NORWICH
City Council

Cabinet

Date: **Wednesday, 10 December 2014**
Time: **17:30**
Venue: **Mancroft room, City Hall, St Peters Street, Norwich, NR2 1NH**

Committee members:

Councillors:

Arthur (chair)
Waters (vice chair)
Bremner
Driver
Harris
Stonard

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IN TRAN communication for all

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AGENDA

EXEMPT ITEMS:

(During consideration of these items the meeting is not likely to be open to the press and the public.)

To consider whether the press and public should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part 1 of Schedule 12 A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act.

In each case, members are asked to decide whether, in all circumstances, the public interest in maintaining the exemption (and discussing the matter in private) outweighs the public interest in disclosing the information.

- This report is not for publication because it would disclose information relating to the financial or business affairs of any particular person (including the authority holding that information) as in para 3 of Schedule 12A to the Local Government Act 1972.

***22 Managing Assets General Fund (exempt from publication) - KEY DECISION**

- This report is not for publication because it would disclose information relating to the financial or business affairs of any particular person (including the authority holding that information) as in para 3 of Schedule 12A to the Local Government Act 1972.

Date of publication**: Wednesday, 03 December 2014**

NORWICH City Council

MINUTES

CABINET

17:30 to 18:50 **12 November 2014**

Present: Councillors Arthur (chair), Waters (vice chair), Bremner, Driver, and Harris

Also present: Councillors Boswell and Wright

1. APOLOGIES

Apologies for absence were received from Councillor Stonard.

2. PUBLIC QUESTIONS / PETITIONS

There were no public questions or petitions.

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. MINUTES

RESOLVED to agree the accuracy of the minutes of the meeting held 8 October 2014.

The portfolio holder for resources explained that due to the timing of key meetings at which the monthly finance reports are agreed, there were no finance reports on this particular agenda.

As a brief update for members he said that the September forecasts for revenue were for underspends of £1.5 million on both the general fund and the Housing Revenue Account (HRA). These compared to forecasts of £1.4 million for the general fund and £1.2 million for the HRA at the end of August.

There was a forecast underspend of £17.5 million on the non housing capital programme and £5.8 million on the housing capital Programme. These compared to forecast underspends at the end of quarter one of £17.7 million for non housing and £4.6 million for housing.

5. REVIEW OF POLLING DISTRICTS, POLLING PLACES AND POLLING STATIONS

The portfolio holder for resources presented the report. He added that a letter had been received from the Returning Officer which said that the changes proposed were within parameters that would allow her to undertake an efficient election and an accurate count.

RESOLVED to recommend council to make the following changes to the polling scheme:

1) change the boundary between polling districts MX2 and MX3, to move voters living adjacent / north of Drayton Road into MX2;

2) change the polling station in polling district CG5 to Shipfields Community Room from St Georges Church Hall; and,

3) identify the preferred reserve polling stations as listed in Appendix C

6. ADOPTION OF NORWICH'S LOCAL PLAN DOCUMENTS

The portfolio holder for housing presented the report.

In response to a member's question the Head of planning explained that going forward, limited modifications could take place to an adopted plan. He added that this was a public process which would include consultation, and a realistic minimum timeframe for alterations to a local plan was approximately one year.

RESOLVED to recommend council to:

1) adopt the *Development management policies local plan* as modified by the Inspector's report and additional (minor) modifications (set out in Appendix 1);

2) adopt the *Site allocations and site specific policies local plan* as modified by the Inspector's report and additional (minor) modifications (set out in Appendix 2);

3) adopt the Policies map as modified by the Inspector's report, which forms part of both local plan documents (Appendix 3); and,

4) delegate authority to the head of planning, in consultation with the portfolio holder for environment, development and transport, to make any further minor factual updates and corrections required to each local plan document prior to adoption, and to proceed with the necessary legal and administrative procedures to secure adoption of both local plan documents to form part of the development plan for Norwich.

7. BYELAW TO MANAGE SKATEBOARDING IN THE CITY CENTRE

The portfolio holder for neighbourhoods and community safety presented the report and clarified that the area to be covered by the byelaw was as detailed on the map of page 46 of the agenda.

The portfolio holder for customer services said that misleading information had been circulating on social media. She added that as a large number of skaters come to Norwich from outside the city, proper information should be readily available to make it as easy as possible for them to access the city's skate parks. She said that the council should consider creating further skating facilities.

The portfolio holder for resources said that the byelaw represented a proportionate and sensible way to protect the large investment the city council had made in the refurbishment of the war memorial.

RESOLVED to recommend to council to make a byelaw to manage skateboarding in the city centre.

8. CONSULTATION: GREATER NORWICH HOMELESSNESS STRATEGY 2015-20

The portfolio holder for housing presented the report.

In response to member's questions, the housing strategy manager acknowledged that the current layout of the strategy document made it appear that work was compartmentalised. He emphasised that, as the re-drafting procedure is undertaken, the work of the different councils would become more integrated.

RESOLVED to approve the consultation document: *Greater Norwich homelessness strategy 2015-20*.

9. CONTRACT AWARD – ST JAMES'S HOUSE SHELTERED HOUSING SCHEME REFURBISHMENT PROJECT

The portfolio holder for housing presented the report.

RESOLVED to award the refurbishment contract to T Gill & Sons (Norwich) Ltd.

(The chair explained that the item on the award of various contracts for structural repairs and improvements to council homes would be considered in public.)

10. AWARD OF VARIOUS CONTRACTS FOR STRUCTURAL REPAIRS AND IMPROVEMENTS TO COUNCIL HOMES

The portfolio holder for housing presented the report.

RESOLVED to:

1) award of the following structural repair and improvement contracts:

   a) Manchester Place, Somerleyton Gardens and Walpole Gardens – Concrete repairs and walkway membrane replacement to Thomas Sinden Ltd.

   b) Vale Green Phase 1– Roof upgrade, masonry and concrete repairs to Foster Property Maintenance Ltd.

   c) Godric Place Phase 1 – Concrete repairs and walkway membrane replacement to Foster Property Maintenance Ltd; and,

2) delegate to the executive head of strategy people and neighbourhoods authority to award the following two contracts in consultation with the portfolio holder for housing:

   a) Derby Street Phase 2 – Concrete stair repairs and walkway membrane replacement

   b) Douro Place and Golding Place – Concrete stair repairs and walkway membrane replacement

11. EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the items ***12** to ***16** below on the grounds contained in the relevant paragraphs of schedule 12a of the local government act 1972 (as amended).

*12. AWARD OF CONTRACT FOR THE PROVISION OF LAUNDRY EQUIPMENT TO NORWICH CITY COUNCIL SHELTERED HOUSING TENANTS (EXEMPT UNDER PARAGRAPH 3)

The portfolio holder for housing presented the report.

RESOLVED to award an extended contract for the provision of laundry equipment to Norwich City Council sheltered housing tenants.

***13. MANAGING ASSETS (HOUSING) (EXEMPT UNDER PARAGRAPH 3)**

The portfolio holder for housing presented the report.

RESOLVED to:

a) approve the option to dispose of the freehold interest in the asset outlined in the report on the open market; and,

b) delegate the method of disposal to the head of city development services.

***14. MANAGING ASSETS (GENERAL FUND) 1 (EXEMPT UNDER PARAGRAPH 3)**

The portfolio holder for resources presented the report.

RESOLVED to approve the acquisition of land and property for the general fund account as described in the report.

***15. MANAGING ASSETS (GENERAL FUND) 2 EXEMPT UNDER PARAGRAPH 3)**

The portfolio holder for resources presented the report.

RESOLVED to approve the disposal of land and property and the reassignment of a long lease as described in the report.

***16. LOCAL GROWTH FUND – HOUSING REVENUE ACCOUNT BORROWING PROGRAMME 2015-17 (EXEMPT UNDER PARAGRAPH 3)**

The leader of the council presented the report.

RESOLVED to approve the submission of a bid for an increase in the HRA borrowing headroom for 2016-17 under the local growth fund.

CHAIR

Report to	Cabinet	**Item**
	10 December 2014	
Report of	Executive head of business relationship management and democracy	5
Subject	Transatlantic trade and investment partnership	

Purpose

To consider the transatlantic trade and investment partnership (TTIP) referred to cabinet by council.

Recommendation

To:

1) seek assurance from government ministers involved in negotiating TTIP regarding the concerns around public procurement and public services, environment and food safety, the investment state dispute settlement and transparency and consultation;

2) seek the views of Norwich MPs and MEPs for the Eastern Region; and,

3) consider the response from government ministers at a future meeting.

Corporate and service priorities

The report helps to meet the corporate priority "A prosperous city".

Financial implications

Ward/s: All wards

Cabinet member: Councillor Waters- Deputy Leader and resources

Contact officers

Anton Bull	01603 212326

Background documents

None

Report

Background

1. On 22 July 2014 Council resolved to refer a motion concerning the transatlantic trade and investment partnership (TTIP) to cabinet for consideration.

2. On 23 September 2014, in response to a question, Cllr Waters indicated a report would be made to cabinet at the meeting in November. However, as information was still being gathered this report was deferred to the December meeting of cabinet.

3. On 25 November 2014 Cllr Waters responded to a question at council and the response is attached.

What is the Transatlantic Trade and Investment Partnership?

4. On 29 October 2014 the Local Government Information Unit published a policy briefing written by Janet Sillet on TTIP. This briefing is attached and provides an excellent summary of what TTIP is and the current issues, concerns and views. The briefing provides a balanced view of TTIP and considers different viewpoints.

Key issues to be considered

5. The key issues are

    a) Public procurement and public services

    b) Environment and food safety

    c) The investor state dispute settlement

    d) Transparency and consultation

Public procurement and public services

6. There are concerns that TTIP could result in no choice for the council as to how we deliver public services. There is particular concern around the NHS.

Environment and food safety

7. There are concerns that key environmental regulations could be undermined and that TTIP will have an adverse impact on the environment.

The investor state dispute settlement

8. There are concerns that public policy decisions could lead to the individual countries being sued.

Transparency and consultation

9. There are concerns that the negotiations are being held with limited access to documents and that consultation has been biased towards transnational corporations. Further, although the UK parliament will be able to vote on the adoption of TTIP, it will be a straight yes/no vote with no option to make amendments.

Integrated impact assessment

The IIA should assess **the impact of the recommendation** being made by the report
Detailed guidance to help with completing the assessment can be found here. Delete this row after completion

Report author to complete	
Committee:	Cabinet
Committee date:	10 December 2014
Head of service:	Anton Bull
Report subject:	The transatlantic trade and investment partnership (TTIP)
Date assessed:	28/11/2014
Description:	The transatlantic trade and investment partnership (TTIP)

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	☒	☐	☐	
Other departments and services e.g. office facilities, customer contact	☒	☐	☐	
ICT services	☒	☐	☐	
Economic development	☒	☐	☐	
Financial inclusion	☒	☐	☐	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	☒	☐	☐	
S17 crime and disorder act 1998	☒	☐	☐	
Human Rights Act 1998	☒	☐	☐	
Health and well being	☒	☐	☐	
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	☒	☐	☐	

	Impact			
Eliminating discrimination & harassment	☒	☐	☐	
Advancing equality of opportunity	☒	☐	☐	
Environmental (please add an ‘x’ as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Transportation	☒	☐	☐	
Natural and built environment	☒	☐	☐	
Waste minimisation & resource use	☒	☐	☐	
Pollution	☒	☐	☐	
Sustainable procurement	☒	☐	☐	
Energy and climate change	☒	☐	☐	
(Please add an ‘x’ as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Risk management	☒	☐	☐	

Recommendations from impact assessment
Positive
Negative
Neutral
Issues
At this stage all items have been assessed as neutral as further information will be requested.

APPENDIX 1

POLICY BRIEFING

Transatlantic Trade and Investment Partnership (TTIP): implications for local government

29 October 2014

Janet Sillett

Summary

This briefing updates readers on the progress of the negotiations on the Transatlantic Trade and Investment Partnership (TTIP) and comments on its possible implications for local government.

TTIP is currently being negotiated between the European Commission and the US. It is an extremely significant treaty and is highly controversial, with the debate between its supporters and critics getting more heated.

Public procurement and the delivery and regulation of public services will be affected by the treaty if it is ratified. There are clear implications for local government, but exactly how services such as social care and regulation of, for example, environmental standards will be affected, are in dispute. The main area of debate here has been the possible impact on the NHS.

This briefing will be if interest to all local authorities and to members and officers working in policy, social care, health, procurement, commissioning, environmental health and regulatory activities, and to trade unions and the voluntary and community sector.

Briefing in full

Background

Free trade agreements (FTAs) are set up between the governments of two or more countries to promote trading of goods and services. FTAs encourage the trading of goods across national borders by reducing tariffs (e.g. import duty) and establishing rights to protection for transnational companies that wish to invest in services (including public ones). In the UK transnational companies are given the right to operate within the UK market and have the same treatment as national companies. International trade law takes precedence over national law – once signed a FTA involves irreversible commitments.

FTAs have proliferated since their beginnings in the Bretton Woods Agreement in 1944: The multilateral trade rounds have become more and more difficult to reach agreement over – such as the 'Uraguay' round which took eight years to reach agreement to set up the World Trade Organisation (WTO), and the 'Doha' round still being pursued after some 15 years, despite continual failures.

Transatlantic Trade and Investment Partnership (TTIP)

The Transatlantic Trade and Investment Partnership (TTIP) is currently being negotiated between the European Commission (EC) and the US.

The House of Lords EU Committee's report on TTIP said this about it:

'*The Transatlantic Trade and Investment Partnership (TTIP) is the most ambitious trade and investment pact ever attempted, due both to its scale—the European Union and the United States together account for nearly half of world GDP—and because in tackling non-tariff barriers to trade, a deal could set the template for a new generation of 21st century trade and investment agreements'.*

According to the Office of the United States Trade Representative, the main aims of the partnership are '*to increase trade and investment between the US and EU by reducing tariffs (particularly on agricultural products), aligning regulations and standards, improving protection for overseas investors, and increasing access to services and government procurement markets by foreign providers'.*

Negotiations were launched at the G8 summit at Lough Erne in June 2013. Services and public procurement issues were the key focus of the 6th round of negotiations held in July 2014. The 7th round started on 29 September.

Negotiations are split into working groups (24 in the first round) discussing specific sectors and area.

In the EU, once negotiations are completed, the deal will be presented to the Council and the European Parliament, both of which must agree the outcome, which is then subject to signature and formal ratification. The deal has also to be separately ratified by the national parliaments of each of the EU Member States before it formally enters into force. In the UK this will be done through secondary legislation – a draft Order in Council laid in Parliament and it has to approved by both the Commons and the Lords under the affirmative procedure, and then by the Privy Council. However, under 'provisional application' procedures, if member states agree to it via the Council, parts of the agreement can enter into force before it is ratified by national parliaments.

The objectives of TTIP

Although one of the stated aims is to reduce tariffs, the tariffs between the EU and US are already low, at around three per cent on average. Therefore the negotiations are focusing on reducing 'non-tariff barriers' to trade, such as regulation and on harmonising product regulation and standards, or eliminating them in areas where the negotiators believe they are not necessary.

The debate over TTIP

Like previous bilateral trade agreements (and multinational ones) TTIP is highly contentious. There are particular sectors that are causing the biggest debate - the ones that are of most relevant to local government here are food safety, environmental standards, public procurement and public services.

Public procurement and public services

The Commission's negotiating mandate included provisions that TTIP will increase mutual access to government procurement markets 'at all administrative levels... in the fields of public utilities... and ensuring treatment no less favourable than that accorded to locally established suppliers'. Local government procurement would be therefore included.

The House of Commons library research note on TTIP makes this reference to this issue:

'*In the EU, there are concerns that liberalising public procurement markets, combined with measures to protect foreign investors from government action, could constrain the power of national governments to decide how public services are provided'.*

There was a motion for a resolution of the European Parliament that called for the Commission to explicitly exclude from the negotiating mandate market access to public services, but this was not passed.

The WTO defines that only 'services supplied in the exercise of government authority' and only on a non-commercial basis and not in competition with other suppliers, are exempt from trade liberalisation. The European Commission has claimed that public services will be kept out of TTIP by virtue of an exclusion of services "supplied in the exercise of governmental authority", as defined in the General Agreement on Trade in Services (GATS), which comes under the WTO.

However, this definition of what would qualify for exclusion is narrow. As many of the UK's public services are open to competition, using this exemption could be open to challenge.

TTIP can be expected to reinforce the creation of new markets in public services and further deregulate them.

In the UK the main opposition has focused on the NHS. Since the opening up of health services here in the 1980s, critics have said that trade agreements have threatened universal access to health care and that the Health and Social Care Act (2012) increases the risk of the NHS being included within FTAs.

TTIP will give foreign companies the right to bid for all government spending, including on health. It could put restrictions on the ability of the UK government to control costs (e.g. of medicines) and to regulate any transnational companies that provide health services.

There has been some suggestion, following the leaking of a letter from the EC negotiator, that the NHS will be 'carved out' of TTIP – that health services will not be included. This has, however, been disputed by opponents of TTIP. TTIP negotiations are based on 'negative listing' – if negotiators don't specifically list a sector like health as exempt, it will count as being included in the treaty. The only exemption proposed on the European side is for audio-visual services (films and broadcasting), which is at France's request.

Supporters of TTIP say that health will anyway be exempt from the treaty because it is a public service. In the context of FTAs, the term 'public service' refers only to those services that are not supplied on a commercial basis, or are not in competition with other service providers. There is an argument that since the passing of the Health and Social Care Act (2012), the NHS does not conform to this description.

The environment and food safety

Opponents of TTIP claim that it threatens to undermine key environmental regulations within the EU, which are known to guarantee higher safety levels than in the US.

EU legislation in these areas is based on the Precautionary Principle. The precautionary principle is detailed in Article 191 of the Treaty on the Functioning of the European Union (EU). It aims at ensuring a higher level of environmental protection through preventative decision-taking in the case of risk. However, in practice, the scope of this principle is far wider and also covers consumer policy, European legislation concerning food and human, animal and plant health.

US regulations, however, follow the weaker principle of only banning something if harm from it is proven 'scientifically'.

On the environment, the European Commission has openly admitted that TTIP will further intensify pressure on the environment, as "every scenario" for future EU-US trade under TTIP will increase the production, consumption and international transfer of goods. The Commission's own impact assessment goes on to note that this increase in production will in turn create "dangers for both natural resources and the preservation of biodiversity". Greenhouse gas emissions will increase - the Commission states that its preferred outcome from TTIP will add an extra 11 million metric tons of CO_2 to the atmosphere.

The 'investor-state dispute settlement' (ISDS)

ISDS are provisions in trade treaties that allow corporations to bring proceedings against a foreign government that is party to the treaty. These proceedings are brought under commercial tribunals rather than national courts. Therefore, transnational corporations under TTIP will have the power to sue individual countries directly for loss of profits suffered as a result of public policy decisions, including predicted reductions of profits in the future.

The ISDS has been a key area of concern among critics of TTIP. Some commentators believe that these provisions undermine the power of national governments to act in the interest of their citizens. They argue, for example, that a future UK government may not be able to reverse policies that further open up competition in the NHS.

The level of interest and concern across the EU and US over the ISDS led to the European Commission in January this year announcing it was halting the negotiations on the ISDS proposal to carry out a three month consultation that began in early March.

Transparency and consultation

The way the treaty is being negotiated has been a cause for concern. Critics have said that transnational corporations had early opportunities to lobby the European Commission about the treaty but the same opportunities have not been extended to trades unions or civil society groups. Of the 560 meetings that the Commission's Directorate-General for Trade held in preparation for negotiations, 520 were with business lobbyists and only 26 were with public interest groups.

The French Government has been critical of the apparent lack of transparency in the negotiations. Matthias Fekl, the French Secretary of State for Foreign Trade, has said that the continued lack of transparency in the negotiations could lead to the failure of TTIP.

National governments and MEPs from the European Parliament's trade committee have only limited access to documents. Once the treaty is signed by negotiators, the UK parliament, like other EU member states, will only be able to vote to accept or reject the treaty as a whole: they will not be able to amend it in any way.

Comment

The debate over TTIP seems to be gaining more momentum. Supporters of the treaty argue that its critics have misrepresented key issues and provisions. Jacqueline Minor, the Head of the European Commission office in London, in a recent letter in the Guardian in response to an article by Owen Jones, said this about the implications for the NHS:

'On behalf of the European commission I would like to reassure Owen Jones that the TTIP trade deal with the US will be no threat to the NHS. Publicly funded health services are excluded from most trade deals. Healthcare services are excluded from the general government procurement agreement at the World Trade Organisation. They are even in large part exempted from the EU's own single-market rules.

TTIP will be no different. The deal the commission will propose will not require the UK government or NHS to put anything out to private contract. TTIP will not give US companies leeway to sue a future UK government for returning privatised or contracted-out health services to direct public provision. Neither will we be compromising on food safety in the EU, as some of your other correspondents have alleged'.

Sir Frank Berman QC from the Essex Court Chambers, London, an arbitrator of trade deals says (again in response to Jones' article):

'What investment treaties typically do is offer investors (in either direction) reciprocal guarantees of basic principles such as fair and equitable treatment, protection and security, non-discrimination both generally and by comparison with local investors, and against expropriation without compensation (also guaranteed by the European convention on human rights'.

However, reassurances such as these are not accepted by opponents of TTIP. Critics include many NGOs, trade unions, and campaigners on the environment and social justice.

Governments in the EU, the US Government and the EU Commission have promoted TTIP as a boost to growth and jobs. In their written evidence to the House of Lords inquiry into TTIP, the UK Government pointed to the Centre for Economic Policy Research studies commissioned by the Department for Business, Innovation and Skills and the European Commission to suggest that TTIP could over the long-term be worth up to £10 billion (or 0.35 per cent of GDP) annually to the UK, up to £100 billion (or 0.5 per cent of GDP) annually to the EU, and up to £80 billion (or 0.4 per cent of GDP) annually to the US. The GDP gains would be relative to projected GDP levels without TTIP in place.

The House of Lords report, however, reflects some commentators' caution about these figures. Dean Baker, of the Center for Economic and Policy Research (this is a different institution to the Centre for Economic Policy Research cited above) noted that the projected GDP increases in the study produced for the European Commission would not materialise in full until 2027, and that they reflected a best-case scenario. In a less ambitious, and "presumably more realistic" scenario, the GDP gain for the US by 2027 would be "roughly equal to a normal month's growth" and thus in Mr Baker's view, "too small to notice".

Professor Richard Baldwin from the Graduate Institute, Geneva, advised the committee to treat the figures with caution, pointing out that figures were projected against a "status quo" world, and that experience—for example with predictions on the effect of the North American Free Trade Agreement (NAFTA)—had shown that the status quo world "was nothing like what actually happened, because a thousand things happened". It was consequently "very difficult" to sort out what NAFTA did, and it might in future be similarly difficult to disentangle the effects of a TTIP agreement from other factors. Though he did judge that the numbers "will be realistic, but over a medium run."

The TUC in its evidence to the Lords Committee said that while they would "welcome the creation of decent quality jobs and higher wages", they saw a need for "an independent analysis of the labour market impact of the TTIP so negotiations can be guided to maximise the deal's potential to create higher skilled jobs, and industries likely to be negatively impacted by the TTIP are supported to retrain their workforce." Other unions such as the AFL-CIO (American Federation of Labor and Congress of Industrial Organisations) and the UK's GMB expressed concern that jobs in those EU member states that have higher wages and more employment rights might be lost, rather than created, if reductions in tariff and non-tariff barriers as part of the TTIP led to a reallocation of investment.

The projections given by the EU Commission in relation to jobs and growth are, therefore, not universally accepted; some commentators express a degree of caution, others outright scepticism.

Negotiators of TTIP say that the process has been more open than in previous trade agreement deals. This may be the case but there is still real concern about transparency and the degree of genuine consultation.

An example of this concern is how the Commission has treated the European Citizens' Initiative on TTIP. The European citizens' initiative (ECI), which has been in place since the Lisbon Treaty, provides a platform for citizens to present a legislative proposal to the Commission, if they collect over a million signatures from at least seven member states.

Announced in July, the European citizens' initiative STOP TTIP was officially supposed to begin at the end of September, but the Commission has blocked the project. In a letter to organisers, the Commission writes: "*The proposed citizens' initiative falls manifestly outside the framework of the Commission's powers to submit a proposal for a legal act of the Union for the purpose of implementing the Treaties.*"

The blocking of the initiative at this stage could be seen as counter productive – alienating many NGOs and undermining citizen involvement. The NGOs have responded by taking legal action, and simultaneously launching a new, 'self-organised' ECI – in effect, an independent Europe-wide petition opposing both TTIP and CETA. It has attracted over 742,000 signatures since its launch on 7 October.

Should local government be involved in the debate around TTIP? There could be an impact on how local authorities deliver services and on their regulation role. There are issues around democratic engagement. There will be unease in some councils that if the ISDS remains as part of the treaty, that even if it is not used in the way critics say it will be, that it causes the government to draw back from necessary regulation for fear of litigation.

Organisations in the UK (such as the BMA) working in the health sector have called for health (and related social care) to be specifically excluded from the treaty – if the coalition wished to exclude the NHS or any other public service from the negotiations, they could request it as the French government did over broadcast media.

Civil sector groups across the EU have called for the Commission to respect the Voluntary European Quality Framework for Social Services and ensure that quality criteria in public procurement are not considered non-tariff barriers to trade in services.

Other implications of TTIP are also very much in dispute, as, for example, whether it would restrict the ability of local authorities and other public sector organisations to use contracts to promote social and environmental outcomes through their procurement and employment practices. Some in local government are worried that ISDS will give any US company operating in the UK health market the right to sue the government if it introduces new public health regulation, or health protection and health promotion policy measures that might affect these companies' future investment or profit opportunities.

These issues clearly need to be discussed openly and with the maximum information possible. The lack of transparency in the negotiations and access to key documents are matters of concern. Many civil society organisations are calling for the negotiating texts to be made public.

The Commission did finally publish the mandate for the negotiations in October this year. However, the detailed proposals for specific areas, based on the mandate, have not been published. On the other hand, at the WTO all negotiating texts are published as soon as they are tabled. Critics say there is no good reason to avoid the same degree of openness in TTIP and other bilateral agreements of the sort.

The process of negotiation is, of course, a dynamic one. What ends up in the treaty will be a compromise between what the EU wants and what the US wants. Regulations - or laws - affecting corporations are to be addressed either by means of "harmonisation" or "mutual recognition" and the legislation that comes out of the treaty will not necessarily have been debated by EU or US democratic institutions. It is therefore even more crucial that the negotiating process is as open as possible.

There will be citizens and groups in most communities who have concerns about TTIP. Councils could ensure that local people are aware of the Treaty and the debate, perhaps through the relationships with the voluntary and community sector, even if the council supports TTIP in principle.

The representative body of local and regional government in the EU – the Committee of the Regions – has been taking a close interest in TTIP. CoR recognises that there are elements in the treaty which will have a direct impact on local and regional level authorities, such as the investor-state dispute settlements (ISDS) provision and public procurement measures. It is in the process of drafting an Opinion on the treaty. Its rapporteur, Mr Markus Tons (DE/PES), Member of the North Rhine-Westphalia Landtag, has said that 'it is important to understand how local and regional authorities will be impacted by the provisions in the agreement'. CoR has not yet been consulted as a key stakeholder. He also comments that 'in recent years, several cases have been brought under ISDS highlighting some of the flaws of this procedure. This illustrates the potential impact of ISDS on local and regional authorities in the EU and supports the need for this stakeholder group to be included in the dialogue on ISDS'.

It is clearly important that the local and regional dimension of TTIP is considered by the negotiators and local government in the UK does have an interest in ensuring that CoR should be granted interested party status on the EU side.

The debates around TTIP are not new, though this treaty is clearly of greater significance than most other bilateral ones. The debates around the General Agreement on Trade in Services (GATS), for example, were focused on concerns about the possible impact on accessibility and quality of services and universal access; about the lack of transparency of the negotiating process and the agreement itself; and on the virtual irreversibility of the commitments. The three main Westminster parties support TTIP, though some MPs have expressed unease about some aspects of it. Whatever the perspective of individuals, local groups or councillors, understanding the arguments for and against and having open discussion locally must be a boost to democratic engagement.

I would like to thank Tom Lines, a consultant specialising in international trade and agricultural markets, who kindly commented on a draft of this briefing.

For more information about this, or any other LGiU member briefing, please contact Janet Sillett, Briefings Manager, on janet.sillett@lgiu.org.uk

Jan McLachlan to ask the cabinet member for resources:

"Given increasing public concern regarding Transatlantic Trade and Investment Partnership (TTIP), could you please explain what has been resolved by cabinet with regards to the motion (below) recently submitted to Council by the Green Party to urge rejection of TTIP'.

Original motion: If the planned transatlantic trade and investment partnership (TTIP) goes ahead, there are concerns that it could reduce the council's options for providing public services in the interests of Norwich residents

Council **RESOLVES** to call upon the leader of the council to write to all Norwich MPs and MEPs and to the government , asking them to reject the transatlantic trade and investment partnership (TTIP)"

Councillor Waters, cabinet member for resources' response:

Thank you very much for your question.

The short answer is that the cabinet will be considering this matter on 10 December 2014 and the TTIP report will be available on the council website as part of the cabinet papers, from the middle of next week. The cabinet meeting takes place at 17.30 on Wednesday 10 December and is open to the public.

While I cannot at this stage give you a precise response to your question, since I would be pre-empting the discussion and recommendations that will be considered by cabinet, what I can say is that we have spent a considerable amount of time reviewing the issues around TTIP from an ever growing body of literature – both general and highly technical.

Major areas of concern.

As you will know the TTIP negotiations were launched at the G8 summit in June 2013 and the 7th round of negotiations started on 29 September. Like previous bilateral and multinational trade agreements TTIP is highly contentious and for good reason. In our consideration of our public position and the representations we wish to make, we share views outlined in a House of Commons library research note on TTIP – I quote:

> *' There are concerns that liberalising public procurement markets, combined with measures to protect foreign investors from government action, could constrain the power of national governments to decide how public services are provided'.*

Naturally, (though not exclusively) our particular worry is the **NHS** and the risk that TTIP will threaten universal access to health care. The possible exclusion of public services like the NHS from the TTIP agreement looks very shaky as a result of the passage of the Health and Social Care Act (2012) and the explicit creation of a health care market in competition with other providers.

This is also true of a wide range of other public services that now operate within a commercial framework.

The **'investor-state dispute settlement (ISDS),** as currently framed, allows trans-national corporations under TTIP to sue individual countries directly, for loss of profits suffered as a result of public policy decisions, including predicted reductions of profits in the future.

The possible threat to **key environmental regulations** within the EU, which are known to guarantee higher safety levels than in the US.

Shortcomings in **transparency and consultation**: for example, of the 560 meetings that the EU Commission's Directorate-General for Trade held in preparation for negotiations, 520 were with business lobbyists and only 26 were with public interest groups.

And of course not forgetting the potential impact of TTIP on **local government,** particularly in relation to food safety, environmental standards, public procurement and public services.

We are also looking very closely at the **economic modelling** around the perceived benefits of TTIP in terms of increased trade, investment and jobs.

The report to cabinet and the recommendations that will flow from it, will seek to influence the current round of negotiations in the areas I have touched upon in my response to your question. We will also be pressing the Government, local MPs and MEPs on specific issues – e.g. taking the NHS out of TTIP through 'negative listing'.
In a wider context we will continue to play our part in bringing these very important issues to the attention of residents in the city.

Report to	Cabinet	**Item**
	10 December 2014	6
Report of	Chief finance officer	
Subject	Risk management report	

Purpose

To update members on the results of the review of:

- key risks facing the council and the associated mitigating actions
- the council's risk management policy

Recommendations

To:

1) approve the updated corporate risk register; and,

2) approve the minor updates to the risk management policy.

Corporate and service priorities

The report helps to meet the corporate priority "Value for money services"

Financial implications

None

Ward/s: All wards

Cabinet member: Councillor Waters- Deputy Leader and resources

Contact officers

Justine Hartley	01603 212440
Steve Dowson	01603 212575

Background documents

None

Report

Background

1. Risk management is a fundamental aspect of the council's business practices. Cabinet has an executive role in the management of risks across the council as a key element in ensuring the delivery of the council's priorities.

2. Cabinet approved the council's updated risk management policy in December 2013.

3. Audit committee provides independent assurance of the adequacy of the council's risk management framework and the associated control environment.

Review of corporate risks

4. Business management group (BMG) carried out a quarterly review of corporate risks on 6 November 2014 and updated the corporate risk register accordingly.

5. The risk register was reported to audit committee on 18 November 2014.

Corporate risk register

6. The updated register is attached at **appendix 1.**

7. The template for risk registers includes scoring for **inherent** risks (before any mitigating controls are considered) and **residual** risk (after taking account of key controls, which are listed). Any planned actions to further mitigate risks are also shown.

8. The template has been amended slightly in line with the risk management strategy. The columns 'Caused by' and 'Effect' replace the previous terms 'Trigger' and 'Result'. Also, the risk owners have been updated to reflect the recent senior management changes, for which there is a key at the end of the register.

9. One risk relating to community right to challenge (A7) has been removed from the Customer Perspective section of the register. Evidence nationally shows that the likelihood of a challenge is extremely unlikely, and therefore no longer justifies being a corporate risk.

10. The other changes are minor updates to causes, controls or planned actions to further mitigate certain risks.

11. No risk scores have been changed, and all of the residual risk scores are within the council's risk appetite, ie no scores above 15.

Corporate residual risk map

12. A risk map is included at **appendix 2** which shows the residual risk level for each of the risks. This gives a visual representation of where each risk sits in relation to the council's risk appetite, ie there should be no risks with a residual score greater than 15, unless specifically approved by cabinet. All the corporate risks have 'amber' residual scores, ie between 5 and 15.

Risk management policy

13. The risk management strategy requires cabinet to review the risk management policy on an annual basis. BMG's review of the policy confirmed that it continues to provide the council with an effective approach to risk management and does not therefore require any significant update. The latest version of the policy is attached at **appendix 3**. A minor wording change has been made in paragraph 7, together with clarification of risk scores for the scoring matrix in appendix 1 of the policy.

Risk management developments 2014-15

14. Risk management support across LGSS was previously provided by the risk manager, but this post has been deleted under the restructuring of internal audit and risk management. The major development for 2014-15 will be to implement the new structure and manage the transfer of the risk management functions to other members of staff within internal audit. This will ensure that the council continues to receive effective support in the facilitation and co-ordination of risk management processes.

Conclusion

15. Risk management review processes are well embedded within the council, and members can be assured that the corporate risk register is up to date following review by BMG of the key risks to achieving the council's objectives.

16. Each risk shows the owner and the key controls in place or planned to minimise any impact on the council and its provision of services to stakeholders.

17. The risk management strategy requires managers to keep all risks under review, and the corporate risk register will be regularly updated accordingly.

Integrated impact assessment

NORWICH City Council

The IIA should assess **the impact of the recommendation** being made by the report
Detailed guidance to help with completing the assessment can be found here. Delete this row after completion

Report author to complete	
Committee:	Cabinet
Committee date:	10 december 2014
Head of service:	Chief finance officer
Report subject:	Risk management report
Date assessed:	24 November 2014
Description:	This report presents an update to the council's corporate risk register and risk management policy

	Impact			
Economic (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Finance (value for money)	☐	☒	☐	Effective risk identification and management across all aspects of the council's business (eg policy setting; projects; partnerships) helps to minimise extra costs that may arise from unexpected events
Other departments and services e.g. office facilities, customer contact	☒	☐	☐	
ICT services	☒	☐	☐	
Economic development	☒	☐	☐	
Financial inclusion	☒	☐	☐	
Social (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Safeguarding children and adults	☐	☒	☐	Specifically referred to in the corporate risk register
S17 crime and disorder act 1998	☒	☐	☐	
Human Rights Act 1998	☒	☐	☐	
Health and well being	☒	☐	☐	
Equality and diversity (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Relations between groups (cohesion)	☒	☐	☐	

	Impact			
Eliminating discrimination & harassment	☒	☐	☐	
Advancing equality of opportunity	☒	☐	☐	
Environmental (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Transportation	☒	☐	☐	
Natural and built environment	☒	☐	☐	
Waste minimisation & resource use	☒	☐	☐	
Pollution	☒	☐	☐	
Sustainable procurement	☒	☐	☐	
Energy and climate change	☒	☐	☐	
(Please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Risk management	☐	☒	☐	The report provides assurance that the current corporate risk register and risk management policy are up to date and based on best practice. In practice, risk management has a positive impact on many of the above categories by contributing to the identification and mitigation of risks and the meeting of objectives

Recommendations from impact assessment
Positive
The application of effective risk management, in line with the updated policy, will contribute to the achievement of corporate and service objectives
Negative
Neutral
Issues

APPENDIX 2

Norwich City Council

Summary of Residual Scores for Corporate Risks (all 17 are amber)

Impact	Very High	5					
	High	4		**A2, A3, A4, C2**	**B2, B4 C3**		
	Medium	3		**A5, A6, A8, B3, C5, D1**	**C4**	**C1**	**B1**
	Low	2			**A1**		
	Negligible	1					
			1	2	3	4	5
			Very rare	Unlikely	Possible	Likely	Very Likely
			Likelihood				

Red scores – in excess of the council's risk appetite (risk score 16 to 25) – action needed to redress, quarterly monitoring. In exceptional circumstances cabinet can approve a residual risk in excess of the risk appetite if it is agreed that it is impractical or impossible to reduce the risk level below 16. Such risks should be escalated through the management reporting line to CLT and cabinet.

Amber scores – likely to cause the council some difficulties (risk score 5 to 15) – quarterly monitoring

Green scores (risk score 1 to 4) – monitor as necessary

APPENDIX 1

CORPORATE RISK REGISTER

Version Date: November 2014

Details of Risk						Inherent Risk				Residual Risk			Actions				
Risk No.	**Risk Description**	**Caused by**	**Effect**	**Owner**	**Corporate Priorities**	**Likelihood**	**Impact**	**Score and RAG**	**Key Controls**	**Likelihood**	**Impact**	**Score and RAG**	**Actions**	**Owner**	**Target Date**	**Revised Target Date**	**Action Status RAG**
	CUSTOMER PERSPECTIVE																
A1	Customer demand	1. Customer demand exceeds our capacity to deliver services as they are currently configured 2. Transfer of demand arising from service delivery changes or budget cuts by other public agencies 3. Excessive customer demand in key areas, particularly in relation to the need to cut services, or changes to policies eg council tax benefits	1. Unable to cope with demand 2. Complaints 3. Reputation damage	EH-CC&C	All	4	4	16 (R)	1. Proactive research on customer profile, forward planning, eg anticipating future events that will generate higher demand and use of data held to map and channel shift. 2. Data capture, consultation, survey and service planning. 3. Being robust about the role and responsibilities of Norwich City Council	3	2	6 (A)	Customer service improvement plan for F2F service - Phase 1	Head of customer services	Ongoing	Mar-16	G
A2	Delivery of the corporate plan and key supporting policies and strategies within the council's strategic framework, including environmental strategy and financial inclusion strategy	Corporate priorities are not on target to be delivered. The council has a clear set of corporate priorities within its corporate plan. Within the council's wider strategic framework, there are a number of key corporate strategies and policies which must be delivered across the organisation to realise the council's priorities e.g. environmental strategy, financial inclusion strategy etc The welfare reform act and other key pieces of legislation are changing the framework for local government and put new requirements on the council that must be met in a number of different areas. When this is combined with the significant savings the council will need to make to meet the government funding reductions, there is a risk that these changes will reduce the capacity of the council to deliver on its key corporate priorities.	1. Key priorities for the city are not delivered 2. Projects halted or delayed 3. Adverse public opinion 4. Projects / work completed to a lower quality 5. Negative impact on outcomes for customers 6. Negative performance ratings for the council 7. Continual over-stretching of capacity 8. Inconsistent approach taken across council 9. Full benefits not realised 10. Benefits of cross working not gained 11. Lack of corporate working 12. Staff confusion over policies and process 13. Failure to take the opportunity to make the lives of Norwich citizens better	EH-SP&N	All	3	4	12 (A)	1. Regular review of corporate plan, medium term financial strategy and other key policies and strategies. 2. Effective performance and programme management 3. Corporate planning and service planning aligned with budget setting to ensure resources are in place to deliver priorities. 4. Effective preparation for changes in legislation.	2	4	8 (A)					

Details of Risk						Inherent Risk				Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG	Key Controls	Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
A3	Relationship management with key service delivery partners and the management of contracts. The council has a number of key partnerships with LGSS, NPS Norwich, and NP Law. There is also a highways agency agreement with Norfolk County Council. This approach to service delivery requires a different managerial approach by the city council. The council also has a number of key contracts – eg with NORSE, BIFFA, and Anglia Windows Ltd, – which require strong, consistent procurement and client management.	1. Partnerships not managed effectively and key service outcomes not achieved. 2. Contracts not managed effectively, and key service outcomes not achieved.	1. The council doesn't get value for money 2. Benefits of partner and contract arrangements not realised 3. Constant negotiation around the service delivery agreement 4. Specification not adhered to 5. Services not provided at an acceptable level 6. Customer and staff complaints	EH-BRM&D	5	3	4	12 (A)	1. New governance structure is in place to manage the individual partnership agreements (eg NPS Norwich Board, LGSS liaison group, NP Law Board, all major contracts have strategic and operational governance arrangements with officer and member representation. 2. In response to the council operating model training requirements are being reviewed and staffing structures refreshed to reflect this change. Contract management training has been completed for staff delivering environmental works contracts. 3. A contract and business relationship management toolkit has been deployed. This aims to create consistency of management of both financial and performance objectives and monitoring and management of all economic, social and environmental issues associated with the service. 4. September 2013 Scrutiny meeting reviewed the LGSS service provision and noted the improvements in the revenues & benefits service.	2	4	8 (A)					

Details of Risk						Inherent Risk				Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG	Key Controls	Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
A4	Safeguarding children, vulnerable adults and equalities duties	1. Safeguarding and equalities duties and responsibilities not embedded throughout the council and its contractors/ commissioned services/ partners. 2. Change in council service delivery model with an increase in the number of partnership arrangements will require new arrangements for the delivery of safeguarding and equalities duties. 3. Impact of cuts on care services and benefit funding. 4. Critical incident 5. Change in contractor/ commissioned service/partner 6. Reduced service provision 7. Not being able to attract staff with diverse abilities and backgrounds	1. Vulnerable adults and children at greater risk of exclusion or harm 2. Individuals from a community of identity dealt with inappropriately and at risk of exclusion 3. Risk of judicial review on accessibility of services 4. Risk of damage to reputation if an employee discrimination claim is made based on equalities legislation	EH-SP&N	1	3	4	12 (A)	1. Safeguarding children policy and procedures in place and reviewed annually through safeguarding group. 2. Safeguarding adult policy and procedures in place and reviewed annually. 3. Safeguarding duties included in new contracts to ensure duties are embedded with new contractors. Where appropriate, joint training/ awareness sessions are held. 4. Equalities duties overseen by BMG 5. A contract and business relationship management toolkit has been deployed. This aims to create consistency of management of both financial and performance objectives and monitoring and management of all economic, social and environmental issues associated with the service and particularly in relation to safeguarding 6. Equality training undertaken for all staff and managers 7. Managing mental health training for managers 8. Safeguarding training provided to all staff. 9. Safeguarding guidance provided to all councillors	2	4	8 (A)	Work is progressing with contract managers to ensure monitoring and annual reporting of cross cutting themes including safeguarding and equalities is undertaken consistently with contractors. Training for all staff being reviewed to ensure it is relevant to job roles and reflects emerging safeguarding issues and priorities.	Head of local neighbourhood services	Jul-14	Sep-15	G
A5	Norwich and Homes & Communities Agency Strategic Partnership (NAHCASP) Three elements: 1)Development of land at Bowthorpe for mixed tenure 2) Other affordable housing and regeneration schemes 3. South city centre masterplan work	1. Reputation - material breach of contract 2. Change of rules by the government – tighter deadline for bidding for affordable housing grant - deadlines missed 3. Need to establish a future investment programme using funds from Bowthorpe development - Failure to establish investment programme 4. Need to establish deliverable development proposals and funding. 5. Need to identify partner for delivery of affordable housing and care home provision. 6. Funding for some projects may not be obtained	1. Projects halted or delayed 2. Adverse public opinion 3. Increase in local unemployment 4. Funding may have to be returned 5. Core infrastructure and affordable homes may not be delivered	EH-R&D	3	2	4	8 (A)	1. Contract. Strategic Board includes Members and HCA. 2. Officer Implementation Board. 3. Annual Business Plan. 4. Project managers for individual projects. 5. Regular financial and budget reports. 6. Two audit reports gave good assurance on controls. 7. New outline planning permission in April 2012 to provide development framework for phased delivery of the site. 8. Consultants appointed for south city centre masterplan work. 9. Council to take on role of development partner for affordable housing in phase one and care home development partner has been agreed.	2	3	6 (A)					

Details of Risk						Inherent Risk				Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG	Key Controls	Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
A6	Delivery of Joint Core Strategy (JCS). The council, through the Greater Norwich Growth Board, is seeking to promote delivery of the JCS. If delivered, JCS will see more than 30,000 homes built in the greater Norwich area, and 35,000+ jobs created over next 15 years	Delivery of the JCS may be jeopardised by: 1. One or more district councils failing to identify sufficient sites or bring forward detailed development plans to deliver the JCS in the next five years. 2. Markets failing to deliver on preferred development sites identified for housing 3. The government changing allowed approaches to calculating housing land supply to require all the backlog in housing supply that has arisen since 2008 to be met in the next five-year period rather than over the remainder of the plan period of the JCS (ie up to 2026). 4. Failure to deliver the infrastructure required to support development	1. Reputation damage 2. Significant likelihood that the overall development strategy for the Greater Norwich area will not be delivered	EH-R&D	3	3	4	12 (A)	1. Ensuring that strategies being prepared with GNGB colleagues are as robust as possible and firmly grounded in reliable evidence. 2. Inter-authority working based on consensus decision-making ensures all parties are in agreement with the proposed policy framework. 3. All policy work is supported by comprehensive evidence in accordance with government guidelines. 4. Greater Norwich Growth Board responsible for ensuring funding is available for investment in infratsructure to support growth.	2	3	6 (A)					
A8	Housing Investment Strategy As part of the reform of the HRA the council has taken on a substantial debt to replace the former negative housing subsidy system. This debt will be repaid over a period not exceeding 30 years. In addition to debt repayments the council has adopted a new standard for investment in the housing stock and a commitment to fund a new build programme	1. Should the cost of works increase and/or the level of income reduce, then it may be necessary to review the housing investment strategy. 2. In addition, below inflation/rpi increases in rents will impact on income. 3. Reduction in rental income (arising from a high level of council house sales, increasing debt or other factors). 4. Significant increase in the cost of delivering improvement works	1. Failure to deliver the Norwich Standard within the expected timescale 2. Lack of resources to support a new build programme. 3. Increased tenant dissatisfaction 4. Reduced new build programme.	EH-SP&N	3	3	3	9 (A)	1. Regular review of HRA business plan and housing investment plan to reflect financial position of the HRA. 2. The main control will be the timescale for delivering the Norwich Standard to all properties together with the delivery of any agreed new build programme.	2	3	6 (A)					

Details of Risk						Inherent Risk				Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG	Key Controls	Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
	FINANCE AND RESOURCES																
B1	Public sector funding	1. Further economic decline. 2. Change in national government policy as a result of the economic position 3. New policies and regulations place a major financial burden on the council eg RSG and HRA restructuring.	1. Major reduction in public sector funding, including consequences of changes in funding arrangements for other bodies. 2. Impact on balancing the budget – significant change and financial savings required. 3. Unable to make saving within the required timescales 4. Erosion of reserves 5. Major financial problems 6. Reputation damage 7. Possible industrial action 8. Changes become “knee jerk” 9. Govt intervention 10. Council loses critical mass in key areas 11. Service failures 12. Potential disproportionate impact on the poorest and most vulnerable members of society	CFO	All	5	4	20 (R)	1. Medium Term Financial Strategy incl. reserves policy, financial reporting to BMG& cabinet, transformation projects regularly monitored, MTFS is regularly reviewed and updated. 2. HRA business plan. 3. Weekly review by CLT of government announcements to assess implications and response required.	5	3	15 (A)					
B2	Income generation	1. Further economic decline. 2. Under-utilisation of assets 3. CIL (community infrastructure levy) income is below expectations. 4. Collapse in world markets leading to loss of income 5. Low economic growth or recession reduces income 6. Other triggers: a) Bethel St Police Station – market value payment b) Triennial pensions review. c) VAT partial exemption. d) Variable energy prices. e) Increasing voids due to market and economy factors. f) Loss of major tenant. g) GNDP board decision or cabinet decision on CIL investment arrangements h) Lack of experience in generating income for some services	1. Inability to raise capital receipts 2. Impact on balancing the budget – significant change and financial savings required. 3. Decline in income streams (eg rents from investment properties) – insufficient funds to maintain current service levels 4. Unable to make saving within the required timescales 5. Erosion of reserves 6. Major financial problems 7. Reputation damage 8. Govt intervention 9. Council loses critical mass in key areas 10. Service failures 11. Potential disproportionate impact on the poorest and most vulnerable members of society 12. Damage/costs across void portfolio 13. Essential infrastructure to deliver growth in the GNDP area is delayed.	CFO	All	5	4	20 (R)	1. Medium Term Financial Strategy incl. reserves policy, capital and revenue financial reporting to BMG & cabinet, transformation projects regularly monitored, MTFS is regularly reviewed and updated. 2. HRA business plan. 3. GNDP have an agreed investment plan for the Greater Norwich area and have appointed consultants to advise on the use of CIL to help deliver this programme. 4. Commercial skills training being provided to all Heads of Service	3	4	12 (A)					

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
B3	Level of reserves The council has a legal duty to ensure it has a prudent level of reserves to conduct its business	1. Government policy. 2. Economic climate 3. Reserves fall below acceptable levels	1. Inadequate levels of reserves publicly reported by external auditors 2. Government intervention 3. Impact on reputation of the council	CFO	All	3	4	12 (A)	1. Medium term financial strategy. 2. HRA Business Plan. 3. Planning and delivery of transformation (savings) programme. 4. Contract and business relationship management to identify and respond to business delivery risks. 5. Budget development, in-year monitoring and control	2	3	6 (A)					
B4	Capital developments	1. Housing / other developments may take longer to proceed than planned. 2. Housing / other developments may cost more than planned . 3. Interest rates on debt may rise beyond projections. 4. Developments may not generate planned levels of income.	1. Delay in income streams may put pressure on revenue budgets. 2. Reduced net revenue contribution from developments. 3. May put pressure on revenue budgets / reserves to service debts 4. Pressure on revenue budgets	CFO	All	5	4	20 (R)	1. Medium Term Financial Strategy incl. reserves policy, capital and revenue financial reporting to BMG & cabinet, transformation projects regularly monitored, MTFS is regularly reviewed and updated. 2. HRA business plan.	3	4	12(A)					

Details of Risk						Inherent Risk				Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG	Key Controls	Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
	PROCESSES AND SYSTEMS																
C1	Emergency planning and business continuity (The council delivers a range of complex services to vulnerable elements of the community. Organisations generally are experiencing significant continuity events once every five years on average)	Occurrence of a significant event: • ICT failure • Contractor collapse • Severe weather events – storms, heatwaves, strong winds • Flooding • Sea level rise • Fuel shortages • Communications failure • Pandemic • Loss of power The council, businesses and members of the public in the city will also be at risk from the local effects of climate change in the medium to long term.	1. Service disruption and inability to deliver services 2. Disruption of the delivery of goods and services to the council 3. Increased requests for council resources and services 4. Health and safety impact on staff and vulnerable residents 5. Damage to council property and impact on tenants 6. Reputation damage 7. Years to recover	EH-BRM&D	All	4	4	16 (R)	1. The council is a member of the Norfolk Resilience Forum, which has produced a Norfolk Community Risk Register 2. Business continuity team with access to resources; action plans have been used to deal with actual total City Hall IT failure; alternative site for customer contact team; disaster recovery plan and the use of Blackberries for communications. 3. The council has a major emergency management strategy and emergency planning room established at City Hall. Approach has also been used to test business continuity in the event of the main works contractor changing. 4. Flu pandemic plan. 5. The Norfolk Climate Change Partnership has produced a climate change risk assessment for Norfolk local authorities. 6. Adaptations to protect the council from the local effects of climate change and address the causes are covered by corporate strategies such as the environmental strategy and sustainable community strategy, together with service plans. 7. A new business continuity management policy and framework was approved by cabinet 25 June 2014	4	3	12 (A)					
C2	ICT strategy. The council has transferred its ICT service to LGSS and it will rely on LGSS to develop an ICT strategy for the council	ICT strategy fails to support the organisation moving forward and the lean blueprint for a new council	1. Incoherent approach to ICT systems 2. Systems not customer friendly 3. Systems are not integrated with one and other 4. Drain on resources as staff work around the systems 5. Lack of accuracy in key data 6. Data are unreliable 7. Key information not trusted 8. Hinders management and service improvements 9. Failure to deliver council priorities	EH-BRM&D	All	3	4	12 (A)	1. NCC has developed an ICT strategic direction document detailing the key areas where ICT is required to support business objectives and change. 2. Management of the LGSS relationship will seek to ensure that NCC requirements are delivered.	2	4	8 (A)					

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
C3	Information security	1. Sensitive and/or personal data is sent to the incorrect recipient or not kept securely, or is lost 2. Data is emailed to insecure email addresses. 3. Lap top or memory stick containing data is lost or stolen. 4. Information is sent to incorrect addresses. 5. Hard copy data is lost or stolen	1. Fine up to £0.5 million 2. Reputational risk	EH-BRM&D	5	5	4	20 (R)	1. Regularly remind all managers, employees and members of their responsibilities for the use of and security of data. 2. Prohibit using mobile devices to store or process sensitive or personal data unless device is encrypted. 3. Encrypt lap tops and data sticks when they are used to store or process sensitive or personal data. 4. Proper disposal of confidential waste. 5. Updated IT User Security policy issued June 2013 to all staff and other people who access the councils systems (e.g. partners, contractors etc.) 6. The council has achieved public sector network (PSN) & payment card industry (PCI) compliance	3	4	12 (A)	Review IT user security policy	Systems support team leader	September 2014	November 2014	G

Details of Risk						Inherent Risk				Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG	Key Controls	Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
C4	Failure of major contractor or legal challenge following an unsuccessful tender bid	1. The council has a number of key contractors who may be vulnerable to market and economy factors. 2. In addition the number of legal challenges (and therefore injunctions preventing a contract award) is increasing due to the financial pressures and reducing workload 3. Key contractor goes into administration or an injunction is issued preventing the award of a new contract	1. Customer and staff complaints 2. Services not delivered 3. Contingency plans have to be invoked 4. Cost and time to retender contract 5. Cost and time to defend legal challenge 6. Additional unforeseen costs impact delivery of balanced outturn and reserve levels	EH-BRM&D	5	4	3	12 (A)	1. Monitor major contractors for warning signs and make any necessary contingency plans. Recently put into practice and contingency plans tested. 2. Ensure a robust procurement process is followed in accordance with the appropriate procurement regulations, NCC processes and best practice. 3. NPS JV extended to include works division. This arrangement will enable the JV to carry outwork that was previously contracted to private sector. This approach is in line with the Councils operating model. This will provide enhanced security over the supplier and increased direct control by the council. 4. Contingency budget and allowance for failures within the calculation of prudent minimum balance of reserves 5. More use of shared services reduces size and scope of contracts with private sector providers (eg ICT) 6. Increased use of framework contracts increases resilience against contractor failure.	3	3	9 (A)					
C5	Fraud and corruption	1. Poor internal controls lead to fraudulent acts against the council, resulting in losses. 2. Bribery Act 2010 came into force 1 July 2011 – lack of guidance or policies - council fails to prevent bribery 3. Failure in internal control. 4. Discovery of fraudulent acts. 5. Allegations received. 6. Member of staff or councillor breaks the law.	1. Loss of income or assets 2. Adverse public opinion 3. Effect on use of resources 4. Increased costs of external audit 5. Cost of investigation and rectifying weaknesses 6. Prison	CFO	5	3	3	9 (A)	1. Internal audit 2. Anti-fraud and corruption policy, 3. Payment Card Industry security assessment to protect card payments, 4. National Fraud Initiative, 5. Fraud team, 6. Whistleblowing policy and prosecution policy. 7. Review and update as necessary policies and procedures. 8. Assess risk of bribery, train staff and monitor and review procedures. 9. Robust procurement procedures, e-tendering portal and governance by the procurement team	2	3	6 (A)					

Details of Risk						Inherent Risk				Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG	Key Controls	Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
	LEARNING AND GROWTH																
D1	Industrial action	1. Changes to pension regulations and pay restraint and changes to terms and conditions could lead to industrial action by employees 2. National negotiating framework - failure to agree. 3. Ballot of union members. 4. Implementation of changes to the LGPS. 5. Implementation of government interventions on pay	1. Loss of key services 2. Public safety 3. Loss of income 4. Reputation	EH-SP&N	All	3	4	12 (A)	2 stages – managing the threat of industrial action and responding to industrial action 1. Identify and agree with UNISON exemptions from strike action 2. Identify and implement business continuity/contingency plans to maintain essential services and ensure statutory duties are met 3. CLT agree and implement strategy for response to strike action ie assessing the scale of the action, communications, response depending on nature of the action, wider industrial relations implications, deductions from pay etc 4. National and regional guidance 5. Statutory immunities – Trade Union Labour Relations (Consolidation) Act	2	3	6 (A)					

Council Priorities 2012-15:

1. To make Norwich a safe and clean city

2. To make Norwich a prosperous city

3. To make Norwich a city with decent housing for all

4. To make Norwich a city of character and culture

5. To provide value for money services

Key to risk owners (above):

EH-SP&N	Executive head of strategy, people & neighbourhoods
EH-BRM&D	Executive head of business relationship management & democracy
EH-CC&C	Executive head of customers, communications & culture
EH-R&D	Executive head of regeneration & development
CFO	Chief finance officer (s151)

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG

APPENDIX 3

NORWICH CITY COUNCIL

RISK MANAGEMENT POLICY

Document control

Version	Author	Date	Summary of changes
V0.1d	S Dowson	5/9/13	First draft
V0.2d	S Dowson	10/10/13	Updated following comments from Anton Bull and John Davies
V0.3d	S Dowson	31/10/13	Updated following comments from BMG
V1.0	S Dowson	11/11/13	Final version for committee
V1.1	S Dowson	6/11/14	Minor updates agreed at BMG
V2.0	S Dowson	7/11/14	Final version for committee

Next review date:	October 2015

NORWICH CITY COUNCIL

RISK MANAGEMENT POLICY

1. INTRODUCTION BY CHIEF EXECUTIVE

Norwich City Council seeks to ensure that services, delivered either directly or through others, are of a high quality, provide value for money and meet evidenced need.

We are a complex organisation that works with a wide variety of other organisations in different and varying ways. As a result we need to ensure that the way we act, plan and deliver is carefully thought through both on an individual and a corporate basis.

The council defines what it seeks to achieve in the form of corporate priorities and details how it expects to deliver them through the corporate plan, as well as service and team plans.

There are many factors which might prevent the council achieving its plans, therefore we seek to use a risk management approach in all of our key business processes with the aim of identifying, assessing and managing any key risks we might face. This approach is a fundamental element of the council's code of governance.

This risk management policy is fully supported by members, the chief executive and the corporate leadership team who are accountable for the effective management of risk within the council. On a daily basis all officers of the council have a responsibility to recognise and manage risk in accordance with this policy and the associated risk management strategy. **Risk management is everyone's business.**

The Accounts and Audit Regulations 2011 state:

The relevant body is responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk.

In Norwich City Council risk management is about improving our ability to deliver our strategic objectives by managing our threats, enhancing our opportunities and creating an environment that adds value to ongoing operational activities.

I am committed to the effective management of risk at all levels of this council. This policy, together with the risk management strategy, is an important part of ensuring that effective risk management takes place.

Laura McGillivray
Chief Executive

2. WHAT IS RISK?

The council's definition of risk is:

"Factors, events or circumstances that may prevent or detract from the achievement of the council's corporate priorities and service plan objectives."

3. RISK MANAGEMENT OBJECTIVE

Risk management is the process by which risks are identified, evaluated and controlled. It is a key element of the council's governance framework.

The council will operate an effective system of risk management which will seek to ensure that risks which might prevent the council achieving its plans are identified and managed on a timely basis in a proportionate manner. In practice this means that the council has taken steps to ensure that risks do not prevent the council achieving its corporate priorities or service plan objectives.

4. RISK MANAGEMENT PRINCIPLES

- The risk management process should be consistent across the council, clear and straightforward and result in timely information that helps informed decision making
- Risk management should operate within a culture of transparency and openness where risk identification is encouraged and risks are escalated where necessary to the level of management best placed to manage them effectively
- Risk management arrangements should be dynamic, flexible and responsive to changes in the risk environment
- The response to risk should be mindful of risk level and the relationship between the cost of risk reduction and the benefit accruing, ie the concept of proportionality
- Risk management should be embedded in everyday business processes
- Officers of the council should be aware of and operate the council's risk management approach where appropriate
- Members should be aware of the council's risk management approach and of the need for the decision making process to be informed by robust risk assessment, with cabinet members being involved in the identification of risk on an annual basis.

5. APPETITE FOR RISK

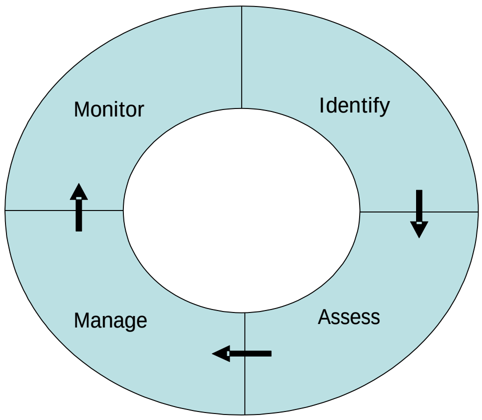
As an organisation with limited resources it is inappropriate for the council to seek to mitigate all of the risk it faces. The council therefore aims to manage risk in a manner which is proportionate to the risk faced based on the experience and expertise of its senior managers. However, cabinet has defined the maximum level of residual risk which it is prepared to accept as a maximum risk score of 15 as per the scoring matrix attached at **appendix 1** (for corporate priority and service plan objective risks). Other areas of risk, such as small projects or health and safety, may have a different risk appetite depending on the circumstances, but only if they do not impact on corporate priorities or service plan objectives.

6. BENEFITS OF RISK MANAGEMENT

- Alerts members and officers to the key risks which might prevent the achievement of the council's plans, in order that timely mitigation can be developed to either prevent the risks occurring or to manage them effectively if they do occur.
- Risk management at the point of decision making should ensure that members and officers are fully aware of any key risk issues associated with proposals being considered.
- Leads to greater risk awareness and an improved and cost effective control environment, which should mean fewer incidents and other control failures and better service outcomes.
- Provides assurance to members and officers on the adequacy of arrangements for the conduct of business. It demonstrates openness and accountability to various regulatory bodies and stakeholders more widely.
- Allows the council to take informed decisions about exploiting opportunities and innovation, ensuring that we get the right balance between rewards and risks.

7. RISK MANAGEMENT APPROACH

The risk management approach adopted by the council is based on identifying, assessing, managing and monitoring risks at all levels across the council:



The detailed stages of the council's risk management approach are recorded in the risk management strategy, which is reviewed by corporate leadership team (CLT) on an annual basis. The strategy provides managers with detailed guidance on the application of the risk management process.

The strategy can be located on citynet [here].

Additionally individual business processes, such as decision making, project management will provide guidance on the management of risk within those processes.

8. AWARENESS AND DEVELOPMENT

The council recognises that the effectiveness of its risk management approach will be dependent upon the degree of knowledge of the approach and its application by officers and members.

The council is committed to ensuring that all members, officers and partners where appropriate, have sufficient knowledge of the council's risk management approach to fulfil their responsibilities for managing risk. This will be delivered thorough formal training programmes, risk workshops, briefings, and internal communication channels.

9. CONCLUSION

The council will face risks to the achievement of its plans. Compliance with the risk management approach detailed in this policy should ensure that the key risks faced are recognised and effective measures are taken to manage them in accordance with the defined risk appetite.

Appendix 1

SCORING MATRIX

VERY HIGH	5	10	15	20	25
HIGH	4	8	12	16	20
MEDIUM	3	6	9	12	15
LOW	2	4	6	8	10
NEGLIGIBLE	1	2	3	4	5
IMPACT / LIKELIHOOD	VERY RARE	UNLIKELY	POSSIBLE	LIKELY	VERY LIKELY

Red: **In excess of the council's risk appetite (risk score 16 to 25) - action needed to redress, quarterly monitoring**

Amber: **Likely to cause the council some difficulties (risk score 5 to 15) - quarterly monitoring**

Green: **Monitor as necessary (risk score 1 to 4)**

Report to	Cabinet	**Item**
	10 December 2014	
Report of	Executive head of strategy, people and neighbourhoods	7
Subject	Quarter 2 2014-15 performance report	

Purpose

To report progress against the delivery of the corporate plan priorities and key performance measures for quarter 2 of 2014-15.

Recommendations

To:

1) consider progress against the corporate plan priorities; and,
2) suggest future actions and / or reports to address any areas of concern

Corporate and service priorities

The report helps to meet the corporate priority of achieving Value for money services.

Financial implications

The direct financial consequences of this report are none.

Ward/s All wards

Cabinet member Councillor Arthur - Leader

Contact officers

Russell O'Keefe, Executive head of strategy, people and neighbourhoods	01603 212908
Phil Shreeve, Policy and performance manager	01603 212356

Background documents

None

Report

Introduction

1. This report sets out progress against the key performance measures that are designed to track delivery of the corporate plan priorities. This is the second quarterly performance report for the third and final year (2014-15) of the corporate plan 2012-2015.

2. The corporate plan 2012-15 established five priorities. Progress with achieving these is tracked by thirty five key performance measures. It is these performance measures which form the basis of this report. Most of the performance measures are available quarterly while some are reported six monthly or annually to show general outcomes for residents.

3. Performance status for each of the performance measures is then combined for each priority to show at a glance high level performance. This should enable members to see where performance is improving or falling.

