IV. Disposal complies with legislative provisions.
V. Public or community consultation in accordance with legislative provisions has been undertaken.
7. Acquisition Strategy

The Council may acquire community assets in exceptional circumstances:

- There is an identified community need or benefit from acquisition
- Acquisition will add value to an existing community asset
- Acquisition offers protection to an existing or proposed community asset

All acquisitions will be assessed through a robust business case with particular reference to costs, benefits, impacts and risks of the asset and how it relates to the Council’s corporate objectives. Acquisitions can be undertaken through negotiation, auction, Compulsory Purchase Order (CPO) Acquisitions will be undertaken in accordance with Council policy and Rules of Governance.

The Community Infrastructure Levy introduced under the Planning Act 2008 is a charge on almost all forms of development providing contributions towards the infrastructure needed to support growth in an area. It is intended for general infrastructure contributions whereas S106 is intended for site specific mitigation. The Council adopted CIL charging in 2014. CIL general provisions are:

- Must be spent on infrastructure to support development of the area.
- CIL can be spent on the provision, improvement, replacement, etc of infrastructure; it does not have to be used to fund capital investment.
- Infrastructure can include sporting recreational facilities and open spaces.
- CIL cannot be used to fund anything that is not required to support the development of the area.

After 1 April 2017 the Council will accept no further transfer of S106 infrastructure. The Council’s expectation being that the developer is expected to make arrangements for the adoption of open spaces, street lighting, SUDs etc. as part of the development management process and to arrange long term robust management and maintenance strategies to cover all future maintenance responsibilities.
8. Tree Management Strategy

The 2014 Tree Management Strategy covered trees, hedgerows, high hedges. The strategy has the following key objectives:

- Identify and adopt a standard framework for managing and maintaining tree stock.
- Reduce risk from hazardous trees.
- Ensure efficient use of resources.
- Control and monitor tree maintenance.
- Ensure trees continue to enhance the character of the district.
- Replace trees where there is a requirement under TPO, conservation area and where there is need.

The Natural Environment and Rural Communities Act 2006 created a duty for local authorities to conserve biodiversity. This Council’s vision is to continue to protect and enhance our natural environment.

Currently tree surveys and maintenance is undertaken by contractor upon an annual basis as well as works remedial works being undertaken directly by the Council’s depot. In order for the Council to meet its tree management objectives, during 2016/17 a Tree Management and Maintenance Plan will be prepared incorporating:

- A risk based approach.
- Inspections and surveys carried out by suitably trained arborists under a tendered contractual approach providing the following information:
  - An effective computer based record system whereby all relevant trees are GIS identified and recorded.
  - A risk based assessment approach taking into account zoning.
- Future inspection regime and frequency based upon risk.
- Schedule of works both maintenance and improvement based upon survey information.

The introduction of the Tree Management and Maintenance Plan will enable the Council to:

- To adopt a more robust approach as compared with existing annual arrangements.
- Develop closer links in order to maintain compliance with the Council’s policies regarding Tree Preservation Orders and consent to works.
- Prepare annual and cyclical maintenance plans that are risk based and financially costed.
- Provide better control as regards allocating contractor, in house staff and maintenance resources against priorities.
- Identify future opportunities for improvement programmes.
- Provide greater control as regards biodiversity.
- Assist in creating opportunities for government and third party funding.
- Assist in creating opportunities for greater partnership working with Parish/Town Councils and local volunteer groups.
9. Footway Lighting Management Plan

Footway lighting within the South Norfolk area falls under the following responsibilities:

- Street lighting directly maintained by Norfolk County Council as Highway Authority.
- Street lighting maintained by the Highway Agency e.g. the A11 and A47.
- Street lighting maintained/owned directly by Parish Councils:
- Street lighting within Parish and Town Council areas managed by this Council and some owned by Saffron Housing Association but maintained by the Council.

As at 2016, the Council maintains circa. 1,061 street lights on behalf of Parish/Town Councils and Saffron Housing. The Council will in future review the provision of footway lighting in line with the general principles of this strategy and the future approach and policies of the Council.

10. Playgrounds and Play Equipment Management Plan
The Council manages some 62 equipped playgrounds across the district. Various policies and strategies currently relate to playgrounds. They will be subject to review, where appropriate, in tandem with the relevant planning policies:

1. The South Norfolk Recreational Open Space Requirements for Residential Areas 1994 states:
   - Children’s play space - required for all developments where overall density of estate is greater than 16 dwellings/ha.
   - Minimum open space required – 400 sq m for 15-24 dwellings, 1000 sq m for 25-50 dwellings plus 17.5 sq m per dwelling over 50.
   - Where developers wish the District Council to assume ownership of open spaces, a contribution for maintenance in the form a 10 year commuted lump sum is required. The appropriate Town or Parish Council will be asked to assume ownership. It should be noted that only a small proportion of new playgrounds are taken by Parish Councils.


3. European Standards for Play Areas EN 1176/1177

4. ROSPA Play Safety Standards

5. Currently safety inspection of play equipment is undertaken under an ESPO Framework contract upon an annual basis. This contract is currently being reviewed.

6. ROSPA currently undertakes an annual inspection of all playgrounds.

The following work programme is planned for 2016/17 and beyond:

- Preparation of a playground and play equipment management plan incorporating:
  - Proposed standards for future play equipment.
  - Proposed standards for playground provision.
- Review of risk based inspection regime.
- Preparation of annual programme of planned/cyclical maintenance work in addition to responsive maintenance regime which currently exists.
11. Public Open Space Management Plan

The Council owns or manages a variety of public open spaces and countryside sites. Currently cyclical maintenance such as grounds maintenance (Grass cutting, hedge trimming, litter removal, waste bins) is undertaken by the depot. In addition ad hoc inspection regimes and responses to maintenance problems identify additional work to be undertaken by the depot or by private contractors (depending upon the scope of the works).

Currently a need has been identified for:

- A reviewed cyclical grounds maintenance strategy.
- An open space strategy defining the Councils intentions with regards to:
  - Quality standards with regards to landscaping and planting schemes.
  - Assessment of current biodiversity and proposed improvement strategy.
  - Programmes of improvement.
  - Proposals regarding greater public and community use of open spaces.
  - Proposals regarding divestment and greater community involvement.
  - Enhanced opportunities for increased community volunteer schemes.
  - Opportunities for increased government and third party funding.

The Public Open Space Management Plan proposed for 2016 onwards is intended to address these issues and provide a clear strategic direction and affordable ‘improvement approach’ which accords with South Norfolk Council’s vision and priorities.
12. Common Land – (Regulated Commons) Management Strategy

The Council manages five registered Commons; they are Mulbarton, Swardeston, Hales Green, Smockmill, and Flordon. These Commons are privately owned land (Save for one which has no identifiable owner), over which there are “rights in common” which include:

- Defined rights to graze certain stock.
- Rights of access to everyone to roam including walking, picnicing, running etc.
- Certain specific rights of access benefiting property adjoining the Common.

The Commons Act 1899 as amended by the Commons Act 2006 introduced Local Authority Schemes of Management which gave powers to District Council to make schemes for regulation and management, including the making of byelaws. In addition Local authorities produce “Management Plans” which are non statutory guidelines setting out how the common land will be managed.

It is the view of DEFRA that where common land is subject to a scheme of regulation the Commons Act 1899 the effect of the scheme is that the local authority becomes responsible for managing the land. Such schemes usually include a clause requiring the LA to keep the common free from encroachment.

Virtually all works to a common (including changing the surface, structures) require Secretary of State approval under S38 of the Commons Act 2006. The purpose of this formal application process being:

- Stock of common land is not diminished.
- Works take place only when they maintain or improve the condition of the common, or exceptionally where they confer some wider public benefit.
- Applications are assessed taking into account the interests of the neighbourhood and public interest.

All registered common land is subject to Part 3 of the 2006 Act which makes it unlawful to construct any works which would restrict or prevent access to the land, or to resurface the land without the consent of the Secretary of State. This means it is unlawful to erect a fence (except those temporarily installed and removed for animal husbandry) or a building/structure. Such work is not an offence but any person may ask the courts to require the works to be removed.

