



GREAT YARMOUTH
BOROUGH COUNCIL

Housing and Neighbourhoods Committee

Date: Thursday, 14 March 2019

Time: 18:30

Venue: Supper Room

Address: Town Hall, Hall Plain, Great Yarmouth, NR30 2QF

AGENDA

Open to Public and Press

1 APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2 DECLARATIONS OF INTEREST

You have a Disclosable Pecuniary Interest in a matter to be discussed if it relates to something on your Register of Interests form. You must declare the interest and leave the room while the matter is dealt with.

You have a Personal Interest in a matter to be discussed if it affects

- your well being or financial position
- that of your family or close friends
- that of a club or society in which you have a management role
- that of another public body of which you are a member to a greater extent than others in your ward.

You must declare a personal interest but can speak and vote on the

matter.

Whenever you declare an interest you must say why the interest arises, so that it can be included in the minutes.

- | | | |
|-----------|---|----------------|
| 3 | <u>MINUTES</u> | 5 - 9 |
| | Report attached. | |
| 4 | <u>MATTERS ARISING</u> | |
| | To consider any matters arising from the above minutes. | |
| 5 | <u>FORWARD PLAN</u> | 10 - 11 |
| | Report attached. | |
| 6 | <u>PROPERTY ACQUISITION & DISPOSAL POLICY</u> | 12 - 43 |
| | Report attached. | |
| 7 | <u>HOUSING STRATEGY - UPDATE ON DELIVERY</u> | 44 - 49 |
| | Report attached. | |
| 8 | <u>REVIEW OF UNBUILT HOUSING PERMISSIONS/ALLOCATIONS</u> | 50 - 80 |
| | Report attached. | |
| 9 | <u>TCOSY REFURBISHMENT - MIDDLEGATE</u> | 81 - 97 |
| | Report attached. | |
| 10 | <u>GYN ANNUAL REPORT 2017-18</u> | 98 - 99 |
| | Report attached. | |

The Annual GYN report for 17/18 can be located at the foot of the CMIS page.

11 HOUSING & NEIGHBOURHOODS QUARTER 3 PERFORMANCE REPORT 2018-19 100 - 106

Report attached.

12 2018/19 PERIOD 10 HOUSING REVENUE ACCOUNT BUDGET MONITORING REPORT 107 - 115

Report attached.

13 RNLI LIFEGUARD SERVICE 116 - 119

Report attached.

14 GYN BOARD MINUTES

Confidential minutes to follow.

15 ANY OTHER BUSINESS

To consider any other business as may be determined by the Chairman of the meeting as being of sufficient urgency to warrant consideration.

16 EXCLUSION OF PUBLIC

In the event of the Committee wishing to exclude the public from the meeting, the following resolution will be moved:-

"That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 1 of Part I of Schedule 12(A) of the said Act."

17 DEVELOPMENT OF HMO PROPERTIES THROUGH
INVESTMENT OPPORTUNITIES

Details

Housing and Neighbourhoods Committee

Minutes

Thursday, 24 January 2019 at 18:30

PRESENT:

Councillor Grant (in the Chair); Councillors Bird, Flaxman-Taylor, Hacon, Hammond, Martin, Smith-Clare, Wainwright & Williamson.

Councillor P Carpenter attended as a substitute for Councillor G Carpenter.

Councillor Robinson-Payne attended as a substitute for Councillor C Walker.

Councillor Jeal attended the meeting as an observer.

Mr N Shaw (Strategic Director), Ms K Sly (Finance Director & Section 151 Officer), Ms D Lee (HRA Service Accountant), Mrs J Beck (Head of Property & Asset Management), Mr D Hastings (Community Development Manager) & Mrs C Webb (Senior Member Services Officer).

Mr R Oliver (GY Norse).

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors G Carpenter, C Walker & Drewitt.

2 DECLARATIONS OF INTEREST

The Chairman, Councillor Grant, declared a personal interest in item 11, GYN Liaison Board minutes, as he was a director of GY Norse. Councillors P Carpenter, Flaxman-Taylor, Hacon & Robinson-Payne declared a personal interest in item 7, Community & Voluntary Sector Grants as they were members of the Grants Panel. However, in accordance with the Council's Constitution, they were allowed to both speak and vote on the matter.

3 MINUTES

The minutes of the meeting held on 6 December 2018 were confirmed.

4 MATTERS ARISING

The Strategic Director reported that with regard to minute 8, GYBC Sports and Activity Survey, the survey results containing demographic information for the sports survey would be sent out via e-mail to all Members after the meeting for information.

5 FORWARD PLAN

The Committee received & considered the Forward Plan.

Members were concerned that the item regarding Period Poverty did not yet have an assigned Committee date as they felt that this was a matter of urgency. The Strategic Director reported that this would be considered at the next meeting in February and the Forward Plan would be amended accordingly.

6 HRA REVENUE AND CAPITAL BUDGET 2019-20

The Committee received and considered the report from the HRA Service

Accountant.