4. Performance is based around a traffic light concept where green is on target, red is at a point where intervention may be necessary and amber a point in between these two.

5. A copy of the full performance report can be found at appendix A.

Headlines

6. Overall performance this quarter shows a mixed picture with three of the council's overall priorities showing as green. There are some areas where the council is performing very highly and exceeding its targets. There are a small number of measures where performance has been below target and work continues to address these. For each of the performance measures where performance is below target, reasons for this are provided within the relevant section of the performance report at appendix A.

7. The following areas of performance are brought to your attention:

    a) Satisfaction with waste and recycling collection was 84%, well above our target of 75%.

    b) 79% of residents reported that they felt safe outside in their local area compared with the target of 72%.

    c) 147 new jobs were created/ supported by council activity, better than our mid-year target.

    d) This quarter, the average number of days taken to re-let council homes was 14 days compared with our target of 16 days. This compares very well with other organisations across the country and is in the top quarter of best performing social landlords.

    e) Works on our council housing stock to bring all properties up to our 'Norwich Standard' remain on target. This would result in 97% of properties meeting the standard at the end of this financial year.

f) Our work to prevent people becoming homeless has continued to produce excellent results. In the first 5 months of the year 328 individuals or families who have presented as homeless have been given advice that has resolved their situation. Our target was 140.

g) Performance in relation to the time taken to give decisions for planning applications has been excellent this quarter with 100% of major applications and 95% of minor and other applications processed within set timescales.

h) In our 6 monthly surveys of users at the Norman Centre, Riverside Swimming Centre and The Halls, 92% of respondents were satisfied with our leisure and cultural facilities.

i) Resident satisfaction with the last service received from the council was above target at 95%. This compares with our target of 93% and continues a run of excellent results for this measure.

j) However, our proxy measure for new homes built, the number of new council tax registrations is 136 so far this year compared with the target of 200.

k) Our average processing time for new housing benefit and council tax reduction scheme claims was 24 days this quarter. This is now outside of our target of 21 days and follows a number of periods where performance had been on or better than target. This is due to a number of particular reasons, explained in appendix A, and we expect performance for the year as whole to be on track.

Integrated impact assessment

NORWICH City Council

Report author to complete	
Committee:	Cabinet
Committee date:	10 December 2014
Head of service:	Russell O'Keefe
Report subject:	Quarter 21 performance report 2014/15
Date assessed:	November 2014
Description:	This report sets out progress against the key performance measures that are designed to track delivery of the Corporate Plan priorities for quarter 2 of 2014/15.

	Impact			
Economic (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Finance (value for money)	☒	☐	☐	
Other departments and services e.g. office facilities, customer contact	☒	☐	☐	
ICT services	☒	☐	☐	
Economic development	☒	☐	☐	
Financial inclusion	☒	☐	☐	
Social (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Safeguarding children and adults	☒	☐	☐	
S17 crime and disorder act 1998	☒	☐	☐	
Human Rights Act 1998	☒	☐	☐	
Health and well being	☒	☐	☐	
Equality and diversity (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Relations between groups (cohesion)	☒	☐	☐	

	Impact			
Eliminating discrimination & harassment	☒	☐	☐	
Advancing equality of opportunity	☒	☐	☐	
Environmental (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Transportation	☒	☐	☐	
Natural and built environment	☒	☐	☐	
Waste minimisation & resource use	☒	☐	☐	
Pollution	☒	☐	☐	
Sustainable procurement	☒	☐	☐	
Energy and climate change	☒	☐	☐	
(Please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Risk management	☒	☐	☐	

Recommendations from impact assessment
Positive
Negative
Neutral
Issues

APPENDIX 1

Summary

CP1 - Safe and Clean City	CP2 - Prosperous City	CP3 - Decent Housing for all	CP4 - City of Character and Culture	CP5 - Value for Money Services

Comments

Overall performance for this second quarterly report of 2014-15 against the priorities in the corporate plan 2012-2015 shows a mixed picture with three of our priorities showing as Green and two Amber.

There are some areas where the council is performing very highly and exceeding its targets such as achieving our savings target, street cleanliness, satisfaction with waste collection services, income collection, the number of days taken to re-let council homes, the number of individuals and families who have been helped by homelessness advice, speed of processing of planning applications and overall customer satisfaction.

Of note is the very good performance in relation to the key performance measures underpinning our priority to be a "safe and clean city". All except one of these measures were Green and the one that was Amber, percentage of waste recycled and composted, has high hopes for improvement following the introduction of our improved residential waste recycling provision on 1st October.

However, there are some measures that remain below target. We will continue to work towards improving performance in relation to these and other performance measures that underpin the priorities in our Corporate Plan.

Green is on target, amber between target and cause for concern and red is cause for concern.

For more information please contact the Policy, Performance and Partnerships team on ext 2535 or email performance@norwich.gov.uk

Key to tables (following pages) :
RAG - Red, Amber, Green; **DoT** - Direction of Travel: a green upward arrow signifies an improvement in performance compared with the previous reporting period, a red downward arrow shows a drop in performance and a blue horizontal arrow shows no change. **YTD** - data shown is for the (financial) year to date



Safe & Clean City

Key Action	Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
To provide efficient and effective waste services and increase the amount of recycling	SCC2 % waste recycled/ composted	37 %	43 %			37 %	43 %	

Comments: Recycling/ composting rate shown is for Q1 (April-June). Recycling and composting rates remain below target. The major contributing factors are the changes in regulations which mean that street sweepings cannot be recycled and the fact that many materials that can be recycled are being made using less material (the effect known as “light weighting”). On 1st October, all Norfolk councils implemented a new recycling service which significantly extended the range of materials collected and made the service much easier for residents to use. Early evidence suggests that collected tonnages are increasing in-line with predictions and that, over the course of the next 12 months recycling rates should rise above 40%.

Key Action	Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
To maintain street and area cleanliness	SCC1 % streets found clean on inspection	94 %	93 %			94 %	93 %	

Comments: The areas of land with the highest percentage of littering were Industry and Warehousing e.g Sweet Briar Rd Industrial Estate (13.24%). These areas are on a 6 monthly clean, which can sometimes skew the figures. Of the inspected areas that failed either on the litter or detritus score, they were last cleaned in either February or April of this year.
The areas with the highest percentage of detritus were High Obstruction Housing i.e residential areas with high % of on street parking (16.18%), this is down from 23.53% on the last survey. The deep clean schedule should continue to have a positive effect in reducing this figure further over the coming months. However it should be noted that at this time of year, detritus figures are often at their lowest due to the very little organic matter being broken down (fallen leaves etc). Industry and Warehousing also had a high figure of 20.59%, please see above for comments on this.
N.B. These inspections are carried out 3 times a year and data here is based on inspections undertaken in July.

Key Action	Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
To provide efficient and effective waste services and increase the amount of recycling	SCC3 % of people satisfied with waste collection services	84 %	75 %			81 %	75 %	

Comments: The council continues to work closely with the contractor to enhance services and improve standards. The roll-out of new waste and recycling facilities in areas of communal housing has been particularly effective in improving collections through the provision of more appropriate capacities, new bins and monitored collection services. Satisfaction rates remain above the target level and the introduction of an improved recycling service on 1st October should increase satisfaction rates still further. The range of materials has been increased, communication messages have been improved and the recycling service is now easier to use. Satisfaction for the "rolling year" to September 2014 is 80%.

Key Action	Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
To work effectively with the police to reduce antisocial behaviour, crime and the fear of crime	SCC4 % of people feeling safe	79 %	72 %			78 %	72 %	

Comments: Current performance remains above target and improved further during Q2. The Norfolk Constabulary do not have a similar indicator therefore no comparison can be made locally. Further work will be undertaken to compare current performance against a similar indicator in the British Crime Survey (BCS) which indicates that people's perception of crime does not always align with actual levels of crime which is illustrated with the overall falls in crime nationally over a number of years not always resulting in falls in perceptions.
The previous Place Survey indicator for 2009 which related to feelings of safety out of doors during the day and after dark, gave an out turn of 86% during the day and 46% of after dark. The annualised figure for the current indicator for 2013-14 was 93% and 65% respectively which was higher than the results of the 2009 survey.

Key Action	Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
To protect residents and visitors by maintaining the standards of food safety	SCC5 % of compliant food premises	90 %	90 %			90 %	90 %	

Comments: During September 39 non broadly compliant takeaway businesses were given additional food hygiene coaching and advice through a partnership with the Food Standards Agency. We hope that this will result in some of these businesses achieving broad compliance at their next routine inspection.

Key Action	Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
To maintain a safe highway network and reduce road casualties including seeking to achieve the introduction of 20mph zones across the city.	SCC6 Reducing the number of people killed or seriously injured on our roads (rolling year)	43	43			43	43	

Comments: After a number of quarters where the number of people killed or seriously injured on our roads has been above anticipated levels, the number this quarter has now gone down to the expected level. The city council continues to work with partners such as the county council, the police and the health services to further reduce this number.



Prosperous City

Key Action	Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
To support the development of the local economy and bring in inward investment through economic development and regeneration activities	PRC3 No. of new homes built - Q	51	100			136	200	
Comments: Data shown is the number of new registrations for Council Tax - new build and conversions. This is being used as proxy for new homes built. This shows house completions remaining below target, a continuing reflection of the slow-down in housebuilding resulting from the recession. However, recent increases in housebuilding start-ups suggest that this figure will rise to meet target in the near future.								
To encourage visitors and tourists to Norwich through effective promotion of the city	PRC4 number of people accessing info via TIC	112,531	132,000			193,404	230,000	
Comments: The figures are down slightly from last year and against target. Numbers were particularly affected by a slower first quarter, but improved for July and August. We are monitoring the trends as an increasing use of electronic forms of information is changing how and where we provide information. Norwich remains a very popular place to come to, the Great Britain Day Visit Survey 2013 showed Norwich in the top 10 local authorities for tourism day visits.								
To support people on low incomes through advocacy and financial inclusion activities	PRC6 Ave days for processing new HB and CTRS - Q	24.0	21.0			22.2	21.0	
Comments: During Q2 the number of claims processed for housing benefits and council tax reduction has increased from 2256 in Q1 to 2425 in Q2 (a 7.5% increase). This combined with a reduction in resources available during the holiday season has seen a decline in performance during Q2. There are fluctuations throughout the year and, as anticipated, Q2 is always going to be the period under the greatest pressure. However, the year to date figure (22.2 days) is only just outside of target and it is expected that this will be on target for the year.								

Key Action	Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
To support the development of the local economy and bring in inward investment through economic development and regeneration activities	PRC1 No. of new jobs created/ supported by council activity	147	100			147	100	
Comments: For the period to July 2014, Norwich City council has created/ supported 147 new jobs. We expect the figure to be higher by the end of the financial year when construction projects at Three Score will be well underway.								
To support the development of the local economy and bring in inward investment through economic development and regeneration activities	PRC2 Amount of funding secured for regeneration activity (£ thousands)	£2,612	£250			£2,612	£250	
Comments: Our current projection for regeneration funding that will be received in 2014/15 is £2.612M (paid in August). This funding is Push the Pedalways funding from the DfT.								
To support people on low incomes through advocacy and financial inclusion activities	PRC5 % people saying that debt issues had become manageable following face to face advice	94 %	56 %			94 %	56 %	
Comments: Monitoring of the response to surveys undertaken by Council supported debt advice services showed 94% of respondents from April-September thought their debt issues had become more manageable following face to face advice. This is based on a small number of respondents.								
To reduce fuel poverty through affordable-warmth activities	PRC7 No. of private households where council activity helped to improve energy efficiency YTD	72	70			72	70	
Comments: In quarter 2, 14 private households were helped with either boiler replacements, solid wall insulation, cavity wall insulation or loft insulation. Additionally, 30 small energy efficient measures (i.e. radiator foil and/or draught proofing) were given to residents who were vulnerable to the cold.								



Decent Housing

Key Action	Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
Decent housing for our tenants	DHA3 % of tenants satisfied with the housing service	71	85			71	85	
Comments: The key performance measure DHA3 % of tenants satisfied with the housing service is based on a survey that is carried out every two years. The result shown is from spring 2012 and won't change until the survey is undertaken again in 2014/15.								
To develop new affordable housing	DHA4 New affordable homes delivered on council owned land - YTD	4	26			4	26	
Comments: An additional 25 dwellings on 2 sites have slipped slightly and will be completed in Q3. 12 of these were completed in October.								
To bring empty homes back into use and improve the standard of private sector housing through advice, grants and enforcement	DHA7 Privately owned homes made safe	16	50			16	50	
Comments: Due to a vacancy in the private sector housing team, performance in relation to this measure has slipped below target. That vacancy has now been filled and the team, with some help from the home improvement team technical officers, is now catching up with this year’s inspection programme and expects to complete - 50 targeted HMO inspections in Nelson and Town Close wards using address-level information from the BRE stock modelling database; and 50 HMO licence inspections. There will also be a small number of further inspections that come from reactive service requests.								

Key Action	Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
To improve the letting of council homes so we make the best use of existing affordable housing resources	DHA1 Ave days to re-let council housing - Q	14	16			15	16	
Comments: The average time taken to re-let council homes for quarter 2 was on target at 14 days, whilst year-to-date it stands at 15 days. This is the second successive quarter where performance has improved, against a challenging target of 16 days. As a member of HouseMark we are able to compare our performance with other local authorities and social housing landlords. Results for quarter 1 show that performance by Norwich City Council was in the upper quartile (top 25% of organisations).								
To improve the council's housing stock through a programme of upgrades and maintenance including new kitchens, windows and doors	DHA2 % council homes meeting the "Norwich standard" (Proxy)	99.6 %	97.0 %			99.6 %	97.0 %	
Comments: Current progress for the five monitored elements of programmed works are: kitchens (124% of upgrades complete); bathrooms (101%); electrical (108%); heating (81%) and composite doors (84%). They are annual programmes so some variation is normal. However,the relevant contractor’s completion rates are closely monitored and there are currently no concerns regarding the successful completion of the annual programme.								
To prevent people from becoming homeless through providing advice and alternative housing options	DHA5 Number of households prevented from becoming homeless	167	70			328	140	
Comments: The housing options department is structured to provide specialist housing advice at the first point of contact in order to prevent homelessness and crisis situations for our clients. This successful approach is based on the accessibility of expert advice and support, and the provision of a range of housing options to resolve our clients’ housing issues. Despite the challenging external environment and increased pressure on the service, the figures demonstrate the continuing success of this proactive approach to preventing homelessness.								
To bring empty homes back into use and improve the standard of private sector housing through advice, grants and enforcement	DHA6 Empty homes brought back into use	63	10			63	10	
Comments: The number of empty homes brought back into use so far this year is 63. These result from continuing work from our major empty homes review and the figure above shows the long term empty properties confirmed as occupied and where council tax will now be paid. Our target for the year to date was 10 having been based solely on numbers expected to be achieved by enforcement work carried out by our Private Sector Housing team.								



Character & Culture

Key Action	Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
To provide a range of cultural and leisure opportunities and events for people	CCC5 People attending free or low-cost events YTD	49,000	63,000			49,000	63,000	
Comments: Attendances at most of our free events have been good with ChildPlay, Playdays and Bandstand Concerts all above anticipated levels. However, wet weather over the weekend of the Lord Mayor's Celebrations meant that attendance for that event was well below that expected and this has meant that overall performance for this measure (49,000 attendees) is below our challenging target of 63.000.								

Key Action	Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
To provide well-maintained parks and open spaces	CCC3 % satisfied with parks & open spaces	72 %	75 %			72 %	75 %	
Comments: 72% of repondents to our online survey with satisfied with parks and open spaces compared with our target of 75%. Looking at responses the main issues that seem to be detracting from people being satisfied relate to dog problems, mainly fouling but also behaviour and the quality of toilets in the parks.								

Key Action	Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
To manage the development of the city through effective planning and conservation management	CCC1 % of major planning apps completed within target - Q	100 %	80 %			93 %	80 %	
Comments: Performance in quarter 2 in relation to both the indicators CCC1 and CCC2 improved from the previous quarter and remains above targets for the year. CCC1 is based on a relatively limited number of applications (13 determined in the quarter) and the methodology for both indicators now allows applications taking longer than target time to be assumed to be within time where extension of time has been agreed with the applicant. Work continues to develop a better indicator of quality of service for monitoring in future years.								
To manage the development of the city through effective planning and conservation management	CCC2 % of minor & other planning apps completed within target	95 %	85 %			89 %	85 %	
Comments: See comment above (for CCC1).								
To provide a range of cultural and leisure opportunities and events for people	CCC4 % satisfied with council leisure and cultural facilities	92 %	75 %			92 %	75 %	
Comments: The surveys that provide the data for this measure are undertaken every 6 months. 92% of respondents were satisfied with the services compared with our target of 75%.								
To maximise the opportunities provided by the 2012 Olympics	CCC6 People engaged with Olympic torch relay activities	56,000	30,000			56,000	30,000	
Comments: Achieved.								
To become England's first UNESCO City of Literature	CCC7 City becomes England's first UNESCO City of Literature	1	1			1	1	
Comments: Norwich was the first English city to be a UNESCO City of Literature. Achieved in quarter 1, 2012-13.								

Value for Money

Key Action	Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
To continue to reshape the way the council works to realise our savings targets, protecting and improving services wherever possible and working effectively with partners, through a transformation programme.	VMS3 % of all council outcome performance measures on or above target	65 %	90 %			65 %	90 %	

Comments: This measure is an amalgamation of all the other performance measures in this report and shows the percentage of all those measures that are Green. Those performance measures that are areas of concern will be looked at by relevant Heads of Service with the aim of improving individual measures, giving better performance to our residents and contributing to a higher score on this combined measure.

Key Action	Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
To continue to reshape the way the council works to realise our savings targets, protecting and improving services wherever possible and working effectively with partners, through a transformation programme.	VMS4 % of council partners satisfied with the opportunities to engage with the council	78.2	80.0			78.2	80.0	

Comments: This is an annual survey of key Council partners carried out in quarter 4 (January - March) each year. The result shown is for the latest survey from earlier in 2014.

Our survey of our key partners on their satisfaction with opportunities to engage with the council showed an increase in the number very satisfied and a decrease in the number dissatisfied. However there was an increase in the number expressing a neutral view resulting in a slight drop in the overall satisfaction rate to 78.2% from 82.5%. There were some very positive comments on engagement. However where areas for improvement have been raised they will be considered and where possible built into future engagement work at both service and council wide level.

Key Action	Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
To improve the efficiency of the council's customer engagement and access channels.	VMS5 Avoidable contact	25.8 %	24.5 %			28.5 %	24.5 %	

Comments: Q2 performance overall 25.8% shows an improvement against the previous quarter despite the major change in waste and recycling arrangements that resulted in increased contact at the end of this period. Further demand during this period was generated as a result of the changes to Individual Electoral registration which meant that all services were directly affected by this demand. Encouragingly actual performance on avoidable contact excluding premature closure was better than target each month in this quarter. Further work to drive down avoidable contact is ongoing with a specific task and finish project to understand and improve communications taking place.

Key Action	Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
To reach the achieving-level of the equalities framework.	VMS7 Reach "achieving" level of equalities framework	1	2			1	2	

Comments: We are seeking to attain the achieving level of the equalities framework for local government for 2014/15. This will involve a peer assessment in quarter 4 (January - March 2015), declaring in the following quarter (Q1, April - June 2015). A project team has been set up and a project plan and self-assessment are being developed to map the organisation's journey and address any concerns.

Key Action	Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
To continue to reshape the way the council works to realise our savings targets, protecting and improving services wherever possible and working effectively with partners, through a transformation programme.	VMS1 Council achieves savings target (£ thousands)	3,200	2,000			3,200	2,000	
Comments: We successfully delivered a package of general fund savings of £3.2 million for 2014/15 against our target of £2.0 million.								
To improve the efficiency of the council's customer engagement and access channels.	VMS2 % residents satisfied with service from council	95.3 %	93.0 %		?	95.3 %	93.0 %	
Comments: Over 800 customers were surveyed, exceeding previous numbers and customer satisfaction with contact with the council at 95% is above target (93%).								
To maximise council income through effective asset management, trading and collection activities.	VMS6 % of income owed to the council collected	98 %	96 %			98 %	96 %	
Comments: This is a combination of % council tax, NNDR, Housing Rent and Sundry Income collected. Overall collection currently is showing as 97.5% (£115.6m). This is made up of: Council Tax (£30m, 97.3% of "amount due"); NNDR (£46.8m, 98.2% of "amount due"); Housing Rent (£33.9m, 97.1% of the "amount due") and Sundry Income (£4.9m, 95.9% of the "amount due").								
To reduce the council's carbon emissions through a carbon management programme.	VMS8 % CO2 reduction from local authority operations	5.38	4.00			5.38	4.00	
Comments: The target for reduction in overall (i.e. all scopes) CO2 emissions has been re-set to 40%, from a 2006/07 baseline following the completion of the first phase of the council's carbon management plan. This target exceeds the national target of a 34% reduction in carbon emissions by 2020. On completion of this report 26.6% of the 40% target has been achieved so far. The council has recently produced the second phase of its Carbon Management Plan. The plan details opportunities across our assets and services where we can further reduce energy consumption. Given the new Government methodology we will be further reviewing the Carbon Management Plan targets.								

Report to	Cabinet 10 December 2014	**Item** 8
Report of	Chief finance officer	
Subject	Revenue budget monitoring 2014-15 – Period 06	

Purpose

To update Cabinet on the financial position as at 30 September 2014, the forecast outturn for the year 2014-15, and the consequent forecast of the General Fund and Housing Revenue Account balances.

Recommendation

To note the financial position as at 30 September 2014 and the forecast outturn for 2014-15.

Corporate and service priorities

The report helps to meet the corporate priority value for money services and the service plan priority to provide accurate, relevant and timely financial information.

Financial implications

The General Fund budget is forecast to achieve an underspend of £1.485m. The Housing Revenue Account budget is forecast to achieve an underspend of £1.513m.

Monitoring of key budgets does not indicate any unusual cause for concern; however the position will need to be continually monitored in order to deliver to the forecast outturn.

Ward/s: All wards

Cabinet member: Councillor Waters – Deputy leader and resources

Contact officers

Justine Hartley, chief finance officer 01603 212440
Neil Wright, service accountant 01603 212498

Background documents

Budget Reports (Council 18 February 2014)

Report

1. Council approved budgets for the 2014-15 financial year on 18 February 2014.

2. The attached appendices show the forecast outturn and year-to-date positions for the General Fund and the Housing Revenue Account:

- Appendix 1 shows the General Fund by Corporate Leadership Team responsibilities, and by Subjective Group
- Appendix 2 shows the Housing Revenue Account in (near) statutory format, and by Subjective Group
- Appendix 3 shows budget and expenditure for the year to date in graphical format

General Fund

3. Budgets reported include the resources financing the council's net budget requirement (which includes a contribution of £0.541m to balances as allowed for in the *Medium term financial strategy*) so that the net budget totals zero:

Item	*Approved Budget £000s*
Net Budget Requirement	18,407
Non-Domestic Rates	(4,651)
Revenue Support Grant	(5,980)
Council Tax precept	(7,776)
Total General Fund budget	**0**

4. The General Fund has been forecast to underspend by **£1.485m** at year end. This compares to a forecast underspend of £1.372m at the end of August. Significant forecast overspends and underspends are explained below:

Previous forecast over/(under) spend £000s	*General Fund Service*	*Current forecast over/(under) spend £000s*	*Commentary*
(810)	Finance	(595)	Both the value of housing benefit payments and the subsidy which funds them have reduced. The shortfall between them has also reduced meaning less Council funding is required in this financial year.
(24)	City Development	(141)	The forecast underspend relates to a reduction in anticipated bad debt, and higher than expected income on Investment Properties.

Previous forecast over/(under) spend £000s	*General Fund Service*	*Current forecast over/(under) spend £000s*	*Commentary*
(128)	Neighbourhood Housing	(123)	Spend on homeless prevention fund is lower than anticipated (£41k) but could show an increase in coming periods due to potential seasonal peak. Private Sector Leasing rental costs are also currently lower than anticipated by £75k.
(59)	Planning	(129)	Forecast underspend is due to staff charges to capital, CIL management fees and higher income from pre application charging.
(152)	Democratic Services	(160)	This relates to an underspend on salaries within the Committee secretariat which has been taken forward as savings within the transformation programme; and to Government grant received for Individual Electoral Registration.

5. For the year to date an overspend against budget of **£3.056m** is being reported. This overspend is made up of many debit and credit figures where various income and expenditure lines are ahead of or behind budget profile. Significant variances are explained below. These lines will be monitored closely as the year progresses to identify any potential impact on forecast outturn figures.

General Fund Service	*Year to date variance Over/(under) £000s*	*Commentary*
Business Relationship Management	(1,482)	This is mainly due to invoices for Finance and for Revenues and Benefits services for the year to date having been received late.
Finance	1,379	The net overspend against profile on finance is due to timing differences in respect of payments made / income received.
Procurement & Service Improvement	(1,793)	This is mainly due to invoices for IT services for the year to date having been received late.
City Development:	(1,037)	The current underspend against profile relates to parking recharges to be re distributed, which will take into account County income; works recharges to be distributed and pension recharges still to be processed.
Citywide Services:	(577)	Waste invoice due in September was paid in October. Garden waste income is higher than profiled budget. Pension recharges not yet received.

General Fund Service	*Year to date variance Over/(under) £000s*	*Commentary*
Neighbourhood Housing:	(557)	Partly due to delays in payment of homelessness invoices compared to budget profiling but this underspend in the year to date also reflects the forecast underspend for the full year.
Human Resources	2,335	This relates to pension charges which will be reallocated across service areas.

Housing Revenue Account

6. The budgets reported include a £7.7m use of HRA balances, so that the net budget totals zero:

Item	*Approved Budget £000s*
Gross HRA Expenditure	80,827
Gross HRA Income	(73,120)
Contribution from HRA Balance	(7,707)
Total net HRA budget	**0**

7. The Housing Revenue Account has been forecast to underspend by **£1.513m**. This compares to a forecast underspend of £1.196m at the end of August. Significant forecast overspends and underspends are explained below:

Previous forecast over/(under) spend £000s	*HRA Division of Service*	*Current forecast over/(under) spend £000s*	*Commentary*
103	Repairs & Maintenance	(133)	The forecast underspend is mainly due to £100k of un-budgeted insurance income.
130	Rents, Rates, & Other Property Costs	125	Due to unbudgeted costs for NPS.
(773)	General Management	(708)	The majority of the projected underspend is due to: Contingency fund (£97k); audit fee not required as included in LGSS recharge (£105k); budget for software interface may no longer be required (£50k); lower NPS fees at this stage than budgeted for (£74k); and professional advice / fees budget not required (£190k).
(172)	Special Services	(258)	Mainly due to projected underspend on district heating fuel.

Previous forecast over/(under) spend £000s	*HRA Division of Service*	*Current forecast over/(under) spend £000s*	*Commentary*
(691)	Provision for Bad Debts	(691)	Provision increased in anticipation of the effects of full implementation of bedroom tax and universal credit. Delayed implementation of universal credit and better than anticipated rent collection performance have delivered a lesser call on this provision.
(165)	Garage & Other Property Rents	(116)	Lower than anticipated garage voids rate
396	Service Charges – General	237	Lower income than budgeted for, partially offset by underspend in Special Services (district heating)

8. For the year to date an underspend of **£3.485m** is being reported. This underspend is made up of many debit and credit figures, where various income and expenditure lines are ahead of or behind budget profile. Significant underspends and overspends to date are explained below. These lines will be monitored closely as the year progresses to identify any potential impact on forecast outturn figures.

HRA Division of Service	*Year to date variance Over/(under) £000s*	*Commentary*
Repairs & Maintenance	(3,554)	There are 2 main reasons for this variance: • The valuation and invoice process creates an artificial delay between the work being completed on site and the final stage of the invoice amount being posted to the ledger; and • Due to the responsive nature of some budget lines within this group it is extremely difficult to accurately profile a years work in advance and some budget line spend is behind profile due to work not being required as predicted.
Rents, Rates, & Other Property Costs	2,860	Water rates accounted for as one annual amount (although actually paid in 10 instalments) – budget profile assumes 10 instalments
General Management	(1,565)	Overall underspend projected, as per comments on previous table. Also pension recharges are yet to be distributed across service areas
Special Services	(973)	Mainly district heating spend not matching anticipated spending profile – profiles to be updated for period 7

Risks

9. A risk-based review based on the size and volatility of budgets has identified a ‘Top 10’ of key budgets where inadequacy of monitoring and control systems could pose a significant threat to the council’s overall financial position. These are shown in the following table.

Key Risk Budgets	Budget £000s	Forecast Variance	Forecast Var %	Forecast RAG
Housing Benefit Payments - Council tenants	36,254	-2,129	-6%	RED
Housing Benefit Subsidy - Council tenants	35,514	1,508	-4%	AMBER
Housing Benefit Payments - Other tenants	32,280	-2,119	-7%	RED
Housing Benefit Subsidy - Other tenants	32,923	1,668	-5%	RED
HRA Repairs - Tenanted Properties	12,408	-70	-1%	GREEN
HRA Repairs - Void Properties	2,630	0	0%	GREEN
Multi-Storey Car Parks	1,797	-15	-1%	GREEN
HRA Rents - Estate Properties	-58,916	100	0%	GREEN
Corporate Management including Contingency	1,340	0	0%	GREEN
Private Sector Leasing Costs	2,570	-208	-8%	RED

10. The red / amber status of items in the ‘Forecast RAG’ column is explained below. In all cases the forecasts are for underspends and so although these are rated as red / amber because they are forecast to vary from budget by more than 5% (red) or 3% (amber) they do not pose a significant threat to the delivery of the council’s budget at the current time.

Key Risk Budgets	Comment
Housing Benefit Payments and Subsidy - Council tenants:	Reduced value of claims than planned for but offset by reduced subsidy to fund these payments.
Housing Benefit Payments and Subsidy - Other tenants:	Reduced value of claims than planned for but offset by reduced subsidy to fund these payments.
Private Sector Leasing Costs:	PSL rental costs currently lower than anticipated

11. The 2014-15 budgets approved by council were drawn up in the expectation of reduced resources as announced by the coalition government. There are risks to the current and medium term financial position from:

- Reductions in government grant – the localisation of business rates and of council tax reductions has increased the risks to the council’s financial position arising from economic conditions and policy decisions.
- Changes in policy – if further “empowerment” of local authorities is not matched by devolved resources
- Delivery of savings – the budget incorporates both savings measures already in place, and those planned for implementation during the year. If these savings are not achievable in full, overspends will result. With appropriate approvals these may be mitigated through provision made in the corporate contingency, up to the level of that contingency
- Identification of further savings – work is continuing on developing proposals for additional savings to bridge the medium-term budget gap. If these proposals fall short, or are not implemented fully and in a timely manner, further budget shortfalls will result.

12. Forecast outturns are estimates based on management assessments, formulae, and extrapolation. They may not adequately take account of variables such as:

- Bad debts – budget reports show gross debt, i.e. invoices raised. While allowance has been made in the budget for non-collections, the current economic climate may have an adverse influence on our ability to collect money owed. This may be reflected in higher provisions for bad debt, as may the impact of welfare reforms such as the so-called "Bedroom Tax".
- Seasonal factors – if adverse weather conditions or a worsening economic climate depress levels of trade and leisure activities in the city, there may be a negative impact on parking and other income.
- Housing repairs and improvements – the rate of spend on void properties, though closely managed, is heavily influenced by void turnaround, since transfers can create a chain of voids involving significant repair costs.

Financial Planning

13. Overall levels of overspend and underspend will have an ongoing impact on the budget for following years and the size and urgency of savings requirements.

14. Net overspends and underspends will be consolidated into the General Fund and Housing Revenue Account balances carried forward to 2015/16. These are reflected in periodic updates to the *Medium term financial strategy* and *Housing revenue account business plan*.

Impact on Balances

15. The prudent minimum level of General Fund reserves has been assessed as £4.496m. The budgeted and forecast outturn's impact on the 2013/14 balance brought forward, is as follows:

Item	*£000s*
Balance at 1 April 2014	(8,313)
Budgeted contribution to balances 2014-15	(541)
Forecast outturn 2014-15	(1,485)
= Forecast balance at 31 March 2015	(10,339)

16. The General Fund balance is therefore expected to continue to exceed the prudent minimum. The Medium Term Financial Strategy takes into account all reserve balances above the prudent minimum and reduces the level of savings required in future years to take account of these balances.

17. The prudent minimum level of HRA reserves has been assessed as £3.067m. The budgeted and forecast outturn's impact on the 2013/14 balance brought forward, is as follows:

Item	*£000s*
Balance at 1 April 2014	(25,129)
Budgeted use of balances 2014-15	7,707
Forecast outturn 2014-15	(1,513)
= Forecast balance at 31 March 2015	(18,935)

18. The Housing Revenue Account balance is therefore expected to continue to exceed the prudent minimum. Balances above the prudent minimum are reflected in future spending plans in the HRA 30 year plan.

Collection Fund

19. The Collection Fund is made up of three accounts – Council Tax, the Business Improvement District (BID) account, and National Non-Domestic Rates (NNDR).

- o Council Tax is shared between the city, the county, and the police and crime commissioner based on an estimated tax base and the council tax rates agreed by each of the preceptors. Any surplus or deficit is shared in the following financial year.
- o The BID account is operated on behalf of the BID company, to collect their income from the BID levy. Any surplus or deficit is passed on the BID company.
- o NNDR income is shared between the city, the county, and central government. Since "localisation", any surplus or deficit is also shared, rather than as formerly being borne wholly by the government.

20. There are particular risks attached to NNDR, which are:

- o Appeals – the impact of any appeals will fall on the Collection Fund, and therefore in part on the city. Although the Valuation Office has a large backlog of appeals, the value of the appeals is not known, nor the likelihood of success, nor the timing of the appeal being determined.
- o NNDR billable – changes in the NNDR billable, e.g. demolition or construction of new billable premises, will impact on the amount billable. Assumptions of growth may also be affected by changes in the larger economic environment.
- o NNDR collectable – arrears and write-offs (e.g. where a business goes into administration) will also impact on the Collection Fund.

21. These risks are monitored and mitigated through normal Revenues operations.

22. A summary of the Collection Fund is provided below:

Approved Budget £000s	*Current Budget £000s*	**Collection Fund Summary**	*Actual To Date £000s*	*Forecast Outturn £000s*	*Forecast Variance £000s*
		Council tax			
53,797	53,797	Expenditure	28,212	53,797	0
(53,797)	(53,797)	Income	747	(53,797)	0
		Business Improvement District			
656	656	Expenditure	212	656	0
(656)	(656)	Income	23	(656)	0
		National Non-Domestic Rate			
Approved Budget £000s	*Current Budget £000s*	**Collection Fund Summary**	*Actual To Date £000s*	*Forecast Outturn £000s*	*Forecast Variance £000s*
77,698	77,698	Expenditure	47,119	79,023	1,325
(77,698)	(77,698)	Income	(79,848)	(79,041)	(1,344)
0	**0**	**Total Collection Fund**	**(3,535)**	**(18)**	**(19)**

23. On Council Tax, actual income is not posted from the council tax system into the finance system until year-end. The actual year-end surplus or deficit will be taken into account in considering distribution of balances between the preceptors (city, county, and police).

24. The council operates the BID account on behalf of the BID company, so no surplus or deficit will fall on the council's accounts.

25. If a deficit materialises on the NNDR account, this will roll forward and be distributed in the 2015/16 budget cycle; the city's share would be 50%. Additional (section 31) grant may be received in the General Fund to offset all or part of any shortfall in business rate income due to additional reliefs granted by government.

Integrated impact assessment

NORWICH City Council

Report author to complete	
Committee:	Cabinet
Committee date:	
Head of service:	Chief Finance Officer
Report subject:	Revenue Budget Monitoring 2014-15
Date assessed:	05/11/14
Description:	This is the integrated impact assessment for the Revenue Budget Monitoring 2014-15 report to cabinet

	Impact			
Economic (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Finance (value for money)		x		The report shows that the council monitors its budgets, considers risks to achieving its budget objectives, reviews its balances position, and is therefore able to maintain its financial standing
Other departments and services e.g. office facilities, customer contact	x			
ICT services	x			
Economic development	x			
Financial inclusion	x			
Social (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Safeguarding children and adults	x			
S17 crime and disorder act 1998	x			
Human Rights Act 1998	x			
Health and well being	x			

	Impact			
Equality and diversity (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Relations between groups (cohesion)	☒	☐	☐	
Eliminating discrimination & harassment	☒	☐	☐	
Advancing equality of opportunity	☒	☐	☐	
Environmental (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Transportation	☒	☐	☐	
Natural and built environment	☒	☐	☐	
Waste minimisation & resource use	☒	☐	☐	
Pollution	☒	☐	☐	
Sustainable procurement	☒	☐	☐	
Energy and climate change	☒	☐	☐	
(Please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Risk management	☐	☒	☐	The report demonstrates that the council is aware of and monitors risks to the achievement of its financial strategy.

Recommendations from impact assessment
Positive
None
Negative
None
Neutral
None
Issues
The council should continue to monitor its budget performance in the context of the financial risk environment within which it operates.

Budget Monitoring Summary Year: 2014-15 Period: 06 (September)

GENERAL FUND SERVICE SUMMARY

Approved Budget	*Current Budget*		*Budget To Date*	*Actual To Date*	*Variance To Date*	*Forecast Outturn*	*Forecast Variance*
		Business Relationship Management					
2,717,718	2,654,746	Business Relationship Management	1,933,390	451,853	(1,481,537)	2,661,992	7,246
(20,186,020)	(20,170,990)	Finance	(9,112,044)	(7,732,963)	1,379,081	(21,295,976)	(594,986)
33,733	(1,317)	Procurement & Service Improvement	1,870,002	77,233	(1,792,769)	(32,880)	(31,563)
(17,434,569)	**(17,517,561)**	**Total Business Relationship Management**	**(5,308,652)**	**(7,203,877)**	**(1,895,225)**	**(18,666,865)**	**(619,304)**
		Chief Executive & Corporate					
0	0	Chief Executive	127,866	76,939	(50,927)	(30,109)	(30,109)
(1,079,432)	(1,027,969)	Corporate Management	(1,851,460)	(1,809,187)	42,273	(1,039,132)	(11,163)
(1,079,432)	**(1,027,969)**	**Total Chief Executive & Corporate**	**(1,723,594)**	**(1,732,248)**	**(8,654)**	**(1,069,241)**	**(41,272)**
		Customers, Comms & Culture					
2,525,619	2,325,357	Communications & Culture	1,045,603	873,556	(172,047)	2,292,041	(33,316)
(116,196)	(141,175)	Customer Contact	1,276,454	946,403	(330,051)	(177,377)	(36,202)
2,409,423	**2,184,182**	**Total Customers, Comms & Culture**	**2,322,057**	**1,819,959**	**(502,098)**	**2,114,664**	**(69,518)**
		Operations					
(965,936)	(954,804)	City Development	(2,171,295)	(3,207,822)	(1,036,527)	(1,096,205)	(141,401)
9,978,887	10,006,606	Citywide Services	4,015,972	3,439,230	(576,742)	9,969,633	(36,973)
0	0	Deputy Chief Executive	82,374	55,017	(27,357)	(4,518)	(4,518)
2,654,201	2,661,895	Neighbourhood Housing	1,008,303	451,486	(556,817)	2,539,060	(122,835)
2,229,016	2,332,505	Neighbourhood Services	886,973	791,366	(95,608)	2,307,929	(24,576)
1,743,316	1,743,036	Planning	596,452	236,230	(360,222)	1,614,342	(128,694)
125,419	252,319	Property Services	757,179	521,186	(235,993)	209,042	(43,277)
15,764,903	**16,041,557**	**Total Operations**	**5,175,958**	**2,286,693**	**(2,889,265)**	**15,539,283**	**(502,274)**
		Strategy, People & Democracy					
303,787	229,444	Democratic Services	491,756	551,152	59,396	69,172	(160,272)
(4)	(5,100)	Human Resources	614,099	2,949,087	2,334,988	(5,582)	(482)
35,892	95,447	Strategy & Programme Management	296,368	141,666	(154,702)	3,333	(92,114)
339,675	**319,791**	**Total Strategy, People & Democracy**	**1,402,223**	**3,641,906**	**2,239,683**	**66,923**	**(252,868)**
0	**0**	**Total General Fund**	**1,867,992**	**(1,187,568)**	**(3,055,560)**	**(2,015,235)**	**(1,485,235)**

GENERAL FUND SUBJECTIVE SUMMARY

Forecast	*Approved Budget*		*Current Budget*	*Budget To Date*	*Actual To Date Date*	*Variance To Outturn*	*Forecast Variance*
0	0		0	(313)	(313)	(625)	(625)
17,366,808	17,429,262	Employees	9,219,640	9,798,588	578,948	17,135,725	(293,537)
8,577,187	8,522,187	Premises	4,524,324	5,306,013	781,689	8,418,625	(103,562)
314,000	313,998	Transport	133,782	65,109	(68,673)	254,925	(59,073)
15,884,736	16,005,344	Supplies & Services	7,552,194	6,142,004	(1,410,190)	15,597,875	(407,469)
7,784,578	7,784,578	Third Party Payments	3,892,296	(52,754)	(3,945,050)	7,762,216	(22,362)
94,462,444	94,462,444	Transfer Payments	47,231,226	50,280,879	3,049,653	90,214,797	(3,797,647)
3,685,062	3,685,062	Capital Financing	768,660	2,596,732	1,828,072	3,684,512	(550)
0	15,030	Rev Contribs to Capital	0	0	0	0	(15,030)
(55,000)	0	Savings Proposals	0	0	0	0	0
(23,185,762)	(23,185,762)	Receipts	(11,491,948)	(10,695,760)	796,188	(23,455,968)	(270,206)
(118,033,744)	(118,117,443)	Government Grants	(59,058,720)	(63,039,751)	(3,981,031)	(115,244,879)	2,872,564
1,304,093	1,304,093	Centrally Managed	652,086	29,322	(622,764)	1,304,169	76
17,496,584	17,552,192	Recharge Expenditure	1,584,894	994,140	(590,754)	17,410,417	(141,775)
(25,600,986)	(25,770,985)	Recharge Income	(3,140,442)	(2,611,777)	528,665	(25,097,023)	673,962
0	**0**	**Total General Fund**	**1,867,992**	**(1,187,568)**	**(3,055,560)**	**(2,015,235)**	**(1,485,235)**

Budget Monitoring Report   Year: 2014-15   Period: 06 (September)

HOUSING REVENUE ACCOUNT STATUTORY SUMMARY

Approved Budget	*Current Budget*		*Budget To Date*	*Actual To Date*	*Variance To Date*	*Forecast Outturn*	*Forecast Variance*
15,923,170	15,923,170	Repairs & Maintenance	7,898,226	4,344,514	(3,553,712)	15,790,558	(132,612)
6,178,443	6,178,443	Rents, Rates, & Other Property Costs	3,032,178	5,892,575	2,860,397	6,303,521	125,078
11,382,720	11,370,008	General Management	3,922,456	2,357,754	(1,564,702)	10,662,034	(707,974)
5,628,948	5,718,660	Special Services	2,544,818	1,571,803	(973,015)	5,460,629	(258,031)
21,924,793	21,924,793	Depreciation & Impairment	51,252	0	(51,252)	21,924,793	0
941,000	941,000	Provision for Bad Debts	470,500	0	(470,500)	250,000	(691,000)
(58,915,983)	(58,915,983)	Dwelling Rents	(30,636,314)	(30,585,259)	51,055	(58,816,957)	99,026
(1,951,186)	(1,951,186)	Garage & Other Property Rents	(980,932)	(1,086,139)	(105,207)	(2,066,899)	(115,713)
(9,643,814)	(9,643,814)	Service Charges - General	(4,607,030)	(4,374,214)	232,816	(9,406,850)	236,964
0	0	Miscellaneous Income	0	(34,623)	(34,623)	(69,246)	(69,246)
9,382,073	9,305,073	Adjustments & Financing Items	(98,000)	(49,550)	48,450	9,305,373	300
(700,164)	(700,164)	Amenities shared by whole community	0	0	0	(700,164)	0
(150,000)	(150,000)	Interest Received	(75,000)	0	75,000	(150,000)	0
0	**0**	**Total Housing Revenue Account**	**(18,477,846)**	**(21,963,139)**	**(3,485,293)**	**(1,513,208)**	**(1,513,208)**

HOUSING REVENUE ACCOUNT SUBJECTIVE SUMMARY

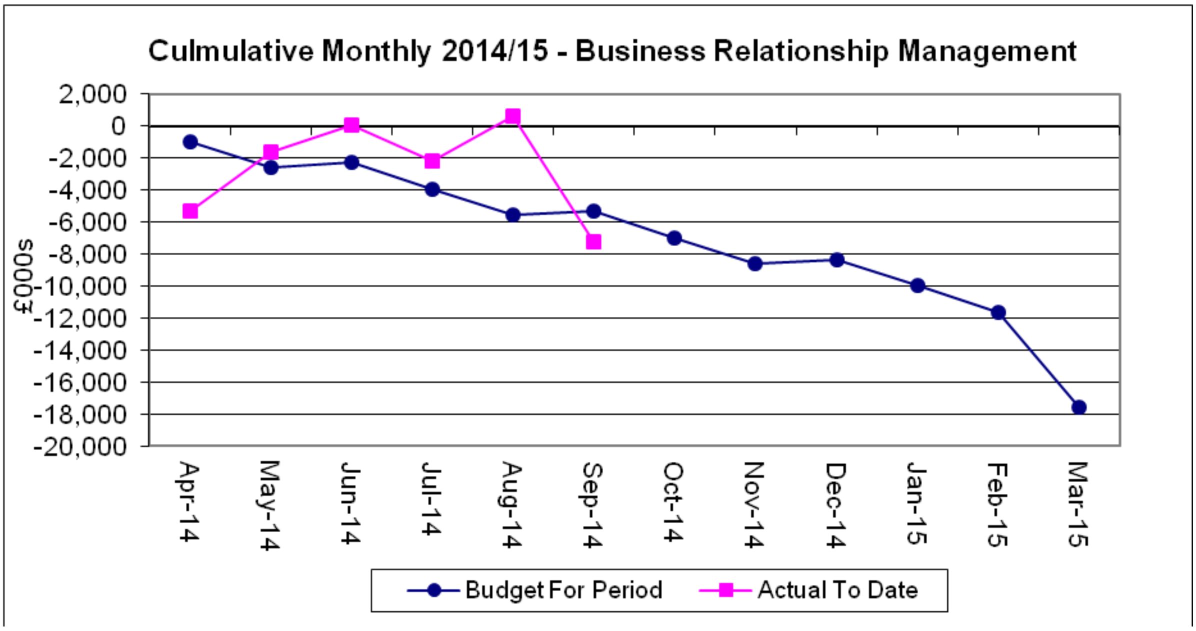
Approved Budget	*Current Budget*		*Budget To Date*	*Actual To Date*	*Variance To Date*	*Forecast Outturn*	*Forecast Variance*
6,467,099	6,472,099	Employees	3,440,348	2,606,817	(833,532)	6,260,365	(211,734)
25,086,833	25,163,833	Premises	12,271,510	10,932,658	(1,338,852)	24,837,314	(326,519)
122,263	122,263	Transport	61,140	40,887	(20,253)	105,500	(16,763)
3,997,007	3,925,114	Supplies & Services	1,633,240	546,468	(1,086,772)	2,753,107	(1,172,007)
348,001	348,001	Third Party Payments	56,796	1,965	(54,831)	348,301	300
5,847,385	5,914,278	Recharge Expenditure	1,175,544	809,680	(365,864)	5,979,851	65,573
1,167,846	1,167,846	Capital Financing	51,252	0	(51,252)	1,167,846	0
(71,877,097)	(71,877,097)	Receipts	(36,907,072)	(36,826,363)	80,709	(71,828,891)	48,206
(221,256)	(221,256)	Government Grants	(235,626)	(75,250)	160,376	(150,500)	70,756
(1,021,221)	(1,021,221)	Recharge Income	(24,978)	0	24,978	(992,242)	28,979
17,035,000	16,958,000	Rev Contribs to Capital	0	0	0	16,958,000	0
13,048,140	13,048,140	Capital Financing	0	0	0	13,048,140	0
0	**0**	**Total Housing Revenue Account**	**(18,477,846)**	**(21,963,139)**	**(3,485,293)**	**(1,513,208)**	**(1,513,208)**

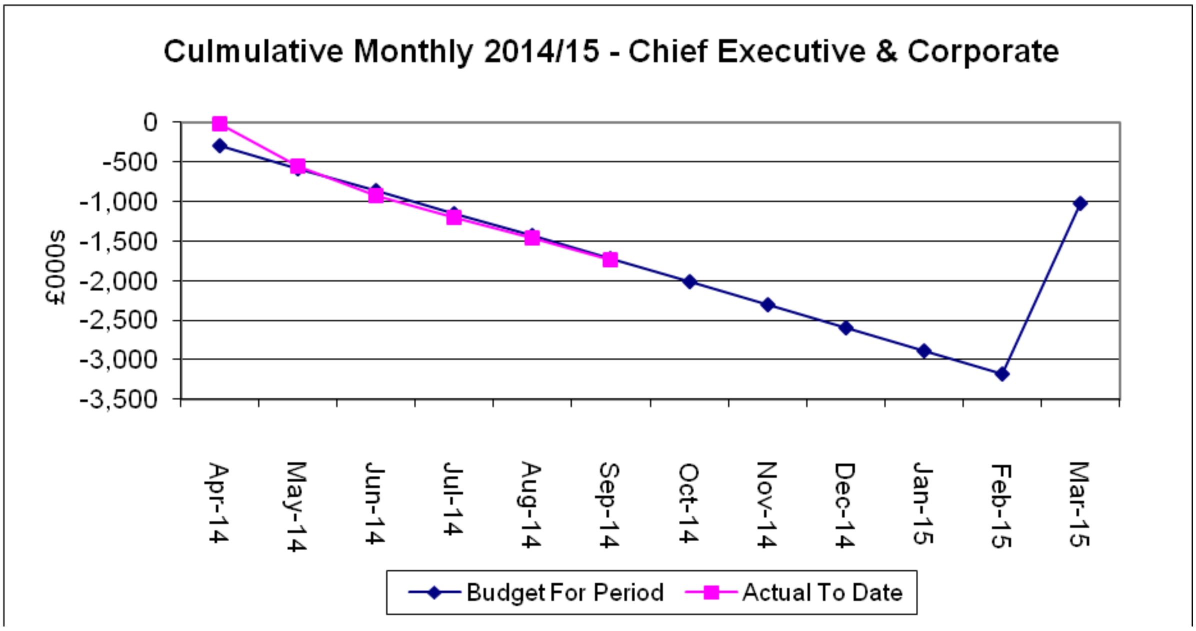
Budget and expenditure – Monthly by service graphs

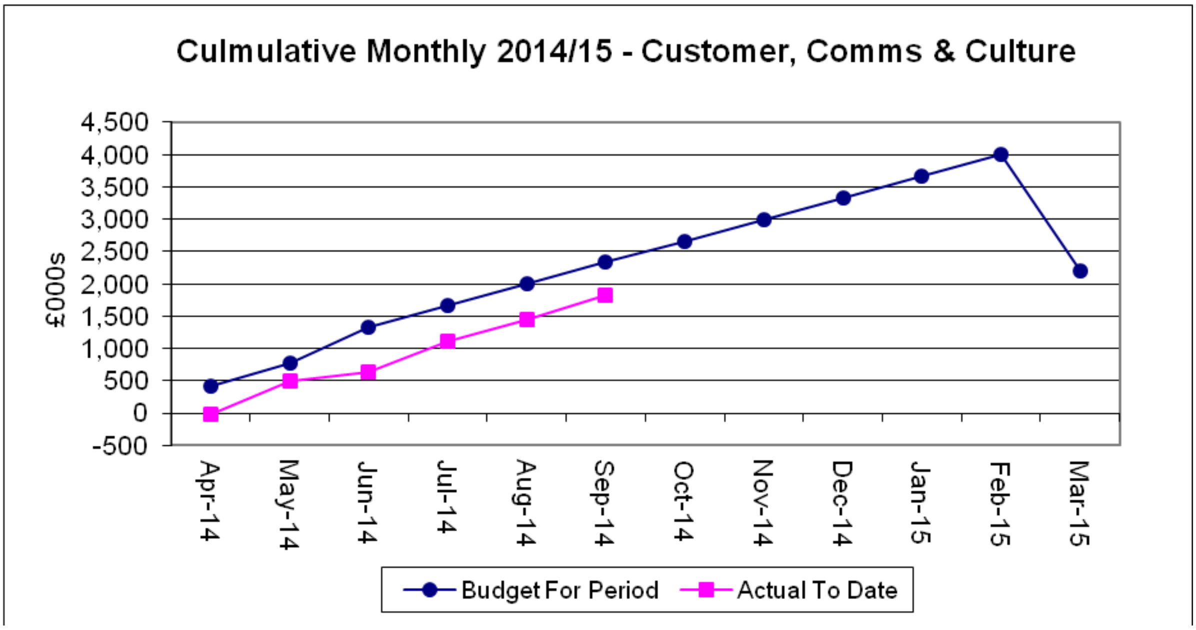
The following graphs show the monthly budget profile and income/expenditure to date for each service (both General Fund and Housing Revenue Account) for the financial year.

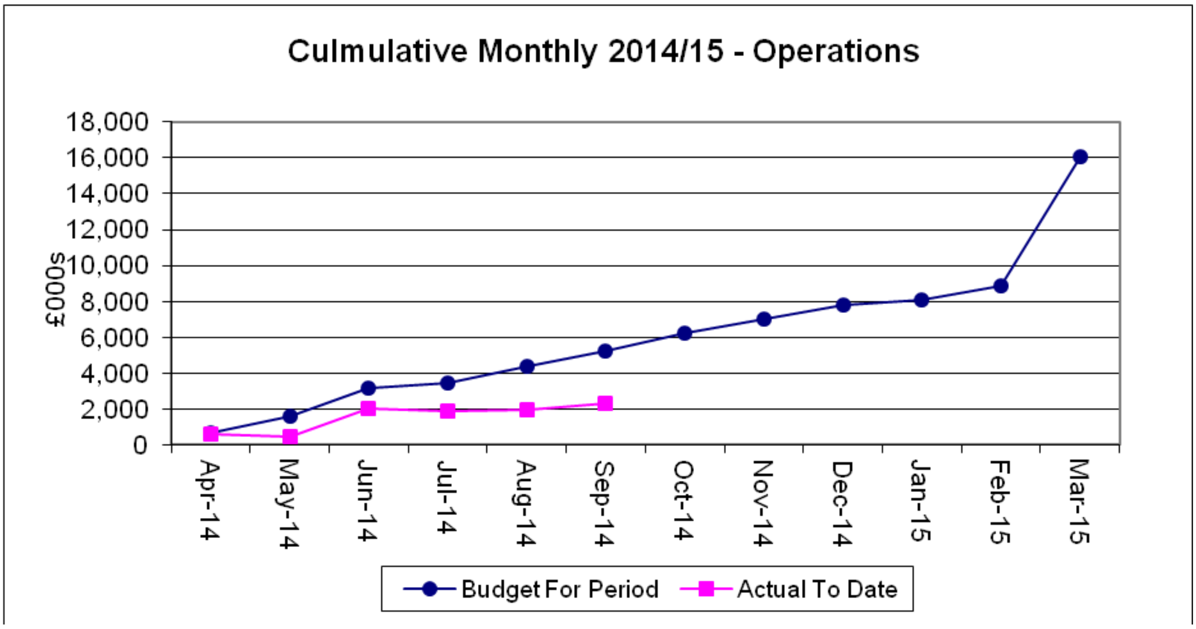
The actual income/expenditure reported is influenced by accrual provisions brought forward from the previous financial year, and by any delays in invoicing and/or payment.

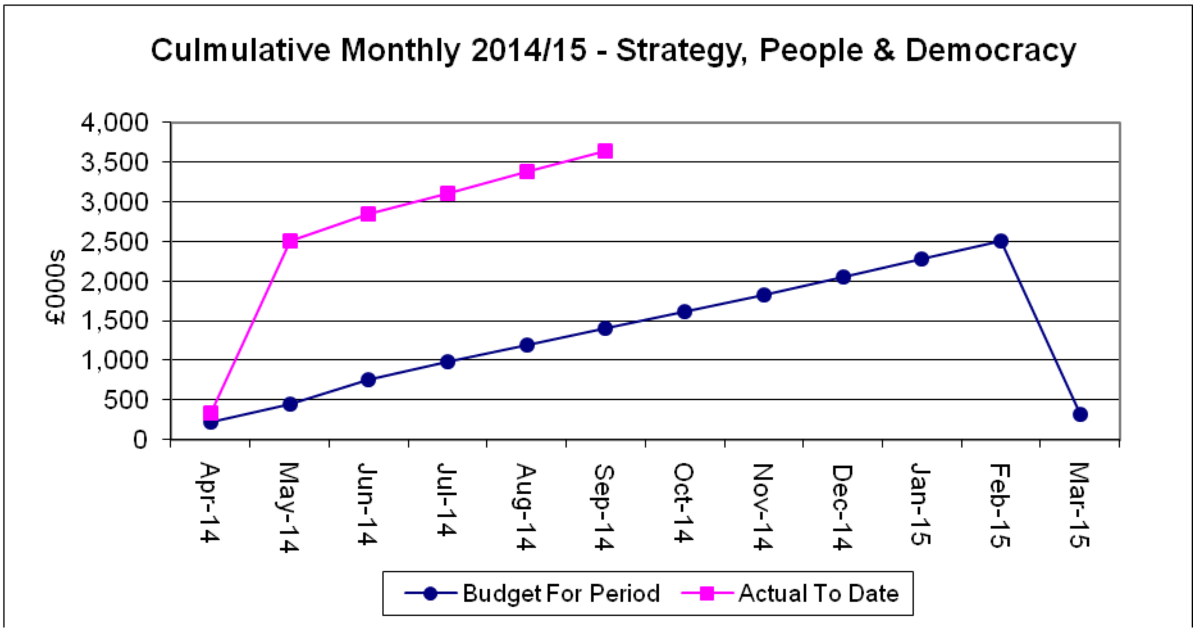
Budgets are profiled to show the expected pattern of income & expenditure, and will be refined and improved during the course of the financial year.

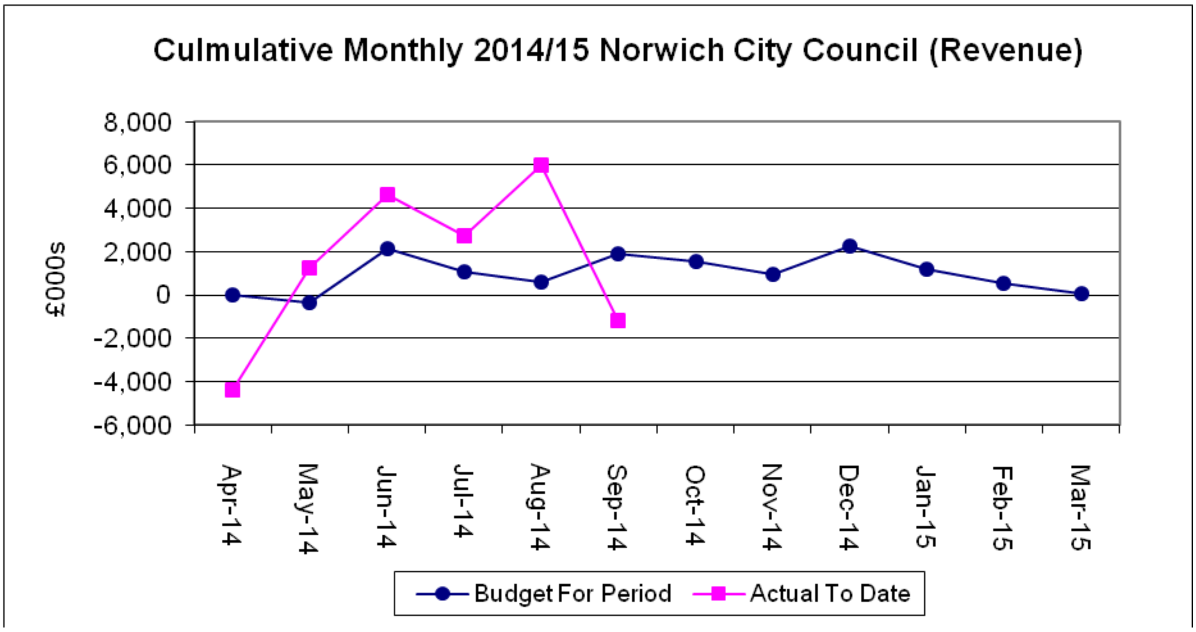





Culmulative Monthly 2014/15 - Customer, Comms & Culture
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
-500
£000s
Apr-14
May-14
Jun-14
Jul-14
Aug-14
Sep-14
Oct-14
Nov-14
Dec-14
Jan-15
Feb-15
Mar-15
Budget For Period
Actual To Date


Culmulative Monthly 2014/15 - Operations
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
£000s
Apr-14
May-14
Jun-14
Jul-14
Aug-14
Sep-14
Oct-14
Nov-14
Dec-14
Jan-15
Feb-15
Mar-15
Budget For Period
Actual To Date


Culmulative Monthly 2014/15 - Strategy, People & Democracy
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
£000s
Apr-14
May-14
Jun-14
Jul-14
Aug-14
Sep-14
Oct-14
Nov-14
Dec-14
Jan-15
Feb-15
Mar-15
Budget For Period
Actual To Date


Culmulative Monthly 2014/15 Norwich City Council (Revenue)
8,000
6,000
4,000
2,000
0
-2,000
-4,000
-6,000
£000s
Apr-14
May-14
Jun-14
Jul-14
Aug-14
Sep-14
Oct-14
Nov-14
Dec-14
Jan-15
Feb-15
Mar-15
Budget For Period
Actual To Date

Report to	**Cabinet**	**Item**
Report of	Chief finance officer	9
Subject	Revenue budget monitoring 2014-15 – Period 07	

Purpose

To update cabinet on the financial position as at 31 October 2014, the forecast outturn for the year 2014-15, and the consequent forecast of the General Fund and Housing Revenue Account balances.

Recommendations

To:

1) note the financial position as at 31 October 2014 and the forecast outturn for 2014-15.
2) approve the proposed virements set out in paragraph 9.

Corporate and service priorities

The report helps to meet the corporate priority value for money services and the service plan priority to provide accurate, relevant and timely financial information.

Financial implications

The General Fund budget is forecast to achieve an underspend of £0.874m. The Housing Revenue Account budget is forecast to achieve an underspend of £1.160m.

Monitoring of key budgets does not indicate any unusual cause for concern; however the position will need to be continually monitored in order to deliver to the forecast outturn

Ward/s: All wards

Cabinet member: Councillor Waters – Deputy Leader and Resources

Contact officers

Justine Hartley, Chief Finance Officer	01603 212440
Neil Wright, Service Accountant	01603 212498

Background documents

None

Report

1. Council approved budgets for the 2014-15 financial year on 18 February 2014.

2. The attached appendices show the forecast outturn and year-to-date positions for the General Fund and the Housing Revenue Account:

   - Appendix 1 shows the General Fund by Corporate Leadership Team responsibilities, and by Subjective Group
   - Appendix 2 shows the Housing Revenue Account in (near) statutory format, and by Subjective Group
   - Appendix 3 shows budget and expenditure for the year to date in graphical format

General Fund

3. Budgets reported include the resources financing the council's net budget requirement (which includes a contribution of £0.541m to balances as allowed for in the *Medium term financial strategy*) so that the net budget totals zero:

Item	*Approved Budget £000s*
Net Budget Requirement	18,407
Non-Domestic Rates	(4,651)
Revenue Support Grant	(5,980)
Council Tax precept	(7,776)
Total General Fund budget	**0**

4. The General Fund has been forecast to underspend by **£0.874m** at year end. This compares to a forecast underspend of £1.485m at the end of September. Significant forecast overspends and underspends are explained below:

Previous forecast over/(under) spend £000s	*General Fund Service*	*Current forecast over/(under) spend £000s*	*Commentary*
(595)	Finance	179	Following adjustments to payments made by the DWP, and following finalisation of the audit of the 2013/14 Revenues amounts, the previously reported underspend will no longer be achieved.

Previous forecast over/(under) spend £000s	*General Fund Service*	*Current forecast over/(under) spend £000s*	*Commentary*
(11)	Corporate Management	(265)	The corporate contingency budget is expected to underspend by £250k in 2014-15. Going forward this saving is reflected in the transformation programme for future years.
(129)	Planning:	(145)	Forecast underspend is due to staff charges to capital, CIL management fees and higher income from pre application charging. Increase from period 06 is due to slightly higher income received during period 07.
(160)	Democratic Services	(165)	This relates to an underspend on salaries within the Committee secretariat which has been taken forward as savings within the transformation programme; and to Government grant received for Individual Electoral Registration.

5. For the year to date an underspend against budget of **£0.717m** is being reported. This overspend is made up of many debit and credit figures where various income and expenditure lines are ahead of or behind budget profile. Significant variances are explained below. These lines will be monitored closely as the year progresses to identify any potential impact on forecast outturn figures.

General Fund Service	*Variance To Date P07 £000s*	*Commentary*
Finance	1,584	The net overspend against profile on finance is due to timing differences in respect of payments made / income received.
Procurement & Service Improvement	(549)	Payments for IT services behind profile by £305k and development budget spend behind profile by £260k.
City Development:	(1,284)	The current underspend against profile relates to parking recharges to be re distributed, which will take into account County income; works recharges to be distributed and pension recharges still to be processed.
Citywide Services:	(802)	Higher than budgeted highways income for April to June received P07. Integrated waste management contractual payments running behind schedule. Garden waste income is higher than profiled budget. Pension recharges not yet applied.