Where works are undertaken and no action is taken it may be possible to show factual possession and in such cases the fact that such works are unlawful does not, in itself undermine a claim to adverse possession. As a general rule encroachments/works resulting in a successful claim for adverse possession are more likely to be established if there are rights that the landowner could have granted, then after 20 years the right can be established and no one can object.

It should however be noted that a successful adverse possession claim does not change the designation of the common land involved.

Responsibility for enforcement against encroachment/unlawful works lies with the landowner, local community and any person (including the local authority, Parish Council) may seek enforcement action by application to the County Court.

Of note is the view of DEFRA relating to proposals to construct/improve driveways across common land. Whilst consent to works is required by the landowner and under S38 of the 2006 Act such applications may be consistent with continued use of common land even where the driveway is entirely for private use, because construction will not prevent public access, or access for commoners animals.
The legal position regarding common land and encroachment/unlawful works can be complex depending upon the nature of the breach and its impact upon the environment and access being available to all.

Any potential encroachment/works in order to be fully complaint would require:

- Formal consent of the landowner such consent being in accordance with the management scheme introduced by the local authority.
- Formal approval by the Secretary of State to the works under S 38 of the 2006 Act.

Alternatively unlawful encroachment/works could be legitimised by a successful claim for adverse possession after a period of some 20 years or by an unsuccessful enforcement action through the County Court.

A number of the Commons have been the subject of numerous historic encroachments and unlawful works as well as a number of more recent issues.

The majority of historic encroachment/works including works undertaken by the Council have not been the subject of objections by either the landowner or public users/graziers. Indeed, Council works have often been in direct response to users/residents concerns and the desire to improve the amenities and use of the common land.

Under the Community Asset Strategy this Council will define its future management style and strategy with regards to common land.

From initial assessment there would appear to be little to be gained from pursuing historic cases of encroachment/unlawful works especially where works have been supported by the community, landowner and users.

However recent/current cases (for example those occurring within say the last 3 years) could be considered for action in order to ensure that the Council manages common land in accordance with its obligations and safeguards the land for the benefit of all. Such action would take two forms depending upon a pragmatic and reasonable assessment of case circumstances:-

I. For encroachment/unlawful works which are not considered to detriment the common land and access rights (examples – access to property where similar access exists, signs, boundary fences) the parties involved are advised:

   - To seek formal consent from the landowner.
   - To formally apply under S38 for Secretary of State consent to work.

II. Works considered to be of detriment to the common land and users (examples – encroachment by owners moving boundary fences, unlawful structures, signs, car parking areas not considered appropriate) are formally pursued by the council ideally with a successful outcome not involving litigation.

A key element of this enforcement approach will be providing adjoining residents, owners and key partners such as the Parish Council with clear written advice covering:

- The legal position regarding Common Land regarding encroachment and authorisation of works.
• A clear statement from this Council of its management responsibilities with regards to the Common.
• A clear statement from this Council with regards to its expectations of others regarding areas of maintenance where contributions are expected from primary users.

In addition the Council will on an ongoing basis review existing Management Plans in conjunction with partners in order to provide a uniform approach regarding:

• Identifying a clear programme of works to include:
  - Cyclical maintenance to be carried out annually.
  - Cyclical maintenance to be carried out bi-annually or at a determined frequency.
  - Responsive maintenance tasks (one offs).

• A clear programme of works will enable the following improvements to be made regarding Commons management and maintenance:
  - A prioritised financially based programme set against available finances.
  - Division of programme responsibilities between South Norfolk Council, land owners, Parish or Town Councils, and third sector or volunteer groups.

In the future the Council is keen to engage landowners/users/residents with regards to Community Asset transfer. One mechanism for this defined in the 2006 Act is Commons Councils individually established through an order made by the Secretary of State. The powers of a Commons Council could exceed those available to the local authority (albeit the local authority is likely to be a member) depending upon the powers conferred by the Secretary of State.

It is understood that a Commons Council or similar collective body may be more likely to be successful in securing third party funding.
Update to the South Norfolk Local Development Scheme

Report of the Planning Policy Manager
Cabinet Member: John Fuller, Cabinet Member for External Affairs

CONTACT
Adam Nicholls
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1. **Introduction**

1.1. The purpose of this report is to seek Cabinet’s approval for some amendments to the Council’s Local Development Scheme, which sets out the ‘timetable’ and details of Local Plan document production.

1.2. The Local Development Scheme (LDS) sets out a rolling timetable for the production of the main Local Plan documents. The LDS is made up of a project plan/timetable supported by text about production of Local Plan documents and Supplementary Planning Documents; the text includes details of the documents to be produced, what they need to conform with, what they replace, resources and monitoring/review. Progress against the timetable is reported each December in the Local Plan Annual Monitoring Report.

1.3. The most recent South Norfolk LDS update was agreed by Cabinet in February 2016, principally to reflect the timetable for production of the Greater Norwich Local Plan. However, some updates are recommended to be made, including minor adjustments to the GNLP timetable and the timetable for preparation of three new Supplementary Planning Documents.

1.4. It is recommended that an updated South Norfolk LDS is adopted, setting out the timetable and some details for the new document’s production, alongside the other South Norfolk Local Plan documents which are already in production or planned to be prepared.

2. **Details of update to the Local Development Scheme**

2.1. Local Planning Authorities are required, by the Planning and Compulsory Purchase Act 2004, to prepare and keep up to date a Local Development Scheme, or LDS. In essence, as stated in paragraph 1.2 above, they are public “project plans” for the preparation of Local Plan documents, so that interested people can find out the status and timetable of document production. Whilst “real-time” updates can be made at any time, more formal updates take place as part of the Annual
Monitoring Review process, and it is sensible to formally update the LDS at other times if major milestones have been reached and/or substantive new work is planned.

2.2 Since the February 2016 LDS update, there have been some updates to the Council’s Local Plan progress. Firstly, the Long Stratton Area Action Plan was adopted in May 2016 and so this can now be removed from the LDS. Secondly, some minor adjustments were made to the timetable for the production of the Greater Norwich Local Plan shortly after February 2016. The amended timetable was adopted by Broadland DC and Norwich CC in their LDS updates later in spring 2016, and so for consistency the South Norfolk LDS also needs to be updated.

2.3 Progress on the Gypsies and Travellers Local Plan (GTLP) has been further delayed by the significant national policy changes made by the Government to the “definition” of Gypsies and Travellers for planning purposes. Further Government guidance is hoped for, but in the meantime the Preferred Options stage of the GTLP is unlikely to be reached until spring 2017.

2.4 In addition, it is proposed that three Supplementary Planning Documents (SPDs) be produced by the Council. SPDs cannot introduce new policies (which can only be done through a Local Plan), but can be useful in providing additional advice and guidance on particular topics. Several SPDs are already in place, perhaps most notably the South Norfolk Place-Making Guide SPD and the Food Hub SPD.

2.5 Firstly, the Council’s current guidance on Recreational Open Space Requirements for Residential Areas dates from 1994 and so is in need of updating. This SPD is already on the existing LDS with production underway, but the timetable is proposed to be adjusted and for it to now be published for consultation in spring 2017.

2.6 Secondly, the issue of custom-build/self-build has been increasing in importance over the last few years. National legislation is now in place, and the precise requirements and timescales for a Custom Build Register are also now known, but a number of practical issues arise regularly when considering information requests/planning applications for custom build. It is therefore thought sensible to prepare an SPD on this topic to give further advice to potential applicants.

2.7 Thirdly, the issue of Starter Homes also has significant support from Government, with the current delivery target being 200,000 by 2020. Whilst the precise details of the Starter Homes regime remain to be finalised through secondary
Legislation, some basic details are set out in the Housing and Planning Act 2016. Earlier in 2016, the former Growth and Communities Policy Committee instructed officers to undertake some basic research and forecasting on Starter Homes in South Norfolk (see http://www.south-norfolk.gov.uk/CARMS/meetings/loc2016-05-12-reports.pdf) and it seems sensible to prepare an SPD on this topic also (again, to provide more detailed advice rather than new policy).

2.8 The updated LDS (Appendix 1) contains full details of exactly what each document entails, and why and how they will be progressed.