The HRA Service Accountant reported the salient areas of the Housing Revenue Account (HRA) budget 2019-20 to 2023-24, HRA capital Programme 2019-20 to 2023-24, HRA Rent & Service Charge proposal 2019-20 and the revised HRA Revenue and Capital Forecasts for 2018-19.

RESOLVED:-

That the Committee agree & recommend to Full Council the following:-

- (i) To note the reduction in rents of 1%, as set out in the Welfare Reform & Work Act 2016,
- (ii) To review and recommend the Revenue Budget for 2019-20 together with the forecast projections for the period up to 2023-2024,
- (iii) To review and recommend the Capital Budget for the period 2019-20 to 2023-24,
- (iv) To recommend the proposed Rent Service Charges for 2019-20; and
- (v) To review the revised forecast for 2018-19.

7 COMMUNITY & VOLUNTARY SECTOR GRANTS

The Committee received and considered the report from the Strategic Director & Community Development Manager.

The Strategic Director reported that after discussing the report with the Monitoring Officer and adhering to advice as laid out in the Local Government Act 1972, it was decided that the report should be open to the public and not be marked confidential. Members were unhappy with this decision as the recommendations from the Grants Panel had been published in the Great Yarmouth Mercury and if the Housing & Neighbourhoods Committee did not approve these recommendations, this could cause difficulties for both Members and the charities alike.

Members raised concerns that the charities should have been informed of the Committee's decision following this meeting and not via the press prior to the meeting. The Strategic Director reported that the Council had to adhere to Government policy to ensure that they were legally compliant.

A Member was concerned as the information contained in the report could be commercially sensitive to the charities concerned. The Strategic Director reiterated that this might be the case but as it was not for the Council, it had to be published as an open report.

The Chairman suggested that the Monitoring Officer should attend a future meeting and give a briefing on the Local Government Act 1972 and confidential reports.

RESOLVED:-

(i) That the Grants Panel recommend that Members approve the following Community & Voluntary Sector Grants for 2019/20:-

First Move Furnishaid	£19,000
Gyros	£17,000
Citizens Advice Bureau	£19,750
DIAL	£19,750
Homestart	£19,000
Foodbank Plus	£ 5,000

(ii) That the Committee recommends this proposal for consideration as part of the Council's 2019/20 Revenue Budget to be approved by Full Council.

8 LONG TERM EMPTY PROPERTIES WEST ROAD & HARBORD CRESCENT

The Committee received and considered the report from the Head of Property & Asset Management.

The Head of Property and Asset Management reported the salient details of the tender returns in relation to long term void properties in West Road, Caister and Harbord Crescent, Great Yarmouth.

The Head of Property & Asset Management reported that the quotes for both properties had come in over budget and had therefore come back to Committee.

A Member was concerned that the property at Harbord Crescent would be turned from a three bedroom to a two bedroom property which would be out of keeping with the remaining homes in the area and result in loss of rental income. Members requested that a quote be obtained from the builder who had submitted the original tender for a quote to refurbish the existing downstairs bathroom and retain the three upstairs bedrooms. The GY Norse Manager reported that the approach to refurbishing 54 Harbord Crescent had been driven by the issue of viability and an upstairs bathroom was more desirable for tenants.

The Strategic Director reported that this would have to be clarified and adhere to our procurement process and if this was achievable, that delegated authority be given to the Chairman

RESOLVED:-

(i) To consider the needs analysis for both two and three bedroom properties within the area of 57 Harbord Crescent, Great Yarmouth, to obtain a quotation from the successful tender for works to refurbish as a three bedroom property rather than conversion and then refer to the Chairman of Housing & Neighbourhoods Committee for consideration and approval of the best option.

(ii) To approve the works to 17 West Road, Caister-on-Sea as per the tender received for £59,869.

9 ANY OTHER BUSINESS

The Chairman reported that there was no other business of sufficient urgency to warrant consideration.

10 EXCLUSION OF PUBLIC

The Committee moved the following resolution:-

That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 1 of Part I of Schedule 12(A) of the said Act."

11 GYN LIAISON BOARD MINUTES

The Committee received and considered the GYN Liaison Board Minutes.

Members asked that they receive sight of future draft Liaison Board minutes, otherwise, they are almost 7 months out of date when reported to Committee, and as such, of little use.

The Head of Property & Asset Management reported that she would ask for approval of this request at the next Liaison Board meeting.

RESOLVED:-

That the Committee note the GYN Liaison Board minutes.