General Fund Service	*Variance To Date P07 £000s*	*Commentary*
Neighbourhood Housing	(645)	Largely due to delays in payment of homelessness invoices compared to budget.
Human Resources	2,399	This relates to pension charges which will be reallocated across service areas in December.
Strategy and Programme Management	(512)	

Housing Revenue Account

6. The budgets reported include a £7.7m use of HRA balances, so that the net budget totals zero:

Item	*Approved Budget £000s*
Gross HRA Expenditure	80,827
Gross HRA Income	(73,120)
Contribution from HRA Balance	(7,707)
Total net HRA budget	**0**

7. The Housing Revenue Account has been forecast to underspend by **£1.160m**. This compares to a forecast underspend of £1.513m at the end of September. Significant forecast overspends and underspends are explained below:-

Previous forecast over/(under) spend £000s	*HRA Division of Service*	*Current forecast over/(under) spend £000s*	*Commentary*
125	Rents, Rates, & Other Property Costs	129	Due to unbudgeted costs for NPS.
(708)	General Management	(609)	The majority of the projected underspend is due to: Contingency fund (£97k); audit fee not required as included in LGSS recharge (£105k); budget for software interface may no longer be required (£50k); lower NPS fees at this stage than budgeted for (£74k); and professional advice / fees budget not required (£190k).
(258)	Special Services	(244)	Mainly due to projected underspend on district heating fuel

Previous forecast over/(under) spend £000s	*HRA Division of Service*	*Current forecast over/(under) spend £000s*	*Commentary*
(691)	Provision for Bad Debts	(691)	Provision increased in anticipation of the effects of full implementation of bedroom tax and universal credit. Delayed implementation of universal credit and better than anticipated rent collection performance have delivered a lesser call on this provision.
(116)	Garage & Other Property Rents	(149)	Lower than anticipated garage voids rate
237	Service Charges - General	358	Lower income than budgeted for, partially offset by underspend in Special Services (district heating)

8. For the year to date an underspend of **£5.281m** is being reported. This underspend is made up of many debit and credit figures, where various income and expenditure lines are ahead of or behind budget profile. Significant underspends and overspends to date are explained below. These lines will be monitored closely as the year progresses to identify any potential impact on forecast outturn figures.

HRA Division of Service	*Year to date variance Over/(under) £000s*	*Commentary*
Repairs & Maintenance	(4,037)	There are 2 main reasons for this variance: i) The valuation and invoice process creates an artificial delay between the work being completed on site and the final stage of the invoice amount being posted to the ledger; and ii) Due to the responsive nature of some budget lines within this group it is extremely difficult to accurately profile a years work in advance and some budget line spend is behind profile due to work not being required as predicted.
Rents, Rates, & Other Property Costs	2,385	Water rates accounted for as one annual amount (although actually paid in 10 instalments) – budget profile assumes 10 instalments
General Management	(1,610)	Overall underspend projected, as per comments on previous table. Also pension recharges are yet to be distributed across service areas
Special Services	(1,144)	Mainly district heating spend not matching anticipated spending profile – profiles to be updated for period 8

9. Cabinet's approval is requested for the following revenue virements:

Water Mains Renewal	Water Pump Maintenance	£50,000
Fire Prevention Work	Internal Wall Insulation	£70,000
Asbestos Removal	Cavity Insulation	£100,000
Asphalt Balconies and Handrails	Drainage	£100,000
Landlord Lighting Maintenance	Inspection Electrical Equipment	£44,000
Total		£364,000

- There is no longer a large programme of water main replacement or fire prevention works, therefore the budgets are projected to be underspent in 2014-15. There are also underspends projected in: asbestos removal due to a reduction in ad hoc requirements until a programme of removals can be put in place; asphalt balconies and handrails due to a limited programme of replacements; and landlord lighting due to reduced numbers of upgrades.

- A sum of £364,000 is required to address the issues listed below.

- Following the failure of a water pump supplying a tower block, it is proposed to replace all pumps supplying water to tower blocks to mitigate the risk of future failures.

- The insulation programme has been increased to meet demand arising from asset surveys where loft insulation doesn't meet current standard and to alleviate damp and cold issues with certain property types.

- There have been increased numbers of incidents of drainage blockages and failures requiring replacement or relining.

- New legal requirements for inspection of electrical installations have required more dwellings to be added to the programme.

Risks

10. A risk-based review based on the size and volatility of budgets has identified a 'Top 10' of key budgets where inadequacy of monitoring and control systems could pose a significant threat to the council's overall financial position. These are shown in the following table.

Key Risk Budgets	Budget £000s	Forecast Variance	Forecast Var %	Forecast RAG
Housing Benefit Payments - Council tenants	36,254	-2,129	-6%	RED
Housing Benefit Subsidy - Council tenants	35,514	1,508	-4%	AMBER
Housing Benefit Payments - Other tenants	32,280	-2,119	-7%	RED
Housing Benefit Subsidy - Other tenants	32,923	1,668	-5%	RED
HRA Repairs - Tenanted Properties	12,408	-70	-1%	GREEN
HRA Repairs - Void Properties	2,630	0	0%	GREEN

Key Risk Budgets	Budget £000s	Forecast Variance	Forecast Var %	Forecast RAG
Multi-Storey Car Parks	1,797	-15	-1%	GREEN
HRA Rents - Estate Properties	-58,916	100	0%	GREEN
Corporate Management including Contingency	1,340	0	0%	GREEN
Private Sector Leasing Costs	2,570	-208	-8%	RED

11. The red/amber status of items in the 'Forecast RAG' column is explained below. In all cases the forecasts are for underspends and so although these are rated as red / amber because they are forecast to vary from budget by more than 5% (red) or 3% (amber) they do not pose a significant threat to the delivery of the Council's budget at the current time.

Key Risk Budgets	Comment
Housing Benefit Payments - Council tenants:	Reduced value of than planned for but offset by reduced subsidy to fund these payments.
Housing Benefit Payments - Other tenants:	Reduced value of than planned for but offset by reduced subsidy to fund these payments.
Private Sector Leasing Costs:	PSL rental costs currently lower than anticipated

12. The 2014-15 budgets approved by council were drawn up in the expectation of reduced resources as announced by the coalition government. There are risks to the current and medium term financial position from:

- Reductions in government grant – the localisation of Business Rates and of Council Tax reductions has increased the risks to the council's financial position arising from economic conditions and policy decisions.
- Changes in policy – if further "empowerment" of local authorities is not matched by devolved resources
- Delivery of savings – the budget incorporates both savings measures already in place, and those planned for implementation during the year. If these savings are not achievable in full, overspends will result. With appropriate approvals these may be mitigated through provision made in the corporate contingency, up to the level of that contingency
- Identification of further savings – work is continuing on developing proposals for additional savings to bridge the medium-term budget gap. If these proposals fall short, or are not implemented fully and in a timely manner, further budget shortfalls will result.

13. Forecast outturns are estimates based on management assessments, formulae, and extrapolation. They may not adequately take account of variables such as:

- Bad Debts – budget reports show gross debt, i.e. invoices raised. While allowance has been made in the budget for non-collections, the current economic climate may have an adverse influence on our ability to collect money owed. This may be reflected in higher provisions for bad debt, as may the impact of welfare reforms such as the so-called "Bedroom Tax".
- Seasonal Factors – if adverse weather conditions or a worsening economic climate depress levels of trade and leisure activities in the city, there may be a negative impact on parking and other income.

- Housing Repairs & Improvements – the rate of spend on void properties, though closely managed, is heavily influenced by void turnaround, since transfers can create a chain of voids involving significant repair costs.

Financial Planning

14. Overall levels of overspend and underspend will have an ongoing impact on the budget for following years and the size and urgency of savings requirements.

15. Net overspends and underspends will be consolidated into the General Fund and Housing Revenue Account balances carried forward to 2015-16. These are reflected in periodic updates to the Medium Term Financial Strategy and Housing Revenue Account Business Plan.

Impact on Balances

16. The prudent minimum level of General Fund reserves has been assessed as £4.496m. The budgeted and forecast outturn's impact on the 2013-14 balance brought forward, is as follows:

Item	*£000s*
Balance at 1 April 2014	(8,313)
Budgeted contribution to balances 2014-15	(541)
Forecast outturn 2014-15	(874)
= Forecast balance at 31 March 2015	(9,728)

17. The General Fund balance is therefore expected to continue to exceed the prudent minimum.

18. The prudent minimum level of HRA reserves has been assessed as £3.067m. The budgeted and forecast outturn's impact on the 2013-14 balance brought forward, is as follows:

Item	*£000s*
Balance at 1 April 2014	(25,129)
Budgeted use of balances 2014-15	7,707
Forecast outturn 2014-15	(1,160)
= Forecast balance at 31 March 2015	(18,582)

19. The Housing Revenue Account balance is therefore expected to continue to exceed the prudent minimum.

Collection Fund

20. The Collection Fund is made up of three accounts – Council Tax, the Business Improvement District (BID) account, and National Non-Domestic Rates (NNDR).

- o Council Tax is shared between the city, the county, and the police and crime commissioner based on an estimated tax base and the council tax rates agreed by each of the preceptors. Any surplus or deficit is shared in the following financial year.
- o The BID account is operated on behalf of the BID company, to collect their income from the BID levy. Any surplus or deficit is passed on the BID company.
- o NNDR income is shared between the city, the county, and central government. Since 'localisation', any surplus or deficit is also shared, rather than as formerly being borne wholly by the government.

21. There are particular risks attached to NNDR, which are:

- o Appeals – the impact of any appeals will fall on the Collection Fund, and therefore in part on the city. Although the Valuation Office has a large backlog of appeals, the value of the appeals is not known, nor the likelihood of success, nor the timing of the appeal being determined.
- o NNDR billable – changes in the NNDR billable, e.g. demolition or construction of new billable premises, will impact on the amount billable. Assumptions of growth may also be affected by changes in the larger economic environment.
- o NNDR collectable – arrears and write-offs (e.g. where a business goes into administration) will also impact on the Collection Fund.

22. These risks are monitored and mitigated through normal Revenues operations.

23. A summary of the Collection Fund is provided below:

Approved Budget £000s	*Current Budget £000s*	**Collection Fund Summary**	*Actual To Date £000s*	*Forecast Outturn £000s*	*Forecast Variance £000s*
		Council tax			
53,797	53,797	Expenditure	32,367	54,706	909
(53,797)	(53,797)	Income	899	(53,797)	0
		Business Improvement District			
656	656	Expenditure	214	696	40
(656)	(656)	Income	(141)	(656)	0
		National Non-Domestic Rate			
77,698	77,698	Expenditure	51,933	78,976	1,279
(77,698)	(77,698)	Income	(79,511)	(77,499)	248
0	**0**	**Total Collection Fund**	**5,761**	**2,476**	**2,476**

24. On council tax, actual income is not posted from the council tax system into the finance system until year-end. The actual year-end surplus or deficit will be taken into account in considering distribution of balances between the preceptors (city, county, and police).

25. The council operates the BID account on behalf of the BID company, so no surplus or deficit will fall on the council's accounts.

26. If a deficit materialises on the NNDR account, this will roll forward and be distributed in the 2015/16 budget cycle; the city's share would be 50%. Additional (section 31) grant may be received in the General Fund to offset all or part of any shortfall in business rate income due to additional reliefs granted by government.

Integrated impact assessment

NORWICH City Council

Report author to complete	
Committee:	Cabinet
Committee date:	
Head of service:	Chief Finance Officer
Report subject:	Revenue Budget Monitoring 2014-15
Date assessed:	24/11/14
Description:	This is the integrated impact assessment for the Revenue Budget Monitoring 2014-15 report to cabinet

	Impact			
Economic (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Finance (value for money)	☐	☒	☐	The report shows that the council monitors its budgets, considers risks to achieving its budget objectives, reviews its balances position, and is therefore able to maintain its financial standing
Other departments and services e.g. office facilities, customer contact	☒	☐	☐	
ICT services	☒	☐	☐	
Economic development	☒	☐	☐	
Financial inclusion	☒	☐	☐	
Social (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Safeguarding children and adults	☒	☐	☐	
S17 crime and disorder act 1998	☒	☐	☐	
Human Rights Act 1998	☒	☐	☐	
Health and well being	☒	☐	☐	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Relations between groups (cohesion)	☒	☐	☐	
Eliminating discrimination & harassment	☒	☐	☐	
Advancing equality of opportunity	☒	☐	☐	
Environmental (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Transportation	☒	☐	☐	
Natural and built environment	☒	☐	☐	
Waste minimisation & resource use	☒	☐	☐	
Pollution	☒	☐	☐	
Sustainable procurement	☒	☐	☐	
Energy and climate change	☒	☐	☐	
(Please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Risk management	☐	☒	☐	The report demonstrates that the council is aware of and monitors risks to the achievement of its financial strategy.

Recommendations from impact assessment
Positive
None
Negative
None
Neutral
None
Issues
The council should continue to monitor its budget performance in the context of the financial risk environment within which it operates.

APPENDIX 1

Budget Monitoring Summary Year: 2014-15 Period: 07 (October)

GENERAL FUND SERVICE SUMMARY

Approved Budget	*Current Budget*		*Budget To Date*	*Actual To Date*	*Variance To Date*	*Forecast Outturn*	*Forecast Variance*
		Business Relationship Management					
2,717,718	2,654,746	Business Relationship Management	1,812,116	2,267,346	455,230	2,656,518	1,772
(20,186,020)	(20,170,990)	Finance	(3,676,390)	(2,092,197)	1,584,193	(19,992,367)	178,623
33,733	(1,317)	Procurement & Service Improvement	1,874,254	1,325,108	(549,146)	(38,227)	(36,910)
(17,434,569)	**(17,517,561)**	**Total Business Relationship Management**	**9,980**	**1,500,257**	**1,490,277**	**(17,374,076)**	**143,485**
		Chief Executive & Corporate					
0	0	Chief Executive	146,557	60,840	(85,717)	(31,359)	(31,359)
(1,079,432)	(1,027,969)	Corporate Management	(2,160,036)	(2,094,132)	65,904	(1,293,218)	(265,249)
(1,079,432)	**(1,027,969)**	**Total Chief Executive & Corporate**	**(2,013,479)**	**(2,033,292)**	**(19,813)**	**(1,324,577)**	**(296,608)**
		Customers, Comms & Culture					
2,525,619	2,325,357	Communications & Culture	1,193,178	962,860	(230,318)	2,243,577	(81,780)
(116,196)	(141,175)	Customer Contact	1,458,160	1,108,468	(349,692)	(223,284)	(82,109)
2,409,423	**2,184,182**	**Total Customers, Comms & Culture**	**2,651,338**	**2,071,329**	**(580,009)**	**2,020,293**	**(163,889)**
		Operations					
(965,936)	(954,804)	City Development	(2,830,602)	(4,115,006)	(1,284,404)	(1,048,674)	(93,870)
9,978,887	10,006,606	Citywide Services	4,651,955	3,849,807	(802,148)	10,086,839	80,233
0	0	Deputy Chief Executive	94,197	55,628	(38,569)	(3,739)	(3,739)
2,654,201	2,661,895	Neighbourhood Housing	1,159,880	514,750	(645,130)	2,589,047	(72,848)
2,229,016	2,332,505	Neighbourhood Services	1,013,077	920,940	(92,137)	2,307,066	(25,439)
1,743,316	1,743,036	Planning	685,898	362,543	(323,355)	1,598,180	(144,856)
125,419	252,319	Property Services	961,240	609,169	(352,071)	206,958	(45,361)
15,764,903	**16,041,557**	**Total Operations**	**5,735,645**	**2,197,829**	**(3,537,816)**	**15,735,678**	**(305,879)**
		Strategy, People & Democracy					
303,787	229,444	Democratic Services	565,320	608,417	43,097	64,054	(165,390)
(4)	(5,100)	Human Resources	709,317	3,108,630	2,399,313	2,560	7,660
35,892	95,447	Strategy & Programme Management	339,007	(173,090)	(512,097)	2,042	(93,405)
339,675	**319,791**	**Total Strategy, People & Democracy**	**1,613,644**	**3,543,957**	**1,930,313**	**68,655**	**(251,136)**
0	**0**	**Total General Fund**	**7,997,128**	**7,280,080**	**(717,048)**	**(874,028)**	**(874,028)**

GENERAL FUND SUBJECTIVE SUMMARY

Forecast	*Approved Budget*		*Current Budget*	*Budget To Date*	*Actual To Date Date*	*Variance To Outturn*	*Forecast Variance*
0	0		0	(313)	(313)	(536)	(536)
17,366,808	17,429,262	Employees	10,541,451	11,063,478	522,027	17,100,315	(328,947)
8,577,187	8,522,187	Premises	5,561,440	6,364,627	803,187	8,613,124	90,937
314,000	313,998	Transport	156,079	119,170	(36,909)	267,599	(46,399)
15,884,736	16,005,344	Supplies & Services	8,812,430	7,521,146	(1,291,284)	15,554,700	(450,644)
7,784,578	7,784,578	Third Party Payments	3,926,085	3,281,486	(644,599)	7,704,606	(79,972)
94,462,444	94,462,444	Transfer Payments	55,103,097	58,248,708	3,145,611	89,997,394	(4,465,050)
3,685,062	3,685,062	Capital Financing	896,770	5,424,131	4,527,361	3,684,496	(566)
0	15,030	Rev Contribs to Capital	0	0	0	0	(15,030)
(55,000)	0	Savings Proposals	0	0	0	0	0
(23,185,762)	(23,185,762)	Receipts	(13,998,904)	(14,708,699)	(709,795)	(23,482,290)	(296,528)
(118,033,744)	(118,117,443)	Government Grants	(68,901,840)	(68,308,012)	593,828	(113,822,509)	4,294,934
1,304,093	1,304,093	Centrally Managed	760,768	81,632	(679,136)	1,401,126	97,033
17,496,584	17,552,192	Recharge Expenditure	1,849,891	1,078,712	(771,179)	17,272,893	(279,299)
(25,600,986)	(25,770,985)	Recharge Income	(3,664,467)	(2,885,986)	778,481	(25,164,948)	606,037
0	**0**	**Total General Fund**	**1,042,800**	**7,280,080**	**6,237,280**	**(874,028)**	**(874,028)**

Budget Monitoring Report Year: 2014-15 Period: 07 (October)

HOUSING REVENUE ACCOUNT STATUTORY SUMMARY

Approved Budget	*Current Budget*		*Budget To Date*	*Actual To Date*	*Variance To Date*	*Forecast Outturn*	*Forecast Variance*
15,923,170	15,923,170	Repairs & Maintenance	9,233,548	5,197,009	(4,036,539)	15,939,914	16,744
6,178,443	6,178,443	Rents, Rates, & Other Property Costs	3,537,541	5,922,741	2,385,200	6,307,902	129,459
11,382,720	11,370,008	General Management	4,528,243	2,918,079	(1,610,164)	10,761,030	(608,978)
5,628,948	5,718,660	Special Services	2,942,826	1,798,332	(1,144,494)	5,474,820	(243,840)
21,924,793	21,924,793	Depreciation & Impairment	59,794	0	(59,794)	21,924,793	0
941,000	941,000	Provision for Bad Debts	470,500	0	(470,500)	250,000	(691,000)
(58,915,983)	(58,915,983)	Dwelling Rents	(35,349,593)	(35,291,405)	58,188	(58,816,957)	99,026
(1,951,186)	(1,951,186)	Garage & Other Property Rents	(1,281,583)	(1,396,962)	(115,379)	(2,100,147)	(148,961)
(9,643,814)	(9,643,814)	Service Charges - General	(5,318,287)	(5,700,825)	(382,538)	(9,285,918)	357,896
0	0	Miscellaneous Income	0	(41,005)	(41,005)	(70,294)	(70,294)
9,382,073	9,305,073	Adjustments & Financing Items	(98,050)	(49,550)	48,500	9,305,416	343
(700,164)	(700,164)	Amenities shared by whole community	0	0	0	(700,164)	0
(150,000)	(150,000)	Interest Received	(87,500)	0	87,500	(150,000)	0
0	**0**	**Total Housing Revenue Account**	**(21,362,561)**	**(26,643,586)**	**(5,281,025)**	**(1,159,605)**	**(1,159,605)**

HOUSING REVENUE ACCOUNT SUBJECTIVE SUMMARY

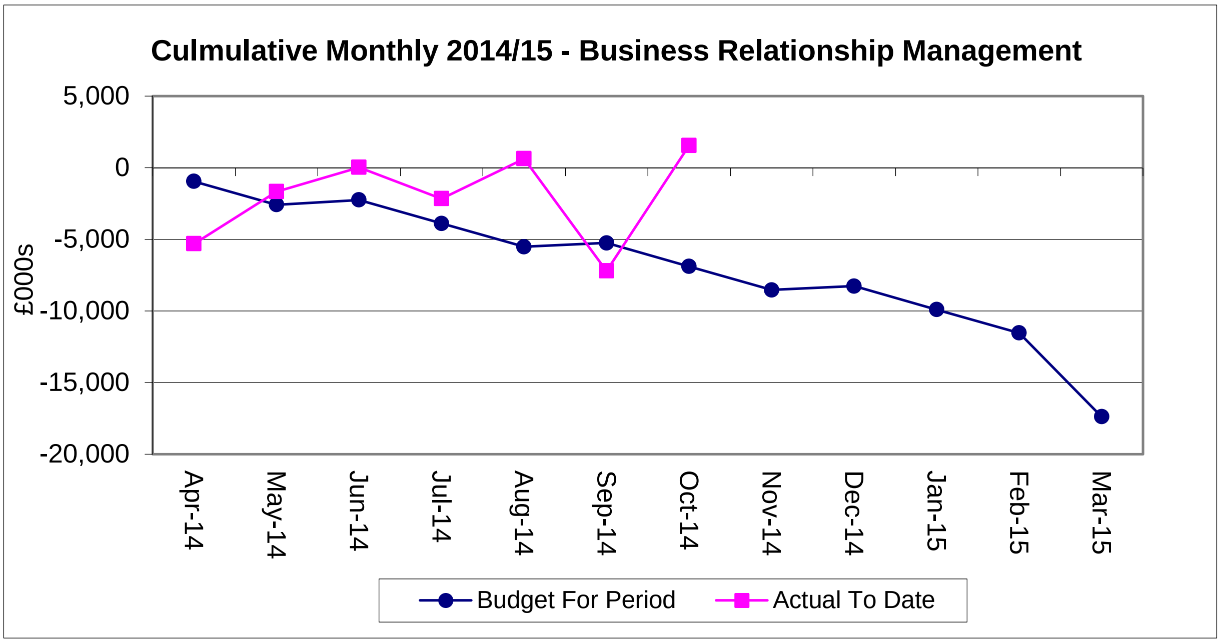
Approved Budget	*Current Budget*		*Budget To Date*	*Actual To Date*	*Variance To Date*	*Forecast Outturn*	*Forecast Variance*
6,467,099	6,472,099	Employees	3,930,550	3,031,627	(898,923)	6,170,554	(301,545)
25,086,833	25,163,833	Premises	14,353,364	11,950,237	(2,403,127)	25,047,778	(116,055)
122,263	122,263	Transport	71,330	76,279	4,949	106,873	(15,390)
3,997,007	3,925,114	Supplies & Services	1,827,030	687,451	(1,139,579)	2,862,476	(1,062,638)
348,001	348,001	Third Party Payments	57,098	55,274	(1,824)	348,256	255
5,847,385	5,914,278	Recharge Expenditure	1,372,086	928,912	(443,174)	6,001,626	87,348
1,167,846	1,167,846	Capital Financing	59,794	0	(59,794)	1,167,846	0
(71,877,097)	(71,877,097)	Receipts	(42,729,775)	(43,298,116)	(568,341)	(71,728,412)	148,685
(221,256)	(221,256)	Government Grants	(274,897)	(75,250)	199,647	(150,500)	70,756
(1,021,221)	(1,021,221)	Recharge Income	(29,141)	0	29,141	(992,242)	28,979
17,035,000	16,958,000	Rev Contribs to Capital	0	0	0	16,958,000	0
13,048,140	13,048,140	Capital Financing	0	0	0	13,048,140	0
0	**0**	**Total Housing Revenue Account**	**(21,362,561)**	**(26,643,586)**	**(5,281,025)**	**(1,159,605)**	**(1,159,605)**

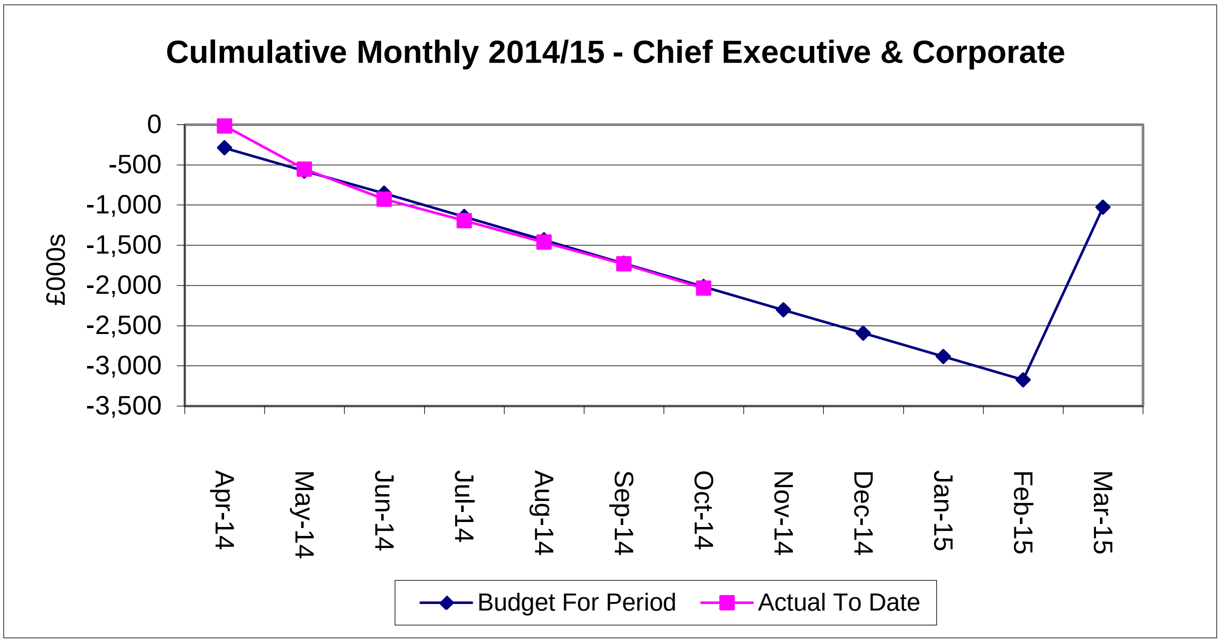
Budget & Expenditure – Monthly by Service Graphs

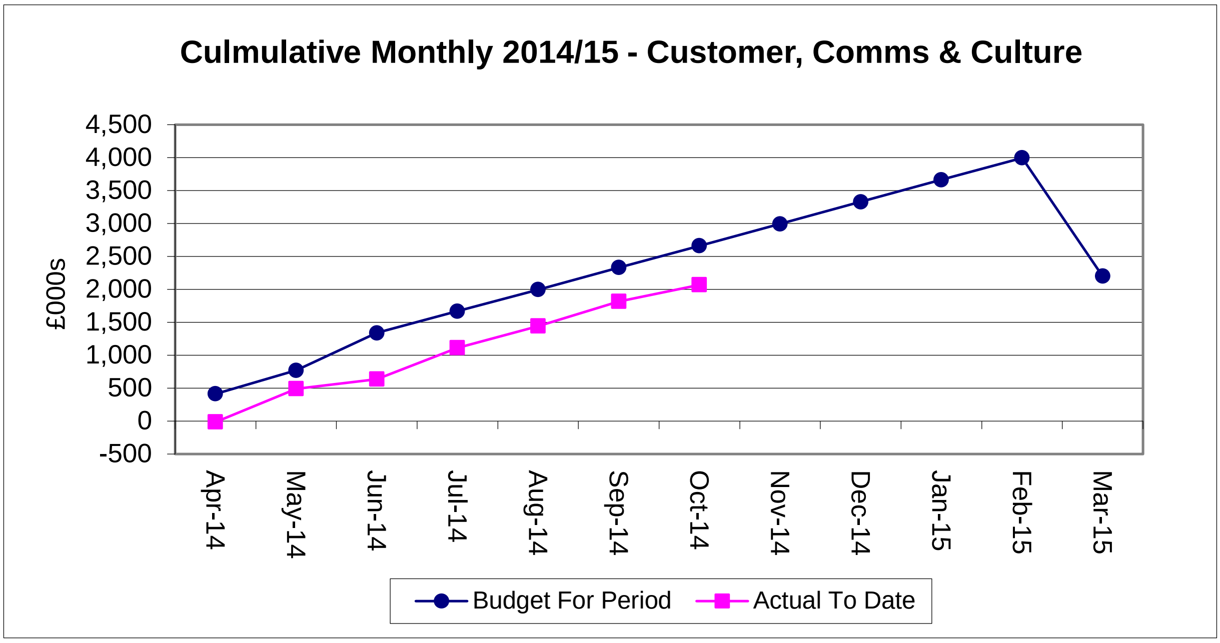
The following graphs show the monthly budget profile and income/expenditure to date for each service (both General Fund and Housing Revenue Account) for the financial year.

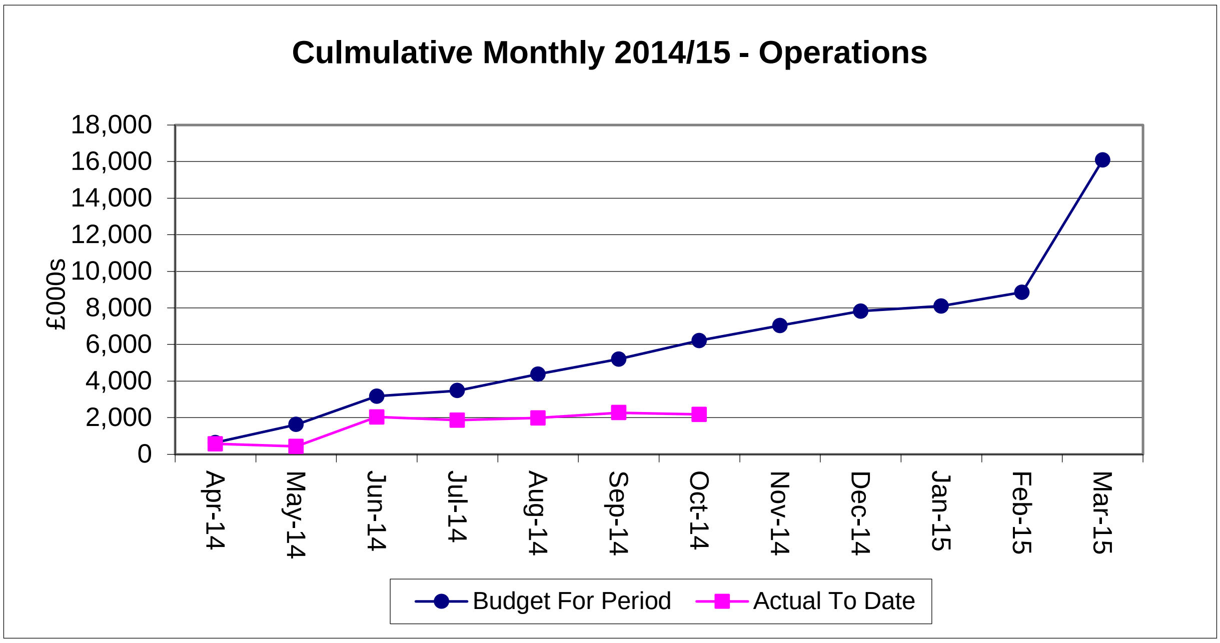
The actual income/expenditure reported is influenced by accrual provisions brought forward from the previous financial year, and by any delays in invoicing and/or payment.

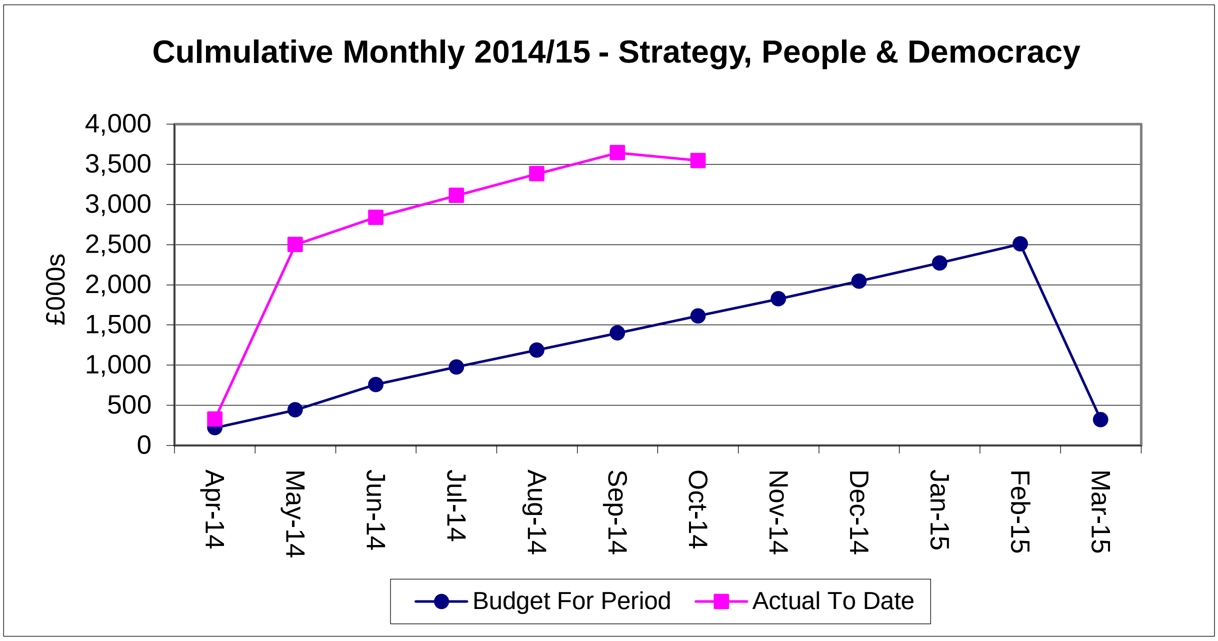
Budgets are profiled to show the expected pattern of income & expenditure, and will be refined and improved during the course of the financial year.

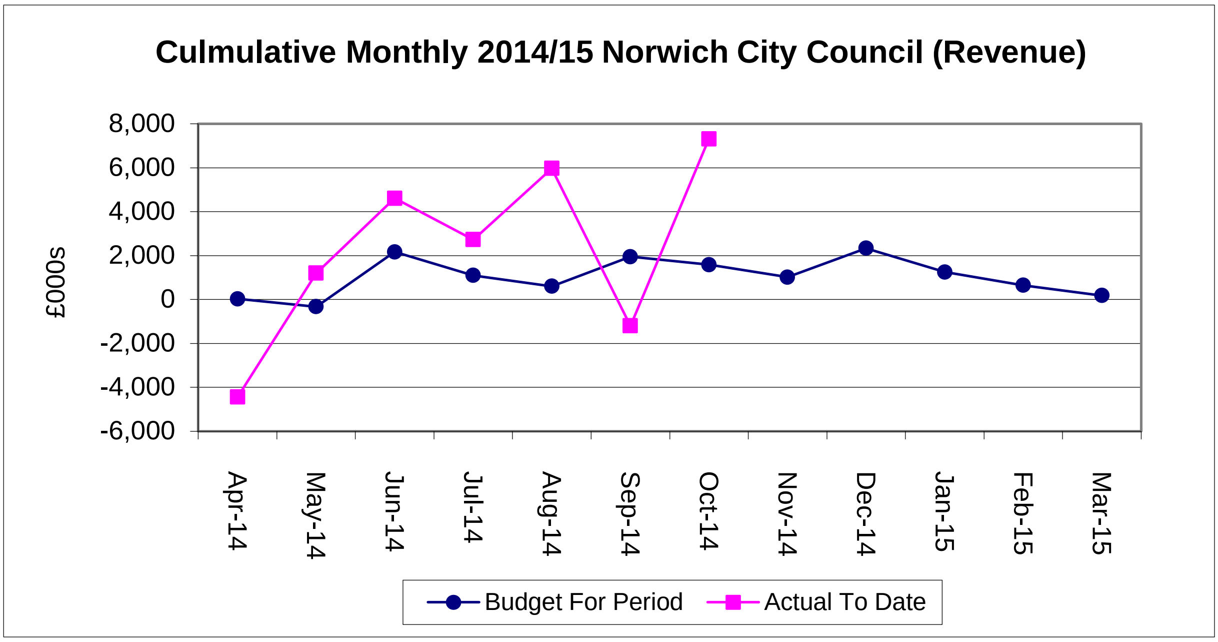





Culmulative Monthly 2014/15 - Customer, Comms & Culture
£000s
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
-500
Apr-14
May-14
Jun-14
Jul-14
Aug-14
Sep-14
Oct-14
Nov-14
Dec-14
Jan-15
Feb-15
Mar-15
Budget For Period
Actual To Date


Culmulative Monthly 2014/15 - Operations
£000s
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
Apr-14
May-14
Jun-14
Jul-14
Aug-14
Sep-14
Oct-14
Nov-14
Dec-14
Jan-15
Feb-15
Mar-15
Budget For Period
Actual To Date


Culmulative Monthly 2014/15 - Strategy, People & Democracy
£000s
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Apr-14
May-14
Jun-14
Jul-14
Aug-14
Sep-14
Oct-14
Nov-14
Dec-14
Jan-15
Feb-15
Mar-15
Budget For Period
Actual To Date


Culmulative Monthly 2014/15 Norwich City Council (Revenue)
£000s
8,000
6,000
4,000
2,000
0
-2,000
-4,000
-6,000
Apr-14
May-14
Jun-14
Jul-14
Aug-14
Sep-14
Oct-14
Nov-14
Dec-14
Jan-15
Feb-15
Mar-15
Budget For Period
Actual To Date

Report to	Cabinet	**Item**
	10 December 2014	10
Report of	Chief finance officer	
Subject	Capital budget monitoring 2014-15 – Quarter 2	

Purpose

To update cabinet on the financial position of the capital programmes as at 30 September 2014, seek approval of capital budget virements and adjustment to the 2013-14 capital programme.

Recommendations

To:

a) note the position of the housing and non-housing capital programmes as at 30th September 2014;

b) approve the proposed capital virements set out in paragraphs 14 to 18; and,

c) approve the addition to the capital programme of spend funded by additional s106 and external ring fenced monies as set out in paragraphs 21 to 26.

Corporate and service priorities

The report helps to meet the corporate priorities "Value for money services" and "Decent housing for all".

Financial implications

The financial implications are set out in the body of the report

Ward/s: All wards

Cabinet member: Councillor Waters – Deputy leader and resources

Contact officers

Justine Hartley, chief finance officer	01603 212440
Shaun Flaxman, housing finance manager	01603 212805

Background documents

None

Report

1. The housing and non-housing capital programmes for 2014-15 were approved by cabinet and council on 5 and 18 February 2014 respectively.

2. The carry-forward of unspent 2013-14 capital budgets to the 2014-15 capital programme was approved following delegation to the deputy chief executive (operations) and chief finance officer, in consultation with the portfolio holder for resources, by cabinet on 25 June 2014.

Non-housing capital programme

3. The financial position of the non-housing capital programme is set out in detail in appendix 1 and summarised with commentary in the following paragraphs.

Forecast outturn

4. The following table shows expenditure to date and the forecast outturn for expenditure against the approved capital budgets.

Programme Group	Original Budget £000's	Current Budget £000's	Actual to Date £000's	Forecast Outturn £000's	Forecast Variance £000's
Asset Improvement	360	716	36	298	(418)
Asset Investment	10,735	10,969	78	3,742	(7,226)
Asset Maintenance	1,290	2,054	121	835	(1,220)
Push the Pedalways (CCA)	3,726	4,802	274	3,324	(1,478)
Initiatives Funding	50	729	12	727	(2)
Regeneration	10,519	10,943	114	4,194	(6,749)
Section 106	157	800	39	240	(561)
CIL (GNGB projects)	0	0	0	195	195
Total Non-Housing	**26,837**	**31,014**	**674**	**13,555**	**(17,460)**

5. As at 30 September 2014, the non-housing forecast outturn is £13.56m, which would result in an underspend of £17.46m. The significant variance is largely due to the re-profiling of planned expenditure against specific significant schemes: Strategic Asset Investment (£7.1m), Rose Lane MSCP construction (£4.9m), Threescore development (£1.2m), St Andrews MSCP repairs (£1.1m), Push the Pedalways (CCA) (£1.5m) and Section 106 schemes (£0.6m). It is anticipated that a request will be made to carry forward these budgets to fund expenditure in 2015-16. In addition, work is being undertaken to refine the initial profiling of planned expenditure for 2015-16 onwards.

6. Due to the nature of the programmes and the basis of valuations there is a delay between works being completed and receipt of valuations from contractors.

7. The non-housing capital programme will continue to be monitored throughout the financial year to ensure that programmes deliver to budget within revised project timescales.

Non Housing Capital resources

8. The following table shows the approved sources and application of non-housing capital resources, and receipts.

Non-housing capital plan	Original Approved £000s	Approved Brought Forward £000s	Total Approved Budget £000s	Year to date £000s	Balance to date £000s	Forecast Outturn £000s
CIL Balances b/f	0	(11)	**(11)**		(11)	(11)
CIL resources arising			0	(6)	(6)	(262)
Subtotal CIL resources	**0**	**(11)**	**(11)**	**(6)**	**(16)**	**(273)**
CIL resources utilised			0	0	0	195
Subtotal CIL balance			**0**	**(6)**	**(16)**	**(78)**
S106 Balances b/f	(1,138)	(1,429)	**(1,429)**		(1,429)	(1,429)
S106 resources arising			(164)	(130)	(130)	(380)
Subtotal S106 resources	**(1,138)**	**(1,429)**	**(1,593)**	**(130)**	**(1,559)**	**(1,809)**
S106 resources utilised			800	39	39	240
Subtotal S106 balance			**(793)**	**(91)**	**(1,520)**	**(1,569)**
Other non-housing balances b/f	(5,250)	(7,114)	**(7,114)**		(7,114)	(7,114)
Other non-housing resources arising			(22,970)	(2,692)	(2,692)	(10,350)
Subtotal other non-housing resources	**(5,250)**	**(7,114)**	**(30,084)**	**(2,692)**	**(9,806)**	**(17,464)**
Other non-housing resources utilised			30,214	635	635	13,120
Subtotal other non-housing balance			**130**	**(2,057)**	**(9,171)**	**(4,344)**
Total non-housing capital resources	**(6,388)**	**(8,554)**	**(31,688)**	**(2,828)**	**(11,382)**	**(19,546)**
Total non-housing capital resources utilised			**31,014**	**674**	**674**	**13,555**
Total non-housing capital plan balance			**(674)**	**(2,154)**	**(10,708)**	**(5,992)**

Housing capital programme

9. The financial position of the housing capital programme is set out in detail in appendix 2 and summarised with commentary in the following paragraphs.

Forecast outturn

10. The following table shows expenditure to date and the forecast outturn for expenditure against the approved capital budgets.

Programme Group	Original Budget £000's	Current Budget £000's	Actual to Date £000's	Forecast Outturn £000's	Forecast Variance £000's
Housing Investment	10,911	12,036	785	6,986	(5,050)
Neighbourhood Housing	30,070	36,223	11,831	35,751	(472)
Strategic Housing	1,570	1,964	60	1,683	(281)
Total Housing	**42,551**	**50,223**	**12,676**	**44,420**	**(5,803)**

11. The current forecast as at 30 September 2014, shows that the forecast outturn is £44.4m which would result in an underspend of £5.8m. The variance is largely due to projected delays in the redevelopment of a sheltered housing scheme (£1m) and completion of new build social housing (£5m). It is anticipated that a request will be made to carry forward these budgets to fund expenditure in 2015-16.

12. Due to the nature of the programmes and the basis of valuations there is a delay between works being completed and receipt of valuations from contractors.

13. The housing capital programme will continue to be monitored throughout the financial year to ensure that programmes deliver to budget within revised project timescales.

Virement requests

14. Cabinet's approval is requested for the following capital virements:

From	To	Virement
Door Access Controls	Disabled Adaptations	£80,900
Door Access Controls	Windows - New Installations	£73,500
Door Access Controls	Bathroom Upgrades	£36,000
Door Access Controls	Bin Stores	£30,800
Door Access Controls	Re-Roofing	£28,150
Door Access Controls	Composite Doors	£8,300
Door Access Controls	Sheltered Housing Regeneration	£7,400
Door Access Controls	Community Alarm Upgrades (NCAS)	£4,450
Door Access Controls	Vehicle Hardstanding	£2,300
Door Access Controls	Boundary Walls & Access Gates	£8,200
Structural	Boilers (Domestic)	£66,100
Structural	Kitchen Upgrades	£63,100
Structural	Whole House Improvements	£38,050
Structural	Electrical (Domestic)	£37,150
Structural	Thermal Comfort (EWI)	£26,100
Structural	Lift Upgrades	£3,550
Structural	Boilers (Communal)	£3,500
		£517,550

15. Unlike non-housing capital budgets, housing capital budgets have not, historically included provision for the cost of fees for the management of the housing capital programme as this was carried out by the housing property services team and charged directly to HRA revenue costs.

16. Since the management of the housing capital programme has passed to NPS, professional fees have been charged directly to the relevant capital budget, in line with the non-housing capital programme, with an offsetting saving in HRA revenue costs. It is anticipated that the cost of fees will be £715,000 in 2014-15, however, no provision was made within the 2014-15 housing capital programme for these costs. The above virements will allow the cost of fees to be absorbed within the current capital programme.

17. The door entry system currently specified is ageing and outdated and the council has now reached capacity in terms of the number of new installations that can be added to the system. A modern and efficient system has been proposed that would replace the existing system and accommodate future installations, and consultation with tenants will now take place to ensure it meets tenants' needs and expectations. This process will result in a delay to the current year's programme and an underspend of £280,000 is forecast, which the proposed virements will reallocate in

full. The cost of any new system will be put forward as a proposed new scheme in future year's capital programmes.

18. The structural upgrade budget is forecast to underspend by £700,000 in 2014-15. The virements requested will reduce this forecast underspend by £237,500.

Housing capital resources

19. The following table shows the approved sources and application of housing capital resources, and receipts.

Housing capital plan	Approved £000s	Brought Forward £000s	Total Approved Budget £000s	Year to date £000s	Balance to date £000s	Forecast Outturn £000s
Housing resources brought forward	0	(17,845)	(17,845)		(17,845)	(17,845)
Housing capital grants	(408)		(408)	(408)	(408)	(408)
HRA Major Repairs Reserve	(16,611)		(16,611)	0	0	(16,611)
HRA Revenue Contribution to Capital	(19,885)		(19,885)	0	0	(19,885)
HRA Leaseholders contributions to major	(250)		(250)	0	0	(250)
Capital receipts arising from RTB sales	(2,583)		(2,583)	(1,499)	(1,499)	(2,758)
Retained "one for one" RTB Receipts	(2,013)		(2,013)	(1,384)	(1,384)	(2,482)
Capital receipts arising from non-RTB sales	(802)		(802)	(757)	(757)	(839)
Gross housing resources	**(42,551)**	**(17,845)**	**(60,396)**	**(4,048)**	**(21,892)**	**(61,078)**
Forecast resources utilised	42,551	7,672	50,223	12,676		44,420
Total housing capital plan	**0**	**(10,173)**	**(10,173)**	**8,629**	**(1,544)**	**(16,658)**

20. The excess of balances brought forward, includes the approved carried forward budgets from 2013-14.

Requested adjustments to the capital programme

21. The Section 106 funded project to install a handrail, security fencing around and improvements to the bowls green at Lakenham recreation ground was omitted from the non-housing capital programme approved by cabinet and council in February 2014. Approval is now sought to apply £35k of Section 106 funding received to this project.

22. An opportunity has arisen to tie in the utilisation of Section 106 funds earmarked for public realm improvements in the vicinity of the Plumstead Road Local Centre, with traffic management measurements to be undertaken at the 'Heartsease' roundabout this autumn. Approval is now sought to apply £5k of Section 106 funding to this project to enable the central reservation to be sedum planted thus reducing future maintenance costs and greatly improving the general appearance of the area.

23. £210k of Community Infrastructure Levy has been allocated to Norwich projects in 2014-15 by the Greater Norwich Growth Board. Approval is now sought to increase the capital programme by this funding to facilitate projects at Danby Wood, Marston Marsh, Earlham Millennium Green, Riverside Walk and the Marriott's Way.

24. An additional £100k of Local Transport Partnership funding has been secured from Norfolk County Council for the Push The Pedalways programme. Approval is now sought to increase spend on Push The Pedalways within the capital programme by

the £100k additional funding. This will enhance the funding available to deliver projects at The Avenues, the section linking Munnings Road and Greenborough Road, the implementation of 20MPH zones and signage along the route.

25. £436,017 of Green Deal funding has been secured for home improvements to provide solid wall insulation for private sector homes from the Department of Energy and Climate Change. Approval is sought for spend of £436k to be added to the capital programme for the Green Deal to be funded in full by this grant.

26. The following table sets out the proposed adjustments to the 2014-15 non-housing capital programme.

Scheme	Approved Budget 2014/15 £000's	Additional Budget 2014/15 £000's	Proposed Budget 2014/15 £000's
Lakenham Rec Bowls Green Fencing	0	35	35
Plumstead Rd Local Centre Public Realm Imps	0	5	5
Section 106 Total	**0**	**40**	**40**
CIL	0	210	210
CIL Total	**0**	**210**	**210**
PtP The Avenues	829	21	850
PtP Munnings Road - Greenborough Road	86	19	105
PtP 20 mph areas	412	23	435
PtP Wayfinding and Clutter Reduction	287	37	324
Push the Pedalways (City Cycle Ambition) Total	**1,614**	**100**	**1,714**
Green Deal	0	436	436
Total	**1,614**	**786**	**2,400**

Capital programme risk management

27. The following table sets out a risk assessment of factors affecting the planned delivery of the 2014-15 capital programmes.

Risk	Likelihood	Impact	Rating	Mitigation
General fund capital receipts not received or delayed	Possible (3)	Major (5)	(15)	Expenditure incurred only as receipts secured
25Norwich HCA partnership strategic priority schemes delayed or frustrated	Possible (3)	Major (5)	(15)	Oversight by Norwich HCA partnership strategic board
Detailed schemes not brought forward to utilise agreed capital funding	Possible (3)	Moderate (3)	(9)	Active pursuit of investment opportunities; budget provisions unspent could be carried forward if necessary

Risk	Likelihood	Impact	Rating	Mitigation
Cost overruns	Possible (3)	Moderate (3)	(9)	Robust contract management and constraints
Business case for asset improvement programme not sustainable	Unlikely (2)	Moderate (3)	(6)	Advice taken from expert property specialists
Contractor failure or capacity shortfall(s) prevents/delays capital works being carried out	Unlikely (2)	Moderate (3)	(6)	Robust financial checks during procurement process and awareness of early signs of financial difficulties
Housing capital receipts not received from RTB sales	Very unlikely (1)	Major (5)	(5)	Relatively low levels of RTB receipts have been forecast; in-year monitoring
Housing capital receipts not received from sale of houses beyond economic repair	Possible (3)	Minor (1)	(3)	No plans to use funding until it has been received
Level of housing contributions from leaseholders does not match forecast	Unlikely (2)	Minor (1)	(2)	Robust charging procedures within contract to ensure amounts due are recovered

Integrated impact assessment

The IIA should assess **the impact of the recommendation** being made by the report
Detailed guidance to help with completing the assessment can be found here. Delete this row after completion

Report author to complete	
Committee:	Cabinet
Committee date:	
Head of service:	Justine Hartley, Chief Finance Officer
Report subject:	Capital Programme Monitoring 2014/15 Q2
Date assessed:	
Description:	To report the current financial position and seek approval for capital budget virements.

	Impact			
Economic **(please add an 'x' as appropriate)**	**Neutral**	**Positive**	**Negative**	**Comments**
Finance (value for money)	☐	☒	☐	Report demonstrates efficient, effective, and economic delivery of capital works
Other departments and services e.g. office facilities, customer contact	☒	☐	☐	
ICT services	☒	☐	☐	
Economic development	☒	☐	☐	
Financial inclusion	☒	☐	☐	
Social **(please add an 'x' as appropriate)**	**Neutral**	**Positive**	**Negative**	**Comments**
Safeguarding children and adults	☒	☐	☐	
S17 crime and disorder act 1998	☒	☐	☐	
Human Rights Act 1998	☒	☐	☐	
Health and well being	☒	☐	☐	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Relations between groups (cohesion)	☒	☐	☐	
Eliminating discrimination & harassment	☒	☐	☐	
Advancing equality of opportunity	☒	☐	☐	
Environmental (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Transportation	☒	☐	☐	
Natural and built environment	☒	☐	☐	
Waste minimisation & resource use	☒	☐	☐	
Pollution	☒	☐	☐	
Sustainable procurement	☒	☐	☐	
Energy and climate change	☒	☐	☐	
(Please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**

	Impact			
Risk management	☐	☒	☐	Report demonstrates awareness of risks to delivery of planned capital works and mitigating actions

Recommendations from impact assessment
Positive
None
Negative
None
Neutral
None
Issues
None

APPENDIX 1

Non-Housing Capital Programme

Approved Budget	Current Budget		Actual To Date	Forecast Outturn	Forecast Variance
0	0	5923 Marriotts Way GNDP	636	636	636
0	10,000	5926 Eaton Park Changing Rooms	0	10,000	0
0	5,000	5927 Eaton Park Path	0	5,000	0
0	7,000	5928 Eaton Park Fish Pond	0	7,000	0
0	30,000	5929 Harford Park MUGA	0	0	(30,000)
0	45,000	5930 Lea Bridges MUGA	0	0	(45,000)
0	47,736	5294 Eaton Park Tennis Development	1,961	0	(47,736)
0	180,483	5299 City Hall Refurbishment Phase 1	2,475	30,000	(150,483)
250,000	250,000	5324 City Hall 2nd Floor	0	90,000	(160,000)
110,000	110,000	5326 Earlham Park access imps	553	110,000	0
0	31,180	5331 St Andrews Hall Lighting	30,605	45,605	14,425
360,000	**716,399**	**Subtotal Asset Improvement**	**36,230**	**298,241**	**(418,158)**
0	0	5296 Housing Communal Bins	31,897	0	0
0	43,700	5310 22 Hurricane way - asbestos	45,008	43,750	50
0	0	5311 Townsend House	(17,705)	0	0
0	60,000	5312 Yacht Station Repairs	0	30,000	(30,000)
0	70,000	5925 Replacement of P&D Payment	0	61,171	(8,829)
900,000	960,000	5315 Asset investment for income (other	0	960,000	0
9,750,000	9,750,000	5330 Strategic Investment (NAL)	19,000	2,617,531	(7,132,469)
30,000	30,000	8807 New Build - Airport	0	30,000	0
30,000	30,000	8808 New Build - Cambridge Street	0	0	(30,000)
25,100	25,100	8812 New Build - 10-14 Ber Street	0	0	(25,100)
10,735,100	**10,968,800**	**Subtotal Asset Investment**	**78,200**	**3,742,452**	**(7,226,348)**
0	132,390	5006 Major Repairs Programme	0	194,390	62,000
0	0	5245 Memorial Gardens temporary works	50	0	0
0	156,554	5293 Millar Hall - Norman Centre	100,678	156,554	0
550,000	1,095,413	5308 St Andrews MSCP repair	17,996	20,000	(1,075,413)
36,000	36,000	5900 Bedford St 19/21 fire alarm	2,050	27,000	(9,000)
25,000	25,000	5901 Castle Museum 12/12A roof	0	40,000	15,000
25,000	25,000	5902 Castle Museum 18A roof	0	0	(25,000)
30,000	30,000	5903 City Cemetery asphalt works	0	31,370	1,370
15,000	15,000	5904 Rosary Cemetery Chapel works	0	15,000	0
80,000	80,000	5905 Norman Centre gym refurbishment	0	80,000	0
75,000	75,000	5906 Hurricane Way 6-12 enabling works	100	0	(75,000)
60,000	60,000	5907 Meteor Close 21 void refurbishment	0	60,000	0
10,000	10,000	5908 Halls - fire alarm upgrade	0	0	(10,000)
15,000	15,000	5909 Halls - floor works	0	0	(15,000)
15,000	15,000	5910 Halls - WC works	0	15,000	0
5,000	5,000	5911 St Barts Church flint & brick works	0	5,400	400
4,000	4,000	5912 St Edmunds churchyard works	0	0	(4,000)
100,000	100,000	5913 Swanton Rd - Astra TC works	28	100,000	0
25,000	25,000	5914 Guildhall stone & flint works	0	0	(25,000)
50,000	50,000	5915 District Lighting upgrade	0	50,000	0
60,000	60,000	5916 Waterloo Pavilion prom roof	0	0	(60,000)
40,000	40,000	5917 Riverside Leisure Centre works	0	40,000	0
70,000	0	5918 St Andrews MSCP CCTV	0	0	0
1,290,000	**2,054,357**	**Subtotal Asset Maintenance**	**120,902**	**834,714**	**(1,219,643)**

Approved Budget	Current Budget		Actual To Date	Forecast Outturn	Forecast Variance
0	42,373	5101 Norfolk and Norwich Hospital hub	0	42,000	(373)
0	13,477	5102 North Park Avenue - UEA zebra	9,304	13,000	(477)
0	19,800	5103 UEA Hub	0	20,000	200
585,000	787,537	5104 The Avenues	19,325	139,000	(648,537)
423,000	0	5105 Earlham Road (Gypsy Lane -	(79)	0	0
0	12,608	5106 Adelaide Street health centre link	2,684	13,000	392
0	0	5107 Alexandra Road - Park Lane (via	(18,689)	(14,000)	(14,000)
90,000	148,963	5108 Park Lane - Vauxhall Street	(789)	59,000	(89,963)
739,899	872,917	5109 Vauxhall Street - Bethel Street	8,325	873,000	83
0	30,832	5110 Market hub	(10,976)	31,000	168
218,637	226,681	5111 Magdalen Street and Cowgate	1,125	8,000	(218,681)
0	9,160	5112 St Andrew's Plain hub	(2,609)	9,000	(160)
291,390	794,723	5113 Tombland & Palace Street	15,015	620,000	(174,723)
0	36,000	5114 Gilders Way - Cannell Green	266	36,000	0
459,000	546,751	5115 Heathgate - Valley Drive	14,154	547,000	249
0	109,244	5116 Laundry Lane - St Williams Way	1,778	109,000	(244)
0	76,302	5117 Munnings Road - Greenborough	8,650	76,000	(302)
165,000	162,915	5118 Salhouse Road (Hammond Way -	4,936	23,000	(139,915)
276,772	409,987	5119 20 mph areas	10,219	212,000	(197,987)
50,000	0	5120 Simplify cycling and loading in	2,834	0	0
59,928	209,165	5121 Directional signage and clutter	32,412	215,000	5,835
0	27,000	5122 Automatic cycle counters	0	27,000	0
367,000	265,860	5123 Cycle City Ambition Project	176,032	266,000	140
3,725,626	**4,802,295**	**Subtotal Cycle City Ambition**	**273,918**	**3,324,000**	**(1,478,295)**
0	31,000	5328 Citizen Gateway Permits	0	31,000	0
50,000	154,337	5305 Eco-Investment Fund	10,233	121,500	(32,837)
0	23,246	5306 Community Capital Fund	1,313	6,113	(17,133)
0	520,236	5317 IT Investment Fund	0	567,915	47,679
50,000	**728,819**	**Subtotal Initiatives Funding**	**11,546**	**726,528**	**(2,291)**
0	0	5300 Norwich Connect 2	(6,287)	0	0
0	181,700	5318 Vacant Sites Regeneration	0	0	(181,700)
0	0	5319 Riverside Path Work	(68)	0	0
158,500	158,500	5325 Mountergate Phase 2	0	50,000	(108,500)
265,000	168,000	5327 Park Depots demolition	0	40,000	(128,000)
0	0	5504 NaHCASP Strategic Priorities	2,881	0	0
2,385,165	2,322,855	5512 NaHCASP Threescore	1,264	1,164,014	(1,158,841)
300,000	348,000	8805 New Build - Threescore 2	85,252	348,000	0
260,000	520,000	5322 Riverside Walk (adj NCFC)	(99)	260,000	(260,000)
150,000	244,142	5314 Ass Inv - Mile Cross Depot	5,815	194,000	(50,142)
7,000,000	7,000,000	5320 Rose Lane MSCP Construction	25,235	2,138,000	(4,862,000)
10,518,665	**10,943,197**	**Subtotal Regeneration**	**113,993**	**4,194,014**	**(6,749,183)**

Approved Budget	Current Budget		Actual To Date	Forecast Outturn	Forecast Variance
6,164	6,164	4176 S106 Fire Station Bethel St cycle	0	0	(6,164)
0	6,019	5701 s106 Chapelfield Gardens Play	(298)	6,000	(19)
0	0	5703 s106 Jenny Lind/Eagle Walk	12,597	0	0
0	89,000	5705 s106 The Runnel Play Provision	0	0	(89,000)
22,194	0	5708 s106 Waldergrave/Clover Hill Play	0	0	0
0	22,000	5717 s106 Wensum Comm Centre Play	1,015	11,000	(11,000)
0	22,194	5723 Pointers Field Playbuilder Capital	2,534	22,000	(194)
3,753	16,668	5725 S106 Pilling Park Improvements	15,923	17,000	332
60,194	88,194	5728 S106 Mile Cross Gardens Play	0	0	(88,194)
0	7,000	5730 S106 Midland Street Open Space	0	7,000	0
0	13,260	5731 s106 Wooded Ridge project	0	13,000	(260)
0	13,000	5732 s106 Wensum View Play	84	13,000	0
0	42,838	5733 s106 Sarah Williman Close	0	43,000	162
0	81,000	5735 s106 Castle Green Play	0	0	(81,000)
0	9,000	5736 s106 Castle Gardens Play	0	0	(9,000)
40,367	40,367	5737 S106 Heartsease Play Area	0	20,000	(20,367)
24,775	24,775	5738 S106 Mousehold Heath environs	0	25,000	225
0	50,000	5801 s106 Hurricane Way Bus Link	0	0	(50,000)
0	22,000	5806 Threescore, Bowthorpe - sustainable	0	0	(22,000)
0	0	5812 S106 Flood Alleviation project	0		
0	29,929	5813 S106 Green Infrastructure Imps	0	0	(29,929)
0	0	5815 S106 St James Churchyard	(427)	0	0
0	119,000	5821 S106 Livestock Mkt Cycle/Walkway	0	40,000	(79,000)
0	87,000	5823 BRT & Cycle Route Measures	0	15,000	(72,000)
0	0	5825 Sustainable Transport Car Club	62	62	62
0	10,807	5826 Goals Soccer Centre Ped Refuse	7,548	7,548	(3,259)
157,447	**800,215**	**Subtotal Section 106**	**39,037**	**239,610**	**(560,605)**
26,836,838	**31,014,082**	**Total Non-Housing Capital Programme**	**673,826**	**13,359,559**	**(17,654,523)**

Housing Capital Programme

Approved Budget	Current Budget		Actual To Date	Forecast Outturn	Forecast Variance
3,750,000	3,808,498	7460 Sheltered Housing Redevelopment	51,870	2,784,369	(1,024,129)
500,000	568,400	7930 Capital Buybacks	122,490	568,400	0
0	390,000	8800 New Build - Riley Close	0	70,000	(320,000)
0	608,485	8801 New Build - Pointers Field	407,653	580,000	(28,485)
1,500,000	1,500,000	8802 New Build - Goldsmith Street	141,490	270,000	(1,230,000)
1,591,250	1,591,250	8803 New Build - Brazengate	0	1,700,000	108,750
765,000	765,000	8804 New Build - Hansard Close	20,535	225,000	(540,000)
200,000	200,000	8805 New Build - Threescore 2	41,220	200,000	0
78,000	78,000	8806 New Build - Mountergate	0	78,000	0
250,000	250,000	8807 New Build - Airport	0	250,000	0
110,000	110,000	8808 New Build - Cambridge Street	0	0	(110,000)
395,000	395,000	8809 New Build - Hassett Close	0	125,000	(270,000)
480,000	480,000	8810 New Build - Northfields	0	30,000	(450,000)
280,000	280,000	8811 New Build - Rye Avenue	0	105,000	(175,000)
116,600	116,600	8812 New Build - 10-14 Ber Street	0	0	(116,600)
50,000	50,000	8813 New Build - Earlham west	0	0	(50,000)
20,000	20,000	8814 New Build - Bowers Avenue	0	0	(20,000)
300,000	300,000	8815 New Build - Jewson Road	0	0	(300,000)
50,000	50,000	8816 New Build - Fourways	0	0	(50,000)
225,000	225,000	8817 New Build - Palmer Road	0	0	(225,000)
100,000	100,000	8818 New Build - Supple Close	0	0	(100,000)
150,000	150,000	8819 New Build - Wild Road	0	0	(150,000)
10,910,850	**12,036,233**	**Subtotal Housing Investment**	**785,258**	**6,985,769**	**(5,050,464)**
1,380,000	1,380,000	7010 Electrical - Internal	502,739	1,417,129	37,129
480,000	816,908	7040 Whole House Improvements	255,927	854,932	38,024
8,260,000	8,260,000	7070 Kitchen Upgrades	3,451,075	8,323,098	63,098
3,980,000	4,780,000	7080 Bathroom Upgrades	1,672,561	4,816,000	36,000
300,000	1,081,211	7100 Boilers - Communal	140,609	1,084,712	3,501
4,230,000	3,880,000	7110 Boilers - Domestic	1,457,064	3,946,055	66,055
950,000	950,000	7150 Insulation	102,411	976,089	26,089
200,000	200,000	7170 Solar Thermal & Photovoltaic	47,796	200,000	0
1,100,000	2,311,676	7200 Windows - Programme	1,134,883	2,385,176	73,500
1,610,000	1,838,034	7280 Composite Doors	459,579	1,846,342	8,308
180,000	360,000	7300 Comm Safe - DES	7,811	78,776	(281,224)
20,000	20,000	7470 Sheltered Housing Comm Facilities	0	20,000	0
250,000	250,000	7480 Sheltered Housing Redevelopment	80,604	250,000	0
880,000	1,596,730	7520 Planned Maint - Roofing	358,531	1,624,848	28,118
0	500,000	7530 Boundary Walls & Access Gates	229,347	508,173	8,173
4,500,000	5,766,794	7540 Planned Maint - Structural	1,432,325	5,066,411	(700,383)
0	9,250	7550 Vehicle Hardstanding	396	11,536	2,286
250,000	70,000	7580 Planned Maint - Lifts	11,697	73,537	3,537
200,000	453,750	7590 Concrete footpaths, rams, etc.	2,991	453,750	0
1,000,000	1,000,000	7600 Dis Ad - Misc	218,275	1,080,881	80,881
200,000	200,000	7630 Dis Ad - Stairlifts	58,243	200,004	4
0	0	7680 Dis Ad - Comms	1,267	4,435	4,435
100,000	498,299	7950 Other - Communal Bin Stores	204,542	529,109	30,810
30,070,000	**36,222,652**	**Subtotal Neighbourhood Housing**	**11,830,673**	**35,750,993**	**(471,659)**
0	0	6003 Private Sector - General	20	0	0
1,140,000	440,000	6011 Minor Works Grant	1,202	162,000	(278,000)
0	168,606	6012 Empty Homes Grant	0	70,000	(98,606)
0	700,000	6018 Disabled Facilities Grant	349,743	750,000	50,000
180,000	180,000	6019 Capital Grants to Housing	(326,264)	180,000	0
0	0	6029 Small Adaptation Grants	10,362	0	0
0	0	6030 Home Improvement Loans	2,608	37,000	37,000
0	0	6031 Survey Costs	6,168	6,168	6,168
0	0	6044 Works in Progress	16,420	0	0
250,000	475,605	7960 Demolition & Site Maintenance	0	478,000	2,395
1,570,000	**1,964,211**	**Subtotal Strategic Housing**	**60,259**	**1,683,168**	**(281,043)**
42,550,850	**50,223,096**	**Total Housing Capital Programme**	**12,676,193**	**44,419,930**	**(5,803,166)**

Report to	Cabinet 10 December 2014	**Item**
Report of	Chief finance officer	11
Subject	Treasury management strategy statement and annual investment strategy mid-year review 2014-15	

Purpose

This report sets out the Treasury Management performance for the first six months of the financial year to 30 September 2014.