3 Risks and Implications arising

3.1 The proposals will not have an impact on crime and disorder.

3.2 The Local Development Scheme proposal itself will not have a direct impact on disadvantaged groups. The Greater Norwich Local Plan and the Gypsies and Travellers Local Plan will have Equalities Impact Assessments prepared to accompany them.

Financial implications

3.3 The costs of preparing the Greater Norwich Local Plan and the three SPDs have been allowed for in the 2016/17 budget. Appropriate allowances will need to be made in future years’ budgets, particularly for the GNLP.

Risks

3.4 There are no direct risks associated with the publication of the updated Local Development Scheme. However, the Government is consulting on and introducing a significant number of changes to the national planning policy ‘landscape’, including implementing the Housing and Planning Act, a review of Community Infrastructure Levy, a review of the National Planning Policy Framework (NPPF). Government is also considering the findings of the Local Plan Expert Group to review
the streamlining of Local Plans production. In addition, there are a number of factors which could have implications for keeping to the timetable set out in the LDS, these include: volume and nature of responses received to consultations; unforeseen need for additional information/studies to support documents; staff resources; and legal challenges. These will be addressed as part of the production of each of these documents. Any need to update the LDS will be considered annually (through the Annual Monitoring Review), with, ‘real-time’ updates made sooner if desirable.

3.5 The South Norfolk Local Plan Inspector required, in his report of September 2015, that an early review of the South Norfolk Local Plan be undertaken, and that this review be adopted within five years of the adoption of the Local Plan (i.e. before October 2020). The LDS timetable indicates that the GNLP will be adopted by the end of 2020. Progress against this target will be kept under review.

4 Other Options

4.1 Cabinet could decide not to agree the updated LDS. However, this would result in the LDS becoming increasingly out of date, diminishing its usefulness and providing inaccurate information to developers, the public and other interested parties. It would also mean that substantive work on the two additional proposed SPDs could not take place.

4.2 The Planning and Regulation Policy Committee considered this paper at their meeting on 4 October 2016, and resolved to recommend that Cabinet adopt the updated LDS.

5 Recommendation

5.1 Cabinet is recommended to:

i) Resolve to agree the updated South Norfolk Local Development Scheme (Appendix 1) and bring it into effect immediately.
Local Development Scheme
for South Norfolk

2016-17

Revised

October 2016
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<td>South Norfolk Local Development Scheme Textetable</td>
<td>18</td>
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<td>October 2016</td>
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</tbody>
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1. Introduction

1.1 A Local Development Scheme (LDS) must be prepared under Section 15 of the Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011). A LDS is essentially a project plan which identifies (among other matters) the Development Plan Documents which, when prepared, will make up the Local Plan for the area. It must be made publicly available and kept up-to-date. This enables the public and stakeholders to find out about planning policies in their area, the status of those policies, and the details of and timescales for production of all relevant documents.

1.2 In addition to providing information about the development plan documents in preparation, this LDS also provides detail about the preparation of Supplementary Planning Documents (SPDs), and adopted local development documents, to provide a full account of the planning policies that will operate in South Norfolk. This document also refers to anticipated workstreams contributing to documents which may in due course form part of the Local Development Scheme.

1.3 This LDS was approved by the Council’s Cabinet on INSERT DATE 2016 and took effect from this date. It replaces the previous LDS which was last updated in February 2016.

Summary of progress since the last LDS

1.4 The previous Local Development Scheme was published in February 2016. This included a timetable for the production of the Greater Norwich Local Plan, changes to the timetable for the Long Stratton Area Action Plan and Gypsies and Travellers Local Plan and the proposed production of an Open Space Supplementary Planning Document (SPD).

1.5 The main changes made to this LDS are a review of the timetable for the production of the Greater Norwich Local Plan to reflect the progression of joint working arrangements, the adoption of the Long Stratton Area Action Plan, an update to the Gypsies and Travellers Local Plan, revision to the timetable for producing the Open Space SPD and the introduction of new supplementary planning documents for Starter Homes and Self Build/Custom Build.
2. Scope of the South Norfolk Local Development Scheme

2.1 The LDS covers the following types of documents:

**Development Plan Documents (DPDs)**

2.2 Development plan documents or DPDs (now more usually called “Local Plans”) are the formal policy documents which make up the statutory development plan for South Norfolk. Once adopted, these have full legal weight in decision making. The council’s decisions to approve or refuse any development which needs planning permission must be made in accordance with the policies in the development plan, unless material considerations indicate otherwise.

2.3 The currently adopted development plan for South Norfolk comprises the following documents:

- **Joint Core Strategy for Broadland, Norwich and South Norfolk** (the JCS), which was adopted in March 2011, with amendments adopted January 2014. The JCS will be replaced by the emerging Greater Norwich Local Plan (GNLP);
- the **South Norfolk Site Allocations and Site Specific Policies Document** (the Site Allocations Document), adopted October 2015;
- the **Development Management Policies Local Plan** (the DM Policies Document), adopted October 2015;
- the **Wymondham Area Action Plan**, adopted October 2015;
- the **Long Stratton Area Action Plan**, adopted May 2016;
- the **Cringeford Neighbourhood Plan**, adopted February 2014;
- the **Mulbarton Neighbourhood Plan**, adopted February 2016;
- the **Food Hub Supplementary Planning Document (SPD)**; and
- the **South Norfolk Place-Shaping Guide SPD**.

2.4 Each document (apart from Neighbourhood Development Plans) must be prepared in accordance with a nationally prescribed procedure set out in the national Local Planning Regulations for England, which were last updated in 2012. At key stages of plan-making there is an opportunity for the public to comment on emerging planning policies and proposals in the documents. At the end of the process, development plan documents must be submitted to the Secretary of State and be independently examined by a government appointed inspector to assess their soundness and legal compliance before they can be adopted by the Council and come into force.

2.5 Certain other documents must be published alongside each DPD, including:

- the independently prepared **sustainability appraisal (SA) report** of the DPD at each stage (a **sustainability appraisal scoping report** is prepared and consulted on at the start of the process to set out what sustainability issues and objectives the SA should cover and what evidence it will use);
- a **policies map**, setting out the DPD’s policies and proposals on a map base (if relevant);
• a statement of consultation summarising public representations made to the plan and how they have been addressed (called the “Regulation 22(c) statement”);
• copies of any representations made;
• any other supporting documents considered by the council to be relevant in preparing the plan;
• an adoption statement and environmental statement (when the plan is adopted).

Supplementary planning documents (SPDs)

2.6 Supplementary planning documents (SPDs) help to support and explain in more detail how the Council will implement particular policies and proposals in the local plan. SPD can also take the form of masterplans, detailed design briefs or development briefs for sites identified for future development (“allocated”) in the plan, as well as for other emerging sites.

2.7 SPD can be reviewed frequently and relatively straightforwardly to respond to change, whereas a review of the policies in the plan is a longer and more complex process.

2.8 The National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) state that SPDs should be used “where they can help applicants make successful applications or aid infrastructure delivery”, and should not be used to add unnecessarily to the financial burdens on development. SPDs should not introduce new or include excessively detailed policy guidance, but ought to be used only where it can clarify and amplify existing policy and set out how it will help to bring forward sustainable development.

2.9 A number of SPDs have so far been prepared to support adopted policies in the JCS. SPDs adopted by the Council include the Food Hub SPD (prepared jointly with Broadland District Council, adopted in July 2014) and the South Norfolk Place-Making Guide SPD (adopted in September 2012). The Norwich Research Park SPD (March 2009) was superseded on the adoption of the Site Allocations Document in October 2015.

Other Local Plan documents

2.10 In addition to the progress report provided by this LDS, a number of other documents must be prepared alongside the local plan, but do not form part of it. A Statement of Community Involvement (SCI) must show how the council intends to involve the community in plan preparation and planning decision making. The South Norfolk SCI was adopted in 2007; it is currently being reviewed and consultation on the draft document took place between May and July 2016. It is intended to publish the updated SCI in Autumn 2016.