The meeting ended at: 19:15

Forward Plan for Housing & Neighbourhoods Committee

	Matter for Decision	Report by	Pre Agenda Meeting (PAM)	Housing & Neighbourhoods	Policy & Resources	Council
1	GYN Board Minutes	Strategic Director (NS)				
2	Development of HMO Properties through Investment Opportunities	Housing Growth Manager	20/02/19	14/03/19		
3	GYN Annual Report 2017/18	Head of Property and Asset Management	20/02/19	14/03/19		
4	Housing Strategy: Update on Delivery	Housing Director	20/02/19	14/03/19		
5	Property Disposal and Acquisition Policy	Housing Growth Manager	20/02/19	14/03/19	19/03/19	
6	Quarter 3 Performance Report	Housing Transformation Manager	20/02/19	14/03/19		
7	HRA Period 10 Budget Monitoring	Finance Director	06/03/19	14/03/19		
8	Review of Unbuilt Housing Permissions/Allocations	Head of Planning & Growth	06/03/19	14/03/19		
9	RNLI Lifeguard Service	Strategic Director (NS)	06/03/19	14/03/19		
10	Tcosy Refurbishment – Middlegate	Head of Property and Asset Management	06/03/19	14/03/19		
11	HRA Debt Cap Report	Finance Director	12/06/19	20/06/19		
12	Long Term Empty Properties - Raleigh Avenue GY	Head of Property and Asset Management	12/06/19	20/06/19		
13	Middlegate Estate Feasibility Study	Strategic Director (KW)	12/06/19	20/06/19		
14	Annual Performance Report	Housing Transformation Manager	17/07/19	25/07/19		
15	Play Park Provision - Maintenance Schedule & Budget	Head of Environmental Services	TBC	TBC		
16	Property Development Company	Strategic Director (NS)	TBC	TBC		

Key:

	Matter for Decision	Report by	Pre Agenda Meeting (PAM)	Housing & Neighbourhoods	Policy & Resources	Council
	Standing Item on Agenda					

Subject: **Property Acquisition and Disposal Policy**

Report to: **MT – 18th February 2019**
Housing & Neighbourhoods Committee – 28 February 2019

Report by: **Anthony Moore, Housing Growth Manager**

RECOMMENDATIONS

That Housing & Neighbourhoods Committee:

- 1. Approve the Acquisition and Disposal Policy attached as Appendix 1, which will replace the Council's existing Disposal of Surplus & Underused Land & Property policy;**
- 2. Delegate authority to the Strategic Directors in consultation with the Section 151 Officer to approve the acquisition of property purchases from the open market and the disposal of properties;**
- 3. Recommend to Policy and Resources Committee approval of this policy.**

1. INTRODUCTION

On 26 July 2018 the Housing & Neighbourhoods Committee approved 'A Housing Deal for Great Yarmouth'. This sets the strategic context for how the council is seeking to use housing, alongside other levers, as a force for positive place-making in the borough. On 6 December 2018 the Housing & Neighbourhoods Committee approved two approaches to bring back empty homes into usage: a home improvement loan scheme and an invest and lease scheme. The council is now seeking to build on this work to acquire residential properties in order to provide better quality homes in the borough through their refurbishment and then either resale or letting.

2. OVERVIEW OF CURRENT ACTIVITY

- 2.1. On 13 September 2018 Full Council approved the establishment of a selective licensing scheme for homes in multiple occupation for key parts of the Nelson Ward. The scheme has come into place from 7 January 2019. It is too early to comment on the operation of the scheme, but it is anticipated that this will help to improve standards for tenants in the private rented sector. In some cases this might lead some landlords to consider putting their property on the market for sale.
- 2.2. The council has an Operational Property Enforcement Task Group. Through the Group problem properties are identified and enforcement powers are used to bring

properties up to an acceptable standard. This can be particularly useful for empty properties. However, this does not always bring the property back into use.

- 2.3. The Housing service has been acquiring residential properties through the reinvestment of retained Right To Buy (RTB) receipts. Since May 2016 the council has acquired 12 properties using retained RTB receipts as a 30% contribution towards the purchase and refurbishment cost of the property. On 6 September 2018 the Committee approved the policy for the use of retained RTB receipts.

3. PURCHASING PROPERTY

- 3.1. The council is seeking to acquire residential properties in order to provide a greater number of better quality homes in the borough and creating a greater mix of properties in order to foster more sustainable communities. The council anticipates these properties will require some degree of refurbishment. In the case of larger properties some are likely to also require reconfiguration. Once the standard of the property has been improved the properties will either be sold to generate a capital receipt or let to provide better quality market rental accommodation for local people.
- 3.2. A potentially suitable property will be identified giving consideration to the following factors:
 - The market demand for the type of property for both sale and rental
 - The demand for the property from applicants within the council's allocation pool (where affordable rental unit(s) are being considered for a specific property)
 - Any housing management issues that may arise
 - The payback period before the property provides a return on the capital invested
 - A market valuation report
- 3.3. Once a property has been assessed as suitable the council will commission a full structural survey to highlight any areas of concern and identify any potential major defects. The Housing Growth Manager or another dedicated officer will use this to calculate the return on the asset to see if it is viable. The council's Housing Growth Group will consider each property on its merits. This report is seeking delegated authority to the council's Strategic Directors in consultation with the Section 151 Officer to approve the acquisition of property purchases. If the property is deemed to be viable and the Housing Growth Group approve, the council will enter into negotiations to agree the final purchase price before passing to nplaw for conveyancing. Details of the process are outlined in the Acquisition and Disposal Policy (attached as Appendix 1).