Recommendations

To:

1) Note the report and the treasury activity; and
2) Approve the revised prudential indicators.

Corporate and service priorities

The report helps to meet the corporate priority "value for money services".

Financial Consequences

The report has no direct financial consequences however it does report on the performance of the council in managing its borrowing and investment resources.

Ward/s All wards

Cabinet member Councillor Waters – deputy leader and resources

Contact Officers

Justine Hartley, chief finance officer	01603 212440
Philippa Dransfield, chief accountant	01603 212562

Background documents

None

Background

1. The council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering maximising investment return.

2. The second main function of the treasury management service is the funding of the council's capital plans. These capital plans provide a guide to the borrowing need of the council, essentially the longer term cash flow planning to ensure the council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet council risk or cost objectives.

   As a consequence treasury management is defined as:

   > "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Introduction

3. The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2011 was adopted by this council on 22 March 2011.

4. The primary requirements of the code are as follows:

   a) Creation and maintenance of a treasury management policy statement which sets out the policies and objectives of the council's treasury management activities.

   b) Creation and maintenance of treasury management practices which set out the manner in which the council will seek to achieve those policies and objectives.

   c) Receipt by the full council of an annual Treasury Management Strategy Statement (TMSS) - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year.

   d) Delegation by the council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

5. This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

   a) An economic update (paragraphs 6 to 11);

   b) A review of the council's investment portfolio (paragraphs 12 to 18);

   c) A review of the council's borrowing strategy (paragraphs 19 to 20);

   d) A review of debt rescheduling (paragraph 21);

   e) A review of the Treasury Management Strategy Statement and Annual Investment Strategy (paragraphs 22 to 23);

   f) The council's capital position (prudential indicators), including a review of compliance with Treasury and Prudential Limits (paragraphs 24 to 30).

Economic update

Economic performance to date

6. After strong UK GDP quarterly growth of 0.7%, 0.8% and 0.7% in quarters 2, 3 and 4 respectively in 2013, (2013 annual rate 2.7%), and 0.7% in Q1, 0.9% in Q2 and a first estimate of 0.7% in Q3 2014 (annual rate 3.1% in Q3), it appears very likely that strong growth will continue through 2014 and into 2015 as forward surveys for the services and construction sectors, are very encouraging and business investment is also strongly recovering. The manufacturing sector has also been encouraging though the latest figures indicate a weakening in the future trend rate of growth. However, for this recovery to become more balanced and sustainable in the longer term, the recovery needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance.

7. This overall strong growth has resulted in unemployment falling much faster through the initial threshold of 7%, set by the Monetary Policy Committee (MPC) last August, before it said it would consider any increases in Bank Rate. The MPC has, therefore, subsequently broadened its forward guidance by adopting five qualitative principles and looking at a much wider range of about eighteen indicators in order to form a view on how much slack there is in the economy and how quickly slack is being used up. The MPC is particularly concerned that the current squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of inflation in order to ensure that the recovery will be sustainable. There also needs to be an improvement in labour productivity to support increases in pay rates.

8. Most economic forecasters are expecting growth to peak in 2014 and then to ease off a little, though still remaining strong, in 2015 and 2016. Unemployment is therefore expected to keep on its downward trend and this is likely to eventually feed through into a return to significant increases in pay rates at some point during the next three years. However, just how much those future increases in pay rates will counteract the depressive effect of increases in Bank Rate on consumer confidence, the rate of growth in consumer expenditure and the buoyancy of the housing market, are areas that will need to be kept under regular review.

9. Also encouraging has been the sharp fall in inflation (CPI), reaching 1.2% in September, the lowest rate since 2009. Forward indications are that inflation is likely

to fall further in 2014 to possibly 1%. Overall, markets are expecting that the MPC will be cautious in raising Bank Rate as it will want to protect heavily indebted consumers from too early an increase in Bank Rate at a time when inflationary pressures are also weak. A first increase in Bank Rate is therefore expected in Q2 2015 and they expect increases after that to be at a slow pace to lower levels than prevailed before 2008 as increases in Bank Rate will have a much bigger effect on heavily indebted consumers than they did before 2008.

10. The return to strong growth has also helped lower forecasts for the increase in Government debt by £73bn over the next five years, as announced in the 2013 Autumn Statement, and by an additional £24bn, as announced in the March 2014 Budget - which also forecast a return to a significant budget surplus, (of £5bn), in 2018-19. However, monthly public sector deficit figures have disappointed so far in 2014/15.

Outlook for the next six months of 2014/15

11. Economic forecasting remains difficult. However, there are potential upside risks to UK gilt yields and PWLB rates, especially for longer term PWLB rates, as follows: -

- A further surge in investor confidence that robust world economic growth is firmly expected, causing a flow of funds out of bonds and into equities.
- UK inflation being significantly higher than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

Downside risks currently include:

- The situation over Ukraine poses a major threat to EZ and world growth if it was to deteriorate into economic warfare between the West and Russia where Russia resorted to using its control over gas supplies to Europe.
- Fears generated by the potential impact of Ebola around the world
- UK strong economic growth is currently mainly dependent on consumer spending and the potentially unsustainable boom in the housing market. The boost from these sources is likely to fade after 2014.
- A weak rebalancing of UK growth to exporting and business investment causing a weakening of overall economic growth beyond 2014.
- Weak growth or recession in the UK's main trading partner - the EU, inhibiting economic recovery in the UK.
- A return to weak economic growth in the US, UK and China causing major disappointment in investor and market expectations.
- A resurgence of the Eurozone sovereign debt crisis caused by ongoing deterioration in government debt to GDP ratios to the point where financial markets lose confidence in the financial viability of one or more countries and in the ability of the ECB and Eurozone governments to deal with the potential size of the crisis.
- Recapitalisation of European banks requiring more government financial support.

- Lack of support by populaces in Eurozone countries for austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face huge challenges in engineering economic growth to correct their budget deficits on a sustainable basis.

- Italy: the political situation has improved but it remains to be seen whether the new government is able to deliver the austerity programme required and a programme of overdue reforms. Italy has the third highest government debt mountain in the world.

- France: after being elected on an anti austerity platform, President Hollande has embraced a €50bn programme of public sector cuts over the next three years. However, there could be major obstacles in implementing this programme. Major overdue reforms of employment practices and an increase in competiveness are also urgently required to lift the economy out of stagnation.

- Monetary policy action failing to stimulate sustainable growth in western economies, especially the Eurozone and Japan.

- Heightened political risks in the Middle East and East Asia could trigger safe haven flows back into bonds.

- There are also increasing concerns at the reluctance of western central banks to raise interest rates significantly for some years, plus the huge QE measures which remain in place (and may be added to by the ECB in the near future). This has created potentially unstable flows of liquidity searching for yield and, therefore, heightened the potential for an increase in risks in order to get higher returns. This is a return to a similar environment to the one which led to the 2008 financial crisis.

Investment strategy

12. The Treasury Management Strategy Statement (TMSS) for 2014/15, which includes the Annual Investment Strategy, was approved by the Council on 18 February 2014. It sets out the council's investment priorities as being:

    - Security of capital;
    - Liquidity; and
    - Yield

    There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

13. The council will also aim to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in higher rates in periods up to 12 months, with highly credit rated financial institutions, using Capita Asset Services' suggested creditworthiness approach.

14. The council held £70.9m of investments as at 30 September 2014 (£64.0m at 31 March 2014), the average investments held for the six months to 30 September 2014 was £72.4m.[1]

    The following table shows the movement in investments for the first six months of the year.

Investments £'000	**TMSS**	**Actual 31 March 2014**	**Movement**		**Transfers**	**Actual 30 September 2014**
			Invested	**Matured**		
Long term						
Banks		-	3,000	-	-	3,000
Local authorities		3,000	-	-	(3,000)	-
Short term						
Banks		34,500	6,000	(17,000)	3,000	26,500
Building societies		16,500	11,000	(11,500)	-	16,000
Cash equivalents[2]						
Banks		10,000	30,045	30,045	-	10,000
Building societies		-	284,680	(269,280)	-	15,400
Total	**25,000**	**64,000**	**334,725**	**(327,825)**	**-**	**70,900**

15. The council's investment return for the first six months of 2014/15 is £390,070 which is £65,920 above the amount budgeted for the period of £324,150.

16. The council is part of a benchmarking group across Norfolk, Suffolk & Cambridgeshire; the table in Appendix 3 shows the performance of the Council's investments compared to the other councils (whom have been made anonymous).

17. The chief financial officer confirms that all investment transactions undertaken during the first six months of 2014/15 were within the approved limits in the annual investment strategy.

18. The current investment counterparty criteria selection in the TMSS is meeting the requirement of the treasury management function.

Borrowing strategy

[1] The increase in investment balances is due to capital receipts of £5.0m, LGSS costs not having been invoiced therefore not paid £3.2m and timing issues on the capital programme.
[2] Cash Equivalents are those monies that are invested for 3 months or less at inception

19. The council's capital financing requirement (CFR) for 2014/15 is £236.812m. The CFR denotes the council's underlying need to borrow for capital purposes. If the CFR is positive the council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The table below shows the council has borrowings of £225.920m and has utilised cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate.

20. Appendix 1 shows the movement in interest rates during the six months, across all maturity bands. Appendix 2 sets out predicted interest rates going forward. However, due to the overall financial position no new external borrowing was undertaken. No further borrowing is expected to be undertaken during the remainder of this financial year.

    The council's debt position is shown in the following table:

Borrowing **£'000**	**TMSS**	**Actual 31 March and 30 September 2014**
Long term		
Public works loan board	218,917	218,917
Money market	5,000	5,000
3% Stock (perpetually irredeemable)	499	499
corporate bonds and external mortgages	74	74
Finance leases	1,429	1,430
Total	**225,919**	**225,920**

Debt rescheduling

21. No debt rescheduling was undertaken during the first six months of 2014/15.

Treasury management strategy statement and annual investment strategy update

22. The TMSS for 2014/15 was approved by this council on 18 February 2014 There are no proposed policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

Prudential Indicator 2014/15 £'000	Original per TMSS	Revised
Authorised limit	285,844	264,781
Operational boundary	245,845	224,781
Capital financing requirement	253,886	236,812

23. The council's operational boundary relates to the level of external debt that is expected in the future. In the council's case this is approximately £12m below the capital financing requirement, which is the underlying need to borrow for a capital purpose. The difference relates to internal borrowing, or the use of cash balances in lieu of borrowing. This is an operational policy to reduce the loss arising from borrowing and investing at a lower interest rate, saving approximately 3.5% - 3.75% in interest costs had the monies been borrowed. It has the added benefit of reducing investment counterparty risk. This position is being carefully monitored to ensure a low risk position is maintained in the future.

The council's capital position (prudential indicators) including a review of compliance with treasury and prudential limits

24. This part of the report is structured to update:

- The council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

Prudential indicator for capital expenditure

25. This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the budget.

Capital Expenditure by Service £'000	2014/15 Original Estimate	2014/15 Revised Estimate
Non-HRA	29,311	13,555
HRA	42,551	44,420
Total	**71,862**	**57,975**

Changes to the financing of the capital programme

26. The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the council by way of the capital financing requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the minimum revenue provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure £'000	2014/15 Original Estimate	2014/15 Revised Estimate
Total spend	**71,862**	**57,975**
Financed by:		
Capital receipts	7,218	10,203
Capital grants	9,753	5,793
Capital reserves	16,923	16,611
Revenue	19,885	19,883
Total financing	**53,778**	**52,490**
Borrowing need	**18,084**	**5,485**

Changes to the Prudential Indicators for the Capital Financing Requirement, External Debt and the Operational Boundary

27. The tables below show the CFR, which is the underlying external need to incur borrowing for a capital purpose, and the expected debt position over the period, termed the Operational Boundary.

Prudential Indicator – Capital Financing Requirement £'000	**2014/15 Original Estimate**	**2014/15 Revised Estimate**
CFR – non housing	42,319	25,492
CFR – housing	211,567	211,319
Total CFR	253,886	236,812
Net movement in CFR		**(17,074)**

Prudential Indicator – External Debt / the Operational Boundary £'000	**2014/15 Original Estimate**	**2014/15 Revised Estimate**
Borrowing	243,917	224,782
Other long term liabilities*	1,927	1,430
Total debt 31 March	**244,844**	**226,212**

* On balance sheet finance leases

Limits to Borrowing Activity

28. The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose*. External borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2014/15 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

Borrowing limit £'000	2014/15 Original Estimate	2014/15 Revised Estimate
Gross borrowing Plus other long term liabilities*	243,917 1,927	224,782 1,430
Gross borrowing	**244,844**	**226,212**
CFR* (year end position)	**253,886**	**236,812**

** Includes on balance sheet finance leases*

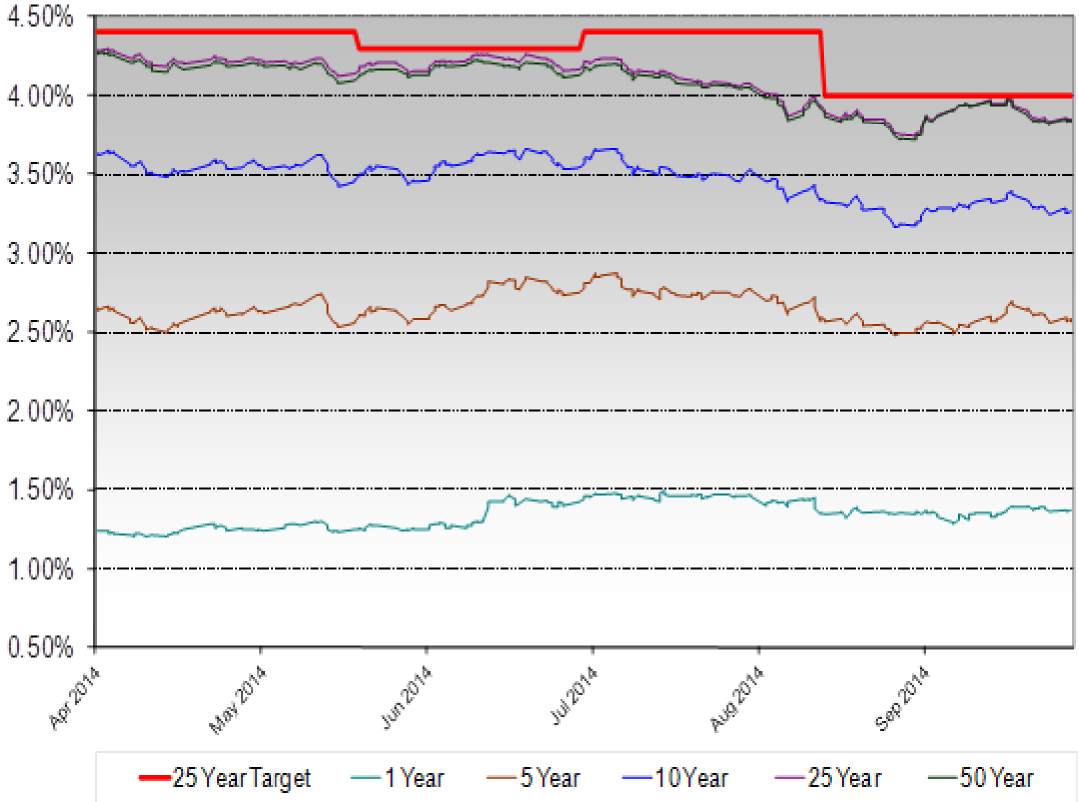
29. The chief finance officer reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

30. A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised limit for external debt £'000	2014/15 Original Indicator	2014/15 Revised Indicator
Borrowing Other long term liabilities*	283,917 1,928	263,351 1,430
Total	**285,844**	**264,781**

** Includes on balance sheet finance leases*

Movement in PWLB rates for the first six months of the year (to 30.9.14)



Treasury management adviser’s (Sector’s) interest rate forecast

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Bank rate	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	2.00%	2.25%	2.50%
5yr PWLB rate	2.50%	2.70%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.50%	3.50%	3.50%
10yr PWLB rate	3.20%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.20%	4.30%	4.30%
25yr PWLB rate	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	5.00%
50yr PWLB rate	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	5.00%

Benchmarked performance

APPENDIX 3

The table below shows that the rate of return being achieved by the council is highest of the benchmarking group and details average risk and longest time to maturity compared to the rest of the benchmarking group. The figures in brackets are those at 31 March 2014, there are two new members of the benching marking group for 2014/15, therefore N/A appears in brackets for these councils.

Council	WARoR	WA Risk	WAM	WA Tot. time
Norwich	1.07% (1.09%)	4.9 (4.8)	143 (147)	420 (425)
A	0.93% (0.85%)	2.8 (3.4)	245 (139)	340 (208)
B	0.52% (N/A)	2.8(N/A)	51(N/A)	57 (N/A)
C	0.68% (0.69%)	3.9 (3.9)	110 (145)	197 (185)
D	0.78% (0.87%)	4.2 (3.9)	93 (46)	169 (260)
E	0.90% (N/A)	4.2 (N/A)	107 (N/A)	291 (N/A)
F	0.78% (0.94%)	4.3 (3.9)	111 (103)	206 (296)
G	0.62% (0.65%)	3.4 (4.4)	92 (142)	200 (180)
H	0.81% (0.71%)	3.8 (4.5)	97 (102)	205 (127)

WARoR – Weighted average rate of return. This is the average annualised rate of return weighted by the principle amount in each rate

WA risk – Weighted average risk number. Each institution is assigned a colour to a suggested duration using Sector's credit methodology. The institution is assigned a number based on its colour and an average, weighted using principal amount, of these numbers is calculated.

1 Up to 5 years

2 Up to 2 years

3 Up to 1 year

4 Up to 6 months

5 Up to 3 months

6 0 months

A number of 4.9 means between 6 months to a year

WAM – Weighted average time to maturity. This is the average time, in days, until the portfolio matures, weighted by the principle amount

WA Tot. Time – Weighted average total time. This is the average time, in days, that deposits are lent out for, weighted by the principle amount

Integrated impact assessment

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found here. Delete this row after completion

Report author to complete	
Committee:	Cabinet
Committee date:	10 Decmeber 2014
Head of service:	Justine Hartley
Report subject:	Treasury Management Mid year Review
Date assessed:	
Description:	

	Impact			
Economic (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Finance (value for money)	☐	☒	☐	
Other departments and services e.g. office facilities, customer contact	☒	☐	☐	
ICT services	☒	☐	☐	
Economic development	☒	☐	☐	
Financial inclusion	☒	☐	☐	
Social (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Safeguarding children and adults	☒	☐	☐	
S17 crime and disorder act 1998	☒	☐	☐	
Human Rights Act 1998	☒	☐	☐	
Health and well being	☒	☐	☐	
Equality and diversity (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Relations between groups (cohesion)	☒	☐	☐	

	Impact			
Eliminating discrimination & harassment	☒	☐	☐	
Advancing equality of opportunity	☒	☐	☐	
Environmental (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Transportation	☒	☐	☐	
Natural and built environment	☒	☐	☐	
Waste minimisation & resource use	☒	☐	☐	
Pollution	☒	☐	☐	
Sustainable procurement	☒	☐	☐	
Energy and climate change	☒	☐	☐	
(Please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Risk management	☒	☐	☐	

Recommendations from impact assessment
Positive
Negative
Neutral
Issues

Report to	Cabinet	**Item**
	10 December 2014	12
Report of	Chief finance officer	
Subject	Write off of non- recoverable National Non Domestic Rate debt	

Purpose

To provide an update on the position as at 8 October 2014 with regard to the write off of non- recoverable National Non Domestic Rate (NNDR) debt and request approval for the write off of one debt of £145,580 which is deemed irrecoverable.

Recommendations

To:

1) note the level of NNDR debt which has been written off in the year to date; and,

2) approve the proposed write off of £146k of NNDR debt which is now believed to be irrecoverable.

Corporate and service priorities

The report helps to meet the corporate priority value for money services and the service plan priority to provide accurate, relevant and timely financial information.

Financial implications

The cost to the collection fund of write offs is shared as follows: Central Government 50%, Norwich City Council 40% and Norfolk County Council 10%. The cost of write offs to Norwich City Council for the year to date is therefore £194k. However, provision against these bad debts was made in the Collection Fund accounts for 2013/14.

Ward/s: All wards

Cabinet member: Councillor Waters – Deputy leader and resources

Contact officers

Justine Hartley, chief finance officer	01603 212440
Carole Jowett, revenues and benefits operations manager	01603 212684

Background documents

None

Report

National Non Domestic Rates

1. National Non Domestic Rate income for 2014/15 is forecast to total £76m. Significant work is undertaken by the Revenues and Benefits team to pursue all outstanding debt, sometimes over a number of years. However, there are debts where despite these attempts the debt is believed to be irrecoverable, often because the company owing the money is now insolvent. In the year to 8th October 2014 £339k of NNDR debt has been written off which is equivalent to 0.45% of NNDR annual income.
2. One further amount of £145,580.38 requires Cabinet approval for write-off because of its value. The debt is for Trade White Ltd who traded for the period 27/10/2011 to 17/03/2013. The company were subject to compulsory liquidation at Norwich County Court on 10/09/2013, case 927 of 2013. A dividend has not been paid to the council because there were insufficient funds to meet the claims of secured and preferential creditors in full and the costs and expenses of the liquidation.
3. The cost to the collection fund of write offs is shared as follows: Central Government 50%, Norwich City Council 40% and Norfolk County Council 10%. The cost to Norwich City Council of write offs to date and the one proposed in this report is therefore £194k.
4. NNDR write offs often relate to debts from previous years due to the time spent trying to chase these debts. Each year an assessment of debt is undertaken to set a Bad Debt provision within the Collection Fund. These write offs will be charged against the NNDR bad debt provision created at the end of 2013/14 so will have no further impact on the Collection Fund revenues.

Integrated impact assessment

NORWICH City Council

Report author to complete	
Committee:	Cabinet
Committee date:	
Head of service:	Chief Finance Officer
Report subject:	Write off of non- recoverable National Non Domestic Rate debt
Date assessed:	24/11/14
Description:	This is the integrated impact assessment for the Write off of non-recoverable National Non Domestic Rate debt report to cabinet

	Impact			
Economic (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Finance (value for money)	☐	☒	☐	The report shows that the council monitors its debt levels and pursues debt wherever there is a reasonable chance of recovery resulting in a low level of debt write off.
Other departments and services e.g. office facilities, customer contact	☒	☐	☐	
ICT services	☒	☐	☐	
Economic development	☒	☐	☐	
Financial inclusion	☒	☐	☐	
Social (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Safeguarding children and adults	☒	☐	☐	
S17 crime and disorder act 1998	☒	☐	☐	
Human Rights Act 1998	☒	☐	☐	
Health and well being	☒	☐	☐	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	☒	☐	☐	
Eliminating discrimination & harassment	☒	☐	☐	
Advancing equality of opportunity	☒	☐	☐	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	☒	☐	☐	
Natural and built environment	☒	☐	☐	
Waste minimisation & resource use	☒	☐	☐	
Pollution	☒	☐	☐	
Sustainable procurement	☒	☐	☐	
Energy and climate change	☒	☐	☐	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	☐	☒	☐	The report demonstrates that the council is aware of and monitors risks to the collection of its income.

Recommendations from impact assessment
Positive
None
Negative
None
Neutral
None
Issues
The council should continue to monitor its levels of debt and take action to recover where possible and cost effective to do so.

Report to	Cabinet	**Item**
	10 December 2014	
Report of	Executive head of business relationship management and democracy	13
Subject	Council tax hardship relief policy	

KEY DECISION

Purpose

To consider the implementation of the *Council tax hardship relief policy*.

Recommendation

To approve the *Council tax hardship relief policy*

Corporate priorities

The report helps to meet the corporate priority A prosperous city.

Financial implications

The entire cost of hardship relief will be borne by the billing authority

An indicative level of hardship relief for a single award would be approx. £800, based on a council tax band D property for a period of 6 months. However this cannot be accurately predicted as it will depend on the number and nature of relief applications.

Ward/s: All wards

Cabinet member: Councillor Waters- deputy leader and resources

Contact officers

Anton Bull - executive head for business relationship management and democracy	01603 212326
Tracy Woods - business relationship manager	01603 212140

Background documents

None

Report

1. Norwich City Council has created a Council Tax Reduction Scheme (CTRS), to award discounts to customers who are in receipt of benefit or are on low incomes.

2. Section 13A of the Local Government Finance Act 1992 (1) (c) gives power to a billing authority to reduce council tax to such an extent, or further extent if CTRS has been awarded, as the billing authority for the area in which the dwelling is situated thinks fit.

3. Section 13A (1) (c) enables Norwich City Council to award council tax hardship relief on a case-by-case basis, or to specify a class of case. A class of case is where several people who pay council tax fall into a group because their circumstances are similar.

4. The purpose of the policy is to specify how Norwich City Council will administer requests for relief from payment of council tax from customers experiencing severe financial hardship, and to indicate factors that we will consider when deciding if the relief should be granted.

5. The policy enables the council to demonstrate that it is consistent and transparent in its approach, giving due consideration to the interests of local council tax payers, but sufficiently flexible to consider individual circumstances.

6. In exercising a discretionary power the council is required to act in a reasonable manner and a decision under these powers may be challenged under a judicial review. This policy will help in minimising the risk of a decision found to be unreasonable in these circumstances however the policy does build in a review process for dissatisfied council tax payers.

7. The draft Norwich City Council policy is at appendix A

8. Administration and publication of these reliefs will be undertaken by LGSS on behalf of the council. Council tax payers will be required, where possible, to complete an application form in each case.

9. Claims will be determined by the executive head of business relationship management and democracy, taking into consideration the guidance and policy.

10. Reviews will be undertaken by the chief finance officer

Integrated impact assessment

The IIA should assess **the impact of the recommendation** being made by the report
Detailed guidance to help with completing the assessment can be found here. Delete this row after completion

Report author to complete	
Committee:	Cabinet
Committee date:	10 December 2014
Head of service:	Anton Bull
Report subject:	Council Tax Hardship Relief Policy
Date assessed:	24/11/2014
Description:	Approval and implementation of the council tax hardship relief policy

	Impact			
Economic (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Finance (value for money)	☒	☐	☐	
Other departments and services e.g. office facilities, customer contact	☒	☐	☐	
ICT services	☒	☐	☐	
Economic development	☒	☐	☐	
Financial inclusion	☐	☒	☐	The policy provides a framework to allow a decision to be made based on the individual circumstances of the applicant.
Social (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Safeguarding children and adults	☒	☐	☐	
S17 crime and disorder act 1998	☒	☐	☐	
Human Rights Act 1998	☒	☐	☐	
Health and well being	☒	☐	☐	
Equality and diversity (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Relations between groups (cohesion)	☒	☐	☐	

	Impact			
Eliminating discrimination & harassment	☒	☐	☐	
Advancing equality of opportunity	☒	☐	☐	
Environmental (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Transportation	☒	☐	☐	
Natural and built environment	☒	☐	☐	
Waste minimisation & resource use	☒	☐	☐	
Pollution	☒	☐	☐	
Sustainable procurement	☒	☐	☐	
Energy and climate change	☒	☐	☐	
(Please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Risk management	☒	☐	☐	

Recommendations from impact assessment
Positive
Negative
Neutral
Issues

APPENDIX A

NORWICH
City Council

Norwich City Council Council Tax Hardship Relief Policy

Version 1 10 December 2014

Norwich City Council
Council Tax Hardship Relief Policy

Introduction

Section 13A of the Local Government Finance Act 1992 (1) (c) gives power to a billing authority to reduce to such an extent, or further extent if CTRS has been awarded, as the billing authority for the area in which the dwelling is situated thinks fit.

Section13A (1)(c) therefore enables Norwich City Council to award council tax hardship relief on a case-by-case basis, or to specify a class of case. A class of case is where several people who pay council tax fall into a group because their circumstances are similar.

The purpose of this document is to specify how Norwich City Council will administer requests for relief from payment of council tax from customers experiencing severe financial hardship, and to indicate factors that we will consider when deciding if the relief should be granted.

This policy enables the council to demonstrate that it is consistent in its approach but sufficiently flexible to consider individual circumstances.

Norwich City Council has created a Council Tax Reduction Scheme (CTRS), to award discounts to customers who are in receipt of benefit or are on low incomes, CTRS will always be considered in the first instance for customers requiring help paying their council tax.

The policy

1. General principles

1.1. Applications

Requests for reductions in council tax liability under Section 13A (1)(c) of the Local Government Finance Act 1992 should be made in writing by the customer claiming the reduction, or a party authorised by the applicant. Where an application in writing is not possible the council will consider alternative forms of application.

The request must set out the circumstances upon which the application is based and any hardship or personal circumstances concerning why the relief is required.

There must be evidence of hardship or personal circumstance that justifies a reduction in council tax liability.

The customer must not have access to assets or savings that could be realised and used to pay council tax.

Applications will be granted in exceptional circumstances and where other eligible discounts, reliefs, exemptions, discretionary housing payments, valuation office/valuation tribunal action or appeals have been considered.

Details of the applicant’s financial circumstances are required. Evidence can include, but is not limited to, household income and expenditure details (using an Income and Expenditure form such as the National Debt Line budget form), utility and household bills. Evidence may be requested that is relevant to the application (e.g. income and expenditure details, evidence of illness).
No costs will be borne by the authority in the provision of this evidence.

Where information or evidence requested has not been received within 21 days the council will determine the application on the basis of the evidence and information in its possession.

1.2. Decisions and reviews

Each application will be decided on its individual merits however in determining relief Norwich City Council will take into consideration

- This policy,
- Relevant legislation and guidance documents
- The interests of Norwich city council tax payers
- The impact of granting a relief if it was to go against the authority’s wider objectives for the local area
- Other reliefs / grants awarded to the council tax payer

The council may refuse to award discount where lack of information and evidence does not enable the council to reach an informed decision regarding the applicant's circumstances.

The amount of relief to be awarded will be at the council's discretion, and will take into consideration the amount of debt and the extent to which the guidelines are met. The maximum award shall not exceed 100% of the liability on any day.

Claims will be determined by the executive head of business relationship management and democracy.

The council will aim to make a decision within 4 weeks of receiving the application with all supporting evidence. The decision notice will detail:

- The amount of the award (if appropriate)
- The period of the award (if appropriate)
- Details of how to ask for reconsideration or obtain information about the decision
- Provide details of how the award (if any) will be made

<u>Asking for a review</u>

Any council tax payer may make a request for a review only where there

- is additional information not available at the time of the original decision or
- are good grounds to believe the application or supporting information was not interpreted correctly at the time the decision was taken

A request for a review should be made in writing to the council within 4 weeks of notification of the original decision supplying the additional supporting information.

Reviews will be considered by the council's chief finance officer.

1.3. Requirements to make payments of amounts falling due

Council tax payers should endeavour to pay any amounts of council tax that fall due whilst an application is pending. In the event that payments are not received as due the Council may continue with its normal recovery procedures.

If the council tax account is in arrears, the council must be satisfied that non-payment was not due to wilful refusal or culpable neglect to pay the tax.

1.4. Award period

The start date of the award will be determined on a case by case basis taking into consideration the date of the application and the period for which the exceptional circumstances have been in existence prior to the claim having been made.
The relief will be granted until the period of hardship ceases or to the 31 March of the Council Tax year the claim is received, whichever is the earlier. It will not

automatically continue to reduce a future year’s liability. If hardship continues beyond the 31 March a new claim will need to be resubmitted.
The relief is intended as short-term assistance only and must not be considered as a way of reducing council tax long term.

2. Equalities and monitoring

The council is committed to its responsibility to equality and fairness. The council will ensure that people are treated fairly and given fair chances. This scheme aims to give the fairest outcomes to everyone regardless of race, gender reassignment, age, disability, pregnancy and maternity, religion or belief, sex or sexual orientation, marital or civil partnerships status and/or disability.

We will be monitoring and regularly reviewing the policy, and discounts or exemptions granted under the policy, to ensure the policy is applied fairly.

The monitoring will be undertaken by looking at the number of requests received, the level of successful requests as well as how much in total is awarded in each financial year under the scheme.

This policy has been created to ensure compliance with all existing legislation and should be read in conjunction with the council’s CTRS, as well as those that relate to fraud, corporate debt policy, corporate debt principles and vulnerable customers.

3. Continued effectiveness of this policy

Where minor amendments need to be made to ensure the continued effectiveness of this policy such amendments will be made after consultation with the deputy leader and resources portfolio holder.

Report to	Cabinet	**Item**
	10 December 2014	14
Report of	Head of city development services	
Subject	Private Sector Housing Financial Assistance Policy	

KEY DECISION

Purpose

To consider an update of the council's financial assistance policy for home repair, improvement and adaptation.

Recommendation

To approve the *Private sector housing financial assistance policy*.

Corporate and service priorities

The report helps to meet the corporate priority 'Decent housing for all' and the service plan priority to deliver disabled facilities grants and financial assistance to vulnerable owner-occupiers to tackle poor housing conditions and to enable people to continue to live in their own homes.

Financial implications

The approved capital budget for the current financial assistance policy is £1.14M for 2014-15. The proposed policy will help ensure that the benefits of this budget are maximised by offering loans that are repayable over five years. That will enable a proportion of the funds to be recycled.

Ward/s: All wards

Cabinet member: Councillor Bremner – Housing

Contact officers

Alison Spalding, Housing strategy officer	01603 212871
Paul Swanborough, Housing Strategy Manager	01603 212388

Background documents

None

Report

Current Provision

1. The council currently provides grants and loans to owner-occupiers for disabled adaptations, to remove significant hazards to health or to carry out minor emergency repairs.

2. The council is required to provide disabled facilities grants to eligible applicants. However, other financial assistance is discretionary.

3. It is well established that having access to a warm, secure home, that is free from hazards and disrepair allows people to maintain healthier lifestyles, attain better results in education and work, and reduces health inequalities. Good housing is central to people's sense of wellbeing.

4. Whilst it is generally accepted that owners have the principal responsibility to maintain their homes, some do not have the means to do so. For this reason, the council currently provides the following discretionary assistance to home owners who are in receipt of one or more qualifying benefits:

    a) **Extension to the disabled facility grant** – a secured loan of up to £30,000 to help in situations where a disabled facility grant is not sufficient to cover the cost of all the necessary works, for example where there is an extension or very complex needs. The loan is secured against the property but is interest-free and repayable only on disposal of the property.

    b) **Small Adaptations Grant** – a discretionary grant of up to £2,500 to help vulnerable people make small adaptations to their homes, where a disabled facility grant is not suitable, or where works are required urgently, for example to assist a safe discharge from hospital.

    c) **Minor Works Grant** – a discretionary grant of up to £500 in any one 12 month period, to help vulnerable people make emergency repairs or undertake investigatory works, such as electrical, structural or asbestos testing.

    d) **Home Improvement Loan** – a secured loan of up to £35,000 available to reduce or eliminate serious hazards to health as identified by the Health and Housing Safety Rating System (HHSRS). The loan is secured against the property but is interest-free and repayable only on disposal of the property.

    e) **Empty Homes Grant** – a variable discretionary grant to help bring long term empty properties back into use to help people in housing need.

Changes to the policy

5. The new policy will introduce some significant changes:

    a) All applicants will undergo a financial assessment which will determine ability to pay and what form of assistance (i.e. grant or loan) would be most appropriate.

    b) Assistance will be offered to landlords for the first time. This is primarily intended to ensure that tenants are not evicted if landlords cannot afford to carry out necessary works. It will also provide loans to the owners of empty homes as an incentive to bring them back in to use.

    c) The distinction between the current grants and loans will be removed and replaced with a single scheme for owner-occupiers and another for landlords.

6. The new policy does not make any changes to the DFG scheme. At present, as this is laid down under statute, we are not able to alter it.

Home-Owners Scheme

7. The scheme is intended to prevent, reduce or eliminate category 1 hazards or high category 2 hazards as identified by the housing health and safety rating system, or to provide for adaptations that cannot be met through a disabled facilities grant. It cannot be used for cosmetic or non-essential upgrades to property, or for routine maintenance.

8. Home owners can apply for up to £35,000, although this may be extended in exceptional circumstances with head of service approval.

9. Each application will be assessed on the household's actual income and outgoings, savings, and the value of their property. This will provide an opportunity to carry out a benefits check to increase income or to refer the applicant to debt advice or other services if necessary.

10. Where outgoings are considered to be unreasonably high the council may refuse to offer assistance.

11. Assistance may be refused if it is evident that an applicant is able to access a loan through a high street bank or building society, or other institution such as a credit union.

12. Based on this, the assistance could be offered in the form of a grant, an interest-free loan repaid in instalments over five years, or an equity loan repayable on disposal of the property.

13. In some circumstances, for example for emergency works or small adaptations, assistance may be offered without a financial assessment if the cost of the works does not exceed £750. In these cases, an assessment will be carried out after the works have been carried-out and will either be a grant or a loan repayable over a 12 month period.

14. It will be a condition of the assistance that work is carried out through the council's Home Improvement Team. This will ensure quality and value for money.

Landlord Scheme

15. While it is recognised that landlords have a duty to maintain their properties and to make sure they are fit for tenants to live in, there are occasions where it may be reasonable to offer them assistance. These include:

    a) Cases where a lack of available funds to carry out repairs or improvements may result in a tenant being made homeless

    b) Landlords who have purchased properties that require improvements, as an incentive to them to retain existing tenants

    c) Where it may help to bring an empty home back into use

16. Assistance would be limited to a loan, repayable over five years and subject to the following conditions:

    a) Landlords must be a continuing member of a landlord or property accreditation scheme identified by the council

    b) The rent must not be increased unreasonably

    c) There will be an expectation that tenants will not be evicted unless there has been a significant breach of the tenancy conditions

    d) Any tenancy vacancies will be open to those in receipt of benefits or who are otherwise vulnerable

17. Failure to comply with the conditions would lead to a requirement to repay the loan immediately.

Integrated impact assessment

The IIA should assess **the impact of the recommendation** being made by the report
Detailed guidance to help with completing the assessment can be found here. Delete this row after completion

Report author to complete	
Committee:	Cabinet
Committee date:	10th December 2014
Head of service:	Andy Watt
Report subject:	Private Sector Housing Financial Assistance Policy
Date assessed:	25th November 2014
Description:	

	Impact			
Economic (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Finance (value for money)	x			Funding has already been approved for this programme
Other departments and services e.g. office facilities, customer contact	x			We already offer financial assistance. There will only be minor changes to existing call scripts and processes.
ICT services	x			Minor changes to Civica processes will be required
Economic development	x			
Financial inclusion		x		Financial assistance may be extended to people with low income but who do not qualify for benefits
Social (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Safeguarding children and adults	x			
S17 crime and disorder act 1998	x			
Human Rights Act 1998	x			
Health and well being		x		It will help to reduce the number of households living in unhealthy housing.

	Impact			
Equality and diversity (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Relations between groups (cohesion)	☒	☐	☐	
Eliminating discrimination & harassment	☒	☐	☐	
Advancing equality of opportunity	☒	☐	☐	
Environmental (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Transportation	☒	☐	☐	
Natural and built environment	☐	☒	☐	It will prevent homes from becoming dilapidated
Waste minimisation & resource use	☒	☐	☐	
Pollution	☒	☐	☐	
Sustainable procurement	☒	☐	☐	
Energy and climate change	☐	☒	☐	It will help low-income households to improve the energy efficiency of their homes.
(Please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**

	Impact			
Risk management	☒	☐	☐	

Recommendations from impact assessment
Positive
Negative
Neutral
Issues

Private Sector Housing Financial Assistance Policy

1 Summary

1.1 This policy sets out the terms and criteria for the Norwich City Council Financial Assistance Schemes for housing adaptations and repairs.

1.2 The scheme is designed to

1.2.1 help you with the cost of repairs if you are living in housing that may be dangerous or could damage your health;

1.2.2 help you with the cost of adaptations if you have a disability or health related condition;

1.2.3 reduce homelessness caused by unsuitable housing; and

1.2.4 bring empty homes back into use for people in housing need.

1.3 Applications will be means tested, and you may be required to make a contribution for part or all of the works.

1.4 Where the Council's Home Improvement Team is used, we will charge an agency fee of 18% to the total cost of the work. Where an application is stopped part way through, we may charge a fee for work completed up to that point.

1.5 We may refuse to provide help if

1.5.1 the work needed is not reasonable;

1.5.2 the work needed is not practical;

1.5.3 the work required is not necessary; or

1.5.4 the work required is not good value for money where a different solution can be found.

1.6 Throughout the process you will have a caseworker who will manage all aspects of your case. They will be able to help you fill in any forms, help with finding additional grants if you need them, can help with benefits and other advice, and will be available to answer any queries you may have. If you have any questions about your application or progress of your adaptation, please contact your caseworker for information.

1.7 If you do not feel that we have dealt with you fairly or in accordance with this policy, or if we have refused a grant or loan for reasons that you disagree with, you have the right to make a complaint through Norwich City Council's Corporate Complaints procedure. You can make a complaint by:

1.7.1 telephoning our Customer Contact Team on (0344) 980 3333;

1.7.2 writing to us at Norwich City Council, City Hall, St Peter's Street, Norwich NR1 1UD;

1.7.3 emailing us at listening@norwich.gov.uk; or

1.7.4 filling in our online form at http://www.norwich.gov.uk/apps/comments/form.html

1.8 We also welcome compliments and comments, and will use any feedback you give us to improve our service.

1.9 We may also ask you for feedback on your experience by asking you to fill in a customer service survey. You do not have to do so, but any feedback we receive will be used to improve our services.

2 Types of Assistance Available

2.1 There are three types of assistance available within this policy:

2.1.1 Disabled Facilities Grant;

2.1.2 Home Improvement Scheme for Owner Occupiers;

2.1.3 Home Improvement Scheme for Private Landlords.

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3 Disabled Facilities Grant

3.1 You can apply for a Disabled Facilities Grant (DFG) if you own your own home, rent from a private landlord or from a Registered Provider (Housing Association) and need your home adapted because you, or someone who lives with you, has a disability. Your landlord may also apply on your behalf.

3.2 The grant can be for up to £30,000 and can be used for

3.2.1 Changing your bathroom or toilet to make it easier to use;

3.2.2 Changing your kitchen to make it easier to prepare, cook and eat meals;

3.2.3 Changing doors, steps and paths to make it easier to get in and around your home;

3.2.4 Allowing you to get into your garden or other green space;

3.2.5 Improving your heating where cold makes your condition worse.

3.3 Other adaptations may be considered depending on your own circumstances and health needs.

3.4 You can apply for a DFG directly by telephoning Norwich City Council on (0344) 980 3333 and asking for the Housing Adaptations Team, or by completing an online form by clicking the link here: Adaptations Referral Form You can also be referred to us by Norfolk County Council Adult Social Care and in some areas by your GP.

3.5 To apply for a DFG you will need to be assessed by an Occupational Therapist so that we know what you have difficulty with. This may involve a visit to your home or a telephone assessment, and would normally be done by Norwich City Council's Integrated Housing Adaptations Team or Norfolk County Council Adult Social Care. Assessments by Health Service Occupational Therapists may also be accepted in some circumstances. If we need to visit your home, an appointment will be made with you so you know when to expect us, and who will be visiting you.

3.6 We will also visit your home to see what work needs to be done. We will always make an appointment with you so you know when to expect us. The visit may be one person, for example a technical officer, or may include other people such as the Occupational Therapist or builder depending on what needs to be done.

3.7 We also have to be satisfied that any work will be

3.7.1 **Appropriate:** that the work will meet your needs in the most effective way;

3.7.2 **Necessary:** that the work is only for what you will need to assist you;

3.7.3 **Reasonable:** that the work will meet your needs in the most cost effective way; and

3.7.4 **Practicable:** that the work is able to be done, and does not damage or stop you from using other parts of the building.

3.8 When we have this information, a schedule of works will be drawn up. This will tell us how much the work will cost and how long it is likely to take.

3.9 A DFG is means tested, so we will need details of your income and outgoings, unless you get certain benefits, or you are applying for a disabled child. This is a requirement of government and may mean you have to pay something towards the cost of the work. Where this happens, we will try to help you to find ways of meeting the cost, for example through charities or from your landlord. We are not able to advise you on commercial loans however.

3.10 If you own your home, we will need you to sign an Owner's Certificate giving us permission to work in your home, and to confirm that you expect to stay living in the property for the next five years. If you rent your home, we will need your landlord to sign a Landlord's Certificate to show they give permission to do any work to your home. This is the case even where your landlord has contacted us on your behalf.

3.11 We must give you a decision on your grant application within six months of receiving it.

3.12 If a grant application is not approved, we will write to you explaining why. The Home Improvement Team will work with you to try to find suitable other ways of meeting your needs wherever possible.

3.13 We cannot give a DFG for work that has already been done, or where work has started before the grant application has been approved. It is very important therefore that you do not allow any work to start on your adaptations before your grant application has been approved by us.

3.14 If you need to move home because your current home is not able to be adapted to meet your needs, an alternative property that will meet all or most of your needs is available to you, or your home is too big for you to easily manage because of your disability, a DFG may be used to help with some of the costs of moving, and to pay for adaptations to the new property if they are needed. We can advise you on the suitability of a new property, and whether we will be able to help you with these costs.

3.15 Normally, we would expect the Home Improvement Team to undertake all the work required for your adaptation. We do this through selected building companies who have been chosen for their quality of work, customer service and value for money. We call this the Contractor Framework.

3.16 If you do not want to use our Contractor Framework, you can choose your own builder to do the work, but we will ask you to provide two valid quotes for the work that the Home Improvement Team says needs to be done. We will only pay for the lower priced quote. You may use the other builder if you wish, but will have to make up the difference in price yourself.

3.17 Some large adaptations, which are likely to cost over £xx,000 *Kevin – what is this figure please?* in value, will need three quotes to be provided. We will let you know if this is the case.

3.18 If you use your own builder, you will need to send us copies of their insurance and, if they will be doing work where they need to be registered, for example electrical or gas installations or asbestos removal, we will need copies of their registration documents.

3.19 If you want a member of your own family to do the work for you, then we will only pay for the materials used, and will require proof of the costs (for example, invoices or receipts).

3.20 If you are using our Contractor Framework and have a contribution to pay towards the cost of the work, we will invoice you for that amount. When the work is completed, and we are satisfied with the standard of work, we will pay the contractor on your behalf.

3.21 If you are using your own contractor or family member to do the work, when the work is completed, and we are satisfied with the standard of work, we will pay any grant due directly to the contractor on your behalf. If you have a contribution to the costs however, you will be responsible for paying it to them yourself.

3.22 Unless there is a guarantee in place, you will be responsible for any maintenance or renewals related to your adaptation. The grant cannot be used to pay for an extended warranty on any part of the adaptation, including mechanical or electrical equipment such as stair-lifts or showers. You may be able to purchase these from the manufacturer or supplier separately if you wish to.

3.23 If you have any queries or comments at any time during the application or work process, please contact your caseworker in the first instance, even if the query is about the contractors who are working in your property. This will help us manage your adaptation in the best way possible, and keep track of any changes that may be needed.

4 Home Improvement Scheme (Owner Occupiers)

4.1 The Home Improvement Scheme for Owner Occupiers (HIS) is a discretionary scheme for people who own their own home outright or who have a mortgage, but cannot afford to pay for essential repairs.

4.2 The scheme is means tested, and will be linked to your ability to pay for work to your property, and the amount of equity you have in your home. Assistance may be in the form of a repayable loan, a loan to be repaid when you leave your property, or as a grant if your income is very low.

4.3 You can apply for a grant of up to [£35,000].

4.4 The council only has a certain amount of money available each year, however, and applications will be looked at on a first come, first served basis. If you apply for the scheme but there is no money left in the budget, you may reapply in the next financial year (from April).

4.5 In exceptional cases, for example where there is severe disrepair affecting a person's ability to live safely in their home and emergency repairs are required, we may approve an application after the budget limit has been reached, or for amounts in excess of the maximum grant limit. Applications of this type will need to be signed off by [the Head of City Development] and will require a report outlining the reasons supporting the application. Your Home Improvement Team case worker will discuss this with you if it is required.

4.6 The scheme is designed to be flexible, and will cover all work (including necessary surveys, planning and building control applications and other reasonable costs) required to remove where possible, or significantly reduce, hazards in your home which could lead to injury or health issues. These include:

4.6.1 Category 1 hazards, as defined by the Housing Health and Safety Rating Scheme[1]; and

4.6.2 Category 2 hazards that could potentially lead to significant health risks; or

4.6.3 Any other housing related issues which the council considers may lead to category 1 hazards arising within the following [12 months]; or

4.6.4 Any other adaptations relating to health and/or disability, not covered by the Disabled Facilities Grant, including physical and mental health needs.

4.7 You can apply for assistance if:

4.7.1 the council's Home Improvement Team, Private Sector Housing Officers or Occupational Therapy staff have identified a category 1 or 2 hazard, or significant health risk in your home; and

[1] *Explanation of HHSRS*

4.7.2 you only own one property, which you live in as your home; and

4.7.3 you do not have the money to do the repairs or make adaptations to your home without assistance from the council.

4.8 You can apply for help through the Home Improvement Scheme directly by telephoning Norwich City Council on (0344) 980 3333 and asking for the Home Improvement Team, or by completing an online form here: Home Improvement Referral Form.

4.9 When you apply for assistance, we will arrange a suitable time to visit your home to make an assessment of what work needs to be done. We will discuss this with you to make sure you understand any recommendations we may make, and what work we will pay for.

4.10 We also have to be satisfied that:

4.10.1 the work will meet your needs in the most effective way;

4.10.2 the work will remove or reduce the identified hazards or issues in your home;

4.10.3 the work will meet your needs in the most cost effective way; and

4.10.4 the work is able be done, and does not damage or stop you from using other parts of the property.

4.11 Any works must be carried out through the council's Home Improvement Team. They will assign you a named case worker who will manage your application. If you have any questions or queries about your application, or the work going on in your home, please contact your case worker in the first instance.

4.12 We will arrange for any approved works to be done by building companies who have been chosen by the council for their quality of work, customer service and value for money. We call this the Contractor Framework. Your case worker will notify you of who will be working in your home, what work they will be doing, and when they will be starting work. The will also give you an estimated date on which we expect the work to be complete. If there are any changes to these details, your case worker will let you know.

4.13 We will only pay for eligible work, which has been approved by the council's Home Improvement Team.

4.14 We will not pay for continuing repairs or maintenance to existing fixtures and fittings (for example boilers or showers), and may recommend replacements where we feel it is not cost effective to make repairs. We may also recommend a replacement where a new unit would be more energy efficient. Where an alternative source of funding is available, such as other council or charity funding, we may refer you to those schemes for assistance, or work with them to find the best solution for your need.

4.15 We will not pay for repairs which are covered under your buildings insurance policy. If you do not have buildings insurance, you will be expected to take out a policy to cover any future repairs to your home.

4.16 We will not pay for white goods (such as cookers, fridges, freezers, or washing machines), carpets, or soft furnishings (such as blinds or curtains). This list is not exhaustive, and we may refuse to pay for other goods which are not covered by this scheme. If we refuse to pay for goods, we will tell you why.

4.17 If you want work done which has not been approved by the Home Improvement Team, or you want to specify items that are not able to be paid for through the scheme, we may be able to arrange for this to be done. You will have to pay any extra costs incurred, and we will charge a fee for this service. Your Caseworker will be able to advise you about this.

4.18 When the work has been completed, we will arrange to come and inspect your home to make sure the work is of a good standard and you are satisfied with what has been done. Where there are outstanding jobs still to be completed (snagging) we will arrange for them to be completed as soon as possible.

4.19 Unless there is a guarantee in place, you will be responsible for any maintenance or renewals related to the work done on your property. The Financial Assistance Scheme cannot be used to pay for an extended warranty or maintenance contract on any part of the work, including mechanical or electrical equipment or fittings. You may be able to purchase these from the manufacturer or supplier separately if you wish to.

4.20 When we are satisfied that the work has been completed to a satisfactory standard, we will pay the contractor on your behalf.

4.21 There will be a six month defects period after the completion of the works. During this six months, if there are any faults or issues with the work paid for by this scheme, please contact your Caseworker for advice.

4.22 An agency fee of 18% will be charged by the Home Improvement Team for this service. This amount will be added to the final bill, and will be included in any loan or grant calculations.

Financial Assessment

4.23 If you apply for help through this scheme, you will be asked to provide details of your income, savings and outgoings, and you may be asked to make a contribution to the cost of any work required. If you have a spouse or partner we will need details of their income, savings and outgoings too. We may ask for proof, for example bank statements, bills or benefits confirmation letters.

4.24 We will offer financial help in four ways:

4.24.1 First we will look at your ability to pay for all or some of the works through any savings you may have;

4.24.2 If you are not able to pay for all or some of the works through your savings we will look at whether your income can support a

0% interest loan, repayable to the council in equal monthly instalments by standing order;

4.24.3 If you are not able to pay for all or some of the works through savings or a repayable loan, we will look at whether there is equity in your property to support a 0% equity loan to be repaid when the property is sold or changes hands (for example through a gift or will, or probate);

4.24.4 If you are not able to pay for all or some of the works through savings or a repayable loan or an equity loan, we may offer a non-repayable grant.

4.25 We may offer one or a combination of these ways to help you meet the costs of the required work to your property.

4.26 When we work out how much you can afford to pay towards the work on your property, we will not count some of your money so you are not left in hardship. These amounts are called 'disregards':

4.26.1 If you are over 65 years old we will disregard the first [£5,000] of any savings you may have. If you are under 65 years old we will disregard the first [£3,500] of any savings you may have. If you have a spouse or partner living with you, we will apply the same disregard to them, even if they have no savings of their own.

4.26.2 When we look at your income and outgoings we will calculate how much money you have left at the end of the month. We will disregard the first [£25] for yourself and your spouse or partner, and [£10] for each child living with you. We will then use anything over this amount to calculate if you would be able to repay a loan for any or all of work required.

4.26.3 If the calculation shows that you are not able to repay a loan for any or all of the cost of the required works, we will then assess whether your property has sufficient equity in it to support a loan secured on it. We will estimate the value of your property based on information from the Land Registry and other publicly available sources. We will ask you for a copy of your latest mortgage statement and details of any other loans you may have secured on your property. We will work out what your Loan to Value ratio is (LTV) by dividing the outstanding mortgage or loan amounts secured on your property, by the estimated open market value of your property and multiplying it by 100. We will only consider an equity loan if your LTV ratio is below [75%], and will only offer a loan up to [75%] LTV.

4.27 If you qualify for a repayable loan over [£1,000?] *How much should this be?* we will place a legal charge on your property as security for the loan.

4.28 When we look at your financial information, we will compare your income and outgoings with what we think a family like yours needs to live on. We use figures similar to those used to work out some benefits. Where we think your outgoings are significantly higher or lower than these figures we may ask you to explain why this is. Some large expenses may be taken into account, depending on your circumstances, but if we feel that expenses are unreasonably high which reduces your ability to repay a loan or to maintain your home, we may refuse to assist you, or offer help in a different way. This may include debt advice, benefits checks or housing options advice, for example. The figures we use are updated regularly, and can be found at the end of this document (page *x*).

4.29 In some circumstances we may give assistance without a full means test. We would consider this if :

4.29.1 the total cost of the work is under [£750]; and

4.29.2 the work is urgent; and

4.29.3 the work will not form part of a larger project (regardless of how it is funded); and

4.29.4 you have not received assistance from this policy within the last [12] months.

4.30 In these circumstances, if you are on a low income and in receipt of council tax reduction, we may offer up to [£750] as a non-repayable grant. If you are not in receipt of council tax reduction, we will ask for the amount to be repaid by equal instalments over the course of 12 months by standing order.

4.31 We may refuse an application for help if we feel that you could meet the full costs of the work without help from the council, for example through a bank loan or where you have significant savings or assets. If we refuse to offer assistance through this scheme, we will write to you explaining why.

Terms and conditions

4.32 **Repayment loans** will be offered at 0% interest, and will be repaid through a standing order arrangement with the council. It is your responsibility to ensure that these payments are made in full and on time. If you find that you are not able to meet a repayment you must contact us immediately on (0344) 980 3333, and ask to speak to your Caseworker so that we can agree a suitable way of repaying the outstanding amount.

4.33 If you do not meet your payments and have not contacted us we may take enforcement action against you to recover any outstanding amount. This may also incur additional charges and could affect your ability to get credit in the future.

4.34 **Equity Loans** will be offered at 0% interest. We will put a legal charge on the property to repay the loan when the property is sold or changes hands, for example through a gift, will or through probate.

4.35 **Grants** do not generally need to be repaid, although please see point 4.39 below.

4.36 For all types of financial help offered in this policy, we will ask you to sign an owner's certificate stating that you intend to remain in your home for at least five [5] years after the works are completed.

4.37 If you move home within five [5] years from the date of the completion of the works, we will require some or all of any loans or grants to be repaid. If there are exceptional circumstances, such as a deterioration in health that requires you to go into residential care, or severe financial hardship which requires you to move home please let us know as soon as possible by telephoning (0344) 980 3333 and asking to speak to your Caseworker.

4.38 You will be responsible for any maintenance or repairs to any fixtures and fittings that have been installed in your home as part of the works carried out as part of this scheme. Defects or poor workmanship should be reported to you Caseworker as soon as possible, and we will deal with this under normal contractual arrangements with our contractors. Any loan or grant offered as part of this policy cannot be used to pay for extended guarantees or warranties, although you may be able to purchase these separately.

4.39 You will be expected to have home buildings insurance to cover any future emergency repairs to your home.

4.40 You, or your spouse or partner, will not be eligible to apply for another loan or grant under this policy for five [5] years after the completion of any works paid for by this scheme, or until any outstanding loan is fully repaid if this is longer than five years. This is the case even if you are applying for a different property.

4.41 It is your responsibility to make sure that any information you give us in respect of your application is complete, accurate and up to date. If we think that you have given us false information or have not told us about income, savings or assets in order to get a loan or grant from the council, we may refuse to help you, and may take action to formally investigate the matter.

4.42 If there is evidence that you have given us false information, or purposefully not told us about income, savings or assets in order to get a loan or grant from the council, we will take action to recover any money that has been forwarded, including any costs incurred, and will consider prosecution for fraud.

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5 Home Improvement Scheme (Landlords)

5.1 The Home Improvement Scheme for Landlords (HIS(L)) is a discretionary scheme for private landlords with properties which have been found to have serious hazards, but which could house tenants if they were brought up to a suitable standard.

5.2 You can apply for a loan under this scheme if:

5.2.1 A Norwich City Council Private Sector Housing Officer has advised you that remedial works are needed to bring your property up to a required standard, and has served an improvement notice on the property;

5.2.2 You are aware that works are required to upgrade a property due to a complaint or concern from the tenant or their representative;

5.2.3 Works are required due to old, failing or inefficient fixtures and fittings which need replacing, for example heating, kitchens, bathrooms etc;

5.2.4 Works are needed to adapt a property for the specific needs of the tenant, where such adaptations are not able to be covered by a DFG or other funding.

5.3 Financial Assistance will be means tested, and you may be required to pay a contribution to the work that is required. We will ask to see your business accounts, and, if your business is not a limited company, we will also ask for personal income and expenditure details.

5.4 We will not offer assistance if the means test indicates that you are able to access finance for the work privately (through a bank loan, for example), or that you have resources to pay for the work without assistance. If we refuse to offer assistance through this scheme, we will write to you explaining why.

5.5 You cannot apply for a loan retrospectively, or where work has already been started.

5.6 The loan cannot be used to refurbish properties that have recently been added to your portfolio, except in the following circumstances:

5.6.1 Where you have purchased the property with sitting tenants, and the existing tenants will be allowed to remain in the property on a rolling tenancy with no increase in rent for at least one [1] year after the transfer of the property;

5.6.2 Where the property has been inherited, and you intend to retain the property and rent it out as a normal part of your business to people in housing need;

5.6.3 Where the property has been empty for more than six [6] months, and the landlord intends to retain the property and rent it out as a normal part of their business to people in housing need.

5.7 We will require you to certify that you intend to retain the property as a rental property for a period of at least five [5] years after the loan is granted. If you dispose of the property (either by selling it or through any other means) within that five years, we will require you to repay all or part of the loan immediately.

5.8 The maximum amount you will be able to apply for is [£35,000].

5.9 The scheme is designed to be flexible, and will cover all work (including necessary surveys, planning and building control applications and other reasonable costs) required to:

5.9.1 Eliminate Category 1 hazards, as defined by the HHRSS; and

5.9.2 Significantly reduce or eliminate Category 2 hazards that could lead to significant health risks;

Including but not exclusively:

5.9.3 Fire hazards;

5.9.4 Trip or fall hazards;

5.9.5 Excess cold;

Plus:

5.9.6 Any other adaptations relating to health and/or disablement, not covered by the Disabled Facilities Grant regulations, including physical and mental health needs.

5.10 Eligible works will be those recommended by the council's Home Improvement Team (HIT), Occupational Therapist, and/or Private Sector Housing Officers. Any works recommended will be discussed with you, and agreement reached before any work is carried out.

5.11 Any works must be carried out through the council's Home Improvement Team. They will assign you a named Caseworker who will manage your application. If you have any questions or queries about your application, or the work going on in your property, please contact your Caseworker in the first instance. The Caseworker will also liaise with your tenants to advise them of when work is likely to start, ensure that contractors are carrying out works appropriately, and deal with any issues that may arise during the works process. They will not discuss any financial or any other arrangements in relation to the loan agreement with your tenants.

5.12 We will arrange for any approved works to be done by building companies who have been chosen by the council for their quality of work, customer service and value for money. We call this the Contractor Framework. Your Caseworker will notify you of who will be working in the property, what work they will be doing, and when they will be starting work. The will also give you an estimated date on which we expect the work to be complete. If there are any changes to these details, your case worker will let you know.

5.13 When the work has been completed, we will arrange to come and inspect the property to make sure the work is of a good standard and you are satisfied with what has been done. Where there are outstanding jobs still to be completed (snagging) we will arrange for them to be done.

5.14 Unless there is a guarantee in place, you will be responsible for any maintenance or renewals related to the work done on your property. The Financial Assistance Scheme cannot be used to pay for an extended warranty or maintenance contract on any part of the work, including mechanical or electrical equipment or fittings. You may be able to purchase these from the manufacturer or supplier separately if you wish to.

5.15 When we are satisfied that the work has been completed to a satisfactory standard, we will pay any loan amount the contractor on your behalf.

5.16 If you have to make a contribution to the cost of the works, you will be required to pay the contractor directly in accordance with their payment terms.

5.17 There will be a six month defects period after the completion of the works. During this six months, if there are any faults or issues with the work paid for by this scheme, please contact your case worker for advice.

5.18 An agency fee of 18% will be charged by the Home Improvement Team for this service. This amount will be added to the final bill, and will be included in any loan or grant calculations.

5.19 Home Improvement Scheme loans for landlords who are registered through the Norwich City Council Trusted Landlord Scheme will be offered at 0% interest with repayment through a standing order arrangement over 60 months in equal instalments.

5.20 Home Improvement Scheme Loans for landlords who are not registered through the Norwich City Council Trusted Landlord Scheme will be offered at x% interest with repayment through a standing order arrangement over 60 months in equal instalments.

5.21 In all cases, a legal charge will be applied to the property until such time as the loan is paid in full.

5.22 It is your responsibility to ensure that these payments are made in full and on time. If you find that you are not able to meet a repayment you must contact us immediately on (0344) 980 3333, and ask to speak to your Caseworker so that we can agree a suitable way of repaying the outstanding amount.

5.23 If you do not meet your payments and have not contacted us we may take enforcement action against you to recover any outstanding amount. This may also incur additional charges and could affect your ability to get credit in the future.

5.24 You will not normally be able to apply for a further grant for the property for five (5) years. However, if you own more than one property which also requires work

5.25 It is your responsibility to make sure that any information you give us in respect of your application is complete, accurate and up to date. If we think that you have given us false information or have not told us about income, savings or assets in order to get a loan or grant from the council, we may refuse to help you, and may take action to formally investigate the matter.

5.26 If there is evidence that you have given us false information, or purposefully not told us about income, savings or assets in order to get a loan or grant from the council, we will take action to recover any money that has been lent to you, including any costs incurred, and will consider prosecution for fraud.

Terms and Conditions

5.27 Where a landlord applies for a Home Improvement Loan (landlords) they must agree to the following conditions:

5.27.1 That repayment of the loan will be made by standing order to the council for the agreed amount in equal instalments;

5.27.2 That a legal charge will be secured on the property until such time as the loan is repaid in full;

5.27.3 That missed payments may result in the loan being recalculated with interest, or other enforcement action may be taken to recover outstanding amounts;

5.27.4 That Norwich City Council Home Improvement Team will undertake the assessment and administration of the scheme, and undertake any necessary works through the Council's Contractor Framework, and will charge a fee of 18% of the cost of works (including professional fees and applications) which will be added to the total loan amount.