2.11 To ensure that plans and policies are effective, an Annual Monitoring Report (AMR) must also be prepared to record progress on implementing the local plan and how new development and change taking place in the previous year has contributed to achieving its targets. From 2011, the AMR for South Norfolk has
been incorporated within a combined monitoring report for the Joint Core Strategy prepared jointly by Norfolk County Council and the three district authorities covering Greater Norwich. The most recent AMR, for the monitoring period April 2014 to March 2015, was published in December 2015. The AMR for the period April 2015 to March 2016 is due to be published in December 2016 and will include detailed monitoring of the South Norfolk Local Plan documents which were adopted in October 2015.

2.12 **Neighbourhood (Development) Plans** can also be produced, to guide development and change in local areas. They are not produced by South Norfolk Council, although the Council has a duty to support their production through providing evidence, information and support. NDPs are not Local Plan documents, but do (on adoption) form part of the development plan for the district.

**Associated documents and initiatives**

2.13 Although not required to be published as part of the LDS programme, the following additional documents and initiatives are listed in this LDS for information, as they will inform the preparation of future statutory development plan documents and/or provide a wider context for their implementation.

a) **Non-statutory strategic guidance** including the emerging *Norfolk Strategic Framework* (NSF).
3. The existing adopted Local Plan

3.1 A number of planning documents are already in place to guide the council’s decisions on planning applications: together these form the existing adopted Local Plan for South Norfolk, which has been through a formal process of consultation and independent examination before adoption.

3.2 As these documents are already in use, they are not part of the formal LDS schedule set out in Annex 1, which deals in the main with the new and emerging documents that will be prepared to replace or supplement them. However they are included below in order to provide a complete picture of the planning policy documents which apply in South Norfolk.

3.3 The documents making up the local plan must conform to national planning policy in the National Planning Policy Framework (NPPF), supported by national planning practice guidance including demonstrating the Duty to Cooperate. The local plan documents fit into a hierarchy with broad strategic policies at the top and more detailed policies interpreting the strategic approach at a district and small area level. This is illustrated in Figure 1.

3.4 For the Greater Norwich area (which includes the whole of South Norfolk), the adopted Joint Core Strategy for Broadland, Norwich and South Norfolk (JCS) is the primary document at the top of the hierarchy to which other development plan documents prepared by individual districts should conform. The JCS was adopted in March 2011, with amendments adopted in January 2014. It is a strategic planning document prepared jointly by the three constituent districts in Greater Norwich and provides a long term vision, objectives and spatial strategy for development of Norwich and its surrounding area. The JCS is therefore at the heart of the South Norfolk Local Plan.

3.5 The Site Specific Allocations and Policies Document (the Site Allocations Document) identifies and sets out policies for site allocations in South Norfolk where development is proposed or expected to occur between now and 2026. Alongside the Wymondham Area Action Plan, the Cringleford Neighbourhood Plan and the Long Stratton Area Action Plan, it responds to the requirement of the JCS to identify additional sites for approximately 16,000 new homes in the district by 2026, over and above existing housing commitments at the base date of the JCS (2008). It also identifies opportunities to accommodate the overall levels of growth in jobs and services anticipated over that period and to ensure that these can be delivered and located sustainably. It will also help to deliver the community facilities and green infrastructure and elements of the sustainable transport network required to support new development as it occurs, in accordance with the JCS. The Site Allocations document was adopted in October 2015.

3.6 The Development Management Policies DPD (the DM Policies Plan) sets out a range of more detailed policies applying throughout South Norfolk which will be used in the council’s assessment of development proposals and to guide future council decisions on applications for planning permission up to 2026. Policies cover a range of topics, building on the national policy principles for sustainable
development set out in the National Planning Policy Framework and the strategic policies and objectives of the JCS. In certain cases the policies also set out local criteria and standards for different kinds of development. The DM Policies Plan was also adopted in October 2015.

3.7 The **Wymondham Area Action Plan** guides development in the town between 2008 and 2026. The plan provides for at least 2,200 new homes and 20 hectares of employment land, balanced against protecting and enhancing a Kett’s Country Landscape’ to strengthen the role of the Tiffey valley, maintaining the strategic separation between Wymondham and Hethersett, extending the conservation area to protect the landscape setting of the town and abbey and creating connections and linkages between green infrastructure. The Wymondham Area Action Plan was adopted in October 2015.

3.8 The **Long Stratton Area Action Plan** will deliver a minimum of 1,800 new dwellings, additional employment land and, probably most importantly, the long-sought Long Stratton bypass to reduce congestion and pollution through the village in peak hours and improve connectivity along the A140 corridor. The Long Stratton Area Action Plan was adopted in May 2016.

3.9 A Local Plan must be supported by a robust evidence base. There was an extensive library of documents which informed the preparation of the DM policies, site allocations plan and the Wymondham and Long Stratton Area Action Plans and information on these documents is available on request. The JCS documents library can be searched from the Greater Norwich Growth Board website [here](#).

3.10 The Localism Act 2011 allows for community led **Neighbourhood Development Plans** to be brought forward to complement the adopted Local Plan, and this is reflected in Figure 1. As noted above, there are existing Neighbourhood Plans for Cringleford and Mulbarton.
Figure 1: Suite of South Norfolk Local Plan Documents

Joint Core Strategy
South Norfolk Council
Norwich City Council
Broadland Council

Site Specific Allocations and Policies
Development Management Policies
Area Action Plan for Wymondham
Area Action Plan for Long Stratton
Neighbourhood Development Plans eg Cringleford
Gypsy and Traveller Development Plan Document
Neighbourhood Development Orders
Place-Making Guide
Other Supplementary Planning Documents
4. Looking forward – the revised LDS programme

4.1 With the major milestone of Local Plan adoption now largely achieved, this iteration of the Local Development Scheme outlines the proposed programme of documents and associated workstreams that will contribute to an eventual replacement and review of the development plan for South Norfolk. This will take the form of a Greater Norwich Local Plan. These will include progress towards the statutory and non statutory planning documents detailed below. Further information on each of the documents is given in the Document Profiles section at the end of the document which also includes the proposed production timetable for each document.

Current (emerging) Development Plan Documents

4.2 The Gypsies and Travellers Local Plan Document is being prepared to meet the needs of Gypsies and Travellers in South Norfolk. The Issues and Options consultation took place in 2014, but work was halted in mid-2015 due to the publication of the amended national Planning Policy for Traveller Sites, which states (amongst other changes) that for gypsies and travellers to “count” for planning purposes, they cannot any longer have ceased travelling permanently. Further changes to planning for Gypsies and Travellers are proposed through the Housing and Planning Act. It is now proposed that the Preferred Options stage will be reached in spring 2017, but with the recent and emerging changes to national policy, some uncertainty remains and future dates are therefore subject to change.

Proposed new Development Plan Documents

4.3 The proposed Greater Norwich Local Plan will be a new statutory local plan for Broadland, Norwich and South Norfolk to update the present Joint Core Strategy (JCS). This will, similarly, set out a statement of strategic planning policy for the wider Norwich area but, unlike the present JCS, will also include policies and proposals for individual sites. As such, the GNLP will eventually also replace separate site allocations plans for individual districts. The timetable for the production of the Greater Norwich Local Plan shown in this LDS aligns with the adopted Norwich City and Broadland District Councils Local Development Schemes for consistency.

Proposed new non-statutory planning framework

4.4 The proposed Norfolk Strategic Framework will be a non-statutory strategic policy statement which will set broad targets and priorities for the next round of statutory Local Plans for individual districts and larger areas in Norfolk, facilitating joint working across district boundaries and helping to fulfil the statutory Duty to Co-operate.
Both the GNLP and the Norfolk Strategic Framework will cover the period to 2036. The work programme set out in this LDS is subject to review dependent on the extent of evidence likely to be required and emerging changes to national policy and practice.

Proposed Supplementary Planning Documents

A number of supplementary planning documents are currently in place to support the adopted local plan, as detailed in section 2.9. The following SPDs are proposed for completion over the period of this LDS:

- **Open Space Supplementary Planning Document.** The Council’s current Open Space Requirements for Residential Areas dates from 1994, and so is in need of updating. Whilst the SPD cannot introduce new policy or specific mandatory standards, the standards expressed will be guidance, much as in the current SPG.