4. PROPERTY DISPOSALS

- 4.1. Following the purchase and refurbishment of the property the council will seek to retain the property for rent or sell the property. The council is currently seeking advice from nplaw on the establishment of a property development company to hold

market rent properties. A further report on this will be provided to the Committee shortly. Each property will be considered on a case-by-case basis and this may include some of the unit(s) being retained as part of the council's own housing stock as a social rent property. Alternatively, the council may wish to dispose of the property through sale on the open market (shortly after sale or at some future point in time).

- 4.2. On 14th June 2016 the council approved a Disposal of Surplus & Underused Land & Property policy. The policy identified that each asset disposal will be treated on its own merits and nothing in the policy binds the council to a particular course of action in respect of a disposal. The Council's approach to disposals is now addressed through the Acquisitions and Disposal policy at Appendix 1 of this report. This will replace the previous Disposal of Surplus & Underused Land & Property policy.
- 4.2. The disposal element of the new policy has been updated to provide scope for the council to dispose of residential property to yield a capital receipt for commercial gain.

5. FINANCIAL IMPLICATIONS

Agreement of the policy has no specific financial implications.

6. RISK IMPLICATIONS

Agreement of the policy has no specific risk implications.

7. LEGAL

Under the Local Government Act 1972 local authorities have powers to dispose of property in any manner they wish, subject to certain constraints which may include a requirement to obtain the consent of the Secretary of State. Under section 123 of the Local Government Act 1972 principal councils have a duty not to sell land for a consideration less than the best consideration reasonably obtainable unless the Secretary of State's consent has been obtained.

However, the Local Government Act 1972: General Disposal Consent (England) 2003, gives a general consent provided that any undervalue of the interest does not exceed £2 million and the transaction is considered by the local authority to help secure the promotion or improvement of the economic, social or environmental well-being of its area.

These powers provide the backdrop against which decisions to dispose of property in the Council's ownership must be made.

8. RECOMMENDATIONS

That Housing & Neighbourhoods Committee:

1. Approve the Acquisition and Disposal Policy attached as Appendix 1, which will replace the Council's existing Disposal of Surplus & Underused Land & Property policy;
2. Delegate authority to the Strategic Directors in consultation with the Section 151 Officer to approve the acquisition of property purchases from the open market and the disposal of properties;
3. Recommend to Policy and Resources Committee approval of this policy.

APPENDICES

Appendix 1: Great Yarmouth Borough Council Acquisition and Disposals Policy

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	
Section 151 Officer Consultation:	
Existing Council Policies:	Yes
Financial Implications (including VAT and tax):	No
Legal Implications (including human rights):	Yes
Risk Implications:	No
Equality Issues/EQIA assessment:	No
Crime & Disorder:	No
Every Child Matters:	No



Property Acquisitions and Disposals Policy

DRAFT

Document created	January 2019
Agreed by Housing & Neighbourhoods Committee	
Review date	

Part 1	Acquisitions Policy
1	Background
2	Purpose of the Policy
3	Policy Aims
4	Relevant Legislation
5	Process
6	Risks
7	Financial Considerations
8	Delegated Decisions
9	Monitoring & Review of the Policy

1 BACKGROUND

There are a number of reasons that GYBC may wish to acquire properties. These include but are not limited to:

- it contributes towards the provision of Council services;
- there is a direct link to improving the economic, social and environmental wellbeing of the community;
- it leads to strategic benefits to the authority in relation to regeneration or redevelopment proposals;
- the acquisition furthers the provision of services for the community by third parties;
- the property is already maintained by the Council (and there is an advantage in owning it);
- revenue income generation and/or capital growth, and local community benefit purposes.

2 PURPOSE OF POLICY

This policy has been written to allow for the variety of circumstances which may lead to GYBC acquiring properties. It also incorporates the council's Disposal Policy which was approved by Policy and Resources Committee in June 2016 and is part 2 of this document.

3 POLICY AIMS

This policy is written to encompass social housing, market sale housing, market rent housing, commercial properties and land. Regardless of tenure there are general principles of due diligence which need to be applied and the process included in this policy creates a gateway system which allows officers freedom to act with agility in the marketplace and gives members the comfort that actions are well thought out, proportionate and controllable.

Each potential acquisition will be assessed on a case-by-case basis and in line with the acquisition criteria set out in this policy; considering the financial implications of the acquisition and the relative merits in value for money terms.

A proposed acquisition will only be progressed if the criteria are met and the relative financial benefits can be demonstrated based on the following principles:

4 RELEVANT LEGISLATION

Section 111 of the Local Government Act 1972 gave local authorities the power to do anything "which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions". When using this power, a local authority would need to identify which of their functions an activity was 'incidental' to.

This situation was relaxed in the Local Government Act 2003, which permitted local authorities to pursue certain forms of commercial activity through a company structure. This was subject to statutory guidance for the use of trading powers.