5.27.5 That where a landlord is part of the Trusted Landlord Scheme, and therefore benefits from the 0% loan offer, they will remain with the scheme for the duration of the loan agreement. If during the period of the Loan Agreement they no longer wish to be part of the Voluntary Licensing Scheme, the remaining loan will be recalculated at the higher rate of x%;

5.27.6 That where a landlord is part of the Trusted Landlord Scheme, and therefore benefits from the 0% loan offer, if, during the period of the Loan Agreement, the Council revokes their membership of the scheme for any reason, the remaining loan will be recalculated at the higher rate of x%;

5.27.7 That the rent on the property will not be increased in order to cover the cost of the loan thereby passing the cost of works onto the tenant(s) of the property, except in line with normal business practices and rent increases;

5.27.8 Where you have had a loan under part 5.6 of this policy (properties added through purchase, inheritance or as empty homes) you may not restrict prospective tenants for those properties to those not in receipt of benefits;

5.27.9 That the tenants of the property will not be evicted or forced to leave the property during the course of the loan agreement, including non-renewal of the tenancy, unless there is a breach of tenancy on the part of the tenant or where they leave voluntarily;

5.27.10 Where works are required as part of remedial action, the council may recover funds through housing benefit payments in accordance with the Housing Act 2004, Schedule 3 part 3 paragraph 12.

Report to	Cabinet	**Item**
	10 December 2014	
Report of	Head of city development services	15
Subject	Private sector housing accreditation scheme and additional licencing of houses in multiple occupation	

Purpose

To consider the introduction of a property accreditation scheme for privately rented accommodation in Norwich and to inform cabinet about how it is proposed that this will work with a future additional licensing scheme for houses in multiple occupation.

Recommendations

To:

1) approve the introduction of a new property accreditation scheme as described in this report from the 1 April 2015; and,

2) carry out statutory consultation under the Housing Act 2004 on an additional licensing scheme for houses in multiple occupation, if the accreditation scheme is successful.

Corporate and service priorities

The report helps to meet the corporate priority “Decent housing for all” and the service plan priority to conclude a review of Houses in Multiple Occupation (HMO) licensing and to deliver suitable recommendations.Financial implications

The scheme is designed to be self-financing and an annual membership fee will be charged (initially proposed to be £25 per property). The maximum risk for the first year of the scheme will be the cost of IT licences and promotional material (approximately £4,300), all other costs falling within existing resources.

Ward/s: All wards

Cabinet member: Councillor Bremner – Housing

Contact officers

Emma Smith, housing strategy officer	01603 212937
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Background documents

None

Report

Background

1. The private-rented sector has doubled in size in Norwich in the last 10 years and now comprises approximately 14,000 homes. The number of HMOs has also increased from approximately 1,900 to 3,000.

2. The recent private sector stock modelling carried out for the council by the Building Research Establishment has indicated that up to 25% of all HMOs and 20% (2,800) of all privately rented homes contain at least one category 1 hazard to health. The council has a statutory duty under the Housing Act 2004 to identify, inspect and where necessary take enforcement action to tackle those hazards.

3. In response to this, on the 18 March 2014, Council asked Cabinet to examine the case for using a system of accreditation and licensing as a way of setting standards and incentivising landlords to manage their properties in an acceptable manner thereby offering the opportunity for prospective tenants to make informed choices.

4. Although Norwich has a statutory HMO licensing scheme, this only applies to around 160 HMOs. The Housing Act 2004 does, however, give councils the power to introduce additional HMO licensing which would enable licensing to be extended to some or all of the remaining HMO stock.

5. A number of local authorities, notably Oxford, have introduced additional HMO licensing. Before doing this, however, housing authorities are required to explore alternative methods for tackling poor management, such as accreditation.

6. The Housing Act also allows licensing to be extended to all privately rented accommodation in an area where anti-social behaviour or low demand can be demonstrated. This has been done by Newham LBC on the grounds that the entire sector is contributing significantly to anti-social behaviour. It is not suggested, however, that either of the qualifying conditions apply to Norwich.

7. Accreditation schemes (either of landlords or individual properties) are common and Norwich has operated a landlord accreditation in the recent past. Their common weakness is that they are voluntary and landlords generally see very little merit in joining them. The offering of cash incentives (e.g. grants) usually results in no more than a few hundred members, most of whom already offer well-managed accommodation which shouldn't, in fact, require any intervention by the council. Their advantage, however, is that they are considerably less costly to run than licensing schemes since they generally rely on self-assessment with only a proportion of the properties being inspected to provide credibility.

8. Licensing provides a more rigorous approach to the enforcement of minimum standards in HMOs but it requires significant resources. For example, the requirement for the council to satisfy itself as soon as reasonably practicable that there are no category 1 hazards present implies that every licensed HMO will need to be inspected by a suitably qualified officer. Based on current experience, this would require at least three additional full-time officers to ensure that all 3,000 HMOs were inspected over 5 years.

9. The council has the power to recover the costs of administering an HMO licensing scheme including those of carrying out inspections (but not follow-up enforcement work should that be necessary although some of those costs are recoverable by using other Housing Act powers.)

10. The council is also empowered by the Local Government Act 2003 to charge for discretionary services (although only to the extent of recovering costs.) A fee can therefore be set for accreditation as adjusted as required in future years under existing delegated powers, which is more likely to recover the true costs since there would be no requirement for enforcement.

Analysis of options considered

11. **Option 1: Do nothing (enforcement as is)**

- Activity will continue at current levels (100 sub-standard homes improved per year and 160 licenced HMOs regulated.) This is very low having regard to the extent of the problem.

12. **Option 2: Introduce additional HMO licensing**

- Will only apply to houses in multiple occupation
- Will require an increase in staff resources (although a reasonable proportion of the extra costs will be recoverable through licence fees.)
- Because it will 'catch' the 75% of properties that are satisfactory as well as the sub-standard ones, it is likely to be strongly opposed by local landlords particularly since the licence fee would need to be set quite high to recover the full costs of administration. Those costs would probably be passed on to tenants as rent increases.
- Staffing resources will need to be doubled to cope with the step-change from 160 licensable properties to 3,000

13. **Option 3: Introduce a voluntary property accreditation scheme**

- Fewer resources required to run it
- Experience has shown that these only ever attract a small percentage of landlords so are ineffective

14. **Option 4 (recommended): Introduce a hybrid property accreditation/additional licensing scheme**

- All HMOs will be required to have a licence unless they are included in the property accreditation scheme.
- Some risk of challenge on the legality of this approach but counsel's advice is supportive
- Further details set-out below

How the recommended scheme will operate

15. The scheme will be primarily aimed at houses in multiple occupation although landlords of other privately rented accommodation will be encouraged to join through the offer of some benefits (e.g. a star-rating system and a lighter-touch to enforcement should that be required.)

16. A property accreditation scheme will be introduced in April 2015 which will run for one year. The whole application process will be on-line and self-service. Landlords will agree to a set of conditions around the property condition and management and will be able to claim 'stars' based on the provision of services above the basic standard (e.g. a 24-hour call-out service etc.) These self-assessments will be published on our website so can be challenged.

17. The scheme will be assessed after the first year through the inspection of a sample of properties. Assuming the proposed model is successful and an acceptable percentage of the sample are shown to comply with the conditions, it is proposed that consultation will then begin with the view to introducing a complementary additional HMO licensing scheme. That will require all HMOs in the city to be licensed unless the property is included in the accreditation scheme.

18. Licensed properties will be subject to inspection and the applicant will have to undergo a 'fit and proper person' test. Consequently, the fee for licensing will be considerably higher than for accreditation. It is hoped that this will provide sufficient incentive for the majority of landlords to accredit their properties and take steps to ensure that they don't lose that accreditation and have to license.

19. The principal intention of this approach is to enable the private sector housing team to focus its resources on sub-standard accommodation. It is based on the understanding that most landlords already comply with the law and would benefit from enforcement action being taken against those who don't (to remove unfair competition and to improve the currently poor public image of this sector.)

20. Whilst it is accepted that a minority of properties in the accreditation scheme will not be up to standard, it is proposed that in most cases a 'light-touch' approach will be used to encourage compliance. Ongoing failure, however, would result in the property being removed from the scheme and coming under the tighter enforcement regime offered by licensing.

21. If it proves necessary to amend the scheme's conditions of membership, disciplinary procedures and other matters concerned with running the scheme, this can be carried out under existing delegated powers.

22. It should be noted that this approach has not been tried by any other local housing authority and is an innovative application of the legislation. We have, however, received advice from Arden Chambers which indicates that it is legally sound. This approach is currently supported by landlord and agent representative bodies including the Eastern Landlords Association, the National Landlords' Association and local letting agents. This should reduce the risk of challenge.

Financial Considerations

23. Appendix 1 shows a break-down of costs. These have been kept down by

automating, so far as possible, the application process although this requires some expenditure on IT software and licences. The sample sizes for subsequent inspections have also been set to ensure that they can be achieved within existing resources. The sample size is greater for year 1 to provide greater confidence in the results for the purposes of making a decision about the form of HMO licensing to introduce. From year 2 onwards, the sample size can be reduced since it will be more of a basic check that the scheme is operating satisfactorily.

24. It is proposed that a £25 annual fee should be charged to recover the scheme's costs over 5 years and to reflect some uncertainty and risk around the costs particularly in year 1. The risks have been itemised in Appendix 2.

25. This fee is comparable to similar schemes offered by other local authorities as shown in appendix 3.

Fee calculation

	Set-up	2015-15	2016-17	2017-18	2018-19	2019-20	Annualised
Target No of applications (cumulative)		300	1000	1500	2000	2500	1460
Annual evaluation visits		169	88	90	92	93	
Fixed Costs/£							
Purchase of Idox connectors	10900	0	0	0	0	0	1817
IT licence	4000	4000	4000	4000	4000	4000	4000
Promotional material	500	200	200	200	200	200	250
SH manager	3440	3440	3440	3440	3440	3440	3440
SH support team leader	6480	6480	6480	6480	6480	6480	6480
HS Officer	6859	6859	6859	6859	6859	6859	6859
Sub total	**32179**	**20979**	**20979**	**20979**	**20979**	**20979**	**22846**
Variable Costs							
Inspection administration	0	4330	2255	2306	2357	2383	2272
Inspection (including travel)	0	9373	4881	4992	5103	5158	4918
Sub total	**0**	**13703**	**7135**	**7298**	**7460**	**7541**	**7189**
Total Costs (for fee calculation)	**32179**	**34683**	**28115**	**28277**	**28439**	**28520**	**30035**
Income	0	7500	25000	37500	50000	62500	30417

Break-even fee	**£21**
Proposed fee including a 20% uncertainty/risk factor	**£25**

Risks

	Risk	Level	Mitigation	Level after mitigation
1.	Failure to register sufficient numbers of properties. This would lead to a cost to the general fund.	2x3 = 6	The first year target is modest and is based on numbers 'offered' by landlord representative bodies and supportive agents. If achieved it would bring in £7,500 which would reduce the first year cost to the general fund to under £25k.	1x3 = 3
2.	Legal challenge (judicial review) – principally a reputational risk.	4x2 = 8	A challenge is likely if we proceed to a full HMO licensing scheme but we will have a robust evidence base to support it. Landlords and agents are currently supportive of our proposals and a key task will be to keep them 'on-side' during the first year.	3 x 2 = 6
3.	Increase in complaints due to challenges to the self-assessments leading to a moderate direct effect on service delivery	3 x 3 = 9	This would be managed by diverting resources away from pro-active inspection programmes and reducing the sample size for the evaluation of the scheme. It would not, therefore, affect current targets.	3 x 1 = 3
4.	Sampling reveals a high number of properties requiring enforcement	3 x 3 = 9	Resources could be diverted from pro-active inspection programmes but there is a risk that this might exceed the capacity of the private sector housing team	3x3 = 9

Examples of accreditation schemes operating in other local authority areas

Scheme	What is it?	Fee	Duration	Joining requirements
Derby Accredited Property Scheme	The Derby Accredited Property Scheme is designed to encourage better management and standards within let property, and enables landlords to demonstrate that their property is safe and well maintained. The Scheme is voluntary and currently free to join.	Free	Annual	When landlords apply to join the Scheme, the properties they put forward for accreditation go through an inspection to make sure that they comply with the standards set out by the Scheme. Landlords also have to commit to good management practices and standards, and will need to sign a declaration of their 'Fit and Proper Person' status information which may be verified by the Council.
Essex Landlord Accreditaion Scheme	A consortium of 8 Essex district councils has set up the Essex landlord Accreditation Scheme (ELAS) in order to promote good management practices and improve the physical condition of private rented properties in their districts.	£95	Annual	The consortium has agreed accreditation standards for membership. Compliance with these standards and payment of an annual membership fee entitles a landlord to become a member of ELAS.
Landlord Accreditation North & Central Staffordhire	A voluntary scheme available to any private landlord who owns and rents out properties in the North and Central area, whether they are locally based or not. Staffordshire University and Keele University require that any private sector landlords wishing to advertise their vacant properties via the Studentpad, have to be a member of the Landlord Accreditation Scheme North & Central Staffordshire.	£60	2 years	Accreditation will be given where a landlord meets the criteria of the Scheme. This will involve ensuring, as far as reasonably possible, that the landlord is responsible, competent and suitable to be a member of the Scheme. Successful applicants' details will be held on a register and updated periodically by the Scheme Operators. The name of Accredited Landlords will be publicly available on the scheme website to raise the profile of the Scheme to prospective tenants.

Scheme	What is it?	Fee	Duration	Joining requirements
Leeds Accreditation Scheme	Leeds Landlord Accreditation Scheme (LLAS) is a voluntary scheme that private residential landlords are encouraged to join by Leeds City Council	Up to 5 properties £45, 6-10 £90, 11-20 £135, 21-30 £180, More than 30 £225 per landlord	Annual	To become a member of LLAS requires a commitment and an agreement to abide by the scheme requirements
London Landlords Accreditation Scheme	A scheme to recognise good landlords and agents who have the skills to run a successful rental business and so provide their tenants with good quality and safe accommodation.	Free but have to pay for a course to join	5 years	You need to attend a one-day development course which costs £89.90 if paid online (otherwise £120), agree to follow a code of conduct and to be a fit and proper person.
Midland Landlord Accreditation Scheme	Has a primary focus of accrediting professional landlords and agents across the Midlands. Homestamp is an award-winning partnership consortium with a direct interest in private sector housing, comprising of Local Authorities, the private rented sector, Universities, Police and Fire Services	£150 per person	5 years	Compulsory attendance at an Accreditation Day Seminar at a cost of £150.00
Oxford landlord Accreditation Scheme	A voluntary scheme relying on self-regulation, goodwill and trust on the parts of Landlords, Letting Agents, tenants and the Local Authority.	Free	3 years	(a) the Landlord or Letting Agent is a 'Fit and Proper' person (b) the physical condition of all the properties they own or manage meet minimum legal standards (c) that management practices are fair and reasonable and meet the management code of practice (d) community relations are maintained, including waste management at the property (e) the Council's Cleaner, Greener agenda is complied with e.g. waste management at the property. Accredited Landlords and Agents are required to attend the one day training course within three to six months of becoming accredited (the workshops are free).

Integrated impact assessment

The IIA should assess **the impact of the recommendation** being made by the report
Detailed guidance to help with completing the assessment can be found here. Delete this row after completion

Report author to complete	
Committee:	Cabinet
Committee date:	10th December 2014
Head of service:	Andy Watt
Report subject:	Private sector housing accreditation scheme and additional licencing of HMOs
Date assessed:	25th November 2014
Description:	

	Impact			
Economic (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Finance (value for money)	☐	☒	☐	The scheme will make better use of enforcement resources
Other departments and services e.g. office facilities, customer contact	☒	☐	☐	
ICT services	☒	☐	☐	
Economic development	☒	☐	☐	
Financial inclusion	☒	☐	☐	
Social (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Safeguarding children and adults	☒	☐	☐	
S17 crime and disorder act 1998	☒	☐	☐	
Human Rights Act 1998	☒	☐	☐	
Health and well being	☐	☒	☐	The scheme is intended to remove hazards to health in the privately rented sector

	Impact			
Equality and diversity (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Relations between groups (cohesion)	☒	☐	☐	
Eliminating discrimination & harassment	☐	☒	☐	Landlords will have to sign up to a national industry code of practice on good management.
Advancing equality of opportunity	☒	☐	☐	
Environmental (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Transportation	☒	☐	☐	
Natural and built environment	☒	☐	☐	
Waste minimisation & resource use	☒	☐	☐	
Pollution	☒	☐	☐	
Sustainable procurement	☒	☐	☐	
Energy and climate change	☒	☐	☐	
(Please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Risk management	☒	☐	☐	

Recommendations from impact assessment
Positive
Negative
Neutral
Issues

Report to	Cabinet	**Item**
	10 December 2014	16
Report of	Head of planning service	
Subject	Main Town Centre Uses and Retail Frontages Supplementary Planning Document – Adoption	

Purpose

To consider adopting the *Main town centre uses and retail frontages supplementary planning document*.

Recommendation

To adopt the *Main town centre uses and retail frontages supplementary planning document* in accordance with regulation 14 of the Town and Country Planning (Local Development) (England) Regulations 2012.

Corporate and service priorities

The report helps to meet the corporate priority "A prosperous city" and the service plan priority to implement the local plan for the city.

Financial implications

None

Ward/s: The SPD will implement planning policy specific to the city centre, taking in parts of Mancroft, Thorpe Hamlet and Town Close wards

Cabinet member: Councillor Stonard – Environment development and transport

Contact officers

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Jonathan Bunting, planner (policy)	01603 212162

Background documents

None

Report

Introduction

1. This report seeks cabinet endorsement and authority to adopt the *Main town centre uses and retail frontages supplementary planning document* (SPD) considered by sustainable development panel on 26 November following consultation on the draft version in July.

2. The SPD provides detailed guidance to assist in the implementation of policy DM20 of the adopted *Development management policies local plan*. Policy DM20 sets out criteria for the assessment of planning applications for changes of use in the defined retail areas and retail frontages within the city centre – these being the primary area, secondary areas and the large district centres of Magdalen Street/Anglia Square and Riverside.

3. The policy background to and purpose of the SPD is described in more detail in the report to sustainable development panel dated 23 July 2014. Broadly, it provides additional guidance to inform planning decisions about changes of use within the various different shopping areas within the city centre, including the defined retail frontages and "frontage zones" identified on the local plan policies map for specific protection and retention of a specific proportion of shopping.

4. It should be noted that because SPD does not set new policy, cabinet can resolve to adopt it without the need for a full council resolution..

5. The document for adoption (incorporating amendments to address comments made in response to the consultation and the further changes requested by sustainable development panel) is attached as Appendix 1. The detailed comments received, with the council's response, are attached as Appendix 2.

The consultation

6. The *Main town centre uses and retail frontages SPD* was published in draft on the council's website on 28 July 2014. Copies of the document were made available for inspection at City Hall and the Forum. The period of consultation ran for six weeks until 8 September. This is in accordance with the adopted Statement of Community Involvement, which states that the normal statutory consultation period for planning documents (four weeks minimum in the case of SPD) will be extended by two weeks where it occurs during holiday periods and over Christmas.

7. A range of city centre retail and business interests, residents and traders associations and local amenity groups were consulted directly by letter and email, with the major store operators consulted via the Norwich BID. The direct mailing was supported by a city council press release and a main feature in the local press on 13 August 2014 ("*Blueprint for a thriving high street: how your city centre is set to get a major makeover*") which had generally positive reaction from the general public.

Issues raised in the consultation response

8. Perhaps owing to the detailed technical nature of the guidance, the response to the consultation was fairly limited. However it did include a collective response from Norwich Business Improvement District (BID) members representatives, containing

a number of useful suggestions for change. Comments were also received from Broadland District and Norfolk County Councils as well as from various individuals and agents.

9. Points raised included:

- The SPD should cover issues about the appropriate scale of new development in district and local centres as well as addressing change in the city centre. *(The issue of managing the scale and impact of new development is in fact already covered in Appendix 4 of the development management policies local plan and addressed by a separate policy in that plan: DM18).*

- More guidance is needed in the SPD on the scope for subdivision of shops; also the retail offer in St Stephens Street and Westlegate should not necessarily be predicated on concentrating the majority of shopping in St Stephens.

- More evidence would be useful on how the thresholds for the indicative minimum proportion of shopping to be sought in each zone have been determined.

- The SPD needs to have regard to the government's latest proposals for further planning deregulation of high street uses (for example reducing the need for planning permission for many changes of use to restaurants and cafes) as set out in the recent *Technical Consultation on Planning*. These proposals could significantly undermine the ability of the SPD to protect the retail function of shopping areas. .

- More emphasis is needed on promoting housing in secondary shopping areas, particularly at ground floor level where vacancy levels are high.

- The SPD should be neutral about the issue of promoting new housing in Elm Hill at the expense of commercial uses (*the draft discouraged housing at ground floor level in favour of supporting retail, commercial and evening economy uses which are seen as important contributors to the appeal of Elm Hill for visitors*).

- More encouragement is needed in the SPD for the introduction of visitor accommodation as a means of reusing the redundant space above shops

- The SPD should emphasise Norwich BID's aspiration to secure prestige "high end" retailing in London Street and elsewhere.

- The SPD should acknowledge the scope for more arts and cultural facilities in Norwich, with a specific suggestion of a symphony hall in Castle Mall.

10. Two individual responses were general criticisms of how the council's retail planning policy decisions in the past had allegedly disregarded or harmed business or personal interests, but contained no constructive comment on the document itself.

11. Whilst very positive and encouraging, the press coverage (and some responses to it) may have given the impression that the SPD and the planning system would have much more power to influence change in the city centre shopping areas than would actually be the case. Because shops are grouped into the same planning use class (A1) in law, no planning permission is needed to change one type of shop to another. Consequently, as noted in the July report to panel, the SPD would not be

able to influence what *kinds* of shops would be accepted in specified areas of the centre, but would only be able to inform decisions about the relative balance between shops and non-retail uses such as banks, cafes and restaurants, as well as giving guidance on appropriate locations for housing and new uses in upper floors.

Proposed changes from the draft SPD following consultation

12. The changes proposed in the document are generally minor. Further commentary is added on how the frontage zone boundaries have changed from the previous definitions in the 2004 local plan and clarifications and corrections have been made to the guidance for specific areas in response to the comments received. The aspiration of Norwich BID to promote London Street for high quality prestige retailing is supported, although it is recognised that this could not be delivered through planning powers. The use of redundant floorspace in upper floors for visitor and holiday accommodation is also an idea which has merit and a reference is added to this in the text. In those frontage zones where housing is actively promoted, the SPD now makes clear that acceptance would be conditional on residential conversion proposals complying with other relevant policies of the adopted local plan: this would mean that the conversion of shops at ground floor level could be supported in cases where satisfactory standards of amenity, design and layout could be achieved and the character and retail function of shopping streets was not compromised.

Further changes recommended by sustainable development panel

13. At its meeting on 26 November, the sustainable development panel suggested that the guidance relating to that area should give more obvious protection to the retail and commercial function of Elm Hill to support its vitality and viability, highlighting the vulnerability of specialist retailers in an area which has suffered from some decline. The panel was in agreement that conversions of shops to residential use at ground floor level ought to be supported only where there would be overriding conservation benefits.

14. Officers concur with the suggestion of sustainable development panel and consider that the suggested change would improve the document. It is therefore proposed that an additional criterion is included in the guidance for Elm Hill and Wensum Street (page 52 of the document) as follows:

> "Consider proposals for change of use of ground floor premises to residential use on a case by case basis and accept them where consistent with policies DM2, DM12 and DM13 and other relevant local plan policies. In assessing such proposals, account will be taken of the impact of individual changes on the vitality, viability and diversity of the street and the frontage zone as a whole. In Elm Hill, residential conversion at ground floor level will generally be accepted only where it results in a designated or locally identified heritage asset or other long-term vacant building being brought back into beneficial use, where it is demonstrated that those benefits could not be delivered by retaining a retail use."

Implications for this SPD of current and proposed national planning deregulation

15. Members will be aware from previous reports that the government has already introduced a number of reforms to permitted development rights in the General

Permitted Development Order which enable many changes of use of premises in shopping areas to be made without planning permission. The introduction in 2013 of a prior notification procedure allowing the temporary use of premises for a variety of "flexible uses" for up to two years was viewed as potentially problematic for the city centre, but has resulted in relatively few cases where shops have changed use through this mechanism. Further reforms in April 2014 allow shops of less than 150 sq. m to change to banks, building societies and credit unions (referred to collectively in the regulations as "deposit takers") without planning permission, albeit that these rights do not apply in conservation areas, so the city centre is not affected. Similarly, smaller shops under this 150 sq.m size threshold can now be converted to individual dwellings or up to four flats without needing permission, but again these rights do not apply in the city centre as it is a conservation area.

16. The latest round of prospective reforms as set out in the government's *Technical Consultation on Planning* would, if implemented, further reduce the need for planning permission for changes of use in the high street, for example allowing the conversion of shops and other premises to cafés and restaurants under a simplified prior approval process subject to no objections from immediate neighbours. More fundamentally, government proposals to combine the majority of financial and professional services such as banks and building societies into the same planning use class as shops would effectively change the definition in planning law of what a "retail use" is. Therefore the stipulations in the SPD requiring an indicative minimum proportion of "retail use" to be maintained would almost inevitably need to be reviewed. The result could be a significant erosion of available planning powers to resist harmful change, which would reduce the ability of this SPD and its parent local plan policy to protect the retail function of shopping areas in the city centre. Although some deregulatory changes could well be beneficial, much of the SPD could become superfluous as changes of shops to restaurants and cafes encouraged by the guidance might soon not need planning permission anyway. The harm that could result to the council's strategy to protect and support the city centre has been highlighted as a significant issue in the council's response to consultation.

17. At the present time however, neither the SPD nor the adopted local plan which it supports can anticipate what future changes to the General Permitted Development Order might look like, and must reflect the planning system and the powers available to the council to inform decision making as of now. It is likely that the next round of deregulation will be introduced through the publication of a consolidated revision to the General Permitted Development Order as early as April 2015, and at that time decisions would need to be made on appropriate policy responses. In the meantime the SPD would be applied, as intended, as a supplement to an adopted policy which has been demonstrated to be sound and appropriate.

Conclusions

18. Officers are confident that this SPD will provide a sound basis for the future management of change in defined shopping frontages and other areas of the centre to maintain their vitality, viability and diversity in the long term. However it is evident that in a period of rapid legislative change there may be a need to review the document in the short term to ensure that it remains appropriate and enforceable.

Integrated impact assessment

NORWICH City Council

The IIA should assess **the impact of the recommendation** being made by the report
Detailed guidance to help with completing the assessment can be found here. Delete this row after completion

Report author to complete	
Committee:	Cabinet
Committee date:	10 December 2014
Head of service:	Graham Nelson
Report subject:	Main Town Centre Uses and Retail Frontages Supplementary Planning Document – Adoption
Date assessed:	24 November 2014
Description:	This report is about the Main town centre uses and retail frontages supplementary planning document (SPD), which was initially published as a draft for consultation in July and has been revised in response to consultation feedback and agreed by Sustainable Development Panel on 26 November 2014. The report outlines the main issues raised in responses to consultation, summarises the responses received and describes the amendments to the document to address those responses. Members are asked to endorse the document for formal adoption.

	Impact			
Economic (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Finance (value for money)	☒	☐	☐	There are some costs associated with adoption, chiefly the costs associated with formally publicising the document, but this is a statutory requirement.
Other departments and services e.g. office facilities, customer contact	☒	☐	☐	Limited impact on Design, Print and Production service which will organise the uploading of the SPD and accompanying documentation onto the council's website. There is expected to be limited demand for printed copies of the SPD and the costs of providing these on request can be absorbed within the planning service budget.
ICT services	☒	☐	☐	None identified
Economic development	☐	☒	☐	The adoption of the SPD will support the local plan and provide greater certainty to developers and applicants. It should have a positive economic impact on development and the city centre economy.
Financial inclusion	☒	☐	☐	No impact identified

Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	☒	☐	☐	No impact identified
S17 crime and disorder act 1998	☒	☐	☐	No impact identified
Human Rights Act 1998	☒	☐	☐	No impact identified
Health and well being	☒	☐	☐	No impact identified
Equality and diversity (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Relations between groups (cohesion)	☒	☐	☐	No impact identified
Eliminating discrimination & harassment	☒	☐	☐	No impact identified.
Advancing equality of opportunity	☒	☐	☐	No impact identified.
Environmental (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Transportation	☒	☐	☐	No impact identified
Natural and built environment	☐	☒	☐	The adoption of the SPD will have a positive impact on the built environment by supporting the beneficial reuse of premises in city centre shopping areas and reducing instances where shop premises remain empty for long periods.

Waste minimisation & resource use	x			There are no direct impacts on waste minimisation and resource use from the adoption of the SPD.
Pollution	x			No impact identified
Sustainable procurement	x			There are no direct impacts on sustainable procurement from the adoption of these plans.
Energy and climate change		x		No direct impacts from adoption, although the longer term effect of a positive strategy to support and maintain the health of the central shopping area will be to promote the continued sustainable use of buildings and reduce the risk of decline and dispersal of shopping facilities to more peripheral and less accessible locations
(Please add an ‘x’ as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Risk management		x		The risks of not adopting the SPD are that, without it, the effectiveness of the local plan policies which it is intended to implement would be reduced, giving less weight and certainty to planning decisions turning on issues related to the future use of shops and increasing the risk of successful appeals against refusal of planning permission

Recommendations from impact assessment
Positive
The SPD will have a positive impact following adoption as it provides the detail to implement the adopted Joint Core Strategy policy for the city centre and support the recently adopted development management and site specific policies relating to development and change in the centre.
Negative
No negative impacts have been identified.
Neutral
No impact has been identified in relation to the majority of issues.
Issues
The key risk is the non adoption of the SPD, which would result in uncertainty for developers and failure to effectively implement the city centre policies in the Joint Core Strategy and the Norwich Local Plan, with potential impacts on the local economy and environment.

NORWICH City Council

Norwich City Council Local Plan

Main Town Centres and Retail Frontages Supplementary Planning Document Adopted version

(final cover photo to be confirmed)

December 2014

Summary

This supplementary planning document (SPD) supports and interprets policy DM20 of the Norwich Development Management Policies local plan and policy 11 of the Greater Norwich Joint Core Strategy (JCS); both policies relating to the development, expansion and positive management of uses in Norwich city centre to achieve the most beneficial mix of uses to secure its continued vitality. Policy DM20 implements one aspect of this strategy by seeking to protect the retail function of key shopping streets: ensuring that shops continue to make up the majority of the primary shopping area, resisting the loss of retailing where possible and aiming to maintain a minimum proportion of street frontage devoted to shopping in each area to protect its vitality and viability. The policy also encourages a range of beneficial supporting services such as cafés and restaurants contributing to the diversity and attractiveness of the city centre for residents and visitors.

The SPD includes a brief description of the character and function of different areas of the centre defined in the Development management policies local plan and how these areas may evolve and develop in the future. It provides more detail on individual “frontage zones” within the primary retail area and each of the secondary shopping areas as well as the large district centres of Magdalen Street/Anglia Square and Riverside. For most areas it provides a guideline figure for the minimum proportion of frontage in A1 retail use considered appropriate to maintain vitality, viability and retail function in each zone. These indicative minima will be used in assessing and determining planning applications for change of use under policy DM20.

It also takes account of advice in national planning policy and practice guidance on ensuring the vitality of town centres, providing local guidance on the policy approach to temporary flexible uses and the impact of particular non-retail uses (including residential uses) within shopping streets.

1. Introduction

1.1 National planning policy in the National Planning Policy Framework (NPPF) requires local authorities to *plan positively, to support town centres to generate local employment, promote beneficial competition within and between town centres, and create attractive, diverse places where people want to live, visit and work*. In particular they should:

- *recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;*
- *define a network and hierarchy of centres that is resilient to anticipated future economic changes;*
- *define the extent of town centres and primary shopping areas, based on a clear definition of primary and secondary frontages in designated centres, and set policies that make clear which uses will be permitted in such locations.*

1.2 For many years, as part of its planning strategy for shopping generally and the city centre in particular, Norwich City Council has successfully implemented a suite of planning policies to facilitate beneficial new development and change in city centre shopping areas. This generally successful policy approach helps to protect the viability of shopping areas and support the retail function of key shopping streets by safeguarding against the loss of shops whilst encouraging vitality and diversity in secondary and specialist shopping areas. Such an approach is fully in accordance with the support for town centres in national policy and implements policy 11 of the Joint Core Strategy for Norwich, Broadland and South Norfolk. Policy 11 makes provision for:

- *expanding the use of the city centre to all, in particular the early evening economy and extending leisure and hospitality uses across the city centre, with late night activities focussed in identified areas;*
- *enhancing its retail function, providing for a substantial expansion of comparison retail floorspace of varied types and size of unit to provide a range of premises. This will be achieved through intensification of uses in the primary retail area and if necessary through its expansion; other shopping areas within the centre will be strengthened to provide for retail diversity, with a particular focus on enhancing the character of specialist retailing areas and markets.*

1.3 It is acknowledged that despite significant planned housing and population growth in greater Norwich, a substantial expansion of comparison retailing in the city centre envisaged in JCS Policy 11 is less likely given the changing role of the high street, the move to online retailing and the continuing trend toward downsizing of town centre property portfolios, especially among the major retailers. The health of the city centre in future is more likely to rest in successfully adapting to change and allowing for a greater diversity of uses. The JCS recognises this by acknowledging the increasingly important role of leisure and early evening economy uses in Norwich city centre and the need to support its vitality, diversity and attractiveness. Whilst emerging policy provides the general parameters for managing change through the planning process, local policies and supplementary guidance are able to give further advice on qualitative issues, such as the contribution that specialist retailing and evening economy uses may make to particular areas of the centre and the considerations that will be important in the council's decision making process when assessing individual proposals for change of use and new development.

2. Local policy background

2.1 The council remains committed to a strong, vibrant and competitive city centre for the foreseeable future. However, the nature of the shopping experience and the role of the "high street", in Norwich as elsewhere, is rapidly changing with the growth of online shopping and the contraction of the retail sector in town and city centres, as noted above. In spite of this national shift in shopping patterns, Norwich remains a thriving, vibrant and diverse regional shopping destination with a broad and distinctive retail offer and strong visitor appeal. As such, the city has been very successful up to now in resisting the retail decline which has affected many towns and cities in the UK, remaining for most of the past decade in the top ten retail destinations nationally. One of many factors contributing to this success has been a positive and proactive approach to planning and economic development which has encouraged new shopping development in the city centre, prevented the wholesale exodus of shops and supported environmental improvements such as the refurbishment of Norwich Provision Market and enhancement and promotion of speciality and independent shopping in the Norwich Lanes. Secondary shopping areas and large district centres such as Magdalen Street have undergone something of a renaissance more recently with the introduction of numerous speciality shops, cafés and other businesses serving the needs of a diverse and growing ethnic population.

The Development Management Policies Local Plan

2.2 The adopted *Development Management Policies Local Plan* (known as the DM Policies Plan) builds on the successful approach of previous local plans to ensure that the city centre continues to thrive as a successful shopping and visitor destination in a period of rapid change. It includes locally specific policies to ensure that development and investment for retail and other main town centre uses is positively managed and directed to achieve maximum benefits for the city centre, taking account of the overall strategy for the centre in JCS policy 11 and the requirement to ensure the vitality of town centres in the NPPF.

2.3 Policy DM20 of the DM Policies Plan, which this SPD supports, is the successor to policies SHO10 and SHO11 in the City of Norwich Replacement Local Plan 2004. It takes the same general approach as the previous Local Plan in identifying individual frontage zones in the city centre within which the proportion of A1 retail use (shops) is assessed and monitored. The zones may be either self-contained areas (as with most of the secondary shopping area) or sub-areas within the primary shopping area. Most, but not all, of the frontage zones have defined retail frontages (streets or sections of street) where it is important to maintain a proportion of retail use at ground floor level to promote an attractive and vibrant shopping experience for shoppers and visitors. The policy approach seeks to resist ground floor uses with "dead frontages" which will detract from the attractiveness and vitality of the area, while encouraging beneficial uses in upper floors and basements. Some of the defined frontages and zone boundaries have changed in comparison with the 2004 plan to reflect new development and change in the character and function of different parts of the centre. The new policy also accepts main town centre uses as defined in national policy, subject to their impact on vitality and viability.

2.4 This policy approach to management of uses is a longstanding one. Although the detailed boundaries of these zones have been redrawn and/or simplified periodically, the approach remains focused on small areas, allowing for each part of the Primary Area (and other parts of the central shopping area) to maintain its distinct character, retail diversity and functional coherence, without potentially harmful concentrations of non-retail uses being allowed to develop in any one location. The main changes in the definition of frontage zones between the current and previous local plans are shown in paragraph 3.8 below.

2.5 Policy DM20 is reproduced in Appendix 1. In relation to frontage zones it states:

Within the defined primary and secondary retail areas and Large District centres, non-retail uses in classes A2, A3, A4, A5 and other main town centre uses will be permitted where:

a) they would not have a harmful impact on the vitality and viability of the area and on the individual street; and

b) within retail frontages defined on the Policies Map, ***where they would not result in the proportion of A1 retail uses at ground floor level falling below an indicative minimum proportion which is justified as necessary to support the continued retail function of that frontage zone****.*

The indicative minimum thresholds used in support of this policy will be set out in a supplementary planning document and will be reviewed flexibly as necessary in response to objective evidence of retail market trends and changes in the character and function of the central shopping area over the plan period.

2.6 The advantage of setting out these thresholds in SPD, rather than specifying them in the body of the policy, is that SPD can be easily amended within the remainder of the plan period (to 2026) should any change in circumstances make this necessary, whereas reviewing the policy itself involves a more complex and lengthy procedure.

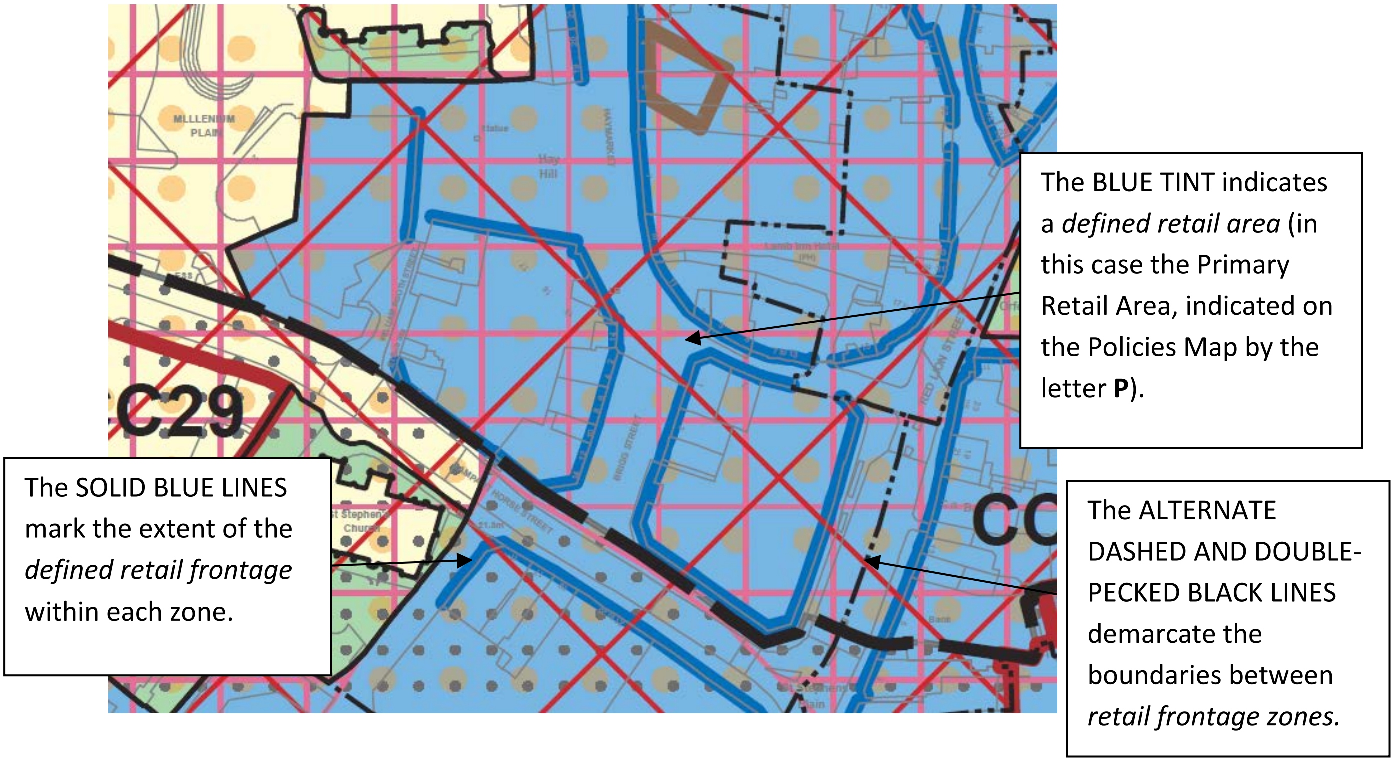
2.7 In preparing policy DM20, the council has been conscious of the rapidly evolving nature of the shopping experience, the diversification of and increased role of supporting services and leisure uses in the high street (such as cafés and restaurants) the growth of online shopping, which could eventually lead to a greatly reduced role for traditional high street retail formats, and the ongoing deregulation of the planning system by central government which seeks more flexibility to encourage greater use of underused and vacant premises. This is discussed in paragraph 20.6 of the DM Policies plan.

How is the proportion of retail use calculated?

2.8 To support local plan policy, maintain a record of new development and change over time and assist the local plan monitoring process, the city council maintains a database of shops and other uses within the city centre and local and district centres. The database derives from a city council audit of floorspace initially carried out in 1993 and updated regularly thereafter using information from on street surveys, planning application records and other commercial sources. City centre premises which are located within defined retail frontages shown by solid blue lines on the policies map are assigned a ground floor frontage length in metres, measured from a map base. Inactive frontages (blank walls with no shopfront, or separate entrances to upper floors and basements, are generally excluded). Premises which fall outside the defined frontages, and premises solely on upper floors or in basements, have a defined frontage length of zero. The total length of defined ground floor frontage can therefore be aggregated and the proportion of premises which are in A1 retail and non-retail use calculated for each zone. These figures form the basis of the analysis contained in the city council's regular retail monitoring reports.

2.9 In assessing the health of the city centre, the use of ground floor frontage length has been adopted as a basis for monitoring, rather than other indicators such as the amount of retail floorspace or the number of shop units as it is straightforward to monitor and provides a consistent basis to assess the vitality and viability of individual streets and areas. It is considered that it is the effect of the shop frontage presented to the street which has the most obvious impact on overall character, diversity and vitality. This being so, the indicative minimum percentage threshold for non-retail uses applied by policy DM20 is calculated on the basis of measured length of ground floor frontage, rather than any measure of internal retail floorspace.

Figure 1
Illustrative example of defined retail areas, retail frontages and retail frontage zones on the Norwich Local Plan Policies Map



Responding to changes in national policy

2.10 Although the requirement to support the vitality of town centres in the NPPF remains paramount, the direction of travel in national policy favours local policies which offer flexibility in the use of premises within town centres and suburban centres. Such a flexible approach helps to support economic regeneration, attract new uses and broaden consumer choice in centres which are perceived to be failing, helping to stem the often chronic decline in the shopping function of many towns and cities. Norwich has been generally resilient to the most recent economic downturn largely as a result of its very broad and distinctive retail offer and the historically successful application of strategic and local policies to proactively manage and promote the city centre.

2.11 Ongoing planning deregulation is likely to significantly influence the way changes of use are managed and assessed through this SPD, and in fact may change the definition of retail use itself. Provisions in the 2013 Use Classes Order already enable a wide range of smaller premises to be put into one of a number of temporary “flexible uses” for a period of two years, subject to prior notification of the proposed use to the city council, without requiring formal planning permission or affecting the lawful use of the premises as defined in the Town and Country Planning (Use Classes) Order. Uses currently falling within classes A1 (Retail), A2 (Financial and Professional Services), A3 (Restaurants/Cafes), A4

(Drinking Establishments), A5 (Hot Food Takeaways), B1 (Offices), D1 (Non-residential Institutions) and D2 (Assembly and Leisure) may change under these provisions to a use falling within either A1 (Retail), A2 (Financial and Professional Services), A3 (Restaurants/Cafes) and B1 (Offices).

2.12 To acknowledge these new provisions when applying policy DM20, the city council will need to determine proposals according to whether they result in the permanent loss of shops, taking account of the current lawful planning use of premises irrespective of any temporary flexible use which is occupying them. Thus (for example) premises with a lawful use as a shop (currently use class A1) but which are occupied on a two year temporary basis as a café will be deemed to be in A1 retail use. To assist in the monitoring of these temporary uses, the database also records the date the temporary use commenced and its intended end date.

2.13 In April 2014 the government introduced a further round of changes to the General Permitted Development Order. These allow (for example) changes of use of smaller A1 retail or A2 financial and professional services premises to housing without the need for planning permission. The provisions do not apply in conservation areas, so in theory will not directly affect the city centre, although in practice the likelihood is that refusal of permission for any such change within the centre would need to be based mainly on conservation reasons, (because a corresponding change outside a conservation area could be made without permission and in that case other factors, such as amenity or economic impacts could not be taken into account).

2.14 As part of its more wide ranging *Technical consultation on planning* published in July 2014, the government has consulted on a number of further prospective changes to the General Permitted Development Order and Use Classes Order. One of the changes proposed would bring banks, building societies and other financial and professional services (currently in planning use class A2) within the same class as retail shops (A1). Betting shops and pay day loan stores would however remain in a much reduced use class A2, meaning that planning permission would be needed in most cases to establish a betting shop or change a betting shop to an alternative use. This prospective change responds to widespread concerns over the proliferation and perceived harmful impacts of betting shops on town centres and the lack of planning controls over them.

2.15 If the present legislative provisions for temporary uses are extended or the categorisation of different use classes should change permanently in law, the council's policy approach may need to be clarified through future reviews of this SPD. This will be particularly important if the definition of what constitutes a retail use is expanded to include uses such as banks, which are not currently regarded as retail.

3. Using this SPD

3.1 The rapid pace of change – both in legislation and on the ground – means that the council's approach to managing uses in the centre through the planning process using policy DM20 and this SPD needs to be flexible and responsive over the plan period. To this end the city council carries out regular health checks of the city centre shopping area. This allows the council to monitor how the primary and secondary areas are changing and developing over time, with the current occupancy, usage and shop type of each premises, its net floorspace and its ground floor frontage length (where applicable) recorded in a database. This enables reports to be generated for each individual zone of the central shopping area showing the proportion of each frontage zone in A1 retail use and non-retail use at any particular time, as well as other indicators such as the overall level of retail vacancy in different parts of the city centre, the split between convenience and comparison goods shopping and the different categories of shop within those groups. The city centre was last surveyed in April 2014.

3.2 Similar audits are undertaken for the suburban district and local centres outside the city centre, although these are not covered in this SPD. The council reports annually on the findings of these retail surveys through the Norwich city centre shopping floorspace monitor and local and district centre monitors. These reports can be found on the council's website on the Annual Monitoring Report page: http://www.norwich.gov.uk/Planning/PlanningPolicy/Pages/AnnualMonitoringReport.aspx

3.3 City centre shop surveys (and local and district centre surveys) are now normally undertaken annually, but could be more frequent if additional resources became available or if a particular issue meant that survey evidence had to be brought up to date urgently. The council would welcome opportunities for cooperation and collaboration with other agencies and city centre stakeholders to look into the possibility of surveying the centre more frequently.

3.4 The purpose of the SPD is to assist decision making by setting out

- the level of vacancy in defined ground floor frontages within each zone,
- the current split between retail and non-retail use in each defined frontage (where a defined frontage exists).
- the indicative minimum proportion of ground floor frontage which planning decisions should seek to maintain in each zone to ensure continued vitality and viability.
- Further guidance on how proposals for change will be assessed, including for those zones where no ground floor frontage is defined.

3.5 In the Primary area, frontage zones have been categorised into

- *core frontages* – the main pedestrian priority and pedestrian streets and the two purpose built malls where high street multiple stores, department stores and larger shops generally predominate, and

- *other frontages* which may be characterised by smaller shops, local independent and speciality retailers and supporting services such as cafes and restaurants, many of which are open into the evening. These include parts of the Norwich Lanes and the network of pedestrian streets between Gentlemans Walk and the Castle.

3.6 The secondary areas and large district centres vary in character ranging from historic shopping streets with particular retail specialisms to purpose built self-contained shopping areas such as Riverside Retail Park and the Sainsbury foodstore at Brazen Gate.

How have the policy thresholds been chosen?

3.7 In selecting the indicative minimum proportion of frontage to be maintained in A1 retail use in different zones (where one are specified), the council has taken a number of factors into account. These include: the relative significance of high street shopping in the zone concerned and its contribution to vitality and viability of the centre as a whole, recent changes in the character and function of zones (including the balance between retail and non-retail uses and supporting services) and the scope for flexibility and further diversification of uses, particularly in areas where vacancy rates are high.

3.8 Figure 2 on page 13 shows a comparison between the primary area frontage zones as defined in the City of Norwich Replacement Local Plan 2004 and in the DM Policies Plan 2014. The main changes have been:

- Designation of Caste Mall, Chapelfield and the Gentlemans Walk area as *core frontage zones* where retaining a generally higher proportion of retail use is a priority;

- Reclassification of Riverside and Sainsbury's Brazen Gate from primary retail areas to a large district centre and a secondary retail area respectively (this change is consistent with the hierarchy of centres in Policy 19 of the adopted JCS).

- Inclusion of Red Lion Street and Castle Meadow North as primary frontage zones or part zones (these were previously discrete areas where no specific limits on retail uses applied, resulting in some confusion in interpreting the previous local plan policy).

- Redefinition of zone boundaries in the Guildhall Hill and St Giles Street area to group these streets with the west end of London Street as The Lanes East. (The Pottergate/Lower Goat Lane area as defined in the

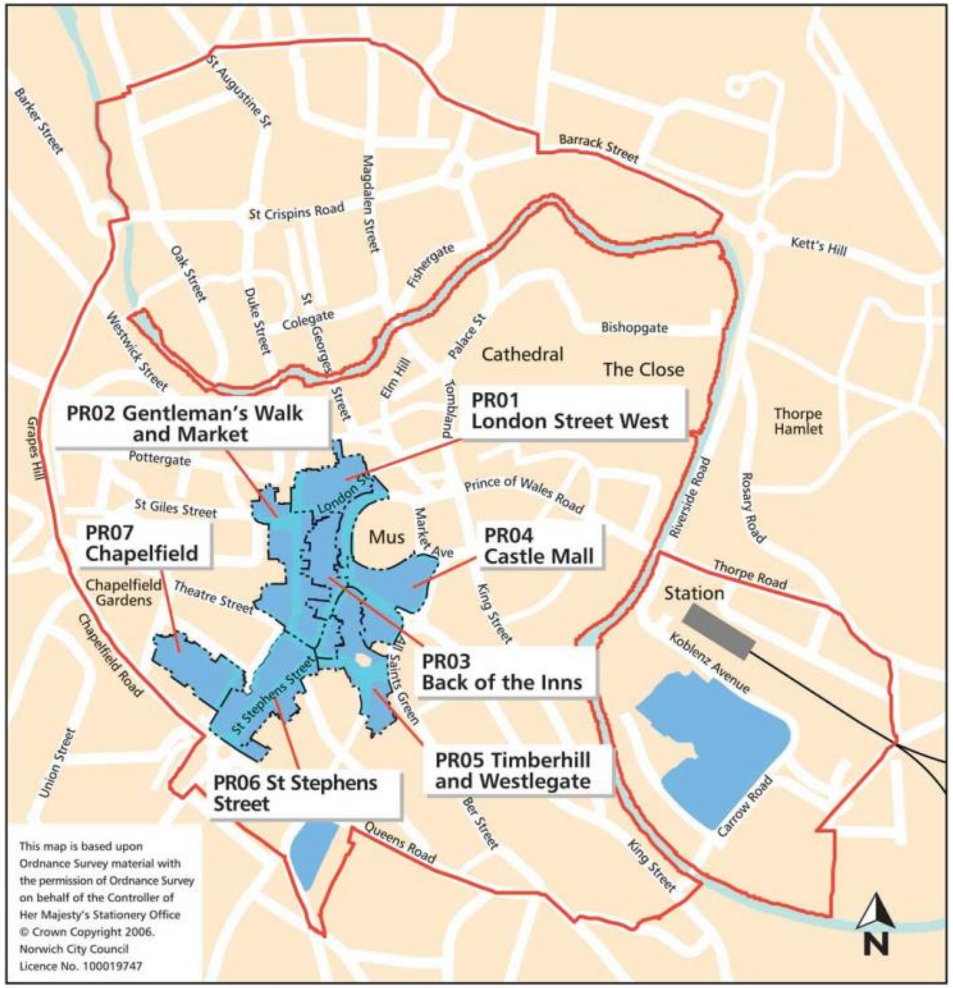
Replacement Local Plan remains as a secondary shopping area with broadly the same boundaries as before but is renamed as The Lanes West).

- Redefinition of zone boundaries in the Westlegate and Timberhill area to group Westlegate and John Lewis at All Saints Green with St Stephens Street rather than being grouped with Timberhill. Timberhill is grouped instead with Red Lion Street.

- Extension of the primary shopping area to include Chapelfield Plain (under construction at the time of the 2004 local plan) and premises at the north end of Ber Street.

3.9 For the core frontages of the Primary area the proportion of frontage which it is desirable to maintain in A1 retail use has been set as an indicative minimum of **80**%. This appears to be a relatively high benchmark but is lower than specified in previous local plan policies. It recognises the critical importance of shops in these zones but gives scope for further diversification. In Castle Mall and Chapelfield the defined retail frontages are confined to the main retail levels of the centres concerned with restaurants, cafes and other services on other levels which do not generally have defined frontages – consequently the proportion of shops in the defined frontages in these centres is expected to remain high by definition.

3.10 For other areas of the centre the indicative minima vary according to location and will allow for a more flexible and diverse range of uses to be introduced within ground floor premises to complement the shopping offer as these areas change and develop. The council would welcome comments on the thresholds chosen and in particular whether they are appropriate to protect the shopping function of different areas.



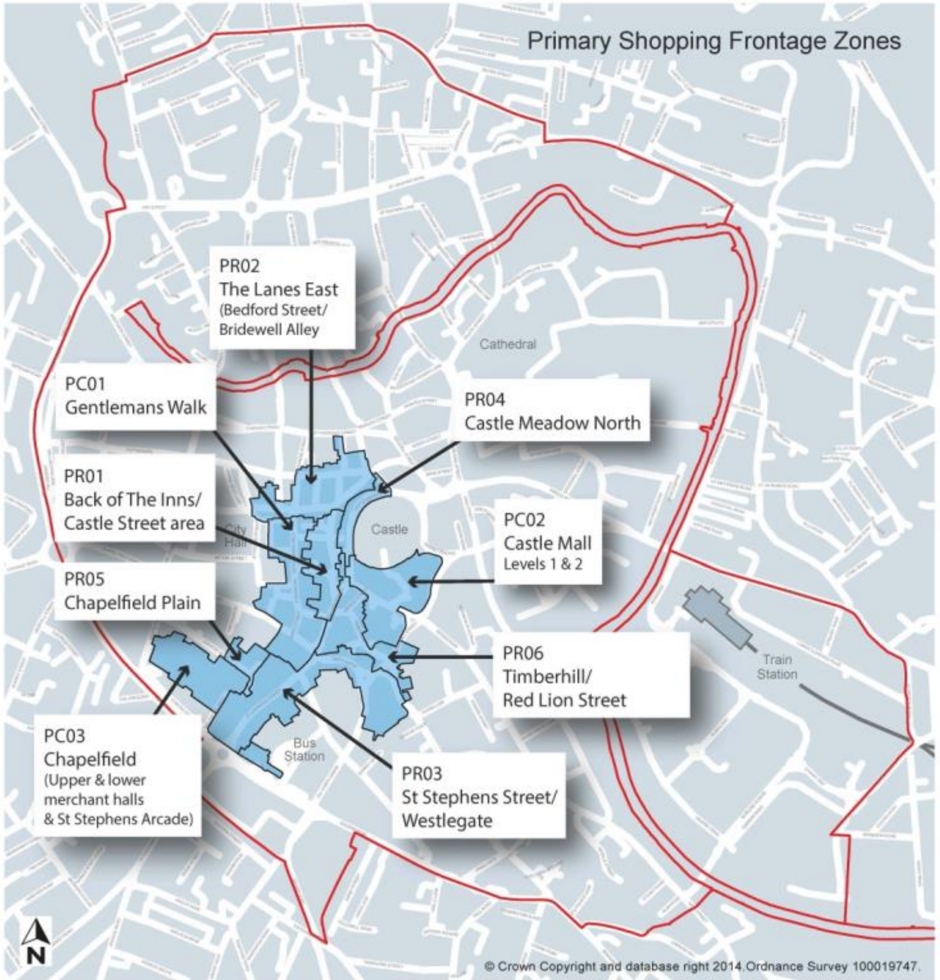


Figure 2

Primary area frontage zones as previously defined in the City of Norwich Replacement Local Plan 2004 (left) and currently in the Norwich Development Management Policies Local Plan (right)

4. Frontage Zone definitions

4.1 The following city centre frontage zones and large district centres are defined in the DM Policies plan and listed in Appendix 4 of the plan document. The boundaries of the each area and frontage zone are shown on the Policies Map but not named or labelled individually on the map. The reference numbers used in the plan reflect those used in the city council's shops database and in the City Centre Retail Monitor.

	Primary retail area core frontage zones
PC01	Gentlemans Walk/Haymarket/Brigg Street
PC02	Castle Mall (defined frontages on White Lion Street and Castle Meadow levels)
PC03	Chapelfield (defined frontages on lower/upper merchants hall levels)
	Frontage zones in the rest of the primary retail area
PR01	Back of the Inns/Castle Street area
PR02	The Lanes East (Bedford Street/Bridewell Alley area)
PR03	St Stephens Street/Westlegate
PR04	Castle Meadow north
PR05	Chapelfield Plain
PR06	Timberhill/Red Lion Street
	Secondary retail areas
SR01	The Lanes West (Pottergate/Dove Street/Lower Goat Lane area)
SR02	Upper St Giles
SR03	St Benedicts
SR04	Elm Hill
SR05	London Street (east)
SR06	Brazen Gate
	Large District Centres
LD01	Anglia Square, Magdalen Street and St Augustine's Street
LD02	Riverside

The Core Frontage Zones

PC01 – Gentlemans Walk/Haymarket/Brigg Street

These three historic streets together form the pedestrianised core of Norwich's primary shopping area. The area is attractive and busy during the day, characterised by:

- Large department and multiple stores with extensive frontages (Marks and Spencer, Debenhams, Primark, Next).
- High street chain and specialist retailers (W H Smith, HMV, Top Shop)
- A number of supporting services including two banks and several national chain coffee/sandwich shops and cafés.
- The 200-stall open Provision Market with a wide range of local independent retailers trading six days a week. The Provision Market, refurbished in 2005, is located within this zone but is not part of the defined retail frontage. Vacancies within the market have been increasing in recent years.

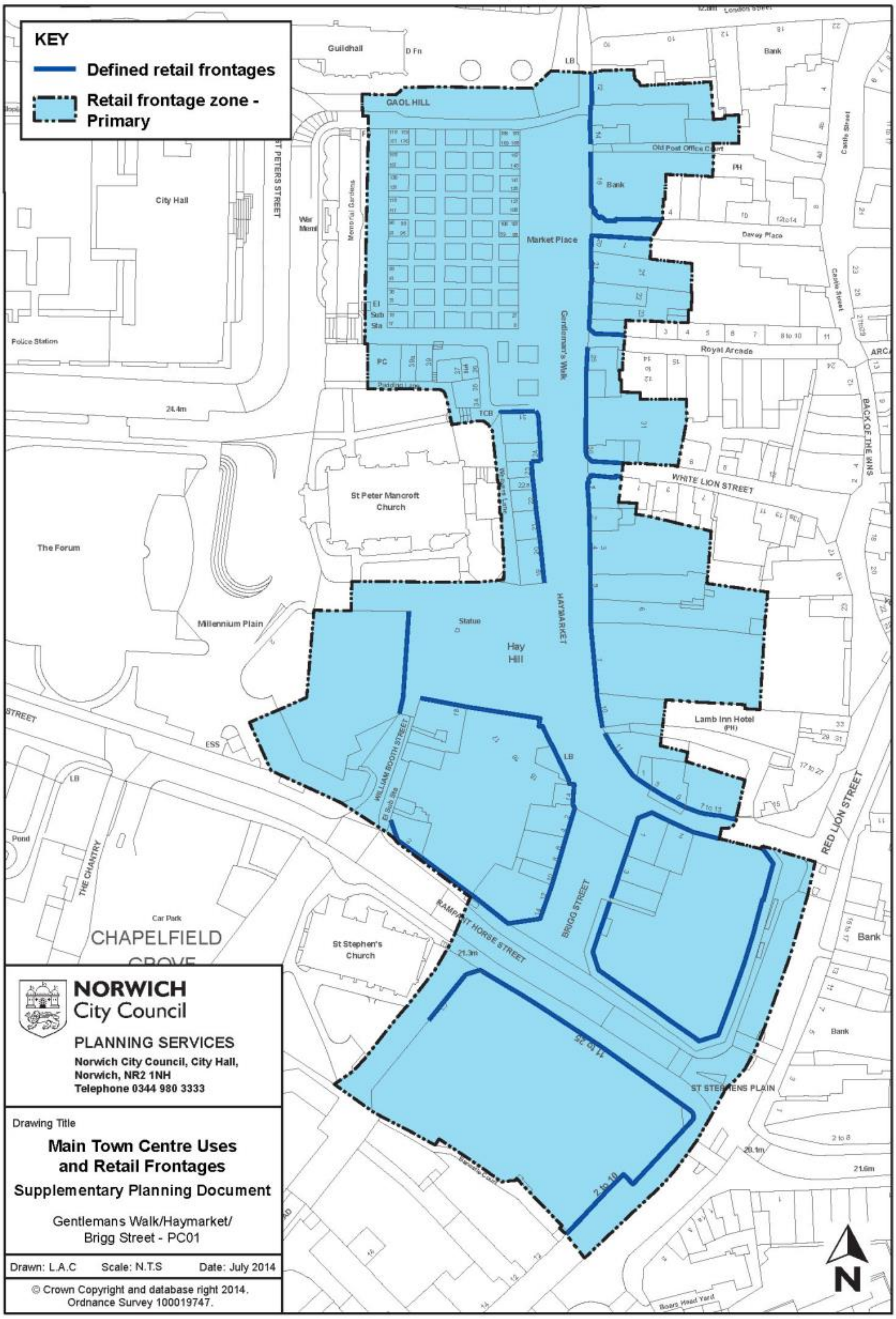
The Gentleman's Walk area has a high concentration of shopping floorspace and has been the main focus of traditional high street retailing in Norwich for many years, although activity in the evening is still fairly limited other than on late night shopping days (usually Thursday). This may be due to the dominance of larger retail premises which do not generally extend their opening hours beyond the early evening and which are not well suited to more flexible use. Vacancy is more persistent in smaller shop units which may struggle to attract retail tenants able to afford prime rents, thus there may be scope to accept a wider range of uses in smaller premises to support the evening economy. The presence of the Provision Market and large department and multiple stores, some of which have very extensive frontages, means that this part of the centre is likely to retain its important shopping role and key shopping attractions for residents and visitors and remain a focus of new retail investment and enhancement for the foreseeable future. Ongoing traffic management measures in the area are likely to reduce volumes of traffic and improve conditions for pedestrians in Rampant Horse Street and St Stephens Street in the early part of the plan period.

The survey of April 2014 showed the following analysis for frontages in core frontage zone PC01:

Percentage vacant units:	**8.5 percent**
Percentage vacant floorspace:	**1.9 percent**
Total length of defined retail frontage in this zone:	**872.9 metres**
Measured ground floor frontage retail/non retail split*:	**88.4 percent A1 retail frontage** **11.6 percent non retail frontage**

In order to maintain and support the vitality, viability and shopping character of zone **PC01**, decisions on planning applications for new development and change of use should seek to

- maintain an indicative minimum of **80%** of defined retail frontage in A1 retail use at ground floor level;
- seek to retain larger units of over 150 m2 in retail use but accept a broader range of uses in smaller premises at ground floor level, particularly where monitoring shows persistent concentrations of vacancy in small units both within and outside of defined frontages;
- extend the use of vacant and underused upper floors for a range of beneficial uses, especially cafés restaurants and bars supporting the evening economy, subject to other policies of the local plan. Residential uses will be supported where consistent with policies DM2, DM12 and DM13.
- Promote uses which increase public activity and pedestrian footfall in these areas in the early evening, and;
- Discourage concentrations of non-retail uses which would result in continuous runs of inactive ground floor frontage (for example betting shops and amusement centres).


KEY
Defined retail frontages
Retail frontage zone - Primary
GAOL HILL
City Hall
Market Place
Gentleman's Walk
St Peter Mancroft Church
The Forum
Millennium Plain
Hay Hill
HAYMARKET
WHITE LION STREET
Royal Arcade
Lamb Inn Hotel (PH)
RED LION STREET
BRIGG STREET
RAMPANT HORSE STREET
WILLIAM BOOTH STREET
CHAPELFIELD
St Stephen's Church
ST STEPHENS PLAIN
NORWICH City Council
PLANNING SERVICES
Norwich City Council, City Hall, Norwich, NR2 1NH
Telephone 0344 980 3333
Drawing Title
Main Town Centre Uses and Retail Frontages
Supplementary Planning Document
Gentlemans Walk/Haymarket/ Brigg Street - PC01
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N

PC02 – Castle Mall

Castle Mall is the older of the two purpose built covered shopping centres within Norwich and was opened in 1993, the Vue Cinema being added later. Following its recent acquisition by Infrared Retail, a major programme of refurbishment is planned which is expected to redesign Level 4 of the mall (accessed from Timberhill) with a greater focus on cafés and restaurants, with a number of other internal and external works programmed throughout the scheme. External remodelling of the White Lion Street pedestrian entrance has already been approved but considerable potential remains to enhance the design of the development and improve its functional relationship with neighbouring areas. The refurbishment of Westlegate Tower for residential flats includes new commercial development on the Timberhill frontage and a new pedestrian link from Timberhill to Westlegate which should increase pedestrian activity in the area and will be of benefit to the Timberhill frontage of Castle Mall.