- **Starter Homes Supplementary Planning Document.** The Council is awaiting the publication of regulations to be made under powers contained in the Housing and Planning Act, which is likely to be in autumn 2016. Early work will commence on evidence gathering for the SPD (pursuant to the instruction already given to officers by the (former) Growth & Communities Committee earlier in 2016), but once these regulations have been published the more detailed contents of the SPD to provide greater detail about the provision of Starter Homes in South Norfolk will be able to be drawn up.

- **Self-Build/Custom Build Supplementary Planning Document.** Following the Self-Build and Custom Housebuilding Act (March 2015) and the subsequent publication of the Self-Build and Custom Housebuilding Regulations 2016 the Council proposes to produce a SPD to provide greater detail about self-build and custom build in South Norfolk.

Anticipated/potential workstreams

The following section refers to anticipated or potential workstreams which may form part of the Council’s work programme of planning policy documents, although their status and timescales for production have yet to be confirmed. Given this uncertainty, none are included in the list of document profiles in Annex 1 but are included here for completeness. They are likely to form part of revisions to the Local Development Scheme in due course:

The government’s emerging proposals for local planning authorities to publish and maintain a statutory *Brownfield Land Register* will have implications for the LDS, since any sites which are included on the register would be granted automatic planning permission in principle (PiP) for the use, location and amount of development and have broadly the same status as sites allocated in a local plan. The register is intended to include details of any previously developed land suitable for housing which is capable of accommodating five or more dwellings,
excluding sites which are already identified in local plans. Any subsequent permissions granted on sites on the register would be limited to approval of technical matters, called *Technical Details Consent* (TDC) which, alongside permission in principle, would constitute a full permission to build.
## 5. Local development document profiles

<table>
<thead>
<tr>
<th>Document Title</th>
<th>Greater Norwich Local Plan (GNLP)</th>
</tr>
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<tbody>
<tr>
<td><strong>Role and content</strong></td>
<td>To provide the strategic vision, objectives and strategy for future development of the Greater Norwich area, to accommodate objectively assessed needs for growth and to identify specific sites for development in the period to 2036. The GNLP provides the strategic context for the preparation of any lower level policy documents prepared by the three constituent district planning authorities.</td>
</tr>
<tr>
<td><strong>Status</strong></td>
<td>Statutory Development Plan Document (DPD)</td>
</tr>
<tr>
<td><strong>Conformity</strong></td>
<td>The document must conform with the National Planning Policy Framework 2012 (the NPPF) and with any subsequent review of the Framework. It should also accord with standing advice in national Planning Practice Guidance (PPG).</td>
</tr>
<tr>
<td><strong>Geographical coverage</strong></td>
<td>The three districts of Broadland, Norwich and South Norfolk, excluding the parts of those districts falling within the Broads Authority area.</td>
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<tr>
<td><strong>Joint working arrangements (if any)</strong></td>
<td>The plan will be prepared jointly with Broadland and Norwich councils, working with Norfolk County Council.</td>
</tr>
<tr>
<td><strong>Relationship with adopted local plan(s)</strong></td>
<td>The GNLP will supersede a) the <em>Joint Core Strategy (JCS)</em> for Broadland, Norwich and South Norfolk (adopted March 2011, amendments adopted 2014) b) the <em>South Norfolk Site Specific Allocations and Policies Document, the Wymondham Area Action Plan, the Long Stratton Area Action Plan, the Norwich Site Allocations and Site Specific Policies Local Plan and the emerging Broadland Site Allocations Plans and North East Growth Triangle AAP</em></td>
</tr>
</tbody>
</table>
**Evidence required**
*May include selective reviews of the evidence base already in place for the JCS and new and/or updated studies where necessary.*

Includes (but may not be limited to): Strategic Housing Market Assessment (SHMA); Employment Land and Economic Growth study; Housing and Economic Land Availability Assessment (HELAA); Infrastructure study; Health Impact Assessment; Strategic flood risk assessment (SFRA); Retail and town centres study; Water Cycle Study; Landscape Character Assessment; Green infrastructure study; Sport and recreation study.

The plan must be accompanied by a Sustainability Appraisal (SA) and Habitats Regulation Assessment (HRA) which will draw on, and themselves be part of, the evidence base.

**Production milestones**
*(Timetable consistent with that for Norwich City and Broadland District Councils)*

<table>
<thead>
<tr>
<th>Event</th>
<th>Dates</th>
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<tbody>
<tr>
<td>Commence document production</td>
<td>December 2015</td>
</tr>
<tr>
<td>Review, consult on, revise (if necessary) and adopt the South Norfolk Statement of Community Involvement</td>
<td>February 2016 (GNLP timetable amended May 2016) by Summer 2016</td>
</tr>
<tr>
<td>Call for sites – invitation to put forward specific development sites for inclusion in the GNLP</td>
<td>May-July 2016</td>
</tr>
<tr>
<td>Commission, prepare and publish evidence studies required to support the GNLP</td>
<td>March 2016 – May 2017</td>
</tr>
<tr>
<td>Complete and publish draft <em>(Regulation 18)</em> plan for consultation: to include issues and policy options and shortlisted development sites</td>
<td>October-December 2017</td>
</tr>
<tr>
<td>Complete and publish pre-submission draft <em>(Regulation 19)</em> plan for consultation: to include agreed strategic policies, sites and site-specific proposals</td>
<td>February-March 2019</td>
</tr>
<tr>
<td>Assess representations in response to Regulation 19 draft, prepare all formal submission documents</td>
<td>April – June 2019</td>
</tr>
<tr>
<td>Formal submission of GNLP to Secretary Of State <em>(Regulation 22)</em></td>
<td>August 2019</td>
</tr>
<tr>
<td>Examination in public</td>
<td>February 2020</td>
</tr>
<tr>
<td>Consultation on Inspectors Proposed Main Modifications</td>
<td>June-July 2020</td>
</tr>
<tr>
<td>Publication of Inspector’s Report</td>
<td>October 2020</td>
</tr>
<tr>
<td>Adoption of the Greater Norwich Local Plan</td>
<td>December 2020</td>
</tr>
</tbody>
</table>

**South Norfolk Governance**

Led by Planning Policy (working with other...
<table>
<thead>
<tr>
<th>Department</th>
<th>GNLP partners</th>
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</thead>
<tbody>
<tr>
<td>Management arrangements</td>
<td>Refer to project plan</td>
</tr>
<tr>
<td>Resources required</td>
<td>Planning Policy team with assistance from other teams as appropriate</td>
</tr>
<tr>
<td>Approach to stakeholder involvement</td>
<td>Widespread participation and consultation as set out in SCI</td>
</tr>
</tbody>
</table>

**Monitoring and review**

Annual Monitoring Report, including housing land supply updates

**Governance and Resources**

- * Norfolk Duty to Co-operate Member Forum
- * Norfolk Strategic Planning Officer Group,
- * Norfolk Strategic Framework Steering Group and task groups
- *Agreement at each stage through Cabinet and (at Reg 19, Reg 22 and adoption) Full Council approval

---

**Document Title**

Gypsies and Travellers Local Plan document

**Role and content**

To establish a vision for, and to try to meet the accommodation needs of Gypsies and Travellers and Travelling Showpeople in South Norfolk over the period to 2031

**Status**

Statutory Development Plan Document (DPD)

**Conformity**

The document must conform with the National Planning Policy Framework 2012 (the NPPF) (and with any subsequent review of the Framework); Planning Policy for Traveller Sites 2015; and the Joint Core Strategy. It should also accord with standing advice in national Planning Practice Guidance (PPG).

**Geographical coverage**

South Norfolk

**Joint working arrangements (if any)**

None

**Relationship with adopted local plan(s)**

The GTLP must conform with the **Joint Core Strategy (JCS)** for Broadland, Norwich and South Norfolk (adopted March 2011, amendments adopted 2014)
**Evidence required**
May include selective reviews of the evidence base already in place for the JCS and new and/or updated studies where necessary.