The General Power of Competence, introduced by the Localism Act 2011, permits a local authority exercising the general power: to do it in any way whatever, including— (a) power to do it anywhere in the United Kingdom or elsewhere, (b) power to do it for a commercial purpose or otherwise for a charge, or without charge, and (c) power to do it for, or otherwise than for, the benefit of the authority, its area or persons resident or present in its area. This would mean that a local authority would have to set up a company to manage property purely for financial gain. But as mentioned, most authorities hold and manage commercial property as an adjunct to other functions

5 PROCESS

A Gateway procedure is proposed. This is an industry standard methodology for controlling expenditure at timely and proportionate intervals whilst allowing officers to progress work with levels of delegated freedom. Please see appendix 1 for a flowchart of how this might work. Points below describe the actions on the flowchart as per the numbering.

Actions 1a & 1b: Dependent upon the proposed programme of works, the relevant committee shall approve the objectives of the acquisition programme, the financial parameters and any other pertinent criteria (such as partnering arrangements, timescales etc). In the normal way, an officer paper making recommendations shall be presented for review and approval. Once parameters are approved, then delegated authority shall be passed to the Strategic Directors in consultation with the S151 Officer.

Actions 2,3 & 4: Following approval, officers will run a financial appraisal based on best estimates and desktop research. For example Agreed financial parameters are set within the appraisal model, using data from GYN, Housing and Finance. Values and market rent information are taken from existing comparable data. Affordable rents are set at Local Housing Allowances. Build costs and professional fees are set at generic, generous, broad-brush levels at this early stage. The asking price is used as guidance for a purchase price.

At this early 'no cost' stage, it will be quickly apparent whether the scheme merits further investigation or should be stopped before incurring abortive costs. Should the scheme merit further investigation, the officer will discuss with the Head of Property and Assets/Housing Director or another responsible officer appointed by them, who decides whether to take the scheme forwards.

Action 5: This is Gateway 1. The relevant officer and the Head of Property and Assets present the scheme to the appropriate Strategic Director. They should have a file of evidence of the data used and enable the group to make an informed decision. This gateway will release a small amount of abortive budget to refine the business case with professional input. Suggested fees are up to £10,000 to cover the costs of architects, planning consultants, cost consultants, lawyers as required for high level input. It is hoped that the Property Team can undertake the majority of this in-house.

Actions 6 & 7: At this point the scheme hands off to the Property Team to undertake the due diligence required to refine the appraisal. This refined appraisal would be reported back to the relevant Strategic Director and permission sought to make a conditional offer, Subject to Contract. This would be Gateway 2.

Action 8: Once those conditions (for example a full survey or report on title) had been met, the Head of Property and Assets/Housing Director, if comfortable, would be in a position to authorise purchase. This is Gateway 3.

Action 9: Only now is the full budget released. Contracts can be exchanged on the property and any works packages can be authorised.

At each Gateway, an appraisal signature should be sought from Housing, Assets and Finance to show consultation across the relevant affected departments and independent checking of the financial appraisal.

Should a scheme not fit within the parameters but still meets strategic objectives, it is recommended that after Gateway 1, it is taken to the relevant committee for a decision as to new parameters.

6. Risks

Risks to be considered and mitigated in any proposal include:

- Acquisition Risk – there is always the potential for a downturn in the property market at some point in the future, but there may be signs of increased competitive activity from smaller property companies. This could result in the Council being one of several bidders for any good quality assets available in the Borough. It is likely that the Council will be an unsuccessful bidder on a number of occasions. The Council, both Members and officers need to be aware of this possible outcome. This ‘competition’ could be a measure of success however as one of the key drivers of this policy is to rejuvenate the housing market in the town.
- Due to the nature of the property market, decisions may need to be taken quickly in order to put offers forward. Of course, offers can be subject to conditions and will be subject to due diligence being undertaken before proceeding to acquire. Agility will need to be built into any request for authority to proceed.
- Cost Risk – abortive costs, including legal costs, survey fees, and officer time all may be incurred in abortive transactions including costs for initial feasibility investigations but are inevitable if acquisitions are considered important for the ongoing strategy for the Council. The proposed process reduces these costs to the minimum for the longest possible period.
- Lack of suitable sites - The local property market is restricted and is dominated by assets that may not be good quality. There may therefore be a shortage of suitable stock in the Borough, although this may lead to

improvement/regeneration of certain areas. It is estimated that the new landlord licensing rules and recent tax changes for landlords will bring forward an initial glut of properties.