Defined retail frontages within Castle Mall are Level 1 (White Lion Street) and Level 2 (Castle Meadow). The shopping levels above this are focused mainly on restaurants, cafes and other non-retail uses and are not part of the defined retail frontage. The basement level currently occupied by TK Maxx is also excluded from the frontage definition.

The survey of April 2014 showed the following analysis for frontages in core frontage zone PC02:

Percentage vacant units:	**18.9 percent**
Percentage vacant floorspace:	**14.1 percent**
Total length of defined retail frontage in this zone:	**875.1 metres**
Measured frontages retail/non retail split (levels 1 and 2):	**95.6 percent A1 retail frontage** **4.4 percent non retail frontage**

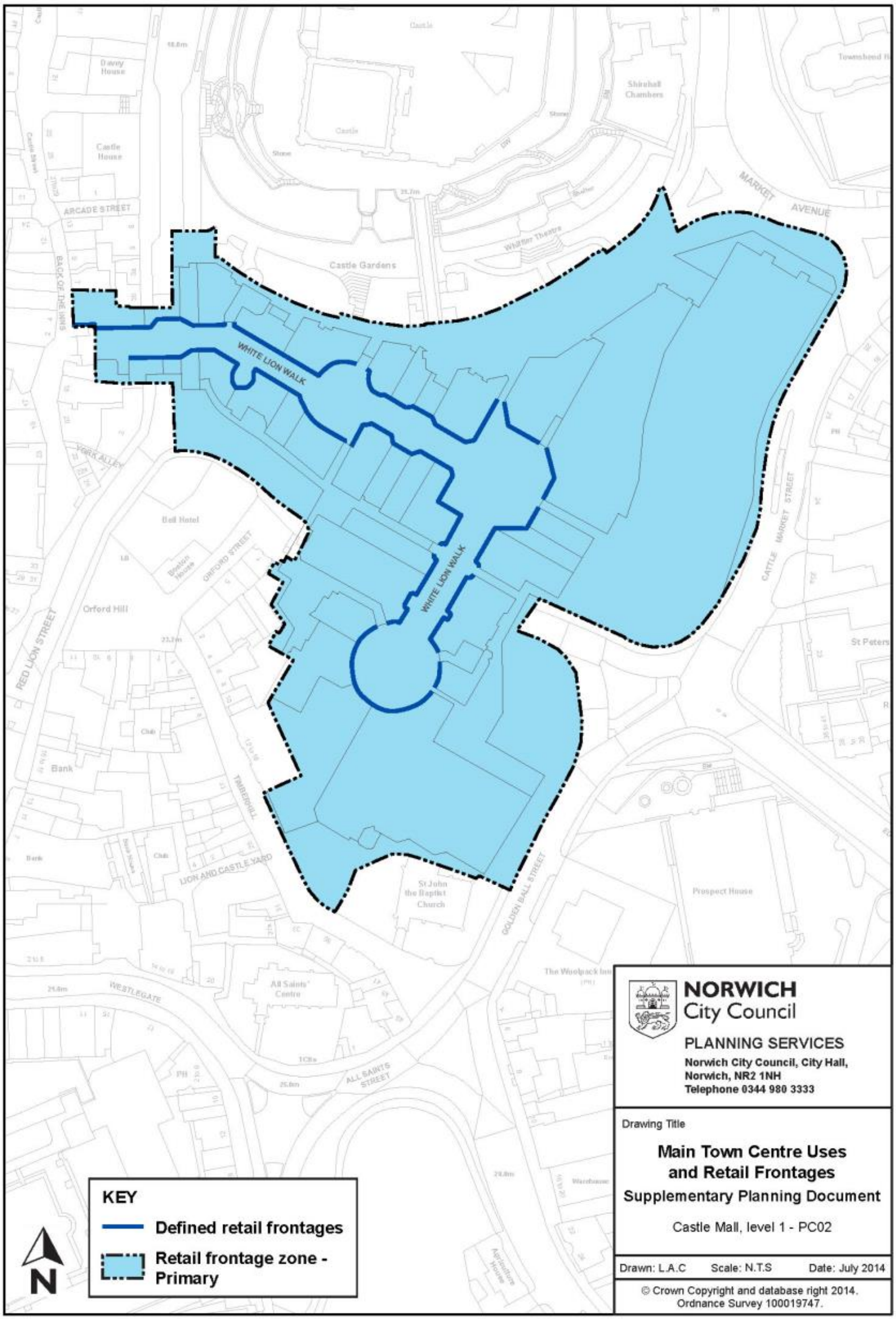
Currently, there is a relatively high proportion of vacant units within Castle Mall. The majority of empty units on the main retail levels were previously in use as shops. In the context of ongoing refurbishment and recent change of management of the development there may be scope to introduce more flexibility in the use of the main retail levels to increase occupancy although it is suggested that A1 retail use should remain the main focus.

In order to maintain and support the vitality, viability and shopping character of zone **PC02**, decisions on planning applications for new development and change of use will

- Seek to maintain an indicative minimum of **80%** of defined retail frontage in A1 retail use on Levels 1 and 2 of Castle Mall, which will allow for some further diversification of use where this can help to address long term vacancy or promote vitality;

- Support wider diversification of uses on other levels with more efficient and innovative use of public space;
- support the extended use of Level 4 (Timberhill) for early evening economy uses such as restaurants and cafés, and for complementary leisure uses;
- improve the functional relationship of the Mall with adjoining public areas, in particular St John's Plain and Castle Green, and;
- so far as reasonably practicable, retain existing community services that are accommodated in the Mall in accordance with DM policy DM22.

The council will continue to work closely with the Mall owners and managers to ensure that planned improvements to Castle Mall as a whole deliver maximum benefits for shoppers.


MARKET AVENUE
Castle Gardens
Whiffler Theatre
Shirehall Chambers
Davey House
Castle House
ARCADE STREET
BACK OF THE INNS
WHITE LION WALK
WHITE LION WALK
YORK ALLEY
Bell Hotel
ORFORD STREET
Orford Hill
RED LION STREET
CATTLE MARKET STREET
TIMBERHILL
LION AND CASTLE YARD
St John the Baptist Church
GOLDEN BALL STREET
Prospect House
The Woolpack Inn
All Saints' Centre
WESTLEGATE
ALL SAINTS STREET
KEY
Defined retail frontages
Retail frontage zone - Primary
N
NORWICH
City Council
PLANNING SERVICES
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Norwich, NR2 1NH
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Drawing Title
Main Town Centre Uses
and Retail Frontages
Supplementary Planning Document
Castle Mall, level 1 - PC02
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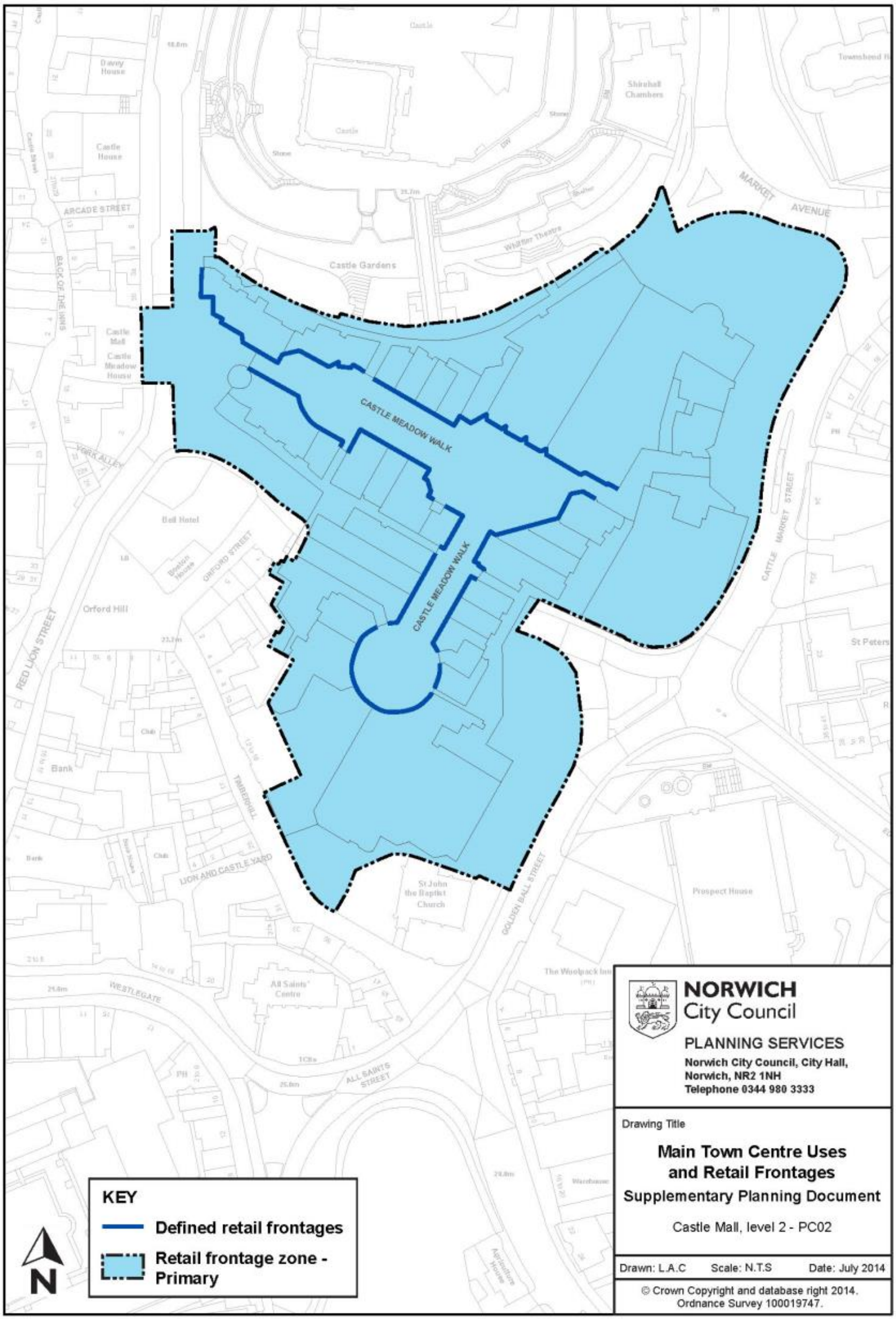
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Main Town Centre Uses and Retail Frontages
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Castle Mall, level 2 - PC02
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KEY
Defined retail frontages
Retail frontage zone - Primary
N
CASTLE MEADOW WALK
CASTLE MEADOW WALK
Castle Gardens
MARKET AVENUE
CATTLE MARKET STREET
GOLDEN BALL STREET
RED LION STREET
BACK OF THE INNS
ARCADE STREET
WESTLEGATE
ALL SAINTS STREET
LION AND CASTLE YARD
TIMBERHILL
ORFORD STREET
YORK ALLEY
Orford Hill
Bell Hotel
St John the Baptist Church
Prospect House
All Saints' Centre
Bank
Castle House
Davey House
Shirehall Chambers

PC03 – Chapelfield

Chapelfield is the newer of the two covered shopping malls in Norwich, dating from 2005. Owned and operated by Intu Properties, it accommodates a varied range of high street retailers and a separate food court (the Dining Terrace) on the top level.

Defined retail frontages within Chapelfield are (1) the lower shopping level accessed from St Stephens Street, comprising St Stephens Arcade and Lower Merchants Hall and (2) the upper shopping level accessed from Chantry Road, comprising the Crescent and Upper Merchants Hall. The top floor dining terrace is not part of the defined retail frontage. Chapelfield Plain, the open square to the north, forms a separate frontage zone (PR05) for the purposes of policy DM20.

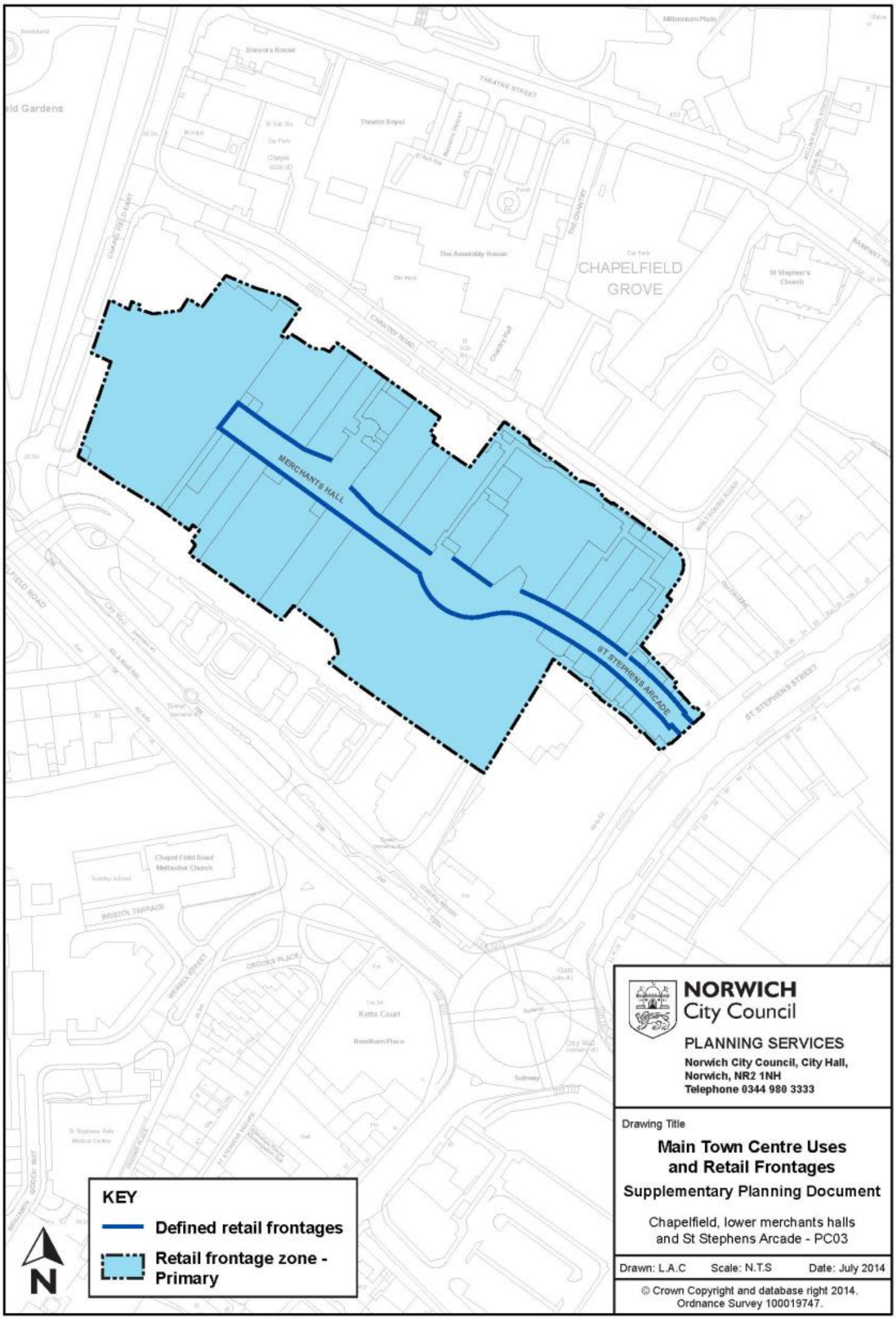
The survey of April 2014 showed the following analysis for frontages in core frontage zone PC03:

Percentage vacant units:	**12.3 percent**
Percentage vacant floorspace:	**3.9 percent**
Total length of defined retail frontage in this zone:	**686.0 metres**
Measured frontages retail/non retail split (levels 1 and 2):	**97.2 percent A1 retail frontage** **2.8 percent non retail frontage**

Within the main retail levels of Chapelfield, the vacancy rate is relatively low as a proportion of floorspace but is significantly higher when measured as a proportion of shop units. This would suggest that (as with Castle Mall) vacancies are concentrated in smaller units. In order to maintain and support the vitality, viability and shopping character of zone **PC03**, decisions on planning applications for new development and change of use should:

- seek to maintain an indicative minimum of **80%** of defined retail frontage in A1 retail use on the main retail levels of Chapelfield, which will allow for some further diversification of use in smaller units where this can help to address long term vacancy or promote vitality, and;
- Support further improvements to the internal layout and setting of Chapelfield which enhance its attractiveness and usability for shoppers.

The council will continue to work closely with Chapelfield's owners and managers to ensure that future improvements to the scheme will deliver maximum benefits for shoppers.



CHAPELFIELD
GROVE
MERCHANTS HALL
ST STEPHENS ARCADE
ST STEPHENS STREET
THEATRE STREET
CHANTRY ROAD
BRISTOL TERRACE
CROOKS PLACE
Theatre Royal
The Assembly House
Chapel Field Road
Methodist Church
Ketts Court
KEY
Defined retail frontages
Retail frontage zone - Primary
N
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Chapelfield, lower merchants halls
and St Stephens Arcade - PC03
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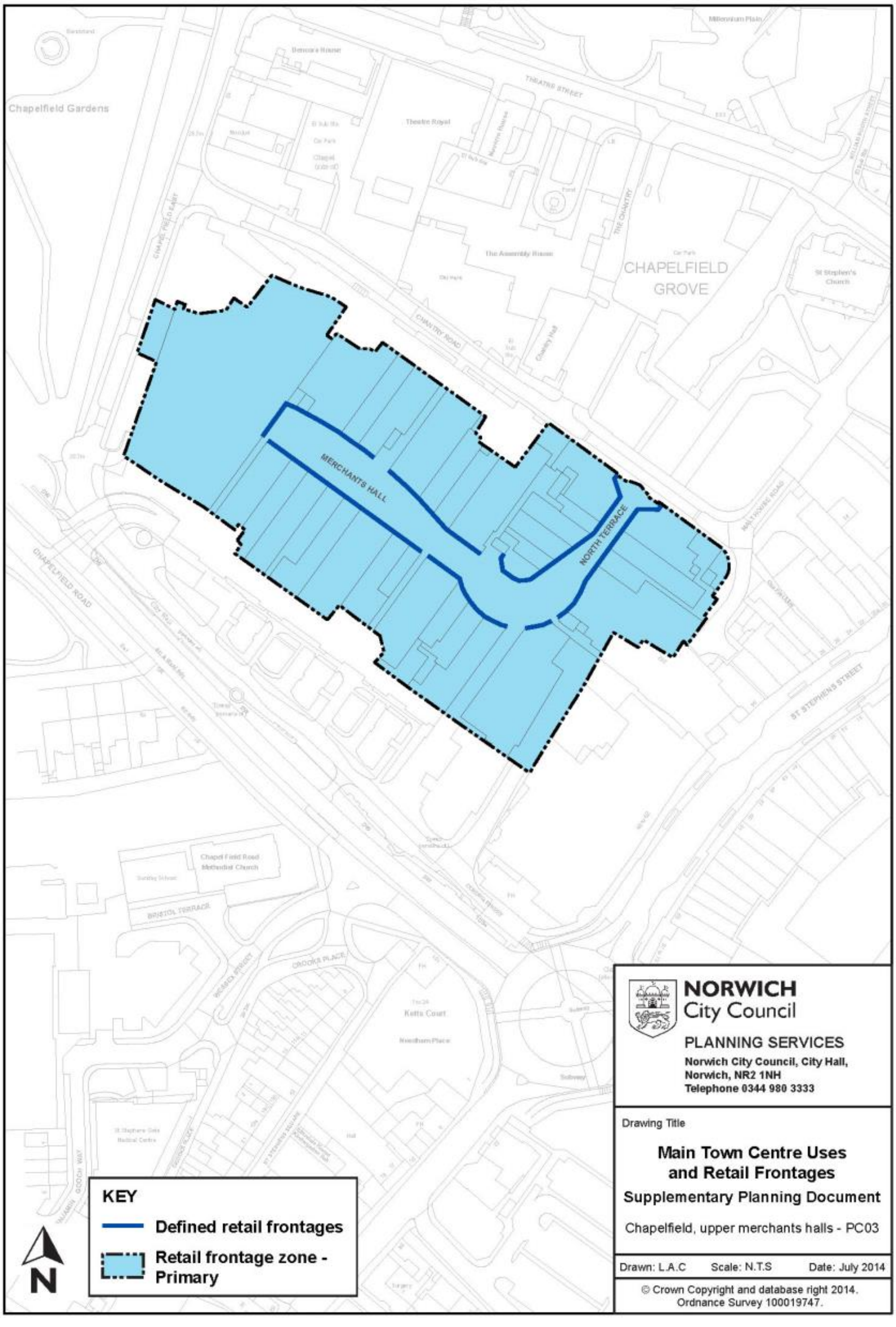
Chapelfield Gardens
THEATRE STREET
Theatre Royal
CHAPELFIELD GROVE
The Assembly House
CHANTRY ROAD
THE CHANTRY
MERCHANTS HALL
NORTH TERRACE
CHAPELFIELD ROAD
CHAPELFIELD EAST
ST STEPHENS STREET
BRISTOL TERRACE
CROOKS PLACE
Chapel Field Road Methodist Church
Ketts Court
KEY
Defined retail frontages
Retail frontage zone - Primary
N
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Chapelfield, upper merchants halls - PC03
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Frontage Zones in the remainder of the primary area

PR01 – Back of the Inns/Castle Street area

This frontage zone covers the network of historic pedestrian streets between Gentleman's Walk and the Castle, including Back of the Inns, Castle Street, White Lion Street, the Royal Arcade and Davey Place. This part of the centre offers a varied range of speciality retailers (mainly in smaller units) and in recent years a number of other complementary services have been introduced such as Jamie's and Bill's Restaurants, the Virgin Money Store and Patisserie Valerie, adding to the vitality of the area and extending activity into the early evening. Vacancy rates are currently low and the area is well frequented by shoppers because of its position between two important attractions (the Castle and the Market Place) and the proximity of Castle Mall and speciality shopping in the Royal Arcade. It is considered that there is further potential to expand supporting services such as cafes and restaurants in this area and extend its use into the early evening, albeit that the introduction of pavement cafes would be unsuitable in some parts of the area where streets are narrow .

The survey of April 2014 showed the following analysis for frontages in core frontage zone PR01.

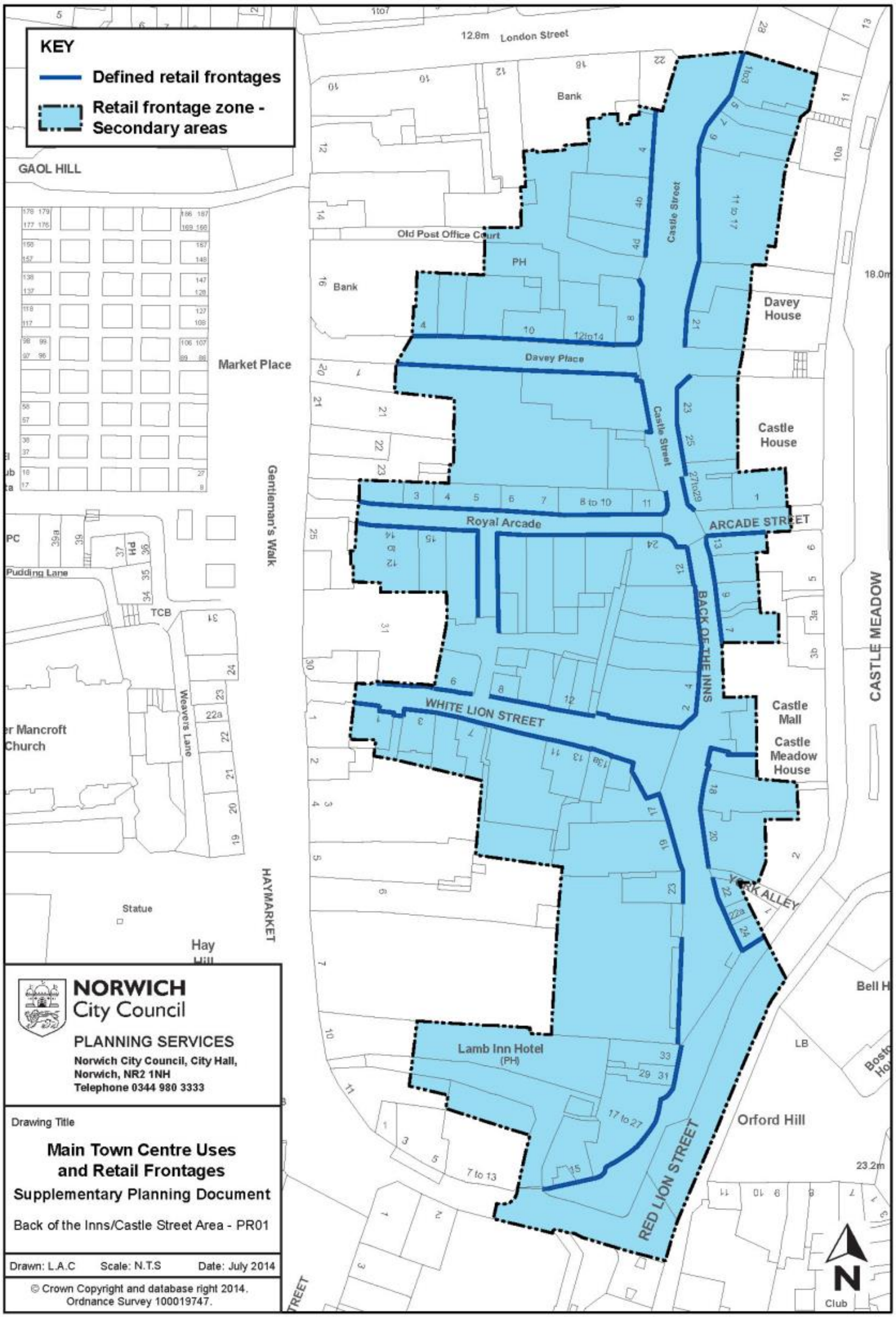
Percentage vacant units:	**5.6 percent**
Percentage vacant floorspace:	**4.4 percent**
Total length of defined retail frontage in this zone:	**729.6 metres**
Measured frontages retail/non retail split:	**71.9 percent A1 retail frontage** **28.1 percent non retail frontage**

In order to maintain and support the vitality, viability and shopping character of zone **PR01**, decisions on planning applications for new development and change of use will:

- Seek to maintain an indicative minimum of **65%** of defined retail frontage in A1 retail use, aiming to retain larger units with more extensive frontages in retail use but encouraging greater diversity in smaller units under 150 m2;
- give particular support to expanding evening economy uses such as cafés and restaurants throughout the area, including on upper floors, provided this can be achieved without restricting access for service vehicles or compromising pedestrian safety;
- Promote uses which increase public activity and pedestrian footfall in these areas in the early evening;
- Discourage concentrations of non-retail uses which would result in continuous runs of inactive ground floor frontage (for example betting shops and amusement centres), and;

- Support the further enhancement and improvement of the Royal Arcade and its historic setting.

To support this approach further enhancement of the public realm including (for example) enhanced paving and lighting would be beneficial particularly in those areas where paving schemes are becoming dated. There may be scope for developer funding for such initiatives through the Community Infrastructure Levy (CIL).


KEY
Defined retail frontages
Retail frontage zone - Secondary areas
GAOL HILL
London Street
Bank
Old Post Office Court
PH
Castle Street
Davey House
Davey Place
Market Place
Castle House
Gentleman's Walk
Royal Arcade
ARCADE STREET
BACK OF THE INNS
CASTLE MEADOW
Pudding Lane
TCB
WHITE LION STREET
Castle Mall
Castle Meadow House
Weavers Lane
St Peter Mancroft Church
HAYMARKET
YORK ALLEY
Statue
Hay Hill
Lamb Inn Hotel (PH)
RED LION STREET
Orford Hill
LB
Bell H
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Back of the Inns/Castle Street Area - PR01
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N

PR02 – The Lanes East

The Norwich Lanes is a thriving area of great historic character and visitor appeal, emerging in recent years as a centre for speciality and local independent shops, cafes and restaurants and other community enterprises. The local plan does not treat the Lanes as a single entity for planning purposes, rather, the area extends across a number of separate frontage zones in the primary and secondary retail areas. In comparison with the 2004 Replacement Local Plan (which pre-dated the Lanes initiative) zone boundaries are now defined to better reflect the Norwich Lanes as a self-contained area and to identify the most important shopping streets within it. In applying policy DM20 decisions will need to consider the overall impact of changes of use on the Lanes as a whole as well as the impact on the zone concerned.

The “Lanes East” area comprises the network of historic, largely pedestrianised streets to the north and north-east of the Market Place including Bedford Street, the western part of London Street, Swan Lane, Bridewell Alley, St Andrews Hill and the southern end of Exchange Street. It forms the eastern half of the Norwich Lanes, an area characterised by speciality and local independent retailing in mainly historic smaller premises but including the large local independent department store of Jarrolds. Norwich BID is seeking to improve and enhance the retail offer in London Street by positioning it as a high quality prestige retailing area.

The area offers a relatively small number of other services supporting the evening economy such as pubs and restaurants, which in this zone are concentrated in the Bedford Street and Exchange Street areas. The Bridewell Museum and St Andrews Church and the nearby St Andrews Hall and Cinema City are important visitor and leisure attractions in the north of the area. Conversion of retail and office premises in Bridewell Alley and St Andrews Street for exhibition space and classrooms has recently been approved as part of the ongoing expansion of the nearby Norwich University of the Arts (NUA).

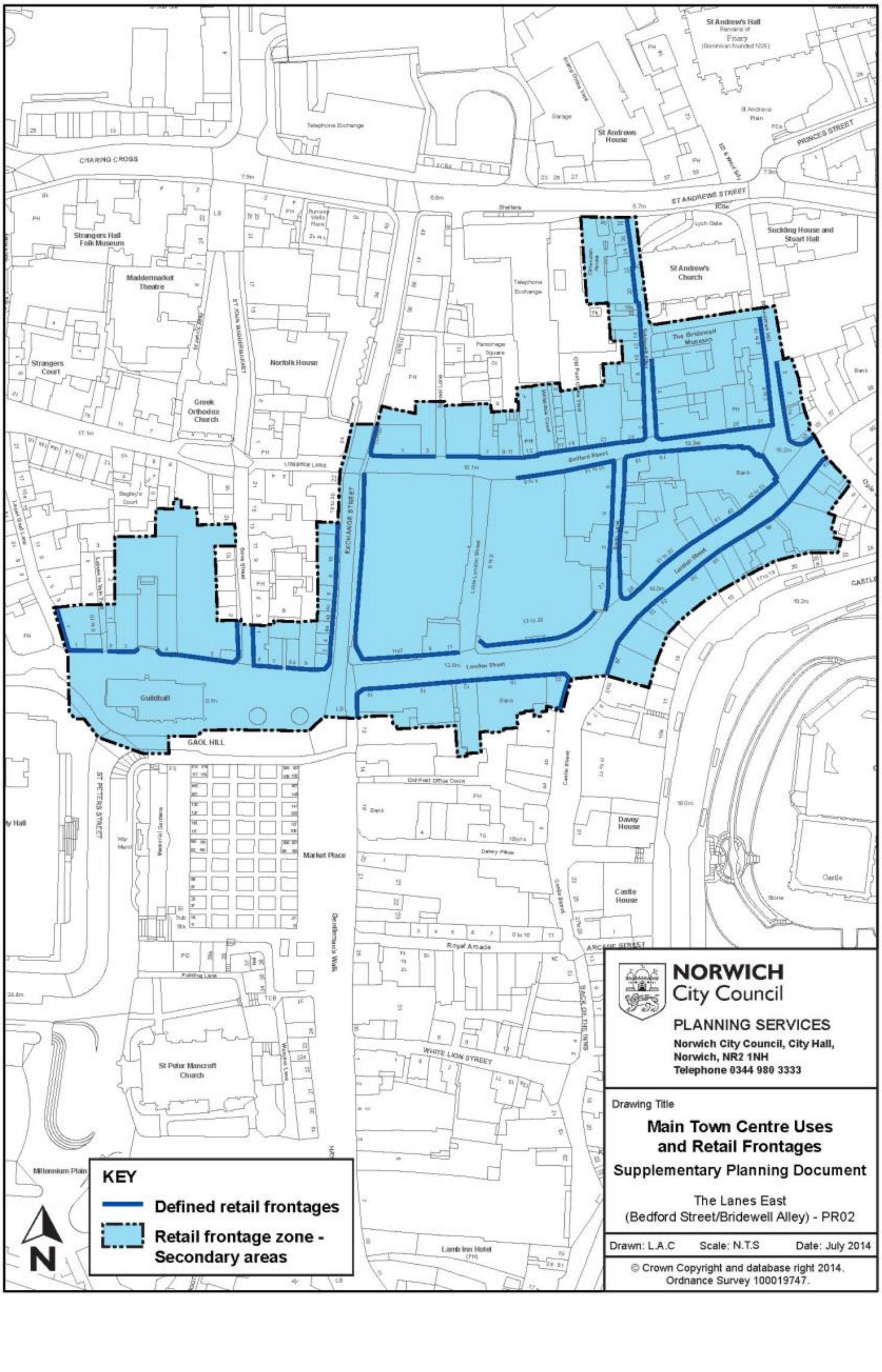
The survey of April 2014 showed the following analysis for frontages in core frontage zone PR02.

Percentage vacant units:	**5.2 percent**
Percentage vacant floorspace:	**1.0 percent**
Total length of defined retail frontage in this zone:	**1151.2 metres**
Measured frontages retail/non retail split:	**81.0 percent A1 retail frontage** **19.0 percent non retail frontage**

Shop vacancy rates in this zone are generally low. The focus of the area is expected to remain on speciality and independent shopping but there may be scope to introduce additional uses supporting the early evening economy and encourage complementary uses in upper floors, following the recent example of the Norwich Gym at Little London Street (housed in part of the former Habitat store). The expansion of the NUA should be of benefit to this area through greater pedestrian footfall and potentially greater activity in the early evening.

In order to maintain and support the vitality, viability and shopping character of zone **PR02**, decisions on planning applications for new development and change of use will

- Seek to maintain an indicative minimum of **70%** of defined retail frontage in A1 retail use;
- continue to support proposals for speciality and local independent retailing complementing the historic character and visitor appeal of the area, including through promotion of prestige high quality retail especially in London Street;
- support the further expansion of cafes and restaurants particularly in London Street and Bedford Street, where this can be achieved without harmful impact on historic character, ease of access for pedestrians or servicing requirements;
- Discourage concentrations of non-retail uses which would result in continuous runs of inactive ground floor frontage (for example betting shops and amusement centres), and;
- support complementary uses in upper floors, including further expansion of visitor accommodation and educational and leisure uses where appropriate and consistent with other local plan policies.


NORWICH
City Council
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Norwich, NR2 1NH
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Drawing Title
Main Town Centre Uses
and Retail Frontages
Supplementary Planning Document
The Lanes East
(Bedford Street/Bridewell Alley) - PR02
Drawn: L.A.C
Scale: N.T.S
Date: July 2014
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Ordnance Survey 100019747.
KEY
Defined retail frontages
Retail frontage zone -
Secondary areas
N
CHARING CROSS
ST ANDREWS STREET
PRINCES STREET
EXCHANGE STREET
GAOL HILL
ST PETERS STREET
Strangers Hall
Folk Museum
Maddermarket
Theatre
Norfolk House
Greek
Orthodox
Church
Guildhall
Market Place
St Andrew's Hall
St Andrews
House
St Andrew's
Church
Suckling House and
Stuart Hall
Davey
House
Castle
House
Castle
Royal Arcade
WHITE LION STREET
St Peter Mancroft
Church
Millennium Plain
Lamb Inn Hotel

PR03 – St Stephens Street/Westlegate

This frontage zone comprises St Stephens Street and immediately adjoining areas (with the exception of Marks and Spencer), Westlegate, and the north end of All Saints Green taking in the extensive frontage to the flagship John Lewis store.

St Stephens was redeveloped in the 1950s and 1960s and is characterised mainly by larger shop units with a mix of high street multiples (BHS, W H Smith) and lower value budget retailers such as Poundland and Wilkinsons toward its south end where one of the main entrances to Chapelfield is also situated. St Stephens Street is one of two main stops for city bus services in the centre. Westlegate is the main pedestrian route linking St Stephens with John Lewis although the width of the footway is restricted and the shop units on its southern side are partly vacant. Surrey Street and Queens Road connect St Stephens Street with the Bus Station respectively at its northern and southern ends. Traffic management measures to be implemented from November 2014 will restrict St Stephens Street and part of Surrey Street to buses, cycles and service access. In the longer term, it is proposed to remove through traffic from Westlegate altogether. This should significantly improve conditions for shoppers. The refurbishment of Westlegate House includes a direct pedestrian route from the north side of Westlegate to Timberhill which will improve linkages between the St Stephens area and Castle Mall.

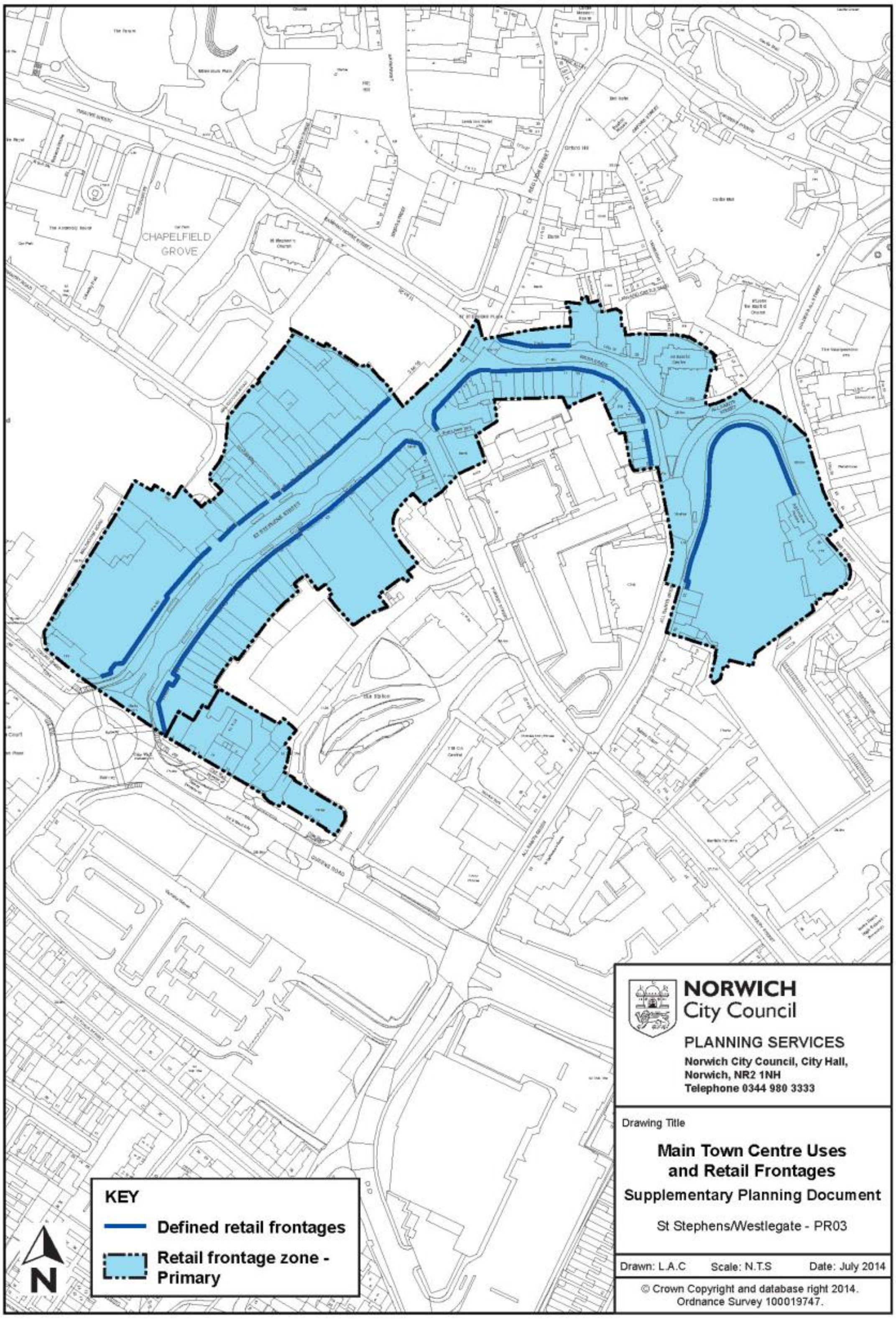
The survey of April 2014 showed the following analysis for frontages in core frontage zone PR03.

Percentage vacant units:	**15.6 percent**
Percentage vacant floorspace:	**2.1 percent**
Total length of defined retail frontage in this zone:	**822.4 metres**
Measured frontages retail/non retail split:	**85.2 percent A1 retail frontage**
	14.4 percent non retail frontage

Shop vacancy in this zone is very low in terms of floorspace but this is due to the presence of John Lewis and other retailers in very large units. St Stephens is expected to remain a major bus interchange, however as the area becomes more pedestrian friendly there may be opportunities for a more diverse range of services to complement its current focus on high street multiple and value retailers. The St Stephens Area Outline Masterplan proposes comprehensive redevelopment in the longer term. This is also promoted by policy CC31 of the Site Allocations Plan (as proposed to be modified) which also allows for incremental development and refurbishment of shop units on the east side of St Stephens Street in conjunction with re-use of upper floor offices, making provision for a potential direct pedestrian link to the Bus Station if this is technically feasible and viable.

In order to maintain and support the vitality, viability and shopping character of zone **PR03**, decisions on planning applications for new development and change of use will

- seek to maintain an indicative minimum of **80%** of defined retail frontage in A1 retail use;
- support refurbishment and reconfiguration of existing large unit shops throughout the area;
- Discourage concentrations of non-retail uses which would result in continuous runs of inactive ground floor frontage (for example betting shops and amusement centres);
- support (where feasible and viable) redevelopment of the 1960s shop premises on the east side of St Stephens Street in accordance with site allocations plan policy CC31, including the provision of improved pedestrian links to the Bus Station, and;
- support further diversification of uses in Westlegate (including cafes and restaurants making provision for outdoor seating) when reduction in traffic volumes and pedestrian priority measures make this practicable.


CHAPELFIELD GROVE
NORWICH
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PLANNING SERVICES
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Norwich, NR2 1NH
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Drawing Title
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St Stephens/Westlegate - PR03
Drawn: L.A.C
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Date: July 2014
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Ordnance Survey 100019747.
KEY
Defined retail frontages
Retail frontage zone - Primary
N

PR04 – Castle Meadow North

This zone comprises the historic built frontage of Castle Meadow alongside the Castle Mound, running north of Arcade Street up to (and including) the south side of Opie Street. Castle Meadow is the second main stop for local bus services in the primary retail area and the traffic is restricted to buses, taxis and cycles: part of the "green transport spine" connecting Norwich rail station with the central shopping area. The zone is one of long term change with service uses - in particular financial and professional services uses, travel agents and cafés - complementing a range of speciality and value retailers. A number of larger premises have frontages to both Castle Meadow and either Castle Street or London Street.

As a somewhat transitional, mixed use street, consideration has been given in preparing the DM policies plan to redefining Castle Meadow as a secondary retail area. However its retention as part of the primary area is felt to be justified because of:

- its importance as a public transport hub;
- its position close to a main pedestrian entrance to Castle Mall and the major visitor attraction of the Castle and Castle Gardens;
- existing pedestrian routes and activity links to the important neighbouring shopping areas of London Street and Castle Street, and;
- the presence of national multiple retailers such as Boots and Waterstones.

However, to encourage greater flexibility of uses in future the plan does not define a retail frontage for Castle Meadow and this SPD does not require a minimum proportion of retail use to be maintained.

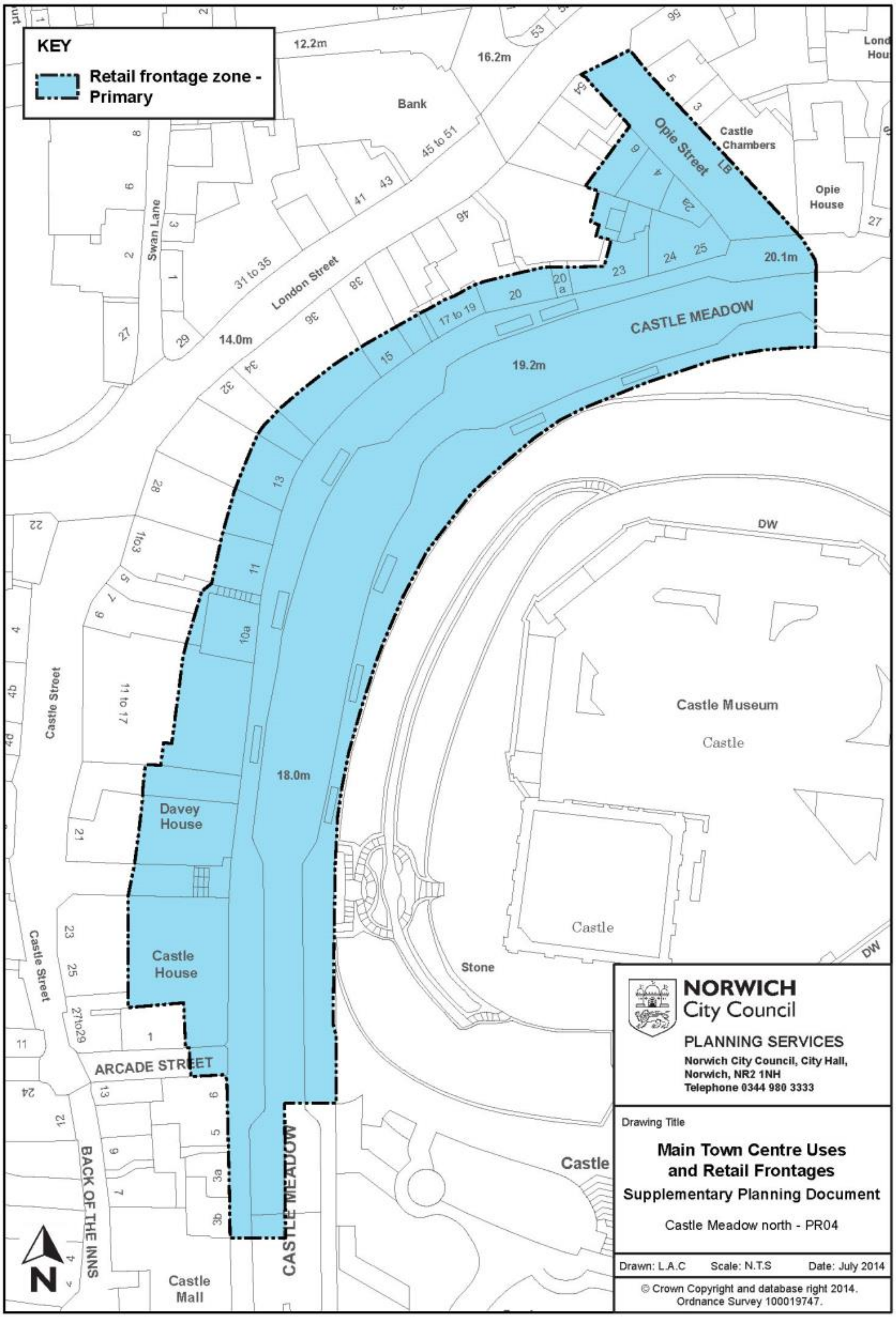
The survey of April 2014 showed the following analysis for frontages in core frontage zone PR04.

Percentage vacant units:	**20.0 percent**
Percentage vacant floorspace:	**30.0 percent**
Total length of defined retail frontage in this zone:	**0.0 metres**
Measured frontages retail/non retail split:	**Not applicable**

The zone is relatively small and vacancy rates at ground floor level relatively high, although this is skewed by the presence of some larger vacant units such as 7 Castle Meadow which has never been occupied following its refurbishment for a planned bar/restaurant use more than ten years ago. There is also a substantial amount of vacant and underused space in upper floors in larger former office premises such as Davey House, which has previously been subject to approved proposals for conversion to flats and a hotel.

In order to maintain and support the vitality, viability and character of zone **PR04**, decisions on planning applications for new development and change of use will

- Strongly support proposals for the refurbishment and enhancement of existing shop premises in Castle Meadow to improve the somewhat dated appearance of many units;
- Encourage the beneficial reuse of vacant premises at ground floor level for a broader range of main town centre uses (including temporary flexible uses) and community and educational, leisure, arts and entertainment uses. This may include cafes, restaurants, travel information centres and travel agencies which benefit from a location adjoining the Castle Meadow bus stops, and;
- Strongly support proposals for the reuse of redundant and underused upper floors, including for residential use where consistent with policies DM2, DM12 and DM13. Decisions on such proposals will also need to take account of development management policy DM19 (when the proposal involves the loss of office space) and policy DM32 (requiring new housing in the primary shopping area to be car-free).


KEY
Retail frontage zone - Primary
NORWICH
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Drawing Title
Main Town Centre Uses
and Retail Frontages
Supplementary Planning Document
Castle Meadow north - PR04
Drawn: L.A.C
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CASTLE MEADOW
London Street
Opie Street
Castle Street
Swan Lane
ARCADE STREET
BACK OF THE INNS
Castle Museum
Castle
Castle Chambers
Opie House
Davey House
Castle House
Castle Mall
Bank
Stone
DW
LB
12.2m
16.2m
14.0m
19.2m
20.1m
18.0m
N

PR05 – Chapelfield Plain

Chapelfield Plain is an irregular, open pedestrian square situated to the north of Chapelfield and Chantry Road and forming the outdoor part of the Chapelfield shopping centre completed in 2005, the majority of which falls within separate frontage zone PC03.

This small self-contained zone accommodates a mix of shops, cafés and restaurants, reflecting its intended function as an outdoor café quarter to complement the shopping offer in the main part of Chapelfield. Currently, the smaller block on the western side of the Plain (units 408-410) is occupied by cafés and restaurants, while the larger block on the eastern side (units 401 -407) has a mix of shops and cafés. A number of separate routes link Chapelfield Plain with the main part of the primary shopping area to the north and the cultural quarter around the Forum, including an informal pedestrian route through Chantry Car Park, the attractive footpath route through St Stephens Churchyard and the alternative route around the southern edge of the churchyard leading into Malthouse Road alongside the new wing of Marks and Spencer. It is currently fully occupied with no vacancies recorded.

Policy CC29 of the Site Allocations Plan makes provision for the eventual redevelopment of the Chantry Car Park site, accepting a mix of retail, café, leisure, art and entertainment uses on ground floors and mixed uses (including retail and/or offices) on upper floors, with open space in the southern part of the site.

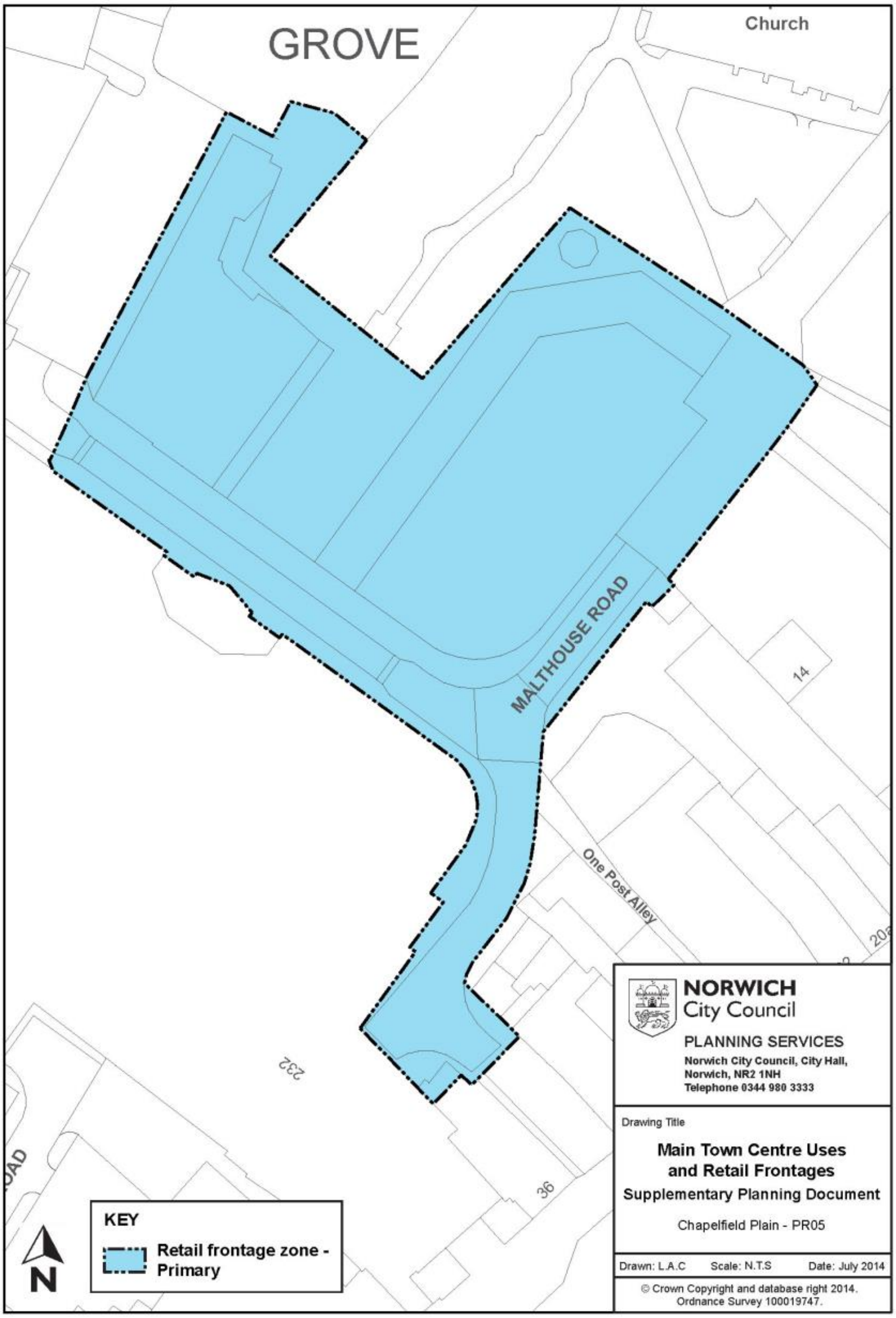
The survey of April 2014 showed the following analysis for frontages in core frontage zone PR05.

Percentage vacant units:	**0.0 percent**
Percentage vacant floorspace:	**0.0 percent**
Total length of defined retail frontage in this zone:	**0.0 metres**
Measured frontages retail/non retail split:	**Not applicable**

To encourage flexibility of uses in future the plan does not define a retail frontage for Chapelfield Plain and this SPD does not require a minimum proportion of retail use to be maintained. However, it would be beneficial to retain a proportion of shops in this area to provide an effective link between Chapelfield and the main part of the primary shopping area.

In order to maintain and support the vitality, viability and character of zone **PR05**, decisions on planning applications for new development and change of use will:

- Support a beneficial mix of retail uses and supporting services in Chapelfield Plain whilst seeking to retain the majority of shopping on its eastern side to reinforce the pedestrian route and activity links along Malthouse Road to Rampant Horse Street;
- Ensure that proposals for development on the Chantry Car Park site in accordance with site allocations plan policy CC29 are effectively integrated with existing uses Chapelfield Plain and enhance the pedestrian route through the site to the Forum;
- Support enhancements to the public realm in Chapelfield Plain which increase its attractiveness and usability for shoppers and visitors, and;
- Support proposals for temporary uses and activities within the area, in particular speciality markets and public entertainment events.



GROVE
Church
MALTHOUSE ROAD
One Post Alley
14
20a
232
36
OAD
NORWICH
City Council
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Norwich, NR2 1NH
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Main Town Centre Uses
and Retail Frontages
Supplementary Planning Document
Chapelfield Plain - PR05
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Date: July 2014
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Ordnance Survey 100019747.
KEY
Retail frontage zone - Primary
N

PR06 – Timberhill/Red Lion Street

This zone is a diverse, mixed use area including the speciality retail and bar/restaurant quarter of Timberhill and Orford Hill, the east side of Red Lion Street and Orford Yard characterised by restaurants and financial service uses and the southern end of Castle Meadow which offers a range of value retailers and other supporting services. The zone lies between the core of the primary shopping area and Castle Mall, whose upper levels are reached from Timberhill via the attractive open pedestrian square of St Johns' Plain. Timberhill is an attractive historic shopping street which has benefited from sympathetic new development in recent years both in association with Castle Mall and on other sites. Large scale public realm improvements were carried out in the early 1990s, although it remained somewhat isolated from the rest of the primary area because it was effectively an "island" surrounded by main traffic routes on the city's one way system and, as a consequence, it would benefit from measures to attract more shoppers and visitors. Traffic management and bus/cycle priority measures are expected to significantly reduce traffic levels in the area in the medium term, enabling the closure of Rampant Horse Street and Westlegate to general traffic, improving connections to the rest of the primary retail area and (as part of the Westlegate House development) introducing an improved route between Westlegate, Timberhill and Castle Mall. In anticipation of these accessibility improvements the zone has been defined to extend beyond Timberhill further to the east to take in premises at the north end of Ber Street and the Woolpack Inn in Golden Ball Street.

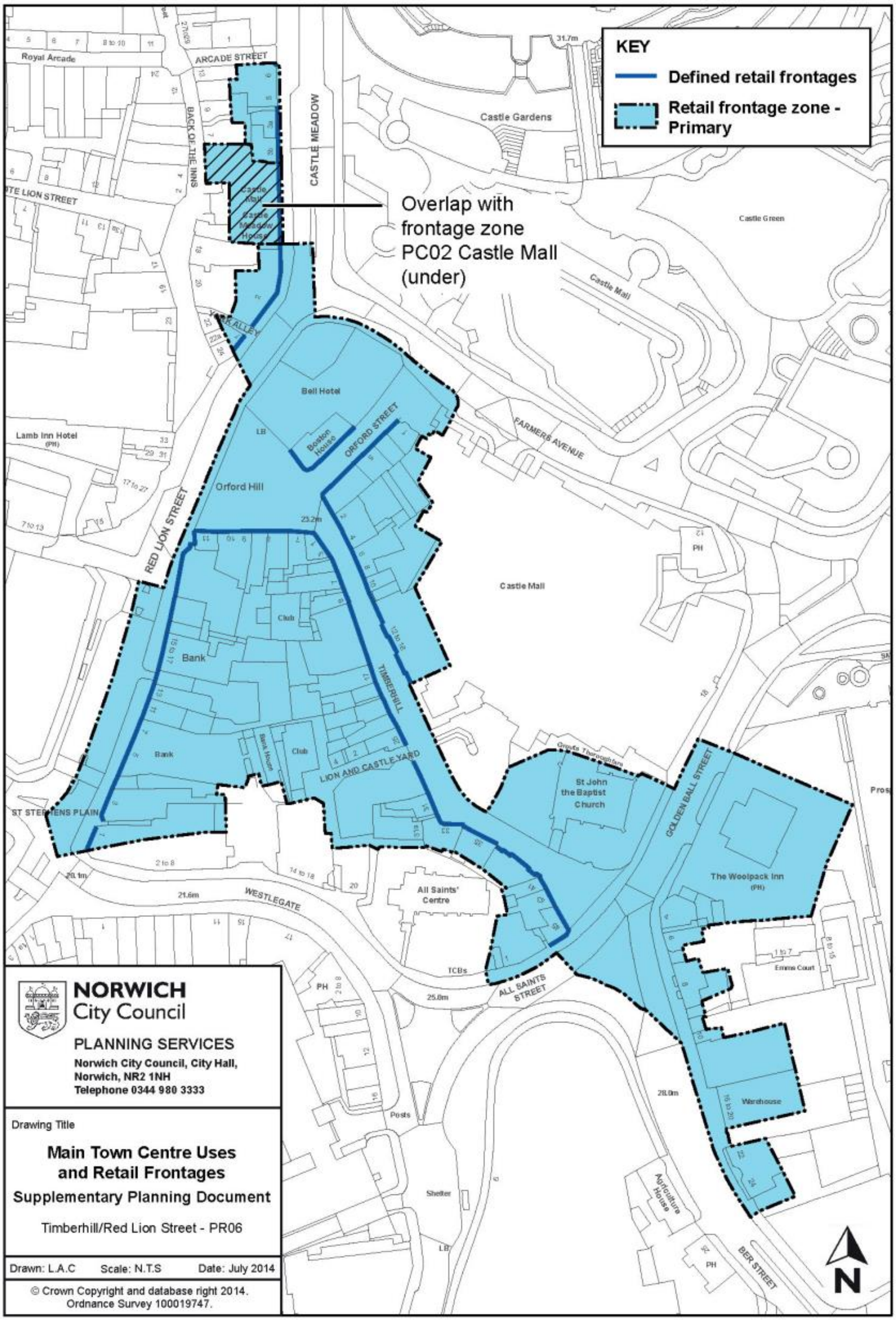
The survey of April 2014 showed the following analysis for frontages in core frontage zone PR06.

Percentage vacant units:	**5.7 percent**
Percentage vacant floorspace:	**6.3 percent**
Total length of defined retail frontage in this zone:	**423.2 metres**
Measured frontages retail/non retail split:	**69.3 percent A1 retail frontage** **30.7 percent non-retail frontage**

In order to maintain and support the vitality, viability and character of zone **PR06**, decisions on planning applications for new development and change of use will

- seek to maintain an indicative minimum of **60%** of defined retail frontage in A1 retail use;
- encourage and support proposals for speciality and local independent retailing and early evening economy uses throughout the area, in particular uses which increase activity and pedestrian footfall in Timberhill;

- support the retention of diverse range of uses in Red Lion Street including extending the use of upper floors for beneficial and complementary uses (including residential use where consistent with policies DM2, DM12 and DM13), and;
- Discourage concentrations of non-retail uses which would result in continuous runs of inactive ground floor frontage (for example betting shops and amusement centres).



Note that premises at 5-6 Castle Meadow are intentionally excluded from the defined retail frontage in zone PR06 for consistency with the adopted Norwich Local Plan Policies Map, which omits this section of defined frontage due to a printing error.

Frontage Zones in the secondary areas

SR01 – The Lanes West

This area is part of the Norwich Lanes situated to the north and west of the Market Place including Guildhall Hill, Lower and Upper Goat Lane, Dove Street, St John Maddermarket, the north end of Exchange Street and the pedestrian priority section of Pottergate. This part of the Lanes area offers a mix of local independent shops and service supporting the evening economy – restaurants and bars predominating in Pottergate, Exchange Street and St Andrews Street. Previously this part of the centre has been regarded as a secondary area although this is not a reflection of its relative importance and its character is essentially similar to the streets further to the east, albeit with a higher proportion of smaller local independents and fewer larger stores.

The survey of April 2014 showed the following analysis for frontages in core frontage zone SR01.

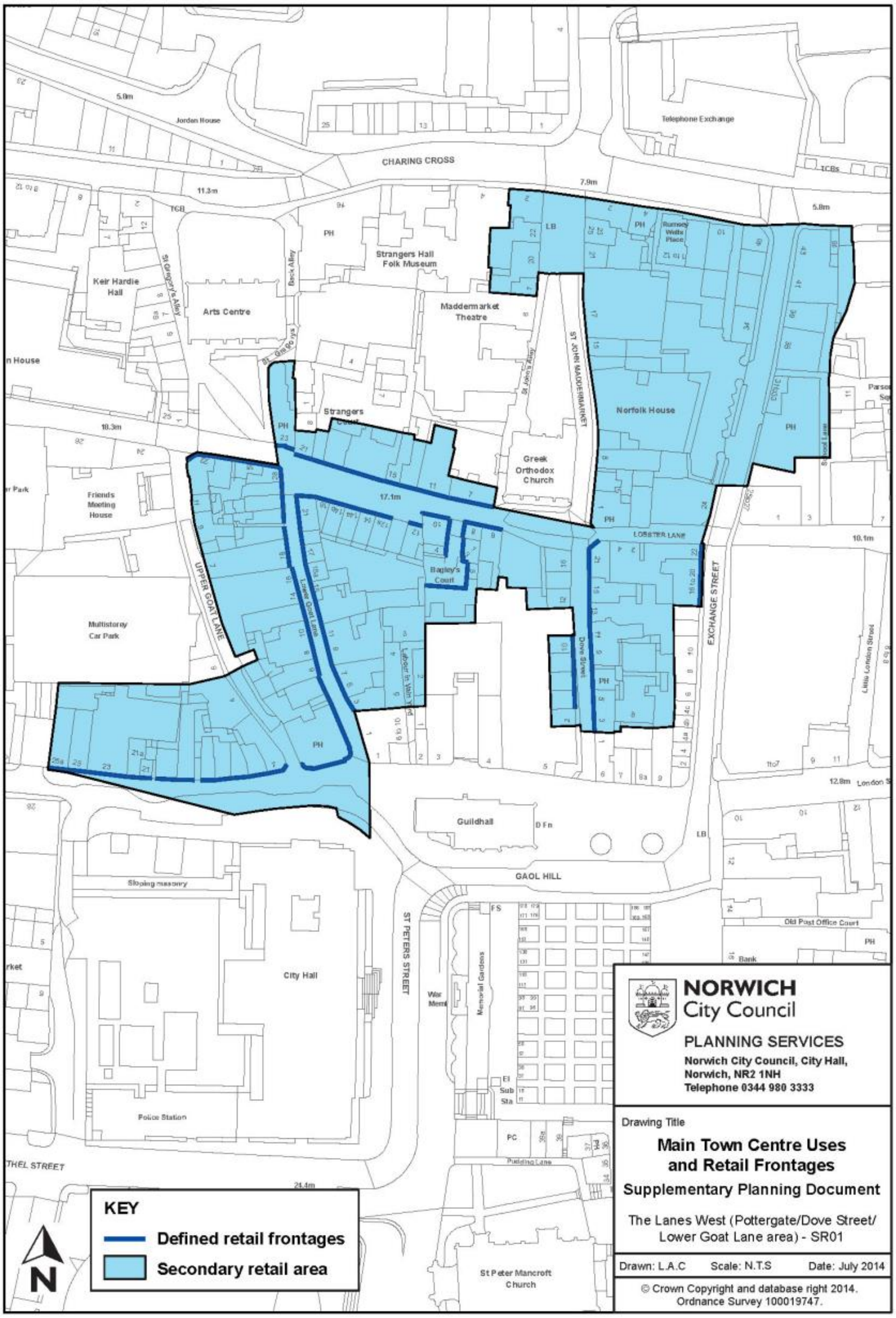
Percentage vacant units:	**3.3 percent**
Percentage vacant floorspace:	**1.2 percent**
Total length of defined retail frontage in this zone:	**367.3 metres**
Measured frontages retail/non retail split:	**81.6 percent A1 retail frontage** **18.4 percent non-retail frontage**

Shop vacancy rates in this zone are fairly low, currently, although there has been a high turnover of businesses. There are also pockets of vacancy in the streets in the northern part of the area of more mixed character where no retail frontage is defined. The focus of the area is expected to remain on speciality and independent shopping with scope for complementary uses supporting the evening economy.