Includes: Strategic Housing Market Assessment (SHMA); Gypsies and Travellers Accommodation Assessment (GTAA), Strategic Flood Risk Assessment

**Production milestones**
Commencement
Reg 18 (Issues and Options) Stage
Reg 18 (Preferred Options) Stage
Reg 19 (Publication) stage
Submission
Public Hearing
Adoption

**Dates**
October 2013
November 2013-March 2017
April – June 2017
October - November 2017
February 2018
May - June 2018
September 2018

**South Norfolk Governance**

- **Department**
- **Management arrangements**
- **Resources required**

**Approach to stakeholder involvement**
Led by Planning Policy
Refer to project plan
Planning Policy team with assistance from other teams as appropriate
Widespread participation and consultation as set out in SCI

**Monitoring and review**
Annual Monitoring Report, including housing land supply updates

**Governance and Resources**
Agreement at each stage through Cabinet and (Reg 19, Reg 22 and adoption) Full Council approval

---

**Document Title**
Norfolk Strategic Framework (NSF)

**Role and content**
To set out an overall vision, strategic development principles and indicative housing and employment numbers and distribution for Norfolk in the period to 2036; to address relevant cross-boundary planning issues; to inform and provide a context for the preparation of statutory local plans for individual districts and areas within the county (including the GNLP)

**Status**
Non statutory strategic policy document

**Geographical coverage**
The administrative county of Norfolk. (The Broads Authority will be involved in the production of the document but it is not intended to include separate housing or
| Joint working arrangements (if any) | The NSF will be prepared jointly by the district planning authorities within Norfolk working with Norfolk County Council, the Broads Authority and with the involvement of the Greater Anglia Local Enterprise Partnership and other key stakeholders |
| Conformity | As a non statutory document there is no formal requirement for conformity with higher level national policy statements, however the framework will need to follow the general principles of national policy and guidance |
| Relationship with adopted local plan(s) | This will be a new document providing a framework for the eventual formal review and replacement of existing local plans |
| Evidence required | Includes Strategic Housing Market Assessments and Housing and Economic Land Assessments |
| Production milestones (provisional) |  |
| Commence document production | January 2016 |
| Prepare draft framework | Spring 2016-Winter 2016/17 |
| Public consultation on draft framework | May–July 2017 |
| Revise and finalise content | July 2017 |
| Adoption | July 2017 |
| Governance and Resources | As per Greater Norwich Local Plan, with membership of steering groups extended to include representation from all Norfolk districts |
| Monitoring and Review | To be confirmed |

<table>
<thead>
<tr>
<th>Document Title</th>
<th>Open Space SPD</th>
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<tbody>
<tr>
<td>Role and content</td>
<td>The Council’s current Open Space Supplementary Planning Guidance (SPG) dates from 1994, and so is in need of updating. Whilst the SPD cannot introduce new policy or specific mandatory standards, the standards expressed will be guidance, much as in the current SPG</td>
</tr>
<tr>
<td>Status</td>
<td>Supplementary Planning Document</td>
</tr>
<tr>
<td>Geographical coverage</td>
<td>South Norfolk District</td>
</tr>
<tr>
<td>Joint working arrangements (if any)</td>
<td>None presently, although may be scope to involve the Broads Authority</td>
</tr>
<tr>
<td>Conformity</td>
<td>Will provide guidance to the interpretation of policies in the Development Management Policies Document</td>
</tr>
<tr>
<td>Relationship with adopted local plan(s)</td>
<td>Supplementary Planning Document to support policy in the adopted Local Plan</td>
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<tr>
<td>Evidence required</td>
<td>Review of existing best practice</td>
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<tr>
<td>Production milestones (provisional)</td>
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<tr>
<td>Commence document production</td>
<td></td>
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<tr>
<td>Draft document considered at Cabinet</td>
<td>October 2016</td>
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<tr>
<td>Public consultation on draft SPD</td>
<td>April 2017</td>
</tr>
<tr>
<td>Revise and finalise content</td>
<td>April - May 2017</td>
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<tr>
<td>Adoption</td>
<td>June - July 2017</td>
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<td></td>
<td>August 2017</td>
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<td>South Norfolk Governance</td>
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<tr>
<td>Department</td>
<td>Led by Planning Policy</td>
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<tr>
<td>Management arrangements</td>
<td>Refer to project plan</td>
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<tr>
<td>Resources required</td>
<td>Planning Policy team with assistance from other teams as appropriate</td>
</tr>
<tr>
<td>Approach to stakeholder involvement</td>
<td>Widespread participation and consultation as set out in SCI</td>
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<tr>
<td>Monitoring and Review</td>
<td>To be confirmed</td>
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<thead>
<tr>
<th>Document Title</th>
<th>Starter Homes SPD</th>
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<tbody>
<tr>
<td>Role and content</td>
<td>The Council are currently awaiting the publication of regulations to be made under powers contained in the Housing and Planning Bill. Once these regulations have been published the Council intends to produce a SPD to provide greater detail about the provision of Starter Homes in South Norfolk</td>
</tr>
<tr>
<td>Status</td>
<td>Supplementary Planning Document</td>
</tr>
<tr>
<td>Geographical coverage</td>
<td>South Norfolk District</td>
</tr>
<tr>
<td>Joint working arrangements (if any)</td>
<td>None</td>
</tr>
<tr>
<td>Conformity</td>
<td>Will provide guidance to interpretation of Government guidance and planning policy</td>
</tr>
<tr>
<td>Relationship with adopted local plan(s)</td>
<td>Supplementary Planning document to support policy in the adopted Local Plan</td>
</tr>
<tr>
<td>Evidence required</td>
<td>Possible update of Strategic Housing Market Assessment</td>
</tr>
<tr>
<td>Production milestones (provisional)</td>
<td>October 2016</td>
</tr>
<tr>
<td>Commence document production</td>
<td>May 2017</td>
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<tr>
<td>Draft document considered at Cabinet</td>
<td>June – July 2017</td>
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<tr>
<td>Public consultation on draft SPD</td>
<td>August - September</td>
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<tr>
<td>Revise and finalise content</td>
<td>October 2017</td>
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<tr>
<td>Adoption</td>
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</table>
**Document Title** | **Self Build/Custom Build SPD**
---|---
Role and content | Following the Self-Build and Custom Housebuilding Act (March 2015) and the subsequent publication of the Self-Build and Custom Housebuilding Regulations 2016 the Council proposes to produce a SPD to provide greater detail about self-build and custom build in South Norfolk

Status | Supplementary Planning Document

Geographical coverage | South Norfolk District

Joint working arrangements (if any) | None

Conformity | Will provide guidance to interpretation of Government guidance and planning policy

Relationship with adopted local plan(s) | Supplementary Planning document to support policy in adopted Local Plan

Evidence required | Contents of Custom Build Register for South Norfolk

Production milestones (provisional) | **October 2016**
Commence document production | April 2016
Draft document considered at Cabinet | April – May 2017
Public consultation on draft SPD | June – July 2017
Revise and finalise content | August 2017
Adoption |

**South Norfolk Governance**
*Department*

Management arrangements |

Resources required |

Approach to stakeholder involvement |

Monitoring and Review |

To be confirmed
### South Norfolk Local Development Scheme Timetable - October 2016

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<tr>
<th></th>
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<th>2018</th>
<th>2019</th>
<th>2020</th>
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<tr>
<td><strong>Gypsies &amp; Travellers</strong></td>
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<tr>
<td>Document</td>
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<tr>
<td><strong>Greater Norwich Local Plan</strong></td>
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<td><strong>Norfolk Strategic Framework</strong></td>
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<td><strong>Starter Homes SPD</strong></td>
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<td><strong>Policies Map - update</strong></td>
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**Legend**

- Preparation of document/evidence gathering to inform Reg 18 consultation
- Reg 18 (or equivalent for SPD) consultation
- Publication of document
- Submission, Examination and Adoption
- Submit to Secretary of State
- Examination
- Adoption
### CABINET CORE AGENDA 2016/17