- Property Market risk - property is an inherently riskier asset than other asset classes because of its physical characteristics, which need to be managed and maintained. This is ideally compensated by increased returns. However, the property market is not a certain market and the Council may not achieve target returns if market conditions significantly worsen.
- Void Risk - close management of the asset portfolio is critical to the success in delivering additional income to the Council. The existing arrangements will be extended to cover these assets and marketing of the assets in a timely and efficient manner is crucial. Long term voids will have an impact on the overall revenue budget with no income to offset the costs of owning a property. It is therefore important to monitor the level of voids over the entire portfolio, with an allowance being made for this within the financial plan.
- Refinancing Risk - the Council exposure to increasing debt will need to be considered as part of its Treasury Management function and will be reviewed annually. Therefore when assessing investment opportunities we will use the PWLB 30 year interest rate and payback period as per the Capita HRA model (NB Capita are considering moving to a 40 year model and should they do so, then this model will follow suit).
- Liquidity Risk – property is an inherently illiquid asset that yields higher returns on long-term investment. This means that funds are not easily accessible once committed.
- Many investment transactions happen prior to even coming to the market. Information is vital and getting to know about properties for sale is important. This can be done through contacting property owners and agents in the Borough proactively.

A thorough legal, financial and practical due diligence process will help to mitigate these and other property specific, risks. The Council must robustly evaluate risks of acquisitions on each occasion in order to act in the best interests of its Council taxpayers

7. FINANCIAL CONSIDERATIONS

Factors to be considered with any investment at an early stage are: Available budget, available cash flow, ability to cover capital costs of investment and revenue costs of interest payable and the ownership costs of the property.

The HRA modelling period is, currently, over a 30 year span and consequently any investment would be appraised to payback over a similar timeframe.

Discounted cash flows are an important appraisal tool that considers the time value of money where a pound today is worth more than a pound in the future due to inflation.

Net present value (NPV) is the sum of all the outward and inward cash flows of a project adjusted for inflation to calculate the value today. We should expect to see a positive net present value.

Internal rate of return (IRR) is the interest or inflation rate that yields a zero NPV. Therefore we need to see an interest rate that as a minimum meets our cost of borrowing, for example PWLB 30 year rate of 3%.

Therefore, a low risk investment such social housing would only be required to repay the borrowed capital and the interest, so an IRR of 3% would be sufficient. For higher risk investments such as build for sale housing development we need to achieve our borrowing costs plus the price of the additional risk, such as values dropping, slow sales, competitor schemes, cost inflation etc. This is known as Risk Premium. It is up to each organisation to assign a risk premium above their cost of capital. A private property developer would generally look for a risk premium of 12 – 15%, so as an example, would require an IRR of 15 – 18% with our costs of capital (c.3%).

As a Local Authority with wider objectives, we may accept a reduced or nil risk premium to achieve strategic goals. This must be explicitly stated in any report to committee.

A sensible proposition in a robust housing market could be based on tenure type. For instance Social Rent at 3% IRR; Market Rent at 7.5% IRR and Build for Sale at 15%% IRR. Commercial IRR at 8%.

Tenure	NPV (+/-)	Payback (yrs)	IRR (%)
Social	+	30	3
Market Rent	+	30	7.5

Build for Sale	+	Build period	15
Commercial	+	30	8

It will be for officers to recommend an IRR in the initial report and for members to approve or revise at Stages 1a & b (see appended process). The above table gives a useful comparator for assessing schemes.

It is recommended at the final approval that sensitivity analysis is undertaken. This will determine the impact of key variables on the financial return. For example, what would be the impact of different rates of inflation or how much would house prices have to fall for GYBC to not recover its investment?

8. DELEGATED DECISIONS

Powers to approve acquisitions currently, dependent upon the level of capital outlay, sit with the appropriate committee, most commonly Policy and Resources.

In order for this policy to be effective, once a specific programme of acquisitions is approved by members (1a & 1b), delegated authority is given to key officers within the Council to authorise expenditure: At Stage 1, Delegated authority should be given to Strategic Directors in consultation with the Section 151 Officer to approve property purchases from the open market within programme parameters set by members.

7. MONITORING AND REVIEW OF THE POLICY

The policy will be monitored and be subject to bi-annual review unless there is a fundamental change of legislation.

Following commencement of the scheme a 6 month review will be undertaken.

Part 2	Disposals Policy
1	Aims of this Policy
2	The Surplus Test
3	The Under-Used Test
4	Meaning of Disposal
5	Meaning of Best Consideration
6	Means of identifying surplus or under-used land/property
7	Disposal Criteria
8	Marketing Strategy
9	Valuation
10	Decision Making
11	Means of Disposal
12	Timings of Disposals and Due Diligence
13	Other Steps to Facilitate the Disposals Process
14	References

THE DISPOSAL OF PROPERTY OWNED BY GREAT YARMOUTH BOROUGH COUNCIL

1. AIMS OF THIS POLICY

1.1. It is government policy that local authorities should dispose of surplus and under-used land and property wherever possible.. Under the Local Government Act 1972 local authorities have powers to dispose of property in any manner they wish, subject to certain constraints which may include a requirement to obtain the consent of the Secretary of State.

Legislation. Under Section 123 of the Local Government Act 1972 (see Appendix 1) principal councils have a duty not to sell land for a consideration less than the best consideration reasonably obtainable unless the Secretary of State's consent has been obtained.