In order to maintain and support the vitality, viability and shopping character of zone **SR01**, decisions on planning applications for new development and change of use will:

- Seek to maintain an indicative minimum of **70%** of defined retail frontage in A1 retail use;
- continue to support proposals for speciality and local independent retailing complementing the historic character and visitor appeal of the area;
- support the further expansion of cafes and restaurants with other main town centre uses supporting the evening economy, community uses and temporary flexible uses;
- Discourage concentrations of non-retail uses which would result in continuous runs of inactive ground floor frontage (for example betting shops and amusement centres), and;

- support complementary uses in upper floors, including residential use where consistent with policies DM2 and DM12 and DM13.


CHARING CROSS
Strangers Hall Folk Museum
Arts Centre
Maddermarket Theatre
Norfolk House
Greek Orthodox Church
Telephone Exchange
Keir Hardie Hall
Friends Meeting House
Multistorey Car Park
UPPER GOAT LANE
Lower Goat Lane
Bagley's Court
Dove Street
LOBSTER LANE
EXCHANGE STREET
ST JOHN MADDERMARKET
Guildhall
GAOL HILL
ST PETERS STREET
City Hall
Police Station
St Peter Mancroft Church
Old Post Office Court
NORWICH
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The Lanes West (Pottergate/Dove Street/ Lower Goat Lane area) - SR01
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Date: July 2014
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KEY
Defined retail frontages
Secondary retail area
N

SR02 – Upper St Giles Street

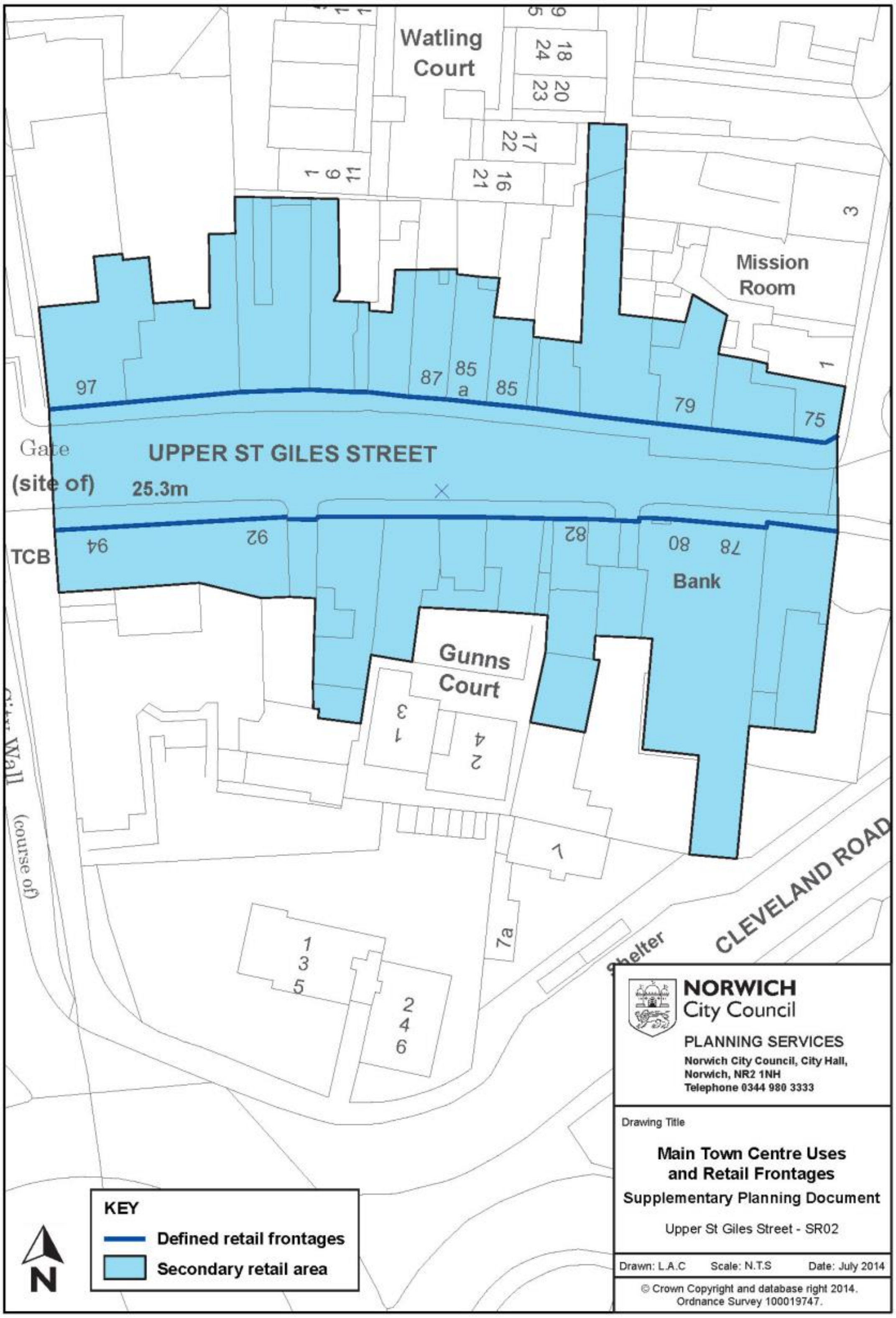
Upper St Giles Street is a small self contained specialist shopping area of great historic character at the western end of the Norwich Lanes, adjoining the 14th century St Giles' Church. Formerly a somewhat declining area it has recovered in recent years as a fashionable upmarket shopping street offering a range of specialist local independent shops, galleries cafes delicatessens and restaurants. Premises are well used with residential flats in many upper floors. A language school now occupies former office and bank buildings on the south side.

The survey of April 2014 showed the following analysis for frontages in core frontage zone SR02.

Percentage vacant units:	**0.0 percent**
Percentage vacant floorspace:	**0.0 percent**
Total length of defined retail frontage in this zone:	**134.8 metres**
Measured frontages retail/non retail split:	**65.4 percent A1 retail frontage** **34.6 percent non-retail frontage**

In order to maintain and support the vitality, viability and shopping character of zone **SR02**, decisions on planning applications for new development and change of use will:

- Seek to maintain an indicative minimum of **60%** of defined retail frontage in A1 retail use;
- continue to support proposals for speciality and local independent retailing complementing the historic character and visitor appeal of the area;
- support the further expansion of hospitality uses supporting the evening economy, complementary main town centre uses, community uses and temporary flexible uses;
- Discourage concentrations of non-retail uses which would result in continuous runs of inactive ground floor frontage (for example betting shops and amusement centres), and;
- support complementary uses in upper floors, including residential use where consistent with policies DM2 and DM12 and DM13.


Watling Court
Mission Room
UPPER ST GILES STREET
Gate (site of)
25.3m
TCB
Gunns Court
Bank
CLEVELAND ROAD
Shelter
City Wall (course of)
97
87
85a
85
79
75
94
92
82
80
78
KEY
Defined retail frontages
Secondary retail area
N
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Main Town Centre Uses and Retail Frontages
Supplementary Planning Document
Upper St Giles Street - SR02
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SR03 – St Benedicts Street area

This zone is a westward continuation of zone SR01 and the majority of the area falls within the Norwich Lanes. It comprises St Benedicts Street, the retail frontage to St Gregory's Alley and the Cathedral Retail Park, which adjoins St Benedict's Street at its western end (no frontage is defined for the retail park). St. Benedict's is a long established historic secondary shopping area which offers a diverse range of speciality shops, cafes and community uses, also including four of the city's 32 medieval churches, now used variously as cultural and exhibition centres and music and arts venues. St. Benedict's has benefited from long term regeneration initiatives and more recent redevelopment for housing. It has developed a strong focus on music, alternative culture and the evening economy with cafes and restaurants predominant toward its eastern end. The Cathedral Retail Park dates from the 1980s and accommodates a number of bulky goods retailers. Despite being planned as complementary to the more traditional shopping offer in St Benedicts at the time, its integration with St Benedicts itself is poor. The adjoining Barn Road Car Park site is allocated in the Site Allocations Plan (site specific policy CC24) for mixed retail, housing and office development with public car parking reprovided on site.

The survey of April 2014 showed the following analysis for frontages in core frontage zone SR03.

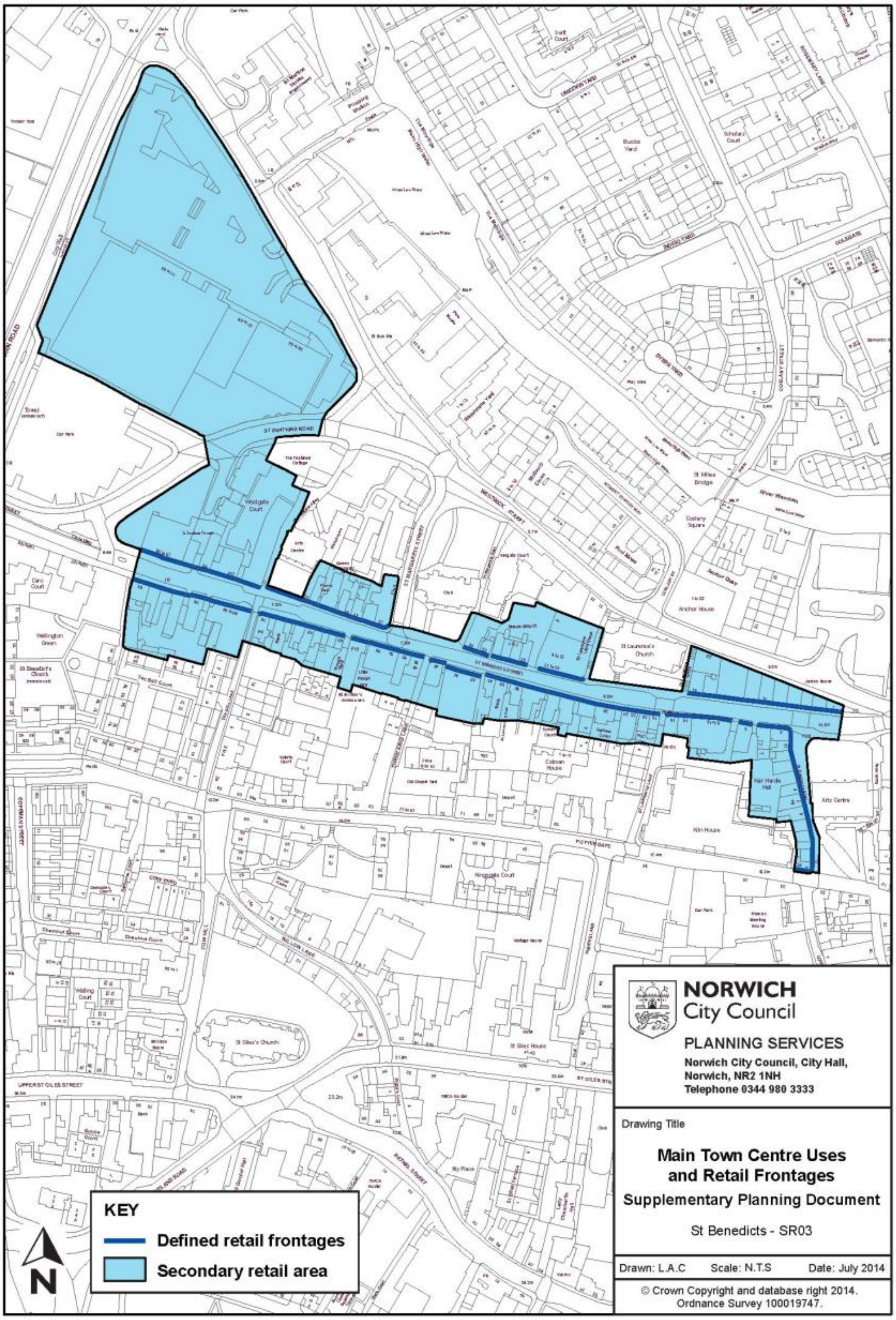
Percentage vacant units:	**5.5 percent**
Percentage vacant floorspace:	**4.8 percent**
Total length of defined retail frontage in this zone:	**644.1 metres**
Measured frontages retail/non retail split:	**65.4 percent A1 retail frontage** **36.1 percent non-retail frontage**

In order to maintain and support the vitality, viability and shopping character of zone **SR03**, decisions on planning applications for new development and change of use will:

- Seek to maintain an indicative minimum of **60%** of defined retail frontage in A1 retail use;
- continue to support proposals for speciality and local independent retailing complementing the historic character and retail function of the area;
- support the further expansion of hospitality uses supporting the evening economy complementary main town centre uses, community uses and temporary flexible uses;
- Discourage concentrations of non-retail uses at ground floor level which would result in continuous runs of inactive frontage;
- support complementary uses in upper floors, including residential use where consistent with policies DM2 and DM12 and DM13;

- Consider proposals for new development and change of use in the Cathedral Retail Park in accordance with policy DM18 of the DM Policies Plan.

The Site Allocations Plan proposes redevelopment of the adjoining Barn Road Car Park site in accordance with Site Allocations Plan policy CC24, with preference being given to new uses at ground floor level which will complement and reinforce the vitality, viability and retail function of the St Benedicts Area frontage zone and the Lanes area as a whole.


KEY
Defined retail frontages
Secondary retail area
N
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St Benedicts - SR03
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SR04 – Elm Hill/Wensum Street

Elm Hill is one of the most important tourist/visitor attractions in Norwich but is separated from the majority of the central retail area. The attractive medieval cobbled street has great historic character and considerable visitor appeal, with a mix of private houses, shops and cafes in listed and other historic premises lining it on both sides. A series of historic courts and alleys connect the street with the Riverside Walk and Elm Hill gardens behind. The neighbouring Wensum Street, running from Tombland adjoining the cathedral to Fye Bridge, is on the main bus route into the city centre from the north. It is a more obviously commercial area with a mix of bars, restaurants, speciality and value retailers. This area of the city centre has benefited from an increase in residential population through major new housing development in recent years particularly in and around Quayside immediately to the east. Other major attractions such as the Cathedral, St Andrews and Blackfriars Halls and a tourist riverbus service running from Elm Hill Quay are in easy reach.

Historically Elm Hill (and to a lesser extent, Wensum Street and Tombland) has been a traditional centre for antique and craft shops and galleries, but in recent years the focus of speciality retailing has shifted more obviously to the Norwich Lanes. Some former shop premises in Elm Hill have been converted to living accommodation and greater diversity of supporting services has been introduced, particularly pubs, bars, cafe bars and restaurants in and around Wensum Street and beyond. The Norwich University of the Arts is based nearby, and its continuing expansion will attract more activity into the area and present opportunities for additional facilities and services appealing to NUA students.

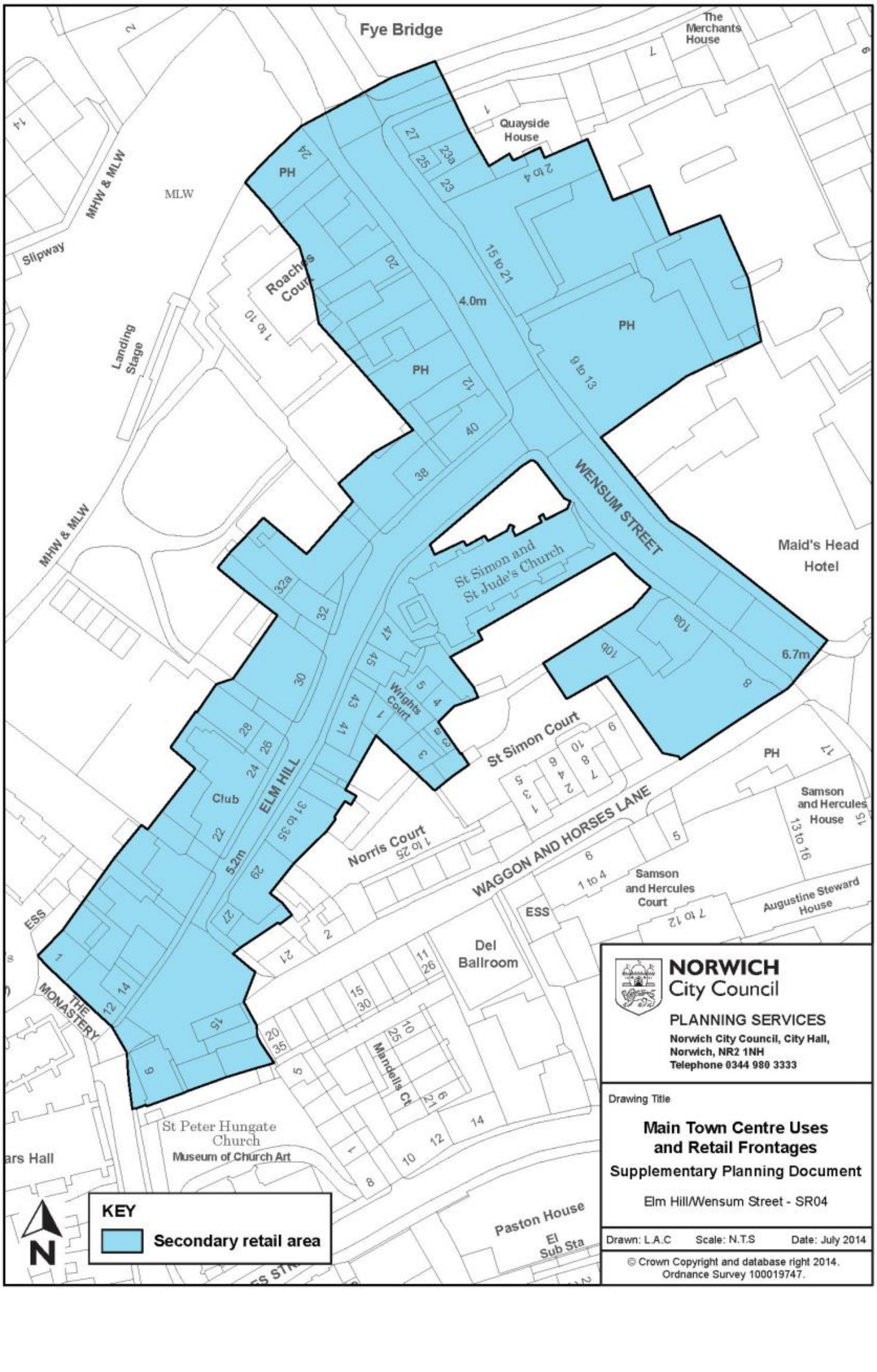
The survey of April 2014 showed the following analysis for frontages in core frontage zone SR04.

Percentage vacant units:	**4.2 percent**
Percentage vacant floorspace:	**2.6 percent**
Total length of defined retail frontage in this zone:	**0.0 metres**
Measured frontages retail/non retail split:	**Not applicable**

The character and historic built form of Elm Hill means that shops and commercial premises are interspersed with private houses, resulting in a discontinuous and fragmented frontage at ground floor level. For this reason policy DM20 does not define a specific retail frontage in this area. To deliver maximum benefits for the area it would be beneficial to support the management of uses in the zone through this SPD with specific investment to help raise the profile of the area, for example more effective signage and visitor publicity, public realm improvements and other measures to attract and retain shoppers and visitors.

In order to maintain and support the vitality, viability and shopping character of zone **SR04**, decisions on planning applications for new development and change of use will:

- Aim to maintain the focus of Elm Hill on speciality retailing appealing to tourists and visitors, seeking to retain non-residential uses and supporting services at ground floor level to ensure its continued vitality and viability as a visitor destination;
- Where consistent with other local plan policies, support the introduction of further early evening economy uses and hospitality uses in Wensum Street and Tombland (however it should be noted that late night uses will not be permitted in this area);
- Determine proposals for hospitality and early evening economy uses in accordance with policy DM23, giving particular attention to the need to protect residential amenity and avoid localised increases in noise and disturbance;
- Avoid concentrations of non-retail uses at ground floor level which would result in continuous runs of inactive frontage, and in particular;
- Resist the loss of shops and other commercial uses on street frontages to provide visual continuity and contribute to the overall attractiveness and vitality of the area.
- Consider proposals for change of use of ground floor premises to residential use on a case by case basis and accept them where consistent with policies DM2, DM12 and DM13 and other relevant local plan policies. In assessing such proposals, account will be taken of the impact of individual changes on the vitality, viability and diversity of the street and the frontage zone as a whole. In Elm Hill, residential conversion at ground floor level will generally be accepted only where it results in a designated or locally identified heritage asset or other long-term vacant building being brought back into beneficial use where it is demonstrated that those benefits could not be delivered by retaining a retail use.


Fye Bridge
The Merchants House
Quayside House
Roaches Court
Landing Stage
Slipway
MLW
MHW & MLW
PH
4.0m
15 to 21
9 to 13
WENSUM STREET
Maid's Head Hotel
St Simon and St Jude's Church
Wrights Court
St Simon Court
ELM HILL
Club
5.2m
6.7m
Norris Court
WAGGON AND HORSES LANE
Samson and Hercules House
Samson and Hercules Court
Augustine Steward House
Del Ballroom
THE MONASTERY
Mandells Ct
St Peter Hungate Church
Museum of Church Art
Paston House
El Sub Sta
ESS
KEY
Secondary retail area
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Telephone 0344 980 3333
Drawing Title
Main Town Centre Uses and Retail Frontages
Supplementary Planning Document
Elm Hill/Wensum Street - SR04
Drawn: L.A.C
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Date: July 2014
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SR05 – London Street East

This secondary retail area comprises the pedestrianised section of London Street east of Bedford Street and takes in the north side of Opie Street and 27 Castle Meadow (the Open Studio). London Street is the main pedestrian route from the primary shopping area to the Cathedral. Although technically part of the speciality and local independent shopping area of the Norwich Lanes this part of London Street is slightly remoter from the main shopping areas and has for many years been a more diverse area. Banks, building societies and financial services uses, as well as some cafes and restaurants, complement its retail offer. The proportion of shops to other main town centre uses at ground floor level is approximately half and half: consequently no retail frontage is defined in this zone.

This end of London Street functions as a transitional area between the primary shopping area, the commercial office quarter around the Cathedral and the expanding evening economy area of bars, clubs and pubs around Queen Street and Upper King Street leading into the Late Night Activity Zone centred on Prince of Wales Road. As such, it would be possible for the street to evolve in a number of directions – either to reinstate its traditional role as a stylish shopping street, to become mainly a cafe quarter or to become an extension of the financial services area around Bank Plain. As noted in the commentary to area PR02 (The Lanes East) above, Norwich BID is seeking to improve and enhance the retail offer in London Street by positioning it as a high quality prestige retailing area.

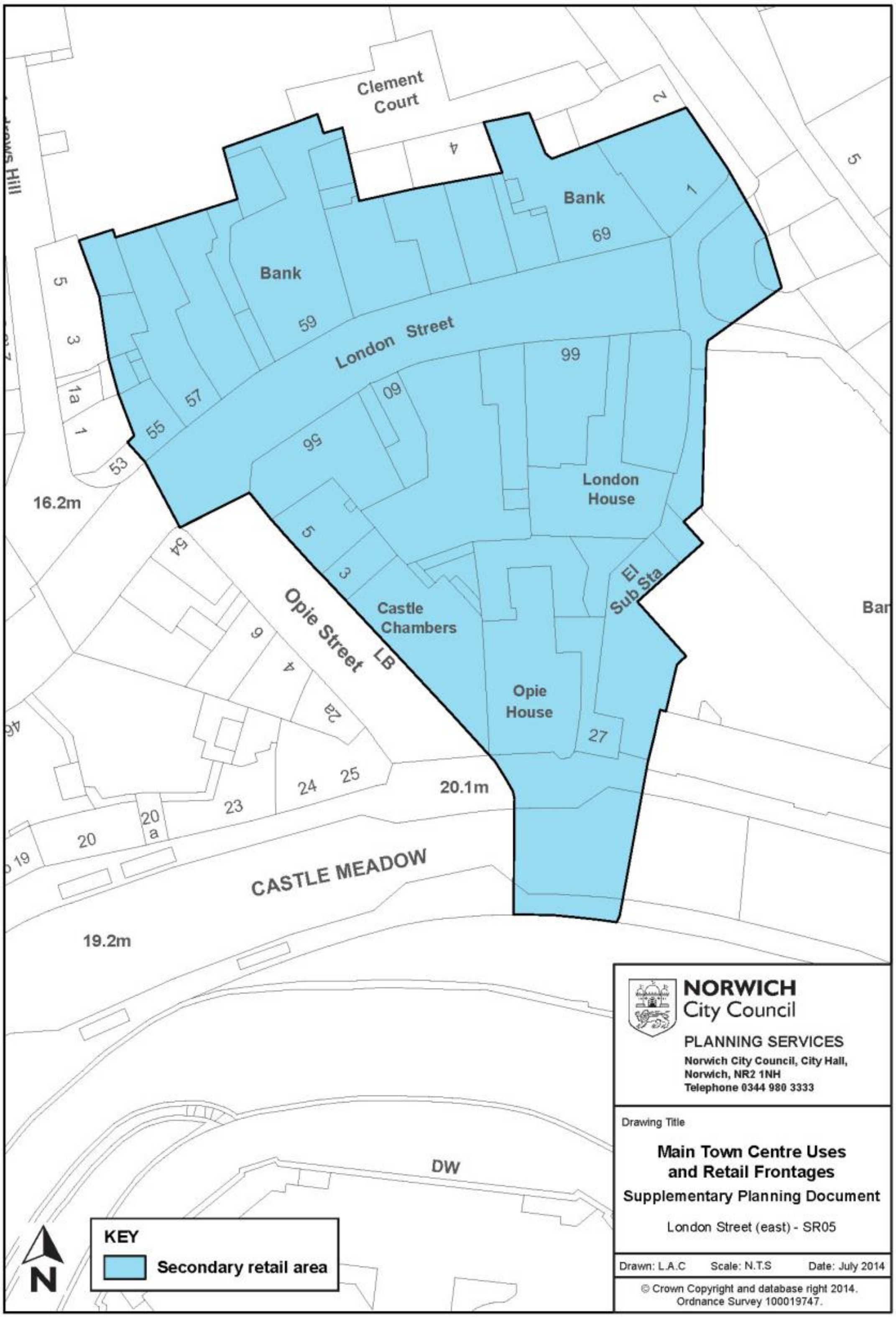
The proximity of the Open music, art and entertainment venue at Bank Plain (and its associated studio) means that there is a growing emphasis on late night entertainment in the area which has led to some late night clubs and bars in upper floors in London Street – however, current planning policy seeks to contain such uses within the Late Night Activity Zone further to the east and a significant increase of such uses in this area could be problematic, eroding the retail function of the street and reducing activity and vitality during the day.

The survey of April 2014 showed the following analysis for frontages in core frontage zone SR04.

Percentage vacant units:	**4.2 percent**
Percentage vacant floorspace:	**2.6 percent**
Total length of defined retail frontage in this zone:	**0.0 metres**
Measured frontages retail/non retail split:	**Not applicable**

In order to maintain and support the vitality, viability and shopping character of zone **SR05**, decisions on planning applications for new development and change of use will:

- continue to support proposals for speciality and local independent retailing complementing the historic character of the area;
- support the further expansion of hospitality uses supporting the early evening economy, complementary main town centre uses, financial services uses, community uses and temporary flexible uses;
- Discourage concentrations of non-retail uses which would result in continuous runs of inactive ground floor frontage (for example betting shops and amusement centres), and;
- support complementary uses in upper floors, including residential use and visitor accommodation where consistent with policies DM2 and DM12 and DM13, whilst generally resisting late night bar and club uses, which (in accordance with policy DM23) will not generally be permitted in this area.


Clement Court
Bank
Bank
London Street
London House
Castle Chambers
Opie House
Opie Street
El Sub Sta
LB
CASTLE MEADOW
16.2m
20.1m
19.2m
DW
NORWICH City Council
PLANNING SERVICES
Norwich City Council, City Hall, Norwich, NR2 1NH
Telephone 0344 980 3333
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Main Town Centre Uses and Retail Frontages
Supplementary Planning Document
London Street (east) - SR05
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KEY
Secondary retail area
N

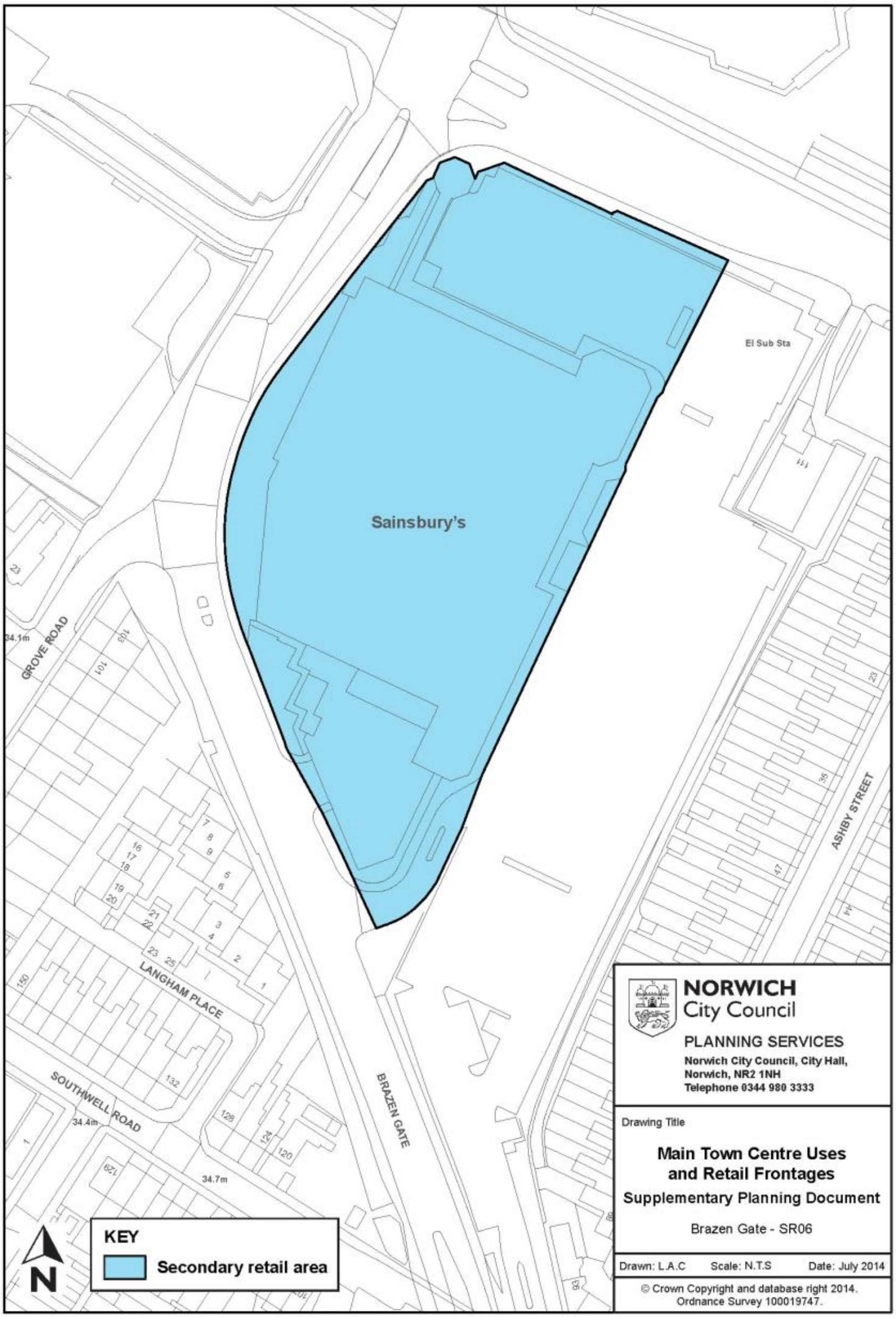
SR06 – Brazen Gate

Brazen Gate, to the south of the inner ring road on the southern fringe of the city centre, is defined in the Greater Norwich Joint Core Strategy and the development management policies plan as a secondary shopping area in its own right. It currently accommodates a large Sainsburys food store and no other shop units.

No retail frontages are defined in this zone.

In order to maintain and support the vitality, viability and retail function of zone **SR06**:

- planning applications for new development, change of use and variation of conditions on the existing Sainsbury store will be assessed and determined in accordance with policy DM18 of the plan and the hierarchy of centres as set out in policy 19 of the JCS.


Sainsbury's
El Sub Sta
GROVE ROAD
LANGHAM PLACE
SOUTHWELL ROAD
BRAZEN GATE
ASHBY STREET
34.1m
34.4m
34.7m
N
KEY
Secondary retail area
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Main Town Centre Uses
and Retail Frontages
Supplementary Planning Document
Brazen Gate - SR06
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Large district centres

LD01 – Magdalen Street/Anglia Square

The Magdalen Street/Anglia Square Large District Centre is situated in the northern part of the city centre north and south of the Inner Ring Road, comprising the historic areas of Magdalen Street and St Augustine's Street and the 1970s built neighbourhood shopping centre of Anglia Square. It is an extensive area of varied character and functions both as a district shopping centre meeting day to day shopping needs and a specialist area with a particular focus on specialist ethnic and value retailers, restaurants and the evening economy. Having been in long term decline there has been a recent recovery in activity although pockets of vacancy remain in the northern end of Magdalen Street and in parts of St Augustine's Street, where some ground floor shops have been converted to residential use. The introduction of traffic management measures and a one way gyratory system has significantly enhanced the environment of St Augustine's Street and improved conditions for pedestrians and shoppers.

Anglia Square is allocated in the adopted Northern City Centre Area Action Plan (NCCAAP) (policy AS1) for major retail and mixed use regeneration. Planning permission was granted in March 2013 for a two-phase regeneration scheme comprising a foodstore and new retail units, flats, food and drink uses, leisure uses, refurbished office space and parking. Following the sale of the site to Threadneedle Investments in 2014, this scheme is unlikely to proceed in its approved form although the new owners are committed to a beneficial regeneration of Anglia Square and new proposals are expected to be brought forward in the near future.

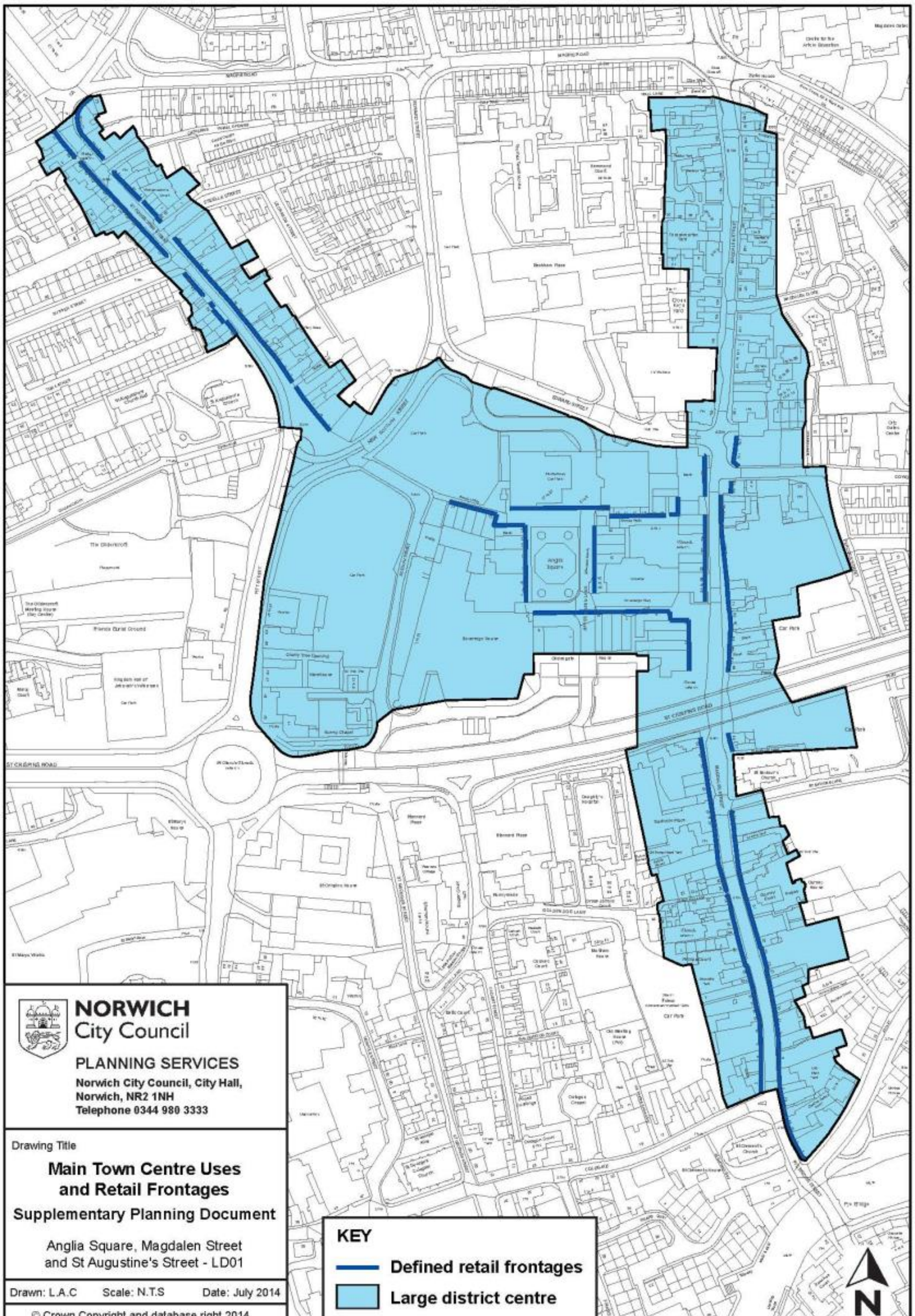
Changes of use within the Large District Centre are currently assessed and determined under policy LU2 of the adopted NCCAAP. It requires that the proportion of A1 retail uses at ground floor level should not fall below 70% (this threshold has already been breached), prohibits the change of use of ground floor shop units to residential use during the period of construction of Anglia Square and requires developers to justify such proposals thereafter. For the avoidance of doubt, Policy DM20 of the Development Management Policies Plan supported by this SPD will **supersede** policy LU2 when both documents are adopted.

The survey of April 2014 showed the following analysis for frontages in core frontage zone LD01.

Percentage vacant units:	**10.8 percent**
Percentage vacant floorspace:	**8.9 percent**
Total length of defined retail frontage in this zone:	**1167.3 metres**
Measured frontages retail/non retail split:	**67.1 percent A1 retail frontage** **32.9 percent non-retail frontage**

In order to maintain and support the vitality, viability and shopping character of zone **LD01**, decisions on planning applications for new development and change of use will:

- Seek to maintain an indicative minimum of **60%** of defined retail frontage in A1 retail use;
- continue to support proposals for speciality and local independent retailing complementing the historic character and retail function of the area;
- support the further expansion of hospitality uses supporting the evening economy complementary main town centre uses, community uses and temporary flexible uses;
- Discourage concentrations of non-retail uses at ground floor level which would result in continuous runs of inactive frontage;
- support complementary uses in upper floors, including residential use where consistent with policies DM2 and DM12 and DM13;
- Consider proposals for change of use of ground floor premises to residential use on a case by case basis and accept them where consistent with policies DM2, DM12 and DM13 and other relevant local plan policies. In assessing such proposals, account will be taken of the impact of individual changes on the vitality, viability and diversity of the street and the large district centre as a whole. Preference will be given to proposals which would result in a designated or locally identified heritage asset or other long-term vacant building being brought back into beneficial use where it is demonstrated that those benefits could not be delivered by retaining a retail use, and;
- During the period of construction of the Anglia Square development the council will seek to resist the loss of ground floor retail and commercial premises to residential use to protect the vitality, viability and retail function of the area.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City Council
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Norwich, NR2 1NH
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Main Town Centre Uses
and Retail Frontages
Supplementary Planning Document
Anglia Square, Magdalen Street
and St Augustine's Street - LD01
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KEY
Defined retail frontages
Large district centre
N

LD02 – Riverside

Riverside, to the east of the city centre, is defined in the Greater Norwich Joint Core Strategy and the development management policies plan as a freestanding large district centre. It currently accommodates a retail warehouse park of around 17,000 sq.m net and a small number of ground floor commercial units fronting Broadland Court.

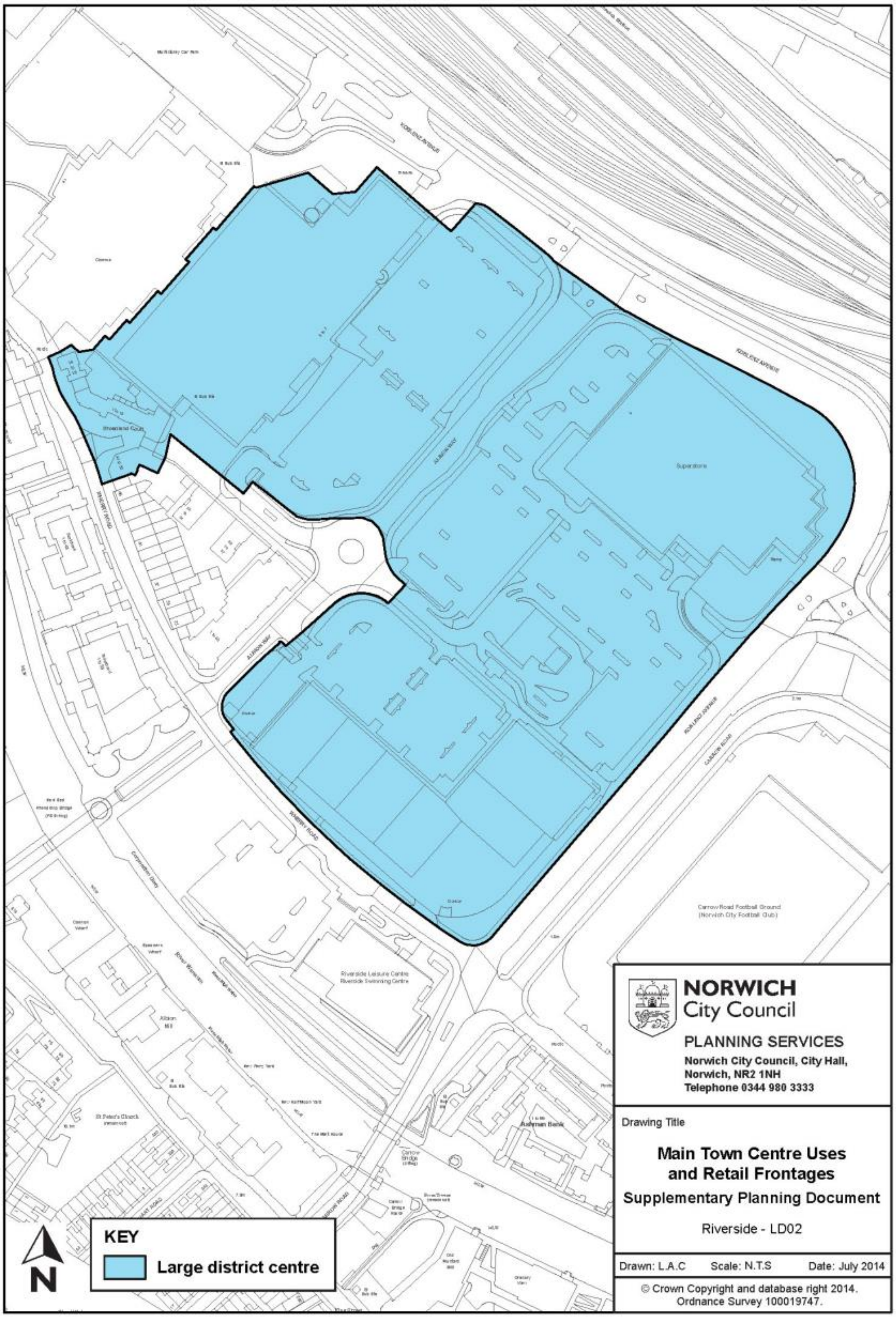
No retail frontages are defined in this zone.

In order to maintain and support the vitality, viability and retail function of zone **LD02**:

- planning applications for new development, change of use and variation of conditions on the existing retail warehouses within the retail park will be assessed and determined in accordance with policy DM18 of the plan and the hierarchy of centres as set out in policy 19 of the JCS.

Policy DM18 requires that there will be no further retail development at the Riverside Large District Centre unless it provides sustainable transport improvements to significantly enhance accessibility by public transport and pedestrian and cycle linkages from the retail park to the primary and secondary retail areas, sufficient to offset any potentially harmful impacts on traffic congestion and highway safety arising from additional trip generation associated with the new development.

In practical terms, proposals for minor development which would have no implications for traffic generation would not be subject to the policy.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Main Town Centre Uses
and Retail Frontages
Supplementary Planning Document
Riverside - LD02
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Date: July 2014
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KEY
Large district centre
N
Superstore
Carrow Road Football Ground
(Norwich City Football Club)
Riverside Leisure Centre
Riverside Swimming Centre

5. Conclusions

5.1 Norwich City Council’s integrated, proactive approach to planning for shopping has been crucial in delivering the range and quality of shopping experience which exists in Norwich today, and has secured its continuing vitality and viability as a thriving retail and visitor destination for the region in the face of many complex development pressures. Careful and responsible management of change in defined shopping areas through the planning process has been and should continue to be fundamental to this strategy.

5.2 The council is confident that policy DM20 of the Development Management Policies Plan, supported by this SPD, will provide a sound basis for the future management of change in defined shopping frontages and other areas of the centre to maintain their vitality, viability and diversity in the long term.

APPENDIX 1

Development Management Policy DM20

Policy DM20

Managing change in the primary and secondary retail areas and Large District Centres

Defined retail frontages

Within the defined primary and secondary retail areas and Large District centres, permanent changes of use to classes A2, A3, A4, A5, and other main town centre uses, will be permitted where:

a) they would not have a harmful impact on the vitality and viability of the area and on the individual street; and

b) within retail frontages defined on the Policies Map, where they would not result in the proportion of A1 retail uses at ground floor level falling below an indicative minimum proportion which is justified as necessary to support the continued retail function of that frontage zone.

The indicative minimum thresholds used in support of this policy will be set out in the Main Town Centre Uses and Retail Frontages supplementary planning document. The supplementary planning document will be prepared in accordance with the timescales set out in the Local Development Scheme 2014, adopted alongside this plan and reviewed flexibly as necessary in response to objective evidence of retail market trends and changes in the character and function of the central shopping area over the plan period.

In assessing proposals for change of use within defined retail frontage zones, the proportion of A1 retail use in that frontage will be calculated taking account of any other proposals in the same zone permitted but not implemented.

Within defined retail frontages, where the proportion of retail uses at ground floor level is below the minimum proportion specified, proposals will be considered on a case-by-case basis and accepted where the proposal:

a) would result in a designated or locally identified heritage asset or other long-term vacant building being brought back into beneficial use where it is demonstrated that those benefits could not be delivered by retaining a retail use; or

b) would otherwise have a beneficial effect on the vitality, viability and character of the area which could not be achieved by retaining or reinstating a retail use.

The beneficial use of upper floors and basements or of premises located outside defined retail frontages will be permitted where the proposed use is compatible with surrounding uses and consistent with other relevant policies of this plan.

In all cases:

• Proposals involving the change of use of ground floors only must ensure that separate access is maintained to, and should not prejudice the beneficial existing or potential future use of, lower and upper floors;

• Proposals for alternative uses should not give rise to unacceptable environmental effects which could not be overcome by the imposition of conditions;

• Where necessary, permission will be granted subject to conditions restricting hours of opening and/or removing permitted development rights to change to alternative uses in order to protect the amenity of surrounding occupants and the vitality and viability of the area generally.

Comments received in response to the consultation draft and the city council's response

Respondent	Page/Para	Comment	Council response
Mr B C	General	It appears that the proposed threshold for non retail uses is lower in nearly all zones than currently. Norwich already has sufficient banks, building societies and catering establishments – to provide for an increase would not attract or retain sufficient shopping visitors from around the region. Also queries the council's reasoning for approving ASDA at Hall Road if the city centre is perceived to be under threat.	**Not accepted**: It is apparent from market signals and objective evidence of retail trends nationally that high street shopping as an activity and the amount of floorspace in retail use will continue to contract at the expense of other uses and supporting services. The key to successful city centres lies in anticipating and planning for this transition, promoting them as "destinations" with attractive environments offering opportunities for a range of activities and services for the visitor. There will also be an increased role for housing as city centres continue to evolve as places to live. Local planning policy for Norwich must acknowledge this shift in emphasis as well as ensuring that the rapidly changing needs of businesses and other city centre stakeholders are met. To maintain an unrealistically high benchmark for the level of shopping desirable in the various frontage zones would merely result in more refusals of planning permission and more vacant premises unable to attract retail tenants. With reference to the grant of planning permission for Hall Road District Centre focused on a new ASDA, the retail impact assessment submitted in support of that scheme showed that its effect on the city centre would not be critical, and the level of comparison retail floorspace has been limited by condition to ensure that this remains the case. This is not an issue for this SPD. *No change.*

Respondent	Page/Para	Comment	Council response
Mr D K	Page 34 (PR04 Castle Meadow North) and general comments	The long-term decline of Castle Meadow as a shopping area must be attributed to past council policy decisions (allegedly complicit with “the bus business”) to centralise retailing and reposition the street as a bus station, to the detriment of independent retailers in the area. The breakdown of retail and non retail uses for this zone in the SPD does not show any retail activity at all, demonstrating that Castle Meadow has been effectively forgotten in the document. The proposals simply recommend more restaurants and cafés which shows a lack of vision.	**Not accepted:** Retaining Castle Meadow North as part of the primary retail area in the local plan acknowledges its continuing importance and the presence of major retailers such as Waterstones and Boots with frontages to and linkages with the important pedestrian shopping areas of Castle Street and London Street. National research has shown that shopping areas are most successful where shoppers have easy and direct access to public transport, so we cannot support the argument that shops are failing *because* of the presence of nearby bus stops. The council accepts that Castle Meadow is less important as a shopping street than it once was, but in our view this is as much to do with changing retail trends nationally as with any past policy decisions of the city council. The council has an obligation to respond and adapt to a rapidly changing retail environment through its planning policies, seeking to encourage new investment and manage change positively and responsibly for the benefit of Norwich as a whole. This includes actively promoting sustainable transport choices. For Castle Meadow the favoured approach is to promote flexibility and adaptability in the use of premises rather than indiscriminately protecting shops at the expense of other beneficial uses. We would also dispute the view that the independent retail sector is in decline, which fails to explain the demonstrable success of the Norwich Lanes in recent years, for example. It should be noted that Castle Meadow has no defined retail frontage, which means that it is not subject to any minimum set proportion of shopping to be sought. It does not imply that there is no retail activity in the street, which is clearly not the case. *No change.*

Respondent	Page/Para	Comment	Council response
Mrs J M	Page 18-19 PR02 Castle Mall	Norwich is a vibrant cultural centre and lacks a purpose built symphony hall. Castle Mall has declined as a shopping centre at the expense of Chapelfield and would benefit from promotion as a high quality mixed use destination incorporating such a facility alongside restaurants and quality retailers. Questions whether an 80% retail threshold for Norwich (sic) is sustainable.	**Accepted in part** – a symphony hall does not form part of the upgrading proposals being taken forward by the Mall operators and is unlikely to be an economically viable proposition. There may be some scope to expand and diversify the evening economy and leisure offer within the upper and lower levels of the Mall (to complement the established cinema) where this would not compromise its core retail function. Policy DM23 of the DM Policies Plan does not normally accept leisure uses at ground floor level in defined retail frontages and this would preclude using levels 1 and 2 of Castle Mall for those purposes. It should be noted that the 80% retail threshold applies only to the main retail levels in the mall which are defined retail frontages and not to the upper and lower levels, where no minimum applies. *Reference added to "complementary leisure uses" in the third bullet point on page 19.*
Broadland District Council	General	The SPD does not appear to make reference to or provide guidance on retail uses outside the defined centres. Are [decisions on these proposals] to rely solely on the policy?	It is not intended to do so. The role of this SPD is clearly set out in the Local Development Scheme as providing detail to support policy DM20, which is concerned primarily with managing change <u>within</u> defined city centre shopping areas. Proposals for new development (including proposals in the centre but <u>outside</u> these areas) are assessed against a different policy – policy DM18. Appendix 4 of the DM Policies Plan gives more detail on the interpretation of "city centre" when determining proposals for main town centre uses: the Primary and Secondary retail areas together constitute the "city centre" for the purposes of assessing retail proposals under the sequential test whereas the most sequentially preferable location for leisure uses is the city centre leisure area. Assessment of city centre proposals would

Respondent	Page/Para	Comment	Council response
			therefore take into account policy DM18 (in conjunction with appendix 4) in combination with policy DM20 and this SPD if the proposal was located in a defined retail area and policy DM19 in the case of proposals for, or resulting in the loss of, offices.
Broadland District Council	General	The scale of the district centres has not been clearly defined in the SPD	**Not accepted:** As above. The SPD is not intended to define the scale of existing retail provision or development in district centres. However this is monitored through the shops database (and if required would be published in the city council's regular city centre and district and local centre retail monitors) rather than in SPD.
Broadland District Council	General	There is no guidance specifically covering the division of larger retail units (such as department stores) to smaller units.	**Not accepted:** Subdivision of larger retail units would generally be welcomed in most parts of the city centre if department and multiple stores became redundant. However generic guidance may be of little value as proposals would need to be approached case by case due to the complex site specific planning issues involved. The issue may however be revisited in future iterations of this SPD if more detailed consideration of the issue becomes necessary.
Norwich Business Improvement District (BID)	General	Generally speaking Norwich BID is comfortable with the documents proposals [subject to the comments made on specific paras] especially given the percentages Norwich City Council apply to A1 frontage can be adjusted each year outside of DM20 in the light of the evolving market and streetscape.	**Noted**. Norwich BID's general support for the SPD is welcome.

Respondent	Page/Para	Comment	Council response
Norfolk County Council	General	Support broad policy approach as it aims to maintain and enhance the vitality and viability of the city centre both the primary and secondary areas. In particular the county council supports: • Measures addressing the emerging evening economy; • Restrictions on betting shops and amusement arcades; • Measures to address high vacancy rates in Castle Meadow i.e. encouraging non-retail uses such as education, leisure, arts and entertainment uses; • Maintaining Elm Hill for speciality retailing and supporting the early evening economy; • The Lanes identified as a target area for independent shops.	**Noted.** Norfolk County Council's general support for the SPD is welcome.
Norfolk County Council	Para 3.7, 3.9	The SPD would benefit from evidence justifying the need to retain "an indicative minimum of 80%" core frontage in the Primary Area. It is also unclear why other areas within the Primary Area have a reduced minimum core frontage percentage, such as: PR01 – Back of the Inns / Castle	The commentary for each of the frontage zones gives a general overview of how each area has been evolving and developing. Evidence to support this is recorded in the council's shops database and reported through the annual city centre retail monitor, albeit that the baseline for this monitoring now relates to different zone boundaries than previously. The SPD allows for the diversification of retail frontages, the introduction of additional supporting services and the promotion of certain areas for speciality shopping as required in policy 11 of the JCS. It

Respondent	Page/Para	Comment	Council response
		Street (65%); PR02 - The Lanes (70%); and PR06- Timberhill/Red Lion Street (60%). The above areas currently have higher ratios of retail frontage than proposed in the SPD without any real justification/reasons why a lower level/proportion is acceptable/desirable. For other areas the proportion of frontages which it is desirable for A1 retail will vary according to location. It is felt that there should be more explanation/evidence in the SPD as to how the proportions have been derived and why lower levels in these areas may be considered acceptable compared to other Primary Areas.	is evident that a "one size fits all" approach for the primary area in the previous local plan (85% minimum A1 retail for all zones) is not fit for purpose as the retail representation in most of the zones defined in that plan is already below that level: some such as Back of the Inns are significantly below. The indicative thresholds chosen reflect the city council's view of the potential to accommodate a more diverse range of services in different areas, with the main focus for retail remaining in the malls and core area focused on Gentleman's Walk, where the minimum has been set at 80% rather than 85% to allow for flexibility given the likely reduced representation of A1 retail use in the longer term.
Norfolk County Council	General	While reference has been made to the National Planning Policy Framework (NPPF) in the SPD, the city council will need to consider Government proposals set out in the CLG Technical Consultation on Planning (July 2014). In particular regard should be made to Section 2 on reducing planning regulations, inter alia, to support high streets.	**Accepted:** *Commentary added at para 2.14 on the CLG technical consultation, which was issued after publication of the draft version of this SPD, as well as the implications of taking its proposals forward.* The city council acknowledges that implementation of the government's proposals for extended permitted development rights within class A has the potential to significantly undermine the SPD and has made this point in its formal response to the consultation. Should the proposals be implemented as suggested

Respondent	Page/Para	Comment	Council response
		This includes proposals for allowing permitted development between A1 (retail) to restaurants and cafes (A3). If such proposals where to go ahead, then this could undermine the objectives set out in the SPD of maintaining defined levels of retail frontages in the City Centre.	(most likely they would take effect from April 2015) the council would need to initiate a review of the SPD to ensure that it remained appropriate, or indeed was still capable of implementation.
Norwich BID	General	Disputes the council's claims on Page 4 (1.2) and throughout the document that its planning policy has led to positive management of change of use and delivering vitality.	**Not accepted:** Although a positive and proactive planning policy is certainly not the sole contributor to a thriving city centre, the inference that planning has no role to play is not accepted. A positive local planning strategy is part of a range of management measures to secure continued town centre vitality, thereby helping to foster a successful and attractive trading environment and putting the local conditions in place that help to support and sustain city centre business for the long term. That approach is fundamental to national planning policy which the local plan (and this SPD) must reflect. Historically, positive planning policies for the city centre ensured that permission could be refused (and refusals upheld on appeal) for forms of development which would fundamentally damage it, such as the major out of town retail centres being promoted in the Norwich area in the early 1990s. The council would argue that having such a strategy in place has ensured that beneficial development and investment to support the city centre has been allocated and delivered in the right places and at the right times – and without such a strategy, Norwich would now be a very different place. *Commentary revised to make clear that planning is one contributor to a successful town centre strategy.*

Respondent	Page/Para	Comment	Council response
Norwich BID	Page 3 (Summary)	The summary should refer to ensuring the best mix of offer for city centre vitality - not just an aspiration to restrict loss of retail	**Accepted:** *Reference to seeking the most beneficial mix of uses is added in the Summary in the context of JCS Policy 11.* However the maintenance of retail function in key areas is an important element of that strategy and that will be sought principally through policy DM20.
Norwich BID	Page 4 (para 1.2):	Policy 11 of the JCS is out of date - there is no prospect for 'a substantial expansion of comparison retail floor space …'; such an unrealistic aspiration should not be referred to.	**Noted:** The reference in JCS Policy 11 to a substantial expansion of comparison retail in the city centre is based on 2007 study evidence and growth forecasts which were considered robust at the time the JCS was examined in 2010, but have clearly been overtaken by more recent retail trends. The evidence will need to be revisited in the near future as part of an overall review of the evidence base informing a wider review of strategic policy. However, as JCS Policy 11 is in an adopted local plan (which the DM Policies Plan and this SPD is required to implement) it is not legally possible at this stage to change what it says, nor to disregard it completely. However, it is accepted that the SPD is concerned principally with the management of uses in general and not with the promotion of new development, so a reduced emphasis on this part of the policy is appropriate. *Text revised to acknowledge that there is a limited prospect of further retail expansion in the centre and to place more emphasis on the need for diversity and flexibility.*
Norwich BID	Page 6 (para 2.4):	Would be useful to understand how the "map" [i.e. the local plan policies map showing the extent of the retail frontage zones] has changed and been redrawn, to ensure that old mistakes or new changes are appropriate	**Accepted**. *Additional commentary provided at paragraph 3.8 (and cross referenced in paragraph 2.4) to list the main changes in frontage zone definitions compared with those in the 2004 local plan. These are illustrated in new Figure 2.* Note that the zone boundaries themselves are not determined by this SPD, they have already been negotiated and established

Respondent	Page/Para	Comment	Council response
			through the process of preparing, consulting on and independently examining the DM Policies Plan. They cannot be changed other than by a review of that plan.
Norwich BID	Page 7 (para 2.8):	Queries the source of the shops database and how it is tracked. Refers to incomplete coverage in BID's database derived from business rates data.	**Accepted:** *Commentary provided at paragraph 2.8 with more detail about the shops database and how it is used for monitoring.*
Norwich BID	Page 9 (para 2.13):	Is it possible or correct to object based on conservation grounds, when it is not a designated conservation area? This may need to be reviewed.	**Not accepted:** This comment appears to be based on a misapprehension. The whole of Norwich city centre within the line of the medieval walls, covering an area of 230ha, is a Conservation Area (formally designated in October 1992). With the exception of Riverside (**LD02**) and Sainsbury's at Brazen Gate (**SR06**), all the individual zones subject to this SPD fall within the City Centre Conservation Area. The point here is that the reasons for refusal of planning permission for a change of use which required permission *only* because the premises concerned were in a Conservation Area would need to place significant weight on the conservation issues over and above other factors. *Additional commentary provided to clarify these points.*
Norwich BID	Page 9 (Para 2.14):	Supports government proposal for betting shops to be "sui generis" [i.e. a separate use in law] and therefore allowing challenge as part of any change of use proposal.	**Noted**, although the proposal in the CLG *Technical Consultation on Planning* (issued in July 2014 after the draft SPD was published) was to retain betting shops and payday loan stores in a much reduced A2 use class, rather than making them sui generis. In its formal response to that consultation, the council suggested that a sui generis option would be more effective. *Commentary at paras 2.13 and 2.14 updated and to refer to the*

Respondent	Page/Para	Comment	Council response
			introduction of further deregulatory changes by revisions to the General Permitted Development Order in April 2014 and the CLG technical consultation proposals published for consultation in July 2014.
Norwich BID	Page 10 (Para 3.1):	[City shopping areas] were previously monitored every six months: can this be reviewed and reinstated, better reflecting changes in the city.	**Noted:** Following a review of staffing levels for budgetary reasons, the city council's planning service is no longer resourced sufficiently to undertake these surveys at six monthly intervals. The council would be happy to investigate means of resourcing more frequent surveys with the BID, but this would need to be at nil additional cost to the council. *Commentary added at para 3.3 re the scope for increasing the frequency of the survey.*
Norwich BID	Page 26 (PR01 Back of the Inns):	The BID will not fund street repairs and this inference should be removed, no public realm funding has been agreed in the 5 year business plan	**Noted and accepted**. *Reference to the BID business rate levy is deleted.*
Norwich BID	Page 27 (PR02 The Lanes West):	Would like to see support for change of use in London Street on the upper floors for holiday accommodation, such as holiday lets, hotels or apartments. Something in here to reflect the aspiration to be a high end shopping offer in London Street and dissuade charity shop use.	**Accepted in part**: There is much potential for additional visitor accommodation in the city centre and it would usually be appropriate to encourage the beneficial reuse of redundant upper floors for that purpose – although in many cases individual holiday lets would fall within the same planning use class as general needs housing. The aspiration for high end shopping in London Street is welcome but realistically this could not be delivered through planning powers (retail being a generic planning use with no distinction between types of shopping). Such an initiative would rely on partnership working with proactive management of retail lettings and positive marketing. However the council supports this idea in principle.

Respondent	Page/Para	Comment	Council response
			Text amended to refer to the potential for visitor accommodation and prestige retailing.
Bidwells for Aviva	Page 32 (PR03 St Stephens Street/Westlegate):	Reference to "focusing the majority of retailing in St Stephens Street" should be deleted: this would not allow for flexibility in promoting a diversity of uses in future across the zone as a whole.	The historic development of St Stephens Street means that in practical terms there are more large shop units, and consequently significantly more retail floorspace, than in Westlegate. These larger units may not lend themselves so readily to reuse for other purposes. Retention of high profile shopping in St Stephens Street is also important because of its enhanced role as a public transport hub. However, it is acknowledged that John Lewis is also a major retail presence at the other end of the zone, Seeking to concentrate retail in St Stephens might imply that less importance would be afforded to retaining John Lewis, which is not the intention. On balance therefore the suggestion is **accepted.** *Reference to "focusing the majority of retailing in St Stephens Street" deleted from bullet point 1.*
Norwich BID	Page 35 (PR04 Castle Meadow North)	There needs to be a presumption for increased residential on Castle Meadow North.	**Not accepted:** Residential uses would be welcomed here in appropriate cases (for example conversion of redundant office space which is no longer suitable for commercial occupation). Where permission is required, the suitability of individual premises for housing would need to be assessed on a case by case basis against other relevant local plan policies to ensure adequate standards of amenity and outlook could be achieved and the impacts of any retained commercial uses mitigated. *No change.*

Respondent	Page/Para	Comment	Council response
Norwich BID	Page 48 (SR03 St Benedicts Street):	Rather than discouraging residential in St Benedicts it should be encouraged	**Not accepted:** The SPD encourages residential use in St Benedicts but acknowledges that it may not always be suitable at ground floor level. There are instances where the occupation of former retail premises for housing directly onto the street frontage would not deliver an acceptable living environment for residents due to poor outlook, traffic impact, cramped internal layout and inadequate waste storage/servicing, etc. Residential use would also result in areas of dead frontage which would break up the coherence and continuity of the historic shopping frontage. Such proposals would therefore need to be approached case by case but residential conversion could be prioritised where there are high levels of vacancy and little prospect of commercial reoccupation. *Text amended to delete "(including residential use)" in bullet point 4.*
Norwich BID	Page 52 (SR04 Elm Hill/Wensum Street):	Policy should be neutral on the issue of residential in Elm Hill and Wensum Street.	**Not accepted**. The council considers that the vitality and visitor appeal of Elm Hill as a speciality shopping area (identified as such in the JCS) rests on maintaining an active and diverse mixed use frontage with a good representation of commercial uses. This stance, supported by current and previous local plan policy, has been upheld on appeal. Residential use would continue to be supported where there were overriding conservation benefits and where housing could be accommodated consistent with other policies of the plan. *Text amended to delete "(including residential use)" in bullet point 4, additional criterion included to clarify the circumstances in which change of use of shops to residential use at ground floor level can be accepted, emphasising the need to protect the specialist retail character and function of Elm Hill.*

Respondent	Page/Para	Comment	Council response
Norwich BID	Page 55 (SR05 London Street East):	As above points made for page 27 London Street would have the aspiration for a joined up approach for accommodation and dissuade charity shop use	**Accepted:** Comments as above against zone PR02. *Additional commentary to make reference to aspiration for prestige high end retail and suitability for visitor accommodation.*
Norwich BID	Page 58: (LD01 Magdalen Street/Anglia Square)	Rather than discouraging residential in this it should be encouraged	**Not accepted:** Comments above as for SR03 St. Benedicts Street. The intention is not to discourage residential here per se but acknowledge that it may not always be appropriate at ground floor level and each proposal must be assessed on a case by case basis taking account of other policies of the plan. *No change.*

Report to	Cabinet 10 December 2014	**Item**
Report of	Head of planning service	17
Subject	Submission of a proposal to government under the Sustainable Communities Act 2007 – protection of community pubs.	