<table>
<thead>
<tr>
<th>Date</th>
<th>Decision/Item</th>
<th>Lead Officer</th>
<th>Cabinet Member</th>
<th>Exempt Y/N</th>
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<tbody>
<tr>
<td><strong>24 Oct</strong></td>
<td><strong>Performance/Risks/Finance Budget Q2</strong></td>
<td>A Mewes/ E Goddard / M Fernandez-Graham</td>
<td>M Edney</td>
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<td></td>
<td><strong>Treasury Management Report Q2</strong></td>
<td>M Fernandez-Graham</td>
<td>M Edney</td>
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<td><strong>Medium Term Plan and Efficiency Plan</strong></td>
<td>M Fernandez-Graham</td>
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<td><strong>Capital Strategy</strong></td>
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<td><strong>Local Development Scheme Update</strong></td>
<td>A Nicholls</td>
<td>J Fuller</td>
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<td><strong>Fees and Charges</strong></td>
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<td><strong>Off Street Car Parking Proposal</strong></td>
<td>D Disney</td>
<td>J Fuller</td>
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<td><strong>Council Tax Discount Scheme</strong></td>
<td>P Chapman</td>
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<td><strong>Infrastructure Investment Plan (Agenda Note)</strong></td>
<td>A Nicholls</td>
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<td></td>
<td><strong>Community Asset Strategy</strong></td>
<td>B Wade</td>
<td>K Mason Billig</td>
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<td><strong>K</strong></td>
<td><strong>Improving the Quality of Recycling Materials</strong></td>
<td>B Wade</td>
<td>K Mason Billig</td>
<td>Y (Part only)</td>
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#### Special Council and Cabinet 17 November 2016

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<thead>
<tr>
<th>Date</th>
<th>Decision/Item</th>
<th>Lead Officer</th>
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<tr>
<td><strong>5 Dec</strong></td>
<td><strong>Review of Conservation Area Appraisals – Loddon, Hingham and Harleston</strong></td>
<td>C Bennett</td>
<td>L Hornby</td>
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<td></td>
<td><strong>Greater Norwich Joint Five Year Infrastructure Investment Plan 2017-18-2021-22</strong></td>
<td>A Nicholls</td>
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<td><strong>Community Asset Strategy</strong></td>
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<td><strong>Custom Build Register</strong></td>
<td>K Mitchell</td>
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<table>
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<tr>
<td>9 Jan 2017</td>
<td>O</td>
<td>Asset Management Plan</td>
<td>R Garfoot</td>
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<td>6 Feb</td>
<td>Performance Risks and Finance Budget Position Q3</td>
<td>E Goddard A Mews M Fernandez -Graham</td>
<td>M Edney</td>
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<td>M Fernandez -Graham</td>
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<td>M Fernandez -Graham</td>
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<td>Revenue Budget and Council Tax 2017/18</td>
<td>M Fernandez -Graham</td>
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<td>Capital Programme April 2017 to March 2022</td>
<td>M Fernandez -Graham</td>
<td>M Edney</td>
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<td></td>
<td>Treasury Management Strategy April 2017 to March 2020</td>
<td>M Fernandez -Graham</td>
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**Council Meeting 21 February**

| 27 Mar   |                              |                             |                              |           |
| 8 May    |                              |                             |                              |           |

**Council AGM 22 May**

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.
Improving the Quality of Recycling Materials

Report of the Head of Environmental Services
Cabinet Member: Councillor Kay Mason-Billig, Portfolio Holder for Environment and Recycling

CONTACT
Bob Wade, 01508 533787
bwade@s-norfolk.gov.uk
1.1 The purpose of this report is to provide members with information regarding the progress being made to recycle household material in the district as part of the wider Norfolk Waste Partnership and consider steps the Council may wish to take to ensure residents maximise the amount of clean material separated for collection and onward recycling. Cabinet is also asked to approve a variation to the contract in relation to the jointly procured Comingled Dry Recycling Contract as set out in the confidential papers at Appendix 1.

2. Background

2.1 Under the Corporate Priority of ‘Place, Community and Environment’, the Council is committed to increasing the quantity of waste recycled and reducing the amount of waste sent for final disposal by delivering efficient and high quality recycling, refuse and garden waste collection services for residents and businesses.

2.2 In 2013, Norfolk’s Waste Collection Authorities (WCAs), including South Norfolk Council, jointly procured a Comingled Dry Recycling Contract which enables the sorting and marketing of collected household recyclable materials via a local Material Recycling Facility (MRF) located at Costessey. The MRF is part of a joint venture arrangement with Norse Waste Environmental Services (NEWS).

2.3 The Council provides an alternate weekly collection for residents whereby recyclable materials are collected one week (Green wheeled bin) and mixed waste (Grey wheeled bin) that cannot be recycled is collected in the following week. The contents of the recycling wheeled bins are delivered to the MRF at Costessey where a combination of manual hand sorting and mechanical screening takes place to ensure the recyclable materials sent to market are as clean as possible in line with material quality protocol standards.

2.4 When the existing contract commenced in 2014, the Council was able to extend the variety of materials accepted in residents’ recycling bins so as to make it as easy as possible for residents to do the right thing and recycle their household waste. By way of a reminder, the following materials are accepted in the green wheeled bin:

- Paper including newspapers, magazines, catalogues, leaflets, wrapping paper, shredded paper and telephone directories
- Cardboard including packaging boxes and greeting cards
- Plastic bottles, food pots, tubs and trays
- Steel and aluminium cans, tins and empty aerosol cans
- Foil and foil containers
- Glass bottles and jars
- Waxed food and drink cartons
2.5 The Council continues to place significant focus on communicating with residents to encourage and ensure that the right materials are placed in the recycling bins. Ongoing advice has been given at and since the launch of the new recycling collection service in 2014. This has focused on advice to residents to place the above recyclable materials loose, without bagging items together, and in the case of containers; rinsed and with lids on. The latter enables the sorting equipment at the MRF to detect the size and shape of the item for recycling purposes. Recycling information and advice is usually included in the Link Magazine, and through other publicity materials such as waste/recycling calendars delivered to every property, leaflets, the Council’s website and social media channels. We are also active ‘on the doorstep’ with crews issuing advisory cards to those with unwanted materials in their bins, focusing on shared or communal bins and other areas where known issues exist. A range of educational and support material is made available to encourage residents to ‘Do the right thing’. Arguably our approach continues to be effective as our audited ‘contamination’ rate recorded earlier in the year at the MRF was 9.5%. Although this is the lowest contamination rate in Norfolk, it is still too high and therefore further concerted effort is required working with residents.

2.6 In addition to promoting and encouraging recycling, the Council also supports waste prevention and reuse. South Norfolk gained national recognition for its ‘Give and Take’ Reuse Events from the Local Authority Recycling Advisory Committee (LARAC) in 2015 winning the national award for ‘Best Waste Minimisation or Prevention Project’. Through such schemes and events the Council actively enables the reuse and repair of unwanted items by facilitating local community reuse, repair and recycling events.

3. Recycling performance to date

3.1 For this year 2016/17, South Norfolk is projecting to collect and deliver over 12,800 tonnes of dry recycling material to the Materials Recycling Facility (MRF) at Costessey for onward recycling. This is the highest level of kerbside collected material ever achieved by South Norfolk. The Council is 3rd in Norfolk for recycling/composting performance; noting that the two authorities with higher rates collect food and/or have higher green waste composting levels. South Norfolk’s recycling rate for non-biodegradable materials is the second best in the County. Last year’s recycling/composting rate was 44.3% which, in comparison with similar rural authorities operating equivalent services, is a good to moderate level of recycling effort and saves waste from going to landfill or other costly disposal routes. It is fair to say given the system that we operate, that this performance is good given the range of materials we collect. Authorities with higher recycling rates achieve this by collecting a wider range of materials, for example, food (which reduces the volume of residual waste) or collect higher tonnages of compostable material. Nationally recycling rates have plateaued and the main reason is that the systems being operated are achieving the best they can albeit contamination is a feature everywhere that authorities are grappling with. It should also be recognised that if residual grey bin waste collected was lower, by definition, the Council’s recycling rate would increase. The Norfolk Waste Partnership is in the process of working up a renewed range of communication approaches to improve the visibility of recycling and waste reduction.
3.2 Despite general declines in paper consumption as a result of digital publication, paper is still the dominant material in South Norfolk’s green recycling bins representing around 42% of all processed and separated recycling. Glass makes-up around 25% of this output material and plastics around 8%. The remaining proportion is made up from cardboard, metals and cartons. There is an increasing drive and financial necessity to improve the quality of material which is being delivered to the MRF Facility. A lack of continuity in material value and changing market demand has placed greater pressure on the delivery of clean, appropriately stored high quality materials to the facility to ensure a consistently high-quality, high value output.