However, the Local Government Act 1972: General Disposal Consent (England) 2003 gives a general consent provided that any undervalue of the interest does not exceed £2 million and the transaction is considered by the local authority to help secure the promotion or improvement of the economic, social or environmental well-being of its area. There are other forms of consent or exception set out in legislation.

These powers provide the backdrop against which decisions to dispose of property in the Council's ownership must be made.

1.2. The way the Council manages its property assets can have a significant impact both on the quality of services delivered to the public and the local environment. Effective asset management is essential in bringing 'agility' to land and property assets so that the delivery of the Council's goals and objectives are realised in a sustainable manner, at the right time and on budget.

1.3. The Council will consider the business case for disposing of any assets that :

(a) are no longer of any use to it and unlikely to be in the future or

(b) which provide limited benefit which is disproportionate to the opportunity cost of the capital tied up in the asset.

(c) are held as investment (residential or commercial) assets for the purpose of generating rental income and/or capital appreciation to be released through sale.

1.4. Each asset disposal is treated on its own merits and nothing in this Policy will bind the Council to a particular course of action in respect of a disposal. Alternative methods of disposal not specifically mentioned in this Policy may be used where appropriate, subject to obtaining the necessary authority

1.5. This Policy:

- sets out the procedure to be adopted in connection with the disposal of surplus and under-used assets and ensures that requests to purchase Council owned assets are dealt with in a fair and consistent manner and that any person who may have an interest in making an offer to purchase, has the opportunity to do so in circumstances no less favourable than anybody else;
- distinguishes requests for small areas of land that may be considered for sale by private treaty and larger areas with development potential that should be sold on the open market.

1.6. Although this Policy will normally be followed, there will be occasions where the procedure may need to be changed, particularly for larger, more complex land/property sales.

2. THE 'SURPLUS' TEST

Land/property will be deemed surplus to the Council's requirements where:

- (a) it makes no contribution to the delivery of the Council's services, strategic or corporate objectives;
- (b) an alternative site has been identified which would be more cost effective in delivering the Council's services, strategic or corporate objectives;
- (c) it has no potential for strategic or regeneration/redevelopment purposes in the near future;
- (d) it will not contribute to the provision of a sustainable pattern of development;
- (e) it makes no contribution to protecting and enhancing the natural, built and historic environment, including making no contribution to helping to improve biodiversity.

3. THE 'UNDER-USED' TEST

Land/property will be deemed to be under-used if:

- (a) part of the site is vacant and is likely to remain vacant for the foreseeable future;
- (b) the income being generated from the site is consistently below that which could be achieved from:
 - (i) disposing of the site and investing the income;
 - (ii) an alternative use;
 - (iii) intensifying the existing use;
- (c) only part of the site is used for service delivery and this could be delivered from an alternative site;
- (d) it makes no contribution to protecting and enhancing the natural, built and historic environment, including making no contribution to helping to improve biodiversity.

In the case of open spaces, amenity areas and similar sites, the under-used test should also consider the 'community value' of the asset, which would include visual amenity and not be limited solely to income generation or whether the site is vacant etc.

4. MEANING OF DISPOSAL

For the purposes of this Policy, a disposal means any freehold disposal, by sale or exchange, of Council owned land/property (including buildings) and any disposal by the granting of a lease or licence for a period greater than 7 years.

Leases of 7 years or less or assignment of a term which has not more than 7 years to run are not covered by this Policy, as they are exempt from the statutory requirement to obtain best consideration.

5. MEANING OF BEST CONSIDERATION

'Best consideration' means achieving maximum 'value' from the disposal, not just maximum price. Disposal at less than market value must contribute to the 'promotion or improvement of the economic, social or environmental wellbeing of the area' [see section 1.2 of Appendix 1].

6. MEANS OF IDENTIFYING SURPLUS OR UNDER-USED LAND/PROPERTY

Surplus or under-used land/property may be considered for disposal:

- (a) following an asset management review;
- (b) following the identification of development opportunities;

- (c) through a corporate property portfolio review;
- (d) through the declaration of specific sites as being surplus to requirements;*
- (e) through Local Plan designation;
- (f) following a direct approach from an interested party;
- (g) where the disposal helps to deliver other Council objectives e.g. the provision of housing in the Borough;
- (h) where management of the land/property is considered suitable for community ownership or has been determined as an 'asset of community value'.

*Where an under-used asset is generating an income, a cost/benefit analysis must be carried out to establish whether it is in the Council's best interests to dispose of the site.

7. DISPOSAL CRITERIA

7.1 Open space (including, parks, playing fields & informal open spaces(excluding amenity land on Council housing estates) of 'public value' whether or not there is public access to it – assets in this category are considered to be valuable community resources, to be enjoyed by the wider community. Open space also enhances the quality of urban life, the character of residential areas, the environment etc. There will be a general presumption against declaring these assets as surplus/under-used unless:

1. alternative provision of equivalent community benefit is made in the locality; or
2. the area in question no longer provides a valued opportunity for sport, recreation or leisure; or
3. there is an excess of provision taking into account the long term recreation and amenity value of such provision; or
4. sport, recreation and leisure facilities can be retained and enhanced through the redevelopment of a small part of the site;
5. there is over provision in the area;
6. the asset is required for the regeneration of the area.