Purpose

To consider the submission of a sustainable communities act proposal to the Secretary of State.

Recommendation

To agree the content of the SCA proposal document (attached as Appendix 1) and to submit the document to the Secretary of State.

Corporate and service priorities

The report helps to meet the corporate priority "A prosperous city" and the service plan priority to respond appropriately to ongoing legislative and regulatory change.

Financial implications

None directly from submitting the proposal, although there would be cost implications for the council from any Government decision to introduce restrictions that resulted in an increased requirement to process planning applications for change of use of pubs.

Ward/s: All wards

Cabinet member: Councillor Stonard – Environment development and transport

Contact officers

Jonathan Bunting	01603 212162
Mike Burrell	01603 212525

Background documents

None

Report

Introduction and Background

1. This report seeks agreement from cabinet on the content of a proposal under the Sustainable Communities Act 2007. The proposal seeks a change in national planning regulations to give greater protection to community public houses and prevent their change of use or demolition without community consultation through the planning application process. In Norwich more than 30 pubs have closed, been demolished or changed to other uses in the past ten years.

2. National planning regulations currently allow a wide range of development and changes of use to be carried out without having to apply for planning permission first (called “permitted development”). In recent years the government has steadily extended the range and scope of permitted development, either by removing the need for permission for certain categories of development altogether or introducing a streamlined prior approval process requiring only that permitted development passes a limited range of checks before it can go ahead.

3. The Sustainable Communities Act 2007 (SCA) provides an opportunity for local people to ask central government via local government to remove legislative or other barriers that prevent them from improving the economic, social and environmental well-being of their area. The aim of the process is to make government do more to help councils promote sustainable communities.

4. The SCA defines local sustainability as ‘encouraging the economic, social and environmental well-being of the authority’s area’ and that ‘“social well-being” includes participation in civic and political activity’.

5. A valid proposal from a council under the SCA process has two simple criteria:

    a) That the proposal is something that only central government could do, i.e. the council does not already have the power to do it.

    b) That it can be shown that the proposed action from central government would promote sustainable communities as defined in the Act (see definition above).

Government responsibilities under the act

6. The Secretary of State’s responsibilities under the Act are set out in regulations as follows:

    a) consider the proposal and decide whether to implement it, in whole or in part;

    b) publish the decision in relation to the proposal, giving reasons; and the action that is to be taken, if the proposal is implemented, in whole or in part.

    c) Provide an update in relation to implementation if that action has not been completed within one year from the date the proposal was submitted by the local authority.

The council resolution to support a proposal under the SCA

7. On 24 September 2013, in response to growing national and local concerns over the issue, the city council passed the following resolution in relation to the protection of community public houses under the SCA:

   RESOLVED, unopposed, that –
   Norwich has lost a number of community pubs in recent years. It is possible through the Sustainable Communities Act for the council to be given more power to determine if pubs should be demolished or converted into other uses and this could save many valued community pubs.

   Council resolves to ask cabinet to –
   (1) submit a proposal to the government under the Sustainable Communities Act that the Secretary of State help protect community pubs in England by ensuring that planning permission and community consultation are required before community pubs are allowed to be converted to betting shops, supermarkets, payday loan stores or other uses, or are allowed to be demolished; and
   (2) work together with Local Works and the Campaign for Real Ale to gain support for the proposal from other councils in the region and across the country;
   (3) include in its response to the government's consultation on greater flexibilities in planning regulations a request for controls to prevent pub buildings being transferred to shops and banks and then to residential use with no requirement for planning permission.

8. Parts 1 and 2 of the resolution use the standard wording recommended by CAMRA under their "Pubs Matter" campaign. To date 35 other councils are indicated by CAMRA as having supported the campaign by backing a similar pub protection proposal under the SCA (although our own research suggests that very few councils have actually yet submitted one). According to information in the recently published report *Public Houses – how councils and communities can save pubs* published in August 2014, a further 21 councils are in the process of preparing similar bids[1].

9. Members should note that Part 3 of the resolution has already been implemented through the formal city council response to the government's consultation on *greater flexibilities for change of use* in October 2013. A more recent CLG consultation on planning deregulation (*Technical consultation on Planning*, July 2014) proposed additional wide ranging reforms to extend the scope of permitted development and streamline various aspects of the planning process. The council has again expressed disappointment in its response that there were no proposals to increase planning controls preventing the loss of pubs, although the latest proposals do in fact propose more planning control over new betting shops and payday loan stores.

National and local issues around pub losses

10. The proposed submission is made in support of a bid by CAMRA to address a national issue arising from planning loopholes. As such, the submission document attached at Appendix 1 is based largely on an evidence paper originated by CAMRA and includes much of the material the organisation has collected at a national level

[1] *Public Houses – how councils and communities can save pubs* LGIU/CAMRA, August 2014.
http://www.lgiu.org.uk/wp-content/uploads/2014/06/Public-Houses1.pdf

on pub closures, using case studies of instances where it has not been possible under planning regulations to prevent the loss of well used local pubs.

11. Nationally, it is estimated that 28 pubs per week are lost for good, often with no means of protecting them and this rate has been accelerating. CAMRA highlights the great value of local pubs in providing essential local services and fostering community cohesion. It points to research estimating the economic value of beer and pubs to the national economy at £19 billion. It also suggests that money spent in local pubs is twice as likely to be retained in the local economy than money spent elsewhere.

12. It has often been argued by critics of CAMRA's stance that "only bad pubs close". This is not the case. There are numerous factors contributing to the loss of local pubs, including:

    - rising costs faced by landlords;
    - high rents, particularly in urban locations;
    - increasing land value, which raises the amount developers are prepared to pay;
    - the high price of alcohol in pubs as opposed to the supermarkets and off licences;
    - competition from alternative leisure pursuits[2].

13. Norwich is fortunate in possessing a thriving and vibrant pub culture with a wide range and choice of local and city centre pubs appealing to all ages and backgrounds. Thus, it is easy to take the view that because this city is not perceived to have a "problem" with pub closures there is no reason to support a bid for a change in the law nationally. Norwich has certainly not been immune to the loss of pubs in recent years - our evidence shows that 35 pubs have changed their use or been redeveloped for other purposes in the last decade. A further three pubs are long term vacant with no immediate prospect of being put to beneficial use and officers are aware of six further pubs where intending developers or occupiers have made recent approaches with informal proposals for alternative uses.

14. Accordingly, the national evidence has been supplemented by recent local case studies from Norwich and the immediate surrounding area where the demolition or change of use of pubs has occurred outside planning control or pubs have been allowed to fall into disrepair and neglect when they could have been put to a beneficial community use:

    - The Kings Arms, Mile Cross Road – closure and extended neglect;
    - The Romany, Colman Road – change of use to a betting shop and payday loan store (carried out under permitted development);
    - The Earl of Leicester, Dereham Road – demolition in 2005 (carried out under permitted development) despite significant local opposition, no impetus for redevelopment of the site;

[2] Quoted in *Public Houses – how councils and communities can save pubs,* link above.

- The Firs, Cromer Road, Hellesdon – change of use to Tesco Express local foodstore (carried out under permitted development)

15. Of the 35 pubs logged as lost in Norwich since 2004, many have been converted to restaurants and other commercial uses without the need for formal planning permission for the change of use. Five were on the list of historic and community pubs identified for protection in the City of Norwich Replacement Local Plan 2004.

Planning policy

16. Members will be aware that the new local plan for Norwich has been adopted very recently. The *Development management policies local plan* includes a strengthened policy to protect against the loss of community facilities (policy DM22). This policy affords specific protection for identified historic and community pubs, requiring intending developers to provide evidence to justify the loss of pubs under threat and demonstrate that they could not continue in a viable pub use. However, the newly adopted policy will have no effect whatsoever in the case of changes of use which can be made without planning permission. Accordingly, a change in the law requiring permission to be sought for any change of use or demolition of a pub would not only make the council's policies far more effective, but also give local people and elected members a genuine say in the fate of a threatened pub through the statutory consultation and decision making process for planning applications.

Community support for the proposal

17. Under the SCA regulations, councils that choose to submit proposals under the Act must first consult and try to reach agreement with representatives of local people. This is the mechanism in the Act's process whereby residents can put forward their ideas on what proposals they think the council should make to government.

18. To fulfil these requirements for the pub protection bid, a question was included in the 2014-15 city council online budget consultation which ran from October 2013 to January 2014. The question gave some background to the SCA and the potential role of pubs in furthering community wellbeing and quality of life. Respondents were asked whether it was a good idea for the council to "*ask the government to change the law in relation to planning so that if a landowner wants to convert a pub for another use such as a shop, they need to consult the local community and get planning permission*".

19. 69% of those responding said that this would be a good idea, 20% that it would not and the remainder were undecided. Consequently, it is considered that there is a firm mandate for the council to proceed to submit this proposal if cabinet decide to do so.

Submitting the proposal and next steps

20. If confirmed by cabinet, the proposal would be submitted electronically under delegated powers via the online "Barrier Busting" portal operated by CLG. The proposed summary submission form is detailed in Appendix 2. Supporting documentation, as set out in Appendix 1, would be emailed to CLG following confirmation that the proposal has been received.

21. As noted in paragraph 6, the Secretary of State is required to respond to the proposal setting out his intended course of action and state his reasons if the proposal is rejected. The Local Government Association (called “the selector” under the Act) may resubmit the proposal on behalf of the council if it is rejected – the government must then consult and try to reach agreement in discussion with the LGA on the course of action that should be taken and reach a final decision collaboratively. The responsibilities of the Secretary of State and the timescales for responding to a resubmission by the LGA are as set out in paragraph 6 as per the original submission, with a requirement for an update after a year if there is no progress.

What happens if the proposal fails

22. In the event that a proposal under the SCA is rejected and planning regulations remain unchanged, there are a number of potential alternative routes open to the council to strengthen pub protection in Norwich. (These could be taken forward whether cabinet agrees to submit this proposal or not, and could be the subject of a future options report to sustainable development panel to inform a recommendation):

    a) *Article 4 directions* which apply locally and have the effect of taking away permitted development rights for certain forms of development (Cambridge are pursuing this option on selected pubs). In this case nominated pubs such as those on the council’s protected pubs list might be included in a direction requiring planning permission to be obtained for certain changes of use which would normally be permitted automatically. Article 4 directions are expensive and legally complex to implement, and unless consulted on a year in advance, the council could be liable to pay substantial compensation to pub operators and other aggrieved parties. Perversely this could actually accelerate the loss of pubs as owners and operators rushed to bring proposals forward during the one year notice period to avoid the new restrictions. Additionally, because no planning fee is payable for planning applications which are needed solely as a result of an Article 4 direction, no income would be generated for the council to offset the considerable costs of implementation.

    b) *Registration of pubs as Assets of Community Value.* The Localism Act enables local communities to register community facilities as Assets of Community Value by making a proposal to the city council to include them on a statutory register. The provisions could allow the sale or development of a nominated pub to be delayed and the community to bid to operate or acquire it. This option is known to be favoured by the current planning minister, but *must* be community-led: the council cannot nominate such assets itself. To date only one pub in Norwich – the Marlpit – has been included on the ACV register. Registration as assets of community value give local people some influence in determining a pub’s future, but can only delay and not prevent its loss, nor could it block permitted changes of use which might be legitimately made without a change of ownership. The ACV process could also unintentionally delay a sale of a pub to another operator who was willing to invest in it and continue to run it beneficially as a going concern. The success of pub protection using Assets of Community Value legislation relies entirely on raising awareness by the community of the powers available and a commitment to protect pubs at a grass roots level.

c) *Supplementary Planning Documents (SPD)* A number of authorities have prepared supplementary planning documents to augment pub protection policies in their local plans, detailing, for example, the evidence that must be submitted and the process to be followed to demonstrate that pubs are no longer economically viable, including evidence that there has been meaningful marketing to prove no interest in continued use as a pub. The LGIU *Public Houses* report cites a number of good practice examples. For Norwich these requirements are already embedded in policy DM22 of the local plan and apply equally to community public houses and other community facilities which may be under threat. Therefore it is considered that any further guidance on pub protection would be of little value without either a successful outcome for this proposal or local measures such as Article 4, because SPD could not be used in cases where changes of use occur outside planning control. Cambridge has adopted SPD on pub protection, but has supported this with targeted Article 4 directions and is taking an emerging local plan policy through examination which includes very stringent detailed requirements for demonstrating pub viability and effective community consultation.

23. CAMRA have very recently published a toolkit detailing some of the mechanisms available to local authorities to protect pubs, including the measures described above, as well as a model local plan policy on pub protection. (In Norwich's case there would be no immediate opportunity to revisit our local plan policies on pub protection, since the plan is newly adopted and policy DM22 has been found sound).

Conclusions

24. Asking for planning regulations to be tightened to bring the change of use and demolition of pubs within planning control is not intended to stall development, block beneficial change arbitrarily or keep pubs open which clearly have no reasonable prospect of continuing, The important thing is that it would give local people a meaningful say in the process. The government's favoured alternatives of local controls such as Article 4 directions and registration of pubs as Assets of Community Value are only partial solutions and in the former case could be very costly and resource intensive for the council to implement.

25. In the recent *Technical consultation on planning* the government indicated that it will remove permitted development rights that currently allow the unrestricted change of use of pubs and cafés to betting shops and payday loan stores. This shows that regulatory change to address an issue at a national level can be achieved through effective and sustained lobbying via the SCA. Submission of this proposal will send a strong message to government that planning regulations are still largely ineffective in protecting against the ongoing loss of valued local pubs and these regulations ought to be reviewed in the interests of supporting vibrant, sustainable communities. The government has given repeated assurances that their planning reforms "put communities in the driving seat" – a claim which appears baseless in relation to pub protection since a decision to sell, demolish or change the use of a community pub can be made in many cases with no involvement of the community that uses it at all. A change in planning rules may be the only guaranteed and cost effective way to ensure proper public involvement in these important issues through the planning process.

Integrated impact assessment

NORWICH City Council

The IIA should assess **the impact of the recommendation** being made by the report
Detailed guidance to help with completing the assessment can be found here. Delete this row after completion

Report author to complete	
Committee:	Cabinet
Committee date:	10 December 2014
Head of service:	Graham Nelson
Report subject:	Submission of a proposal to government under the Sustainable Communities Act 2007 – protection of community pubs.
Date assessed:	19 November 2014
Description:	This report follows on from a council resolution in September 2013 asking cabinet to submit a proposal to government under the Sustainable Communities Act (SCA) seeking a change in national planning regulations. The effect of the change sought would be that planning permission and community consultation would be needed before pubs could change their use or be demolished. Many of these changes do not currently need permission. The report seeks cabinet approval for the content of the SCA proposal documentation before it is formally submitted to the Secretary of State.

	Impact			
Economic (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Finance (value for money)	☐	☐	☒	If successful, the proposal would result in some additional costs to the council from the need to process an increased number of planning applications for the change of use of pubs, but the alternative of bringing in local restrictions through Article 4 directions would be significantly more costly as there would be no planning fee income to offset the cost of implementation.
Other departments and services e.g. office facilities, customer contact	☒	☐	☐	No impact identified
ICT services	☒	☐	☐	No impact identified
Economic development	☒	☐	☐	Stricter measures to support the retention of community pubs would be potentially of benefit to the local economy through the retention of income generated to support local businesses. This income may not be retained locally in the event of changes of use of pubs to e.g. national food retailers which currently cannot be controlled through planning.
Financial inclusion	☒	☐	☐	No impact identified
Social (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Safeguarding children and adults	☒	☐	☐	No impact identified

	Impact			
S17 crime and disorder act 1998	☒	☐	☐	No direct impact identified from submitting the proposal, although the longer term effects of protecting pubs from change of use for other purposes might include localised impacts for crime and disorder if a particular retained pub was already giving rise to these problems
Human Rights Act 1998	☒	☐	☐	No impacts identified
Health and well being	☐	☒	☐	Measures to support the retention of local pubs have significant potential to foster and enhance community cohesion and thereby contribute to health and wellbeing where these facilities are used responsibly
Equality and diversity (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Relations between groups (cohesion)	☐	☒	☐	Measures to support the retention of local pubs have significant potential to support and enhance community cohesion
Eliminating discrimination & harassment	☒	☐	☐	No impacts identified
Advancing equality of opportunity	☒	☐	☐	No impacts identified
Environmental (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Transportation	☒	☐	☐	No direct impacts identified from submission, although continued depletion of pubs through uncontrolled changes of use might result in an overall increase in the need to travel for local people to get to their nearest pub

	Impact			
Natural and built environment	☐	☒	☐	Measures to support the retention of local pubs and stronger planning controls may reduce instances where pub sites and premises are acquired for redevelopment and then left to become derelict. The net result would be an improvement in the local environment.
Waste minimisation & resource use	☒	☐	☐	No impact identified
Pollution	☒	☐	☐	No impact identified
Sustainable procurement	☒	☐	☐	No impact identified
Energy and climate change	☒	☐	☐	No impact identified
(Please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Risk management	☐	☒	☐	It is recognised that the proposal has been taken forward as a result of a council request to cabinet but evidence shows that the chances of success of such proposals are generally low - 90% of SCA proposals to government typically fail. Therefore the work involved in submitting the proposal may turn out to be abortive. However the council's decision to support a proposal on pub protection is strongly welcomed by CAMRA and has firm public backing from residents, with the initiative also being supported by a significant number of other concils. Impact on reputational risk is therefore judged as very positive.

Recommendations from impact assessment
Positive
The positive impacts of a successful proposal to protect community pubs would be largely indirect, but have the potential to increase community cohesion and boost income generation contributing to the local economy and small businesses, as well as reducing instances where pubs are closed and demolished or mothballed for development that never materialises, resulting in dereliction and eyesore sites. Risk management impacts are assessed as positive.
Negative
If the proposal succeeds, there may be some minor negative financial implications for the council resulting from the need to process an increased number of planning applications for the change of use of pubs. If it does not, the potential costs of bringing in equivalent local controls would be significantly higher, but cannot be quantified at present.
Neutral
There are no identified impacts in the majority of areas identified in this assessment.
Issues
It can be argued that at a local level Norwich has not suffered the same degree of impact from pub closures and unregulated changes of use as elsewhere and in general terms the city continues to benefit from a thriving and diverse "pub culture". Nevertheless the fact that pubs can be converted to a wide range of uses without planning permission continues to be an acknowledged issue of concern at a national level which undermines the democratic process and reduces the involvement of local people in determining the future of the community facilities that they value. In pressing for government action on the issue (with public backing), the council has agreed to support a high profile national campaign. The risks of cabinet not taking forward this proposal are therefore mainly reputational. Should the proposal fail, the council has several alternative options to secure the protection of pubs locally (as detailed in the report) - but most would have significant financial implications.

APPENDIX 1

Sustainable Communities Act Proposal

Proposing Local Authority:

Norwich City Council

Other Local Authorities, if any, who are joint proposers of this proposal:

Lead contact(s) in the Local Authority for this proposal:

Mike Burrell (Planning Policy Team Leader) 01603 212525
Jonathan Bunting (Planner (Policy)) 01603 212162

The proposed central Government action:

That the Government help protect community pubs in England by ensuring that planning permission and community consultation are required before community pubs are allowed to be converted to betting shops[1], supermarkets, pay-day loan stores or other uses, or are allowed to be demolished.

The case for this proposal – how it promotes the sustainability of local communities, as defined in the Sustainable Communities Act:

This proposal seeks to support thriving, vibrant local communities in England and to promote their sustainability by ensuring that community pubs, which are key local facilities, are protected. This is necessary because community pubs can be demolished or converted to other uses including betting shops, pay day loan stores and supermarket metro stores without planning permission or community consultation. Currently many local pubs are in crisis and every week 26 pubs are lost forever with communities and councils powerless to save them.

Norwich once claimed to have a pub for every day of the year. The past 20 years have seen significant depletion of pubs, especially those in suburban areas and outlying estates where there is often only one pub within walking distance. Since 2004 the city council calculates that 35 pubs out of approximately 170 in the city

[1] The wording of the proposal reflects the resolution of Norwich city council on 24 September 2013. The council notes that changes signalled in the recent Technical Consultation on Planning include a prospective re-definition of betting shops and payday loan stores within class A2 of the Use Classes Order, and a removal of PD rights to make a change to these uses. However until changes to the General Permitted Development Order come into force, such changes of use remain permitted development and consequently we have retained the reference to these uses in the proposal.

(over 20%) have been demolished or been converted to other uses, with a further three long term vacant.

Why protect pubs - social and community value

Community pubs represent the very essence of the big society, providing a meeting place where social networks are strengthened and extended, providing a sphere for social interaction, promoting cohesion within a community, and a safe environment for responsible drinkers. Pubs host a wide variety of community-oriented events and activities that add considerably to the sustainability of local civic life.

Where alternative local services such as post offices, libraries or other amenities are absent, rural pubs often step into the breach to provide local services. In Norfolk this is being actively pursued in a partnership between Norfolk County Council and not-for-profit organisation Pub is the Hub, offering grants of up to £4000 to local pubs wishing to run additional community services. Urban pubs have followed suit to a certain extent with book swaps and by joining the Useyourlocal parcel-to-pub scheme. This allows locals to collect parcels from their pub if they're not at home, rather than having to make the journey to a collection centre.

Pubs are incredibly important to local communities:

- Research from the IPPR[2] highlights that pubs are the most popular location outside of the home for people to meet and get together with others in their neighbourhood.
- 69% of all adults believe that a well-run community pub is as important to community life as a post office, local shop or community centre[3].
- 75% of all adults believe that pubs make a valuable contribution to life in Britain[4]
- 80% of regular pub goers are proud of the contribution pubs make to community life in their area[5]
- 43% of all adults would even be willing to take action to help save a local pub threatened with closure (such as join a campaign group, donate or volunteer to help run the pub)[6]

Pubs are also vital to improving community cohesion with the pub being the most important location where people meet and socialise with those from different backgrounds to themselves. The Greater London Authority Conservative Group's "Keeping Local" Report found that in the case of the Catford Bridge Tavern which was under threat from closure and conversion to retail until it was saved by a powerful community campaign, "one of the recurring responses... was its clientele

[2] Rick Muir – Pubs and Places (IPPR, 2012)
[3] TNS CAPI Omnibus Survey June 2010
[4] TNS CAPI Omnibus Survey June 2012
[5] Ibid.
[6] TNS CAPI Omnibus Survey June 2010

bemoaning the loss of their (in many cases relatively new) circle of friends. Despite having only been open for eight months, a powerful sense of belonging to a distinct community unit had been fostered by the pub, as evidenced by the strength of the support group mustered in the face of closure."[7]

The IPPR has used 'Social Return on Investment' methodology to quantify the wider social value which pubs generate for their communities, which cannot be captured in financial terms. These wider community benefits range from the amount of money the pub raises for charity to the reduced risk of social isolation through opportunities for pub-goers to make new friends and strengthen community ties. The IPPR's research found that each pub generates between £20,000 and £120,000 of wider social value to their communities[8].

Pubs can play a particular role in supporting older and vulnerable people in the community. Older people rely perhaps more than other members of the community on accessible local services. Pubs are therefore vital for older people to enjoy a sense of wellbeing based on community interaction and opportunities to meet new people. The permanent loss of so many of these services, coupled with difficulties in accessing equivalent services further away is contributing to older peoples' isolation.

The recently adopted Joint Core Strategy for Norwich, Broadland and South Norfolk forms part of the local plan for the city. It states (in Policy 7) that *All development will be expected to maintain or enhance the quality of life and the well being of communities and will promote equality and diversity, and protect and strengthen community cohesion.* By allowing such a wide range of material changes of use to community pubs to be made outside of planning control as *permitted* development, the government are acting against this objective, removing the ability of the local authority to implement policies protecting valued community facilities which they are required to do by the NPPF.

Why protect pubs - economic value

Beer and pubs contribute £19bn to UK GDP and generate £11bn in tax revenue. Beer and pubs also support almost one million UK jobs, 46% of whom are 16 – 24 year olds. These jobs are essential to the UK's growth and economic development, but they are under threat from gaps in planning law leading to pub closures. Each pub closure typically results in the loss of just under ten full- and part-time jobs[9] and the permanent loss of VAT revenue as fewer pubs means a further shift in alcohol consumption from the on trade to the off trade.

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[7] "Keeping Local" GLA Conservatives Report - http://glaconservatives.co.uk/wp-content/uploads/2013/03/Keeping-Local6.pdf

[8] http://www.ippr.org/publications/55/8519/pubs-and-places-the-social-value-of-community-pubs

[9] 548,000 people are directly employed in 57,000 pubs and bars

As well as injecting an average of £80,000 into their local economy each year[10], pubs play a key role in raising money for local charities – it is estimated that the average pub raises around £3000 a year for charity. Independent research commissioned by CAMRA has found that 49% of regular pub goers say their local pub fundraises for local charities[11].

Money spent in local pubs is twice as likely as money spent in supermarkets to be retained locally. The New Economics Foundation estimated that 10.2% of money spent in supermarkets is retained locally compared to 20.6% of money spent in managed pubs[12]. Where pubs are owned independently the amount of money retained locally is much greater.

Pubs that sell real ale support local and regional breweries to a far greater extent than the supermarket trade, with regional breweries selling 76% of their products to pubs[13]. There are now over 1000 breweries in the UK, but their access to market is diminishing as pubs close.

The problem – planning loopholes

The current planning system fails to give sufficient protection to valued community pubs, many of which have been established for hundreds of years and are fully integrated into the local area thus minimising negative land impacts.

The flexibility afforded by the General Permitted Development Order for a pub to be converted into a wide range of uses without planning permission has created a market distortion and has artificially inflated the land value of pubs on sites especially attractive to other uses, particularly betting shops, pay day loan stores and supermarket metro style stores seeking to secure sites where planning permission is not required. These gaps in the planning system mean local communities and the councils that represent them are denied a say in what's happening in their neighbourhoods, and are unable to protect the services that matter to them.

Norwich's emerging local plan policy DM22 (which has been supported through examination) seeks to guard against the loss of identified historic and community pubs and other community facilities. It requires evidence from prospective developers that genuine efforts have been made to market historic and community pubs for a meaningful period for continued A4 use and retain them in that use. However, even if a pub appears on the safeguarded list, this policy remains wholly ineffective against changes of use that can be made without planning permission and cannot prevent the total demolition of a pub outside a conservation area. The

[10] Rick Muir – Pubs and Places (IPPR, 2012)
[11] TNS CAPI Omnibus Survey January 2013
[12] Justin Sacks – The Money Trail (New Economics Foundation, London, 2002), p115
[13] IPPR report p30

city council considers that, unless and until these loopholes in the General Permitted Development Order are closed, the council and the local community will have only limited powers to intervene through the planning process to prevent the continued depletion of local community pubs. Pubs are community facilities, which the NPPF is absolutely clear should be protected, but the General Permitted Development Order often takes away any effective planning mechanism to do so. We consider that the alternative of registration of public houses as Assets of Community Value is largely ineffective; ACV registration might give the community some say in the future of some local pubs but may only delay their disposal and cannot prevent a permitted change of use of a pub either before or after that sale.

Article 4 directions removing permitted development rights for the change of use of locally identified pubs have also been suggested by the Secretary of State as a potential means of protecting them. The city council takes the view that Article 4 directions are extremely resource intensive and legally complex to implement, as well as producing no income to the council from the additional planning applications that result, and potentially having significant cost implications for compensating disadvantaged owners/developers. Thus, unless the government makes it significantly easier to bring in Article 4 directions specifically to protect identified community assets, we would pursue this option only as a last resort.

CAMRA’s research indicates that around one third of pubs which are permanently lost are converted to one of these uses without planning permission. The Greater London Authority Conservative Group’s “Keeping Local” Report also found that:

> *“The high number of demolitions and conversions to other uses renders a great many pub sites lost to the community as drinking establishments. Between 2003 and 2012 Capital Pubcheck recorded 897 changes of use for former pub sites. Approximately a third of these were conversions to cafes and restaurants.”*[14]

CAMRA’s recent survey of 358 local planning authorities (with a response rate of just over 50%) found that:

- 65% of local authority planning officers responding were not satisfied that existing planning regulations give sufficient protection to public houses from change of use or demolition.
- 65% would support a change in planning regulations to require planning permission to be in place before a public house can be demolished.
- 67% would support a change in planning regulations to ensure that the conversion of a public house to any other use requires planning permission.

[14] “Keeping Local” GLA Conservatives Report - http://glaconservatives.co.uk/wp-content/uploads/2013/03/Keeping-Local6.pdf

The viability of many pubs depends absolutely on the prosperity and footfall generated by other local businesses: people visiting an area to shop or use other local services are likely to incorporate a visit to the pub. However, the diversity of our town centres is currently under threat from the prevalence of big companies, which affects the viability of small independent businesses. This was demonstrated in the New Economics Foundation's "Clone Town Britain" Report, which states:

> *"Real local shops have been replaced by swathes of identikit chain stores that seem to spread like economic weeds, making high streets up and down the country virtually indistinguishable from one another. Retail spaces once filled with a thriving mix of independent butchers, newsagents, tobacconists, pubs, bookshops, greengrocers and family-owned general stores are becoming filled with faceless supermarket retailers, fast-food chains, and global fashion outlets."*[15]

In Norwich there have been numerous examples of pubs which are on the city council's list of historic and community public houses that policy DM22 and its predecessor local plan policies have sought to protect, but where these policies have been unable to prevent closure and conversion to other uses under permitted development. Of the 35 pubs logged as lost in Norwich since 2004, many have been converted to restaurants and other commercial uses without the need for formal planning permission for the change of use. Five were on the list of historic and community pubs identified for protection in the City of Norwich Replacement Local Plan.

Even where public house premises remain, the economic downturn has discouraged investment in them and pub closures have sometimes been followed by an extended period of neglect. Three pubs in Norwich are known to have been closed for more than three years with no impetus for them to be reused or beneficially developed despite in two cases schemes being approved.

Case study in Norwich: Neglect:
The Kings Arms, 100 Mile Cross Road

[15] New Economic Foundation, "Clone Town Britain", 2004, p1, available online at: http://www.neweconomics.org/publications/clone-town-britain

This 1930s estate pub served the oldest local authority housing estate in Norwich for over sixty years. Closed since 1999 the building has become an eyesore, remaining vacant and near derelict, attracting crime and antisocial behaviour. Approved proposals to retain and convert the building and redevelop the site for housing have failed to materialise.

Betting shops

Independent research commissioned by CAMRA has found that 77% of all adults agree that planning permission should have to be sought, and local people consulted, before a valued community pub is changed into a betting shop[16]. However, this is not currently the case. Below are just some of the pubs in London alone that have been converted to betting shops:

- **The Railway Tavern**, Mare Street Hackney – former Charles Wells pub, converted by Paddy Power to a betting shop
- **The Hope**, Rye Lane, Peckham – subject to an application to turn this pub into a Paddy Power betting shop, despite strong objections from local residents
- **Finnigan's Wake**, 251-253 Neasdon Lane, London NW10 1QG - turned into a William Hill betting shop
- **Havelock Arms**, Southall - Ladbrokes converted this pub to a betting shop
- **Bakers Arms,** Leyton High Road/ Lea Bridge Road junction, Waltham Forest – changed to a Paddy Power betting shop in February 2010
- **Deptford Arms,** 52 Deptford High Street, Lewisham - converted to a Paddy Power betting shop
- **Old Globe,** Mile End Road – converted to Ladbrokes
- **John Evelyn**, Evelyn Street, Deptford - sold by Admiral Taverns to Paddy Power
- **The Globe**, Evelyn Street, Deptford – converted to a betting shop with residential above

David Lammy, MP for Tottenham is among the MPs calling for greater planning controls on the proliferation of betting shops:

> *"There are far too few powers for councils to reject applications for gambling licences. It is surely wrong that they cannot deny an application for a betting shop on the basis of the number of betting shops that are already open in the area. In Tottenham there are 39 bookmakers but no bookshops.*

[16] TNS CAPI Omnibus Survey January 2012

That must change. We must give communities new powers to ensure our high streets are thriving environments and not dominated by betting shops."[17]

Case Study in Norwich: The Romany Rye, 131 Colman Road

Although Norwich has not experienced as significant an upturn in the number of betting shops as evident in the London area, there are nevertheless instances where betting shops have been introduced into former pubs under permitted development. One case where a former pub has been occupied by a betting shop *and* a pay day loan store is the Romany Rye (later the Romany Beer House), a purpose built estate pub within a parade of shops serving the South Earlham Estate built in the late 1920s. The pub closed in 2008 and has since been sold and converted to accommodation for Coral bookmakers and a "Cashmaker" payday loan store.

Supermarkets

Supermarkets are targeting pubs for conversion because of the legal loophole that means they do not need to submit a planning application. CAMRA conducted a survey in November 2012 of our 200 local branches. From the 136 branches who responded, our findings indicate that 207 pubs were converted to supermarkets between January 2010 and November 2012.

The breakdown by company is as follows:

Tesco (130)
OneStop (4)
Sainsbury (22)
Co-op (14)
Asda (5)
Costcutter (4)
Aldi (4)
Independents (24)

17 http://www.haringeyindependent.co.uk/news/8381914.Livingstone_and_Lammy_take_stand_on_Haringey_s_prolific_betting_shops/

In addition to the 207 reported conversions, a further 51 were reported as being currently under threat from conversion, of which 43 were under threat from Tesco. In 2010/2011 Tesco opened 200 new stores[18]. 150 of those were Tesco Express. Our survey (which will not be comprehensive) shows that 58 pubs were converted to Tesco during this period - so over a third of these new Tesco Express stores were former pubs.

The freedoms afforded by the General Permitted Development Order mean that despite the wishes of local communities to retain a pub, neither councils nor local people can object to the principle of a change of use from a pub to a local foodstore – which is granted automatically without an application – and the local planning authority can only exercise limited controls over proposals for external works, parking and signage. The economic climate has been as tough for the pub industry as for other small businesses but this should not mean that pubs, even currently closed pubs, should disappear when given support and placed in the right hands they can become thriving hubs for our communities. Most people would clearly see the conversion of a pub to a supermarket as a fundamental change of purpose and should therefore have the power to comment on this change.

CASE STUDIES:

Archers (Bishops Stortford)
A busy Greene King pub in a residential area near an existing Tesco and a large Sainsbury. The tenants were evicted with two weeks' notice. Greene King sought and was granted planning permission to erect 'illuminated sign' outside and extend the premises. Greene King were contacted by the local CAMRA branch which was informed that investment was being made to create a pub/restaurant business. Two months later (November) the Freehold was sold and Tesco signed a 20-year lease. Local Councillors and 20 local residents only then received a letter saying that Tesco Express would be open by Christmas. Further works needed for the conversion were deemed too minor for planning permission.

Prince of Wales (Tooting)
This pub ceased trading on 3rd March 2012 and was swiftly sold by Young's & Co to Tesco. The pub's tenants were moved to a new business and the pub has been stripped and left vacant, squatted in and deteriorating

A successful campaign which led to the pub being reopened – the Bristol House Inn (Weston-super-Mare)
Enterprise Inns submitted a planning application to extend the pub to create a new dining area. It was rightly suspected by the Council and local residents that negotiations were underway for the pub to be purchased by Tesco. The planning

[18] 2010-2011 Tesco Annual Report

application was rejected on grounds of traffic and safety and Tesco withdrew from negotiations. The pub reopened and is successfully trading on 1st December 2012.

Case study in Norwich area – The Firs, 164 Cromer Road, Hellesdon

The long established Firs public house on a prominent main roadside site in Hellesdon (Broadland District) dates from 1933 and adjoins the city boundary. Closed and boarded up in October 2010, the freehold was subsequently sold by Enterprise Inns to Tesco who converted the pub to a Tesco Express. Planning permission was not required for the change. Commenting on the sale, agents Roche state that "*the letting confirmed the strong demand there is amongst retailers, particularly food retailers, for certain public houses which are located in prominent locations and benefit from good sized car parks" (Source: Rochesurveyors.co.uk).*

<u>Demolition</u>

The demolition of pubs is also permitted development and planning permission is not required for the total demolition of a pub unless it is a listed building or in a conservation area (or rights to demolish are removed locally through Article 4 directions). Between 2003 and 2012, 414 former pubs were demolished in London alone[19]. Lewisham has lost 36% of its pubs in the last decade.

Once a pub is demolished any local planning policies aimed at protecting pubs are irrelevant as there is no longer a pub to protect. This situation can be exploited by developers who can delay applying for planning permission until after a pub has been demolished. Developers can circumvent any objection (or prospective listing) by simply demolishing the building and therefore extinguishing the previous use of the premises.

This is not fair on local communities and is diminishing consumer choice, driving prices up in the remaining pubs and forcing people to travel further to access services. Demolition can cause particular problems in rural communities where pubs are often the only remaining community meeting place. Local communities and the

[19] "Keeping Local" GLA Conservatives Report - http://glaconservatives.co.uk/wp-content/uploads/2013/03/Keeping-Local6.pdf

councils that represent them are denied a say in what's happening in their neighbourhoods, and are unable to protect the services that matter to them. Local communities want more power to influence their neighbourhoods: 81% of people agree that local authorities and local people should be consulted before a developer is given permission to demolish a valued community pub, community centre or other local service.[20]

Case study in Norwich: The Earl of Leicester, 238a Dereham Road

This distinctive Edwardian pub on a prominent corner site in a busy residential area in the west of the city was a local landmark and had replaced earlier licensed premises dating from 1840. The pub ceased trading in 2004, having been acquired for development. It was demolished in July 2005 before any proposals for redevelopment had been submitted to the city council. As a pub that was neither in a conservation area nor statutorily listed, the city council had no planning powers to prevent its loss despite strenuous local opposition. Subsequently proposals to redevelop the site for housing have never come to fruition and nine years on the site remains vacant and semi derelict.

<u>Impact of this proposal</u>

This proposal does not seek to block change by preventing local services being converted to other uses where objective evidence shows that they are no longer needed or are financially unviable. That is made clear in the city's own adopted planning policies seeking to protect pubs. It is simply about ensuring that local people and democratically elected councillors can have a say and that there is an objective and transparent process which prospective developers must go through to justify the loss of that local service and ensure that there is effective scrutiny. As things stand with the General Permitted Development Order, none of these safeguards are in place.

Where a local service is genuinely unviable or no longer of community value developers could expect to secure planning permission within eight weeks. In many

[20] TNS CAPI Omnibus Survey June 2010

cases the planning process could be completed before the purchaser is even able to complete the purchase of the premises. Planning fees are a very modest cost compared to the cost of purchasing and converting premises.

Norwich City Council
December 2014

APPENDIX 2

Proposed covering submission via the CLG Barrier Busting portal

Barrier Busting Form

If you are trying to do something in your community, but bureaucratic barriers are holding you back, then let us know so we can try to remove them.

1. Is this a proposal being submitted under the Sustainable Communities Act 2007? If you are not sure, then select no.

   Yes
   No

The SCA proposal

2. We need to understand broadly what your issue is about. Please could you select any of the following that are relevant. You can select more than one: [Required]

   Funding
   Housing
   Planning
   Environmental issues
   Insurance problems
   Health and wellbeing
   Multiple CRB checks
   Legislation
   Social/ anti-social issues
   Transport
   Lack of information/ knowledge
   Local democracy e.g. Planning councils and meetings
   Development

If none of the above options are relevant, please select 'Other' below and provide an alternative in the box provided.
   Other

3. Have you consulted the local community about the proposal? It is a requirement that consultation takes place before a proposal is submitted. [Required]

   Yes
   No

If yes, please can you describe how you have consulted the community:

A question was included in the city council's budget consultation for 2014-15 on this issue "Do you agree that it would be a good idea to ask

the government to change planning law in this way and try and protect community pubs?". 69% of respondents were in favour.

4. What is the SCA proposal? Please give as much information as you can: [Required]

   This proposal seeks to support thriving, vibrant local communities in England and to promote their sustainability by ensuring that community pubs, which are key local facilities, are protected. This is necessary because community pubs can be demolished or converted to other uses including betting shops, pay day loan stores and supermarket metro stores without planning permission or community consultation. Currently many local pubs are in crisis and every week 28 pubs are lost forever with communities and councils in many cases powerless to save them.

5. Describe clearly and briefly (in one line) the SCA proposal: This summary will be displayed on the Barrier Busting site. [Required]

   To amend planning regulations to prevent the unregulated demolition or change of use of pubs.

6. Are there any other organisations, groups or individuals that support this proposal? Please provide details: [Required]

   Campaign for Real Ale
   Unlock Democracy
   35 local authorities as detailed here: *http://pubsmatter.org.uk/council-supporters*

Your details

7. Who do you represent? [Required] #

   District Council
   Local Authority
   Community Group
   Voluntary Sector Provider
   Town Council
   Parish Council
   Individual Citizen

If none of the above options are relevant, please select 'Other' below and provide an alternative in the box provided.

   Other

8. Your contact details ***(to be completed by submitting officer)***
   First name:
   Last name:

9. Email address: [Required]
10. Telephone number:
11. Your location

Please provide at least one of the following. If this form has been submitted on behalf of a particular organisation, please provide the location details of that organisation. [Required]

Organisation/Council name (if relevant): **Norwich City Council**
Postcode: **NR2 1NH**
Local Authority Area (you can lookup your local authority using the Directgov site): **Norwich City Council**

Next Steps
Once you have submitted this form, you will receive an automated email response to confirm that we have received your query. An unique ID will be issued that you can use as reference in any further communication and one of our barrier busting team will be in touch shortly.
We want to share the resolution of barriers with others whom may be experiencing similar issues, and would like to display your barrier, and the progress of its resolution on line. You will be able to track this with your own unique ID.
If you have any supporting documents, please email them along with your unique ID (which you will receive once you successfully submit this form) to SCA@communities.gsi.gov.uk

12. A short summary of this SCA proposal will be displayed on the website (as indicated below): [Required]

(this content is populated automatically from Question 5 as the form is filled in)

Report to	Cabinet	**Item**
	10 December 2014	18
Report of	Head of housing	
Subject	Communal area management and inspections	

Purpose

To consider the procedure for communal area management and inspections for homes rented by council tenants and owned by leaseholders.

Recommendations

To agree the procedure for communal area management and inspections for homes rented by council tenants and owned by leaseholders.

Corporate and service priorities

The report helps to meet the corporate priority of making Norwich a safe and clean city, with decent housing for all, and ensuring the Council provides value for money services.

Financial implications

The direct financial consequences of this report are up to £30,000 for signage and leaflets that can be met from existing budgets.

Ward/s All wards

Cabinet member Councillor Bremner – Housing

Contact officers

Tracy John, Head of Housing 01603 212939

Background documents

None

Report

1. The council recognises the important role communal spaces can play in having a positive impact on tenants and leaseholders well-being and quality of life.

2. We want to encourage sensible use of communal spaces wherever possible, but we also have a statutory responsibility to maintain communal space as means of escape in the event of a fire.

3. Our duty is to ensure that escape routes are not obstructed. We are required to keep stairways/steps, corridors and all exit routes clear of obstructions, trip hazards and combustible materials

4. The Regulatory Reform (Fire Safety) Order 2005 requires Norwich City Council to carry out a risk assessment, part of which focuses on escape routes and therefore includes communal areas.

5. A duty is placed on the Council as the landlord to carry out a fire risk assessment and take specific action to minimise the risk of fire in the common parts.

6. In light of recent serious fires resulting in deaths of tenants and fire fighters in other parts of the country, we have worked closely with Norfolk Fire Service to come up with an updated procedure, informed by consultation, which has been designed to keep people safe, allow the Fire Brigade access in the event of an emergency, whilst balancing the practical needs of the people who live there.

7. The updated procedure which will establish a step by step approach to the management of communal areas can be found at Appendix A.

8. The procedure sets out a 4 tier grading approach to housing rented by council tenants and owned by leaseholders to minimise risk in a balanced and proportionate way and provide clarity of understanding.

9. The four tiered approach is:

    - High risk enclosed communal areas = any flats/maisonettes above 3 floors (66 areas has been assessed as A).
    - Medium risk = any flats/maisonettes up to and including 3 floors plus any open walkway area above 3 floors (1180 areas have been assessed as B).
    - Low Risk - external (open) communal areas (358 areas have been assessed as C).
    - No risk = All other properties.

10. This procedure will be implemented in a managed way, working with tenants and leaseholders, supported by clear communications, including:

- Separate leaflets for the different designations will be provided for tenants and leaseholders to explain the designation and what can and cannot be kept in the communal areas.
- A sign will be placed inside the communal areas assessed to identify the designated grade of the block.
- Visits by housing officers to explain the situation and discuss any particular issues
- General communications e.g in the tenant magazine etc.

Integrated impact assessment

NORWICH City Council

Report author to complete	
Committee:	Cabinet
Committee date:	10 December 2014
Head of service:	Tracy John
Report subject:	Communal area management and inspections
Date assessed:	November 2014
Description:	To consider the procedure for communal area management and inspections for homes rented by council tenants and owned by leaseholders.

	Impact			
Economic (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Finance (value for money)	☒	☐	☐	Cost of signage can be covered from budget
Other departments and services e.g. office facilities, customer contact	☒	☐	☐	
ICT services	☒	☐	☐	
Economic development	☒	☐	☐	
Financial inclusion	☒	☐	☐	
Social (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Safeguarding children and adults	☒	☐	☐	
S17 crime and disorder act 1998	☒	☐	☐	
Human Rights Act 1998	☒	☐	☐	
Health and well being	☐	☒	☐	Reduce risk
Equality and diversity (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Relations between groups (cohesion)	☐	☒	☐	The procedure specifies that we will work with the community to identify alternative storage solutions for commonly used items such as prams, bikes, etc. This will enable us to bring together different groups to reach an agreed positive outcome. This is an opportunity to involve tenants and leaseholders in the decision making process.

Eliminating discrimination & harassment	☒	☐	☐	The measures outlined in our communal area procedures are designed to meet statutory fire safety requirements while having a mind that pleasant outdoor spaces can contribute to enjoyment of one's home. Measures are included to find alternative solutions as far as possible without breaching legislation. The procedure will have an overall positive impact as it will allow safe access and egress to properties off communal corridors and walkways and will allow safe evacuation in the event of a fire situation. All literature will be available in other languages and formats as requested/needed.
Advancing equality of opportunity	☐	☒	☐	The procedure will have a positive outcome for tenants and leaseholders with a physical disability/mobility as obstacles will be removed from common areas allowing more/better access to shared amenities.
Environmental (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Transportation	☒	☐	☐	
Natural and built environment	☒	☐	☐	
Waste minimisation & resource use	☒	☐	☐	
Pollution	☒	☐	☐	
Sustainable procurement	☒	☐	☐	

Energy and climate change	☒	☐	☐	
(Please add an ‘x’ as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Risk management	☒	☐	☐	
Recommendations from impact assessment				
Positive				
Negative				
Neutral				
Issues				

PROCEDURE	SUBJECT: Common Area Inspections
DATE ISSUED:	**REVIEW DATE: 12 months**
ISSUED BY: Neighbourhood Housing	

FURTHER INFORMATION AVAILABLE FROM:

Neighbourhood Housing Team Leaders

PORTFOLIO HOLDER VISION

Message from Cllr Bremner

We recognise the important role communal spaces can play in having a positive impact on tenants and leaseholders well-being and quality of life.

We want to encourage sensible use of communal spaces wherever possible, but we also have a duty to ensure the safety of all residents. Incidents such as the fire at Markham Tower really highlight the importance of keeping communal areas clear from hazards to ensure that everyone can get out of the building safely.

We have worked with Norfolk Fire Service, tenants, housing officers, and councillors to come up with the following guidance, which has been designed to keep you safe, allow the Fire Brigade access in the event of an emergency, whilst also (where possible) giving you the freedom to make best use of the space available and create a pleasant external environment in which to live.

We hope you can appreciate the need for this procedure and find this leaflet useful. Housing officers are happy to meet in person with any residents who would like to discuss the need for this procedure in more detail, and we have put in a system of reviewing cases.

PURPOSE OF PROCEDURE

The purpose of carrying out communal area inspections is to

- manage fire risk based on advice from the fire service and national best practice within the guidelines set out to keep communal areas clear of items to reduce the risk in case of fire, trips, slips and falls
- ensure the safe access of all tenants, leaseholders, visitors, contractors and staff to our properties
- take into consideration tenants and leaseholders desire to create a homely environment
- promote the procedure to our tenants and leaseholders

We will aim to • prevent the risk of injury or loss of life • prevent the risk to property and loss of financial asset • prevent the risk of loss of home and provision of emergency accommodation • prevent the risk of litigation claims through a formal system of recording our inspections and actions • identify repairs and trip hazards • carry out routine maintenance inspections **Requirement of the council** The Regulatory Reform (Fire Safety) Order 2005 requires Norwich City Council to carry out a risk assessment, part of which focuses on escape routes and therefore includes communal areas. A duty is placed on the landlord to carry out a fire risk assessment and take specific action to minimise the risk of fire in the common parts. As a Council we must take reasonable steps to reduce the risk from fire and make sure people can safely escape if there is a fire.

Any equality and diversity impact?	**Equitable delivery of service.** **Consider needs on all 7 strands re 1. race, 2. gender, 3. disability, 4. religion/belief, 5. sexual orientation and 6. age, 7. transgender** **Test of relevance, screening,** **Full diversity impact assessment required?** If yes attach TOR, initial screening or assessment			

Any Housing / Corporate implications?	***e.g. Contribution to / conflict with corporate aims / targets***			

Duty to involve	**Tenants / leaseholders / residents.** ***If yes, state outline details who, what, where, how*** **We have a statutory duty to consult with our tenants – the procedure will be taken to the tenant involvement panel for consultation and feedback.**	**Yes**		
Consultation - Section 105 of housing act 1985.doc	**tenants / leaseholders / stakeholders** ***If yes, state outline details who, what, where, how***			**No**

Impact in relation to	**Equitable delivery of service?** If yes include in an E & D test of relevance,			**No – test of relevance**

statutory code of practice on racial equality in housing	screening or DIA			**carried out**

1. Introduction

The communal areas (including all exit routes) are owned by and are the responsibility of Norwich City Council.

As a council we have a responsibility to maintain the communal areas to a reasonable standard, to consult with and work with our tenants and leaseholders to achieve this aim, being mindful of their wishes to create a pleasant environment in which to live.

We have a duty to minimise the risk of fire in communal areas and to ensure that escape routes are not obstructed. Stairways/steps, corridors and all exit routes to be kept clear of obstructions, trip hazards and combustible materials. As part of this duty, housing officers will carry out a programme of regular inspections to all the communal areas to ensure compliance.

We will also carry out routine inspections for maintenance and checks on the structure of our buildings; therefore areas need to be clear in order to complete the maintenance inspections and carry out cleaning.

2. The Council's tenancy conditions state the following:

9 Communal areas

9.1 We will maintain the communal areas to a standard necessary for health and safety only. But we will only deal with a hazard or danger if we have notice of it. It is your responsibility, jointly with other occupiers using the communal areas, to keep them clean and tidy.

9.2 You must not do anything that is detrimental to other people's enjoyment of the communal areas. It is not possible to list all such activities, but common examples are:

- *fly tipping*
- *leaving things there that obstruct access or are otherwise a hazard or danger*
- *carrying out car repairs (apart from occasional routine maintenance of your own vehicle outside)*
- *graffiti*

3. Extracts from the Lessee covenants with the Council:

a) *....not to do or permit or suffer to be done in or upon the Property or the Estate any illegal or immoral act or anything which may be or become a nuisance or annoyance or cause damage to the Council or the owners or occupiers of the* *other flats on the Estate and any neighbouring premises and not to place or deposit or permit suffer or allow the placing or depositing of any petrol or dangerous items or substances on or in the Property or the Building or the Estate*

b) ....not to obstruct any parts of the Building or the Estate or deposit any dust rubbish or litter thereon

4. Purpose of communal area inspections

An inspection will take account of the following

- Immediate fire risks
- Fly tipping
- Storage of personal belongings in communal areas
- Health and safety – trip hazards, slips and repairs
- Consideration of site specific risks, subject to the design of the communal area
- Any maintenance / repairs required
- A graded inspection regime (see below)

5. The grading regime

The grading regime is defined as follows

- High risk enclosed communal areas - any flats/maisonettes above 3 floors.
- B. Medium risk - any flats/maisonettes up to and including 3 floors plus any open walkway area above 3 floors
- C. Low Risk - external (open) communal areas
- D. No risk.

NB. All stairwells/steps, whether in enclosed or open areas must be kept clear.

Grade A - High risk areas e.g. Tower blocks

A "clear corridor" approach is used in enclosed communal areas, corridors and all stairwells/steps above 3 floors. Under our obligations to manage these areas, no items at all are to be kept in the communal areas, corridors or stairwells/stairs.

Grade B - Medium risk areas e.g. Blocks such as Hooker Road (Heartsease) / Bullard Road / Russett Grove

A carefully managed approach is used.

Approved items that are permitted:

- 1 x regular sized fire proofed rubber back mat

- In single width corridors/accesses to homes - 1 small ceramic item up to 0.3048 metres square (1 foot square) maximum size (no plastic or silk flowers, no plastic flower pots/items) to be at floor level, within close proximity to the flats front door area and must not hinder access

- In double width/larger communal areas a maximum of 3 plant pots (ceramic only) each up to 0.3048 metres square (1 foot square) maximum size (no plastic or silk flowers; no plastic flower pots/items) to be at floor level and must not hinder access.

- On each window sill – 1 small non-flammable item may be placed (this is at the tenants/leaseholder risk).

- For ground floor level homes only, flower planters may be attached to railings. These must be well secured, not cause damage to the railings or surrounding area, will be required to be removed on request for inspection/maintenance, be of no risk to the public and at the liability of the owner.

- For ground floor level homes only, where the access is to a single front door and is in an open area, a low level non lockable gate may be fitted. The gate must be of good quality, well installed and not cause damage to the fabric of the building. The gate will be required to be removed upon request for inspection/maintenance, be of no risk to the public and at the liability of the owner

Grade C low risk areas
For open communal areas a managed approach is used.

Open areas include the pathways and grassed areas that are leading up to a communal block, as well as the blocks that do not share a communal front entrance.

When conducting inspections of open areas we will take into account

- Floor level
- Proximity to the building and other structures
- Degree of enclosure (walls/ ceiling etc.)

Within these three general guidelines and at the discretion of the council, tenants and leaseholders will be allowed (in the communal area)

- 1 x regular sized fire proofed rubber back mat.

- A small number of pots/ornaments which are within close proximity of the home and do not cause an obstruction.

- For ground floor level homes only, flower planters may be attached to railings. These must be well secured, not cause damage to the railings or surrounding area, will be required to be removed on request for inspection/maintenance, be of no risk to the public and at the liability of the owner.

- For ground floor level homes only, where the access is to a single front door and is in an open area a low level non lockable gate may be fitted. The gate must be of good quality, well installed and not cause damage to the fabric of the building.

The gate will be required to be removed upon request for inspection/maintenance, be of no risk to the public and at the liability of the owner

Where possible if there is space to create a shared garden space, we will work with tenants to enable this. After a sufficient risk assessment this might include items such as

- bicycles/ buggies/prams: all which must not cause obstruction
- small un-upholstered items of furniture
- small storage units
- children's play equipment

N.B. Pets cannot be kept on communal areas

6. Exemptions

The following items are **not** allowed to be kept in any communal area (including stairwells/ steps)

Examples of immediate fire risks - Any substance that could be readily ignited with a naked flame, concentrated sunlight or electrical heat source should be removed from communal areas. Examples being

- larger amounts of paper and cardboard
- containers of petrol, diesel, oil, methylated spirits, white spirit. etc
- motorcycles, mopeds and scooters, petrol lawnmowers
- petrol/diesel powered tools or generators
- gas bottles and canisters, aerosol containers

Examples of non-immediate fire risks

- rubbish, rubbish sacks or bins
- electrical charging facilities.
- Items for recycling, plastic recycling containers and recycling bins/bags;
- white goods
- plastic green houses

N.B. these lists are not exhaustive

7. Guidance notes for officers

Bulky items – open and enclosed areas
Tenants and leaseholders should make arrangements to remove bulky items in line with the tenancy conditions and chargeable bulky waste collection service.

Recharges
We will recharge for removal of items where possible, the prices to be in line with the bulky items/tenancy recharge procedure

Mobility scooters - open and enclosed areas
Follow the mobility scooter procedure

Inspections Action will be taken by any council officers when hazards are seen without waiting for a booked inspection to take place by a housing officer.

Vulnerable residents – Where there is **no immediate fire risk,** we will work with vulnerable persons to ensure where possible, relevant support is in place and agree a time frame for items to be removed.

Fly tipping can be defined as rubbish and or discarded items that are of no value in open and enclosed areas

Extension of home in enclosed areas can be defined as personal items. Where personal items have been placed in the communal area as an extension of the home we will work with the residents to explain fully our procedure and agree a time frame for the items to be removed (where there is **no immediate fire risk**)

Report to	Cabinet 10 December 2014	**Item**
Report of	Executive head of strategy, people and neighbourhoods	19
Subject	Award of contract for housing planned heating upgrades	

KEY DECISION

Purpose

To advise cabinet of the procurement process for the housing planned heating upgrades contract tendered by Eastern Procurement Ltd, and seek approval to award call off contracts from the framework contract.

Recommendations

To:

1) award a contract to Foster Property Maintenance Ltd (under the Eastern Procurement Ltd. framework) for planned heating upgrades to the 31 March 2015;

2) commit to spending up to £815,000 for 2014/15 under the Eastern Procurement Ltd framework for planned heating upgrades for a four year period from within existing Housing Capital Programme budget forecasts; and,

3) delegate to the executive head of strategy, people and neighbourhoods in consultation with the portfolio holder for housing authority to approve the award of a contract or contracts under this framework for the duration of the framework contract.

Corporate and service priorities

The report helps to meet the corporate priority “Decent housing for all” and the service plan priority to deliver an efficient maintenance service to tenants and leaseholders.

Financial implications

The financial consequences of this report are awarding a contract up to £815,000 for 2014/15 to be financed from existing budgets within the Housing Capital Programme. Spend in future years will be covered within the Council’s budget process and there is no contractual commitment in terms of volumes.

Ward/s: All wards

Cabinet member: Councillor Bremner – Housing

Contact officers

Russell O'Keefe, Executive head of service, strategy, people and neighbourhoods	01603 212908
Chris Rayner, Director of operational property services, NPS Norwich Ltd	01603 227902
Carol Marney, Head of property services (Operations), NPS Norwich Ltd	01603 227904

Background documents

None

Report

Background

1. Eastern Procurement Ltd (EPL) is a local consortium of 9 small/medium Registered Providers (Registered Social Landlords' as they used be called) and 3 local authorities who have 'joined together' to procure housing maintenance and improvement works. EPL has a number of responsive, cyclical and planned contracts in place which are all OJEU compliant from a procurement perspective. In effect EPL procure contracts on behalf of its members. The members can then 'call' down works from these contracts. This has the significant collective advantage of increasing buying power and taking the burden of procurement away from individual members. The group has been in existence now for around 8 years and the Council joined the consortium in October 2011.

2. As members of EPL the Council can take advantage of what contracts it wishes, or decide not to procure any work at all through the consortium. In this way the Council retains complete control without any commitment.

3. The Council's current planned heating upgrades contract is due to finish 31 December 2014 and is currently being delivered by Foster Property Maintenance Ltd under the current EPL procured contract.

4. EPL have carried out a fully OJEU compliant procurement process to ensure a new framework agreement is in place for members to access.

5. This particular contract is of four years in duration, however, as outlined in paragraph 2 the Council do not have to commit to anything at all and at present the commitment is for 2014-15 only and will be reviewed on an annual basis in line with the housing investment programme.

Tender process

6. A restricted tendering process has been used. This involves pre-qualification stage to evaluate the supplier followed by a tender stage to evaluate the tender proposals from short listed suppliers.

7. A contract notice was placed on the Open Journal of the European Union inviting tenders.

8. Three suppliers are to be appointed to a framework agreement thereby allowing EPL members to choose to award contracts based on the suppliers costs for different elements of work, i.e. one supplier may have submitted the lowest prices for heating in one bedroom flats whereas a different supplier may have submitted the lowest prices for heating in a three bedroom house. The framework allows a member to order part of their programme with one supplier and another part with another supplier or everything with the same supplier.

9. Suppliers were asked to submit details of their company in terms of finance, contractual matters, technical and professional ability, insurances, quality assurance, environmental standards, equality and diversity policies, references and previous experience and these were then evaluated and suppliers shortlisted.

10. Shortlisted suppliers then submitted details of how they would meet the requirement outlined within the tender documents.

Tender evaluation

11. The evaluation criteria were stated in the tender documents as most economically advantageous tender based on a combination of price (70%) and quality (30%).

12. For quality a series of questions was used and supplier's answers were evaluated to award a score for quality.

13. For the price evaluation the lowest price was awarded full marks with other prices compared to that price and marks allocated based on the percentage difference from the lowest price. For example a price that was 25% more expensive was awarded 75% of the marks available.

14. Officers from all organisations within EPL (including NPS Norwich on behalf of the Council) took part in the drafting of the tender documentation and the evaluation process.

Evaluation results

15. The highest scoring 3 tenders, when both the quality and price scores were added together, were submitted by Foster Property Maintenance, Aaron Services and Dodd Group and notification has been given to all three suppliers that they have been successful. Unsuccessful suppliers have also been notified.

16. It is proposed that the completion of the 2014/15 heating programme will be ordered with Foster Property Maintenance by direct call-off. They have submitted the best prices within the tender process. Future awards of work can be subject to a mini tender exercise or direct call-off.

Integrated impact assessment

NORWICH City Council

The IIA should assess **the impact of the recommendation** being made by the report

Report author to complete	
Committee:	Cabinet
Committee date:	10 December 2014
Head of service:	Chris Rayner, Director of operational property services
Report subject:	Award of contract for housing planned heating upgrades
Date assessed:	18 November 2014
Description:	This report advises cabinet of the tender process for the planned heating upgrades contract carried out by Eastern Procurement Ltd (EPL) and seeks authority to award the contract

	Impact			
Economic (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Finance (value for money)	☐	☒	☐	The award of this contract potentially provides the same level of service for less money offering greater value for money
Other departments and services e.g. office facilities, customer contact	☒	☐	☐	
ICT services	☒	☐	☐	
Economic development	☒	☐	☐	
Financial inclusion	☒	☐	☐	
Social (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Safeguarding children and adults	☒	☐	☐	
S17 crime and disorder act 1998	☒	☐	☐	
Human Rights Act 1998	☒	☐	☐	
Health and well being	☒	☐	☐	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Relations between groups (cohesion)	☒	☐	☐	
Eliminating discrimination & harassment	☒	☐	☐	
Advancing equality of opportunity	☒	☐	☐	
Environmental (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Transportation	☒	☐	☐	
Natural and built environment	☒	☐	☐	
Waste minimisation & resource use	☐	☒	☐	Suppliers appointed to the framework recycle the vast majority (in some cases all) of waste material
Pollution	☒	☐	☐	
Sustainable procurement	☒	☐	☐	
Energy and climate change	☐	☒	☐	The installation of new energy efficient boilers through this contract will help to reduce the amount of energy (and therefore the cost) for the Councils tenants and leaseholders.

	Impact			
Please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Risk management	☐	☒	☐	1. Risk of challenge from unsuccessful suppliers: The tender has followed a restricted process carried out by EPL with input from officers in terms of evaluation etc, with award criteria being based on the most economically advantageous tender, but there is always a risk of challenge from unsuccessful suppliers. All unsuccessful suppliers have been notified with no adverse comments to date. 2. Risk of supplier failure: There is a risk that the appointed supplier could fail during the life of the contract. This is low risk as three suppliers have been appointed to the framework providing some cover should a supplier fail. In addition the Council is not investing in the supplier and so the risk is one of service continuity rather than financial, which is further mitigated by the fact that this contract is planned in nature.

	Impact	

Recommendations from impact assessment

Positive

Finance - The award of this contract potentially provides the same level of service for less money offering greater value for money.

Waste minimisation & resource use - Suppliers appointed to the framework recycle the vast majority (in some cases all) of waste material.

Climate change - The installation of new energy efficient boilers through this contract will help to reduce the amount of energy (and therefore the cost) for the Councils tenants and leaseholders.

Risk management - 1. Risk of challenge from unsuccessful suppliers: The tender has followed a restricted process carried out by EPL with input from officers in terms of evaluation etc, with award criteria being based on the most economically advantageous tender, but there is always a risk of challenge from unsuccessful suppliers. All unsuccessful suppliers have been notified with no adverse comments to date.
2. Risk of supplier failure: There is a risk that the appointed supplier could fail during the life of the contract. This is low risk as three suppliers have been appointed to the framework providing some cover should a supplier fail. In addition the Council is not investing in the supplier and so the risk is one of service continuity rather than financial, which is further mitigated by the fact that this contract is planned in nature.

Negative

Neutral

	Impact	
Issues		