3.3 The purpose of offering a separate recycling collection and supporting the onward sorting of those materials is to enable the Council to maximise the amount of quality material sent for onward processing via the MRF Contract. Materials kept clean and sorted can be marketed as a raw material for manufacturing whereby it is used to make new products. Whilst material commodity markets have been hit by a downward trend in the global economy, it is still both environmentally and economically better to recycle materials rather than send waste to landfill or another form of disposal. Any unwanted materials placed in recycling bins, known as contamination, will compromise the recyclability of materials. Even a small quantity of recycling bins that contain unwashed or contrary waste items can contaminate a whole load of otherwise quality recycling material.

3.4 As a reminder, unwanted items in the green recycling bin that will constitute contamination are:

- Plastic bags, cling film, mail bags
- Polystyrene
- Food and garden waste
- Textiles
- DIY waste including lightbulbs
- Sharps such as needles
- Sanitary products including nappies
- Any other domestic rubbish

3.5 In order to increase recycling levels officers have been exploring a range of options the Council could use to encourage residents to embrace greater levels of recycling as part of their everyday life so as to ensure recycling becomes the norm.

4. Addressing recycling contamination – proposed next steps

4.1 A large amount of research and baseline data (collated by South Norfolk and the Norfolk Waste Partnership) has enabled an informed position in producing and using a range of approaches to encourage and remind residents about the importance of
recycling their household waste. Multiple surveys have been undertaken by the Norfolk Waste Partnership and South Norfolk to enable an assessment of residents’ attitudes, target messages and material specific feedback. What we know is:

- Most people genuinely want to do the right thing.
- People want to know more about what happens to recycling materials after it has been collected i.e. how they are separated and recycled into new products.
- One of the main methods to get people recycle more is to appeal to them on a personal level and make it as easy as possible to recycle as part of everyday life.
- There is confusion in relation to unacceptable materials and the rules around recycling i.e. what type of plastic (garden pots, plastic bags and film, pet food pouches) and whether to leave bottle tops and container lids on items or remove them.
- People prefer a variety of communication methods which include a leaflet and stickers on the bins to act as reminders.

4.2 Achieving and maintaining a high quality of dry recyclable material collected in the green recycling bins is essential in order to access consistent end markets. As mentioned above, an extensive audit of all collection areas in South Norfolk, completed during the period January to April 2016, indicated that 9.5% of materials collected from South Norfolk residents for recycling and delivered to the sorting facility, could not actually be recycled because it was either the wrong item i.e. not an acceptable material for recycling via NEWS’ MRF or was deemed a contaminating material i.e. was either unclean or mixed with waste including nappies.

4.3 The main, non-recyclable materials that are present in South Norfolk’s recycling bins are: textiles, present in 63.6% of all delivered loads, loose and packaged food packaging, present in over 50%, DIY materials, present in 45% and small electrical items, present in 35%. Although not significant in tonnage terms, babies nappies create a significant issue at the MRF when hand sorting recyclable materials.

4.4 Improvement of material quality and quantity delivered to the MRF is a common aim across the Norfolk Waste Partnership and a number of ideas and initiatives have or are being explored and developed to help districts communicate a positive recycling message which includes the rules about what can and cannot be recycled in Norfolk:

- ‘Recycling Revolution’ brand was used to launch of the new service in 2014
- A ‘Clean and Loose’ campaign focused on removing plastic bags from the recycling stream
- Recycling information roadshows and exhibition material
- Social media campaigns around the above, targeted themes e.g. explaining that household bathroom containers can be recycled
- Development of a recycling app for mobile devices – this is work in progress
- Further targeted leaflets
- Development and trials to provide an internal storage bag for recycling materials
- Displays at the point of purchase in retail shops (e.g. Co-op) to remind shoppers to recycle

4.5 Officers have researched best practice nationally aimed at encouraging residents to recycle more based on positive communications and clear messaging to encourage residents to use their green recycling bins correctly and consistently. Commonly acknowledged barriers to recycling include:

- Behaviour barriers e.g. house level actions, convenience, simplicity and mistrust
- Knowledge and understanding e.g. technical detail, packaging Information, practical advice and information
- Situational barriers e.g. storage, frequency, material sets
- Attitudes and motivators e.g. incentives, enforcement and practicality

4.6 A high level summary of the approach proposed for South Norfolk in tandem with the Norfolk Waste Partnership work is shown in the table below:

<table>
<thead>
<tr>
<th>Approach</th>
<th>Purpose</th>
<th>How</th>
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<tbody>
<tr>
<td>1. Education and advice</td>
<td>Explain and garner residents’ support to recycle as much of their household waste as possible. Explain what can and cannot be recycled in South Norfolk’s green recycling bins. Be clear about other ways waste materials can be reused, recycled or disposed of across South Norfolk via other partners e.g. Household Waste Recycling Centres and local bring banks.</td>
<td>Using a range of materials including updated stickers for residents’ recycling bins, new collection calendars, leaflets, posters and integrated messaging across traditional and social media channels. As part of the Norfolk Waste Partnership, support local events and opportunities to promote recycling with exhibition material and talks.</td>
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<tr>
<td>2. Nudge and reminding</td>
<td>Embed recycling as part of everyday life living (and working) in South Norfolk. Explain recycling in context and why it is important.</td>
<td>Talk to residents to understand their need for information and any localised issues e.g. size of family, bin capacity, lack of clarity on the recycling rules.</td>
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<tr>
<td>3. Education and enforcement</td>
<td>Ensure residents remember to recycle on green bin week and how to present good quality materials.</td>
<td>Publish clear messaging about the value of recycling and onward destination of material collected.</td>
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<td>Ensure recycling in the home is as easy as possible.</td>
<td>Work in key communities or areas where recycling tonnage is less and waste tonnage is more to identify the barriers to recycling and solutions for the communities.</td>
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<td>Promote the Council’s flexible commercial waste and recycling services to businesses.</td>
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<td>Ensure recycling and waste policy is adhered to in order to maximise value from South Norfolk’s waste and recycling services.</td>
<td>Monitor and feedback to residents on recycling performance.</td>
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<td>Ensure waste and unacceptable materials stay out of green recycling bins to avoid contaminating clean recyclables at the MRF.</td>
<td>Work on a one to one basis with householders who struggle to understand how to recycle offering advice on how to present material for recycling.</td>
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<td>Explain the processes at the MRF which include hand sorting as well as mechanical screening.</td>
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**Desired Outcomes:**

- Clarity for all residents as to the full set of acceptable (target) materials which can be recycled and how they should be presented.
- Increase in quantity and quality of material delivered to the MRF
- Increase in public confidence in the recycling service(s) provided
- Knowledge of the additional recycling facilities provided in South Norfolk
Enforcement action to reduce the collection of contaminated bins

Performance Measures:

- Reduction in contamination tonnage at the MRF.
- Increase in quantity of clean recyclable material delivered to the MRF for sorting and onward recycling
- Reduction in tonnage in grey wheeled bins requiring disposal
- Increased recycling rate

4.7 Promoting, explaining, and reminding residents how to recycle and why it is important to do so requires a sustained effort in communication and marketing. By further engaging with residents locally in South Norfolk and sharing and learning from best practice across the Norfolk Waste Partnership, it is hoped that recycling tonnage will increase and drive greater efficiency and performance at the MRF.

5. Recommendation

5.1 Cabinet notes the progress made to date to recycle residents' household waste in South Norfolk and delegates to the Director of Community Services in consultation with the Portfolio Holder for Environment and Recycling the detailed targeted communication schemes for a proactive approach to reduce contamination and increase recycling tonnage as set out in this report.

5.2 Cabinet approves the contract variation proposed as detailed in Appendix 1.