(a) The Council is required by law to advertise the disposal of land designated as 'public open space' in a local newspaper for two consecutive weeks and to consider any objections received. No final decision about the disposal will be made until any objections have been considered, as the response may be material to the decision. Public response may also be an important factor in any determination by the

Secretary of State of an application by the Council for specific consent to the disposal.

(b) There will be a general presumption against disposal of land designated as 'Local Green Space' either through the Local Plan or a Neighbourhood Plan.

7.2 Amenity land - certain rights, environmental or economic conditions may preclude the sale of amenity land for example:

(a) the land is subject to rights of way over it;

(b) the land is a landscaping feature of the local environment, or designated public open space;

(c) sale of the land would incur additional costs for the Council (for example, the re-siting of lamp posts or telephone cables) unless the applicant is willing to finance the additional costs (payable in advance);

(d) the land has been identified for future regeneration or development by the Council;

(e) following a request to purchase amenity land, a review identifies future regeneration or development opportunities for the Council;

(f) the sale of the land may prejudice future development by the Council;

(g) there are management or other issues that would cause inconvenience to the Council if the land was to be sold.

Approaches from private individuals to buy Council owned amenity land (e.g. green space land on council housing estates) to benefit their existing residential property will be considered where:

- there is a broader community benefit to the disposal e.g. a rationalisation of small parcels of 'backland' open space, either rarely used or often misused; or
- there are management/financial issues for the Council e.g. the land is costly to maintain; or
- the applicant has extenuating circumstances e.g. there are health grounds in relation to the applicant and/or their family and the sale of the land would improve their quality of life and would not adversely affect the quality of life of others in the neighbourhood – (the applicant will need to provide evidence to support and justify the application to purchase).

Where the Council considers that amenity land has development potential and agrees to dispose of the land, the valuation will reflect this. An overage clause may be applied and/or restrictive covenants placed on any future development.

Disposals of amenity land will normally be by private treaty. However, where the Council considers that the amenity land may be of interest to persons other than the applicant, the Council may dispose of the land on the open market.

7.3 Commercial Properties

There will be a general presumption against declaring the following categories of assets as surplus/under-used:

1. units designed to meet the needs of new and developing small businesses where there is anticipated to be demand for such units from different occupiers in future;
2. offices/rooms within business centres that have communal reception areas, facilities and services;
3. shop units where there is a community need for continued retail occupation, or where the integrity of a building or parade of shops might be adversely affected by the sale of individual units;
4. sites in industrial estates and sensitive locations where management control by the Council is required to ensure that amenity is maintained;
5. land or property which provides revenue income for the Council where disposal would adversely impact on the Council's revenue budget.

7.4 Assets of Community Value

Every town, village or neighbourhood is home to buildings or amenities that play a vital role in local life. They might include community centres, libraries, swimming pools, village shops, markets or pubs. Local life would not be the same without them, and if they are closed or sold into private use, it can be a real loss to the community.

An 'asset of community value' is an asset, which in the opinion of the Council furthers the social well-being or social interests of the local community (or has done in the recent past). 'Social Interests' can include cultural, recreational and sporting interests.

The Council maintains a list (on its website) of land and buildings which may from time to time be nominated by the local community as an 'asset of community value'.

In reviewing the future of any asset, the Council will assess all the options, to be sure that it obtains best value. Options include using the asset in a different way, disposing of it on the open market or transferring it to a voluntary or community organisation at less than best consideration to achieve wider social benefits.

Community organisations operate on a business model, often using volunteer effort, community intelligence about local needs and sources of funding not available to local authorities. They are in a position to run a community asset as a social enterprise. The business plan for the community asset transfer should demonstrate financial viability.

The Council may either advertise all community asset transfer opportunities or consider transfer requests from organisations which currently manage a property, without seeking other bids.

A community asset transfer should contribute to the Council's policies and targets. Where there are competing interests, the Council will consider which of the proposals put forward are viable and sustainable in the long term. The Council will deal with competition for a specific asset by identifying its key objectives in that area, using, for example, deprivation indices, local priorities and the current mix of buildings and services in the area and assess which bid best meets those objectives.

7.5. Disposal of investment assets (residential or commercial) for capital gain.

In disposing of property or land which the Council owns which may have been specifically purchased as an investment or to facilitate development or redevelopment of the land or property, when disposing of that land or property it is normal Council policy to achieve 'best consideration' as *Section 123 - Local Government Act 1972* (see appendix 1.2.).

There may be times when the Council may wish to dispose of the property/land at an 'undervalue'. For the benefit of any doubt, any such disposal still needs to comply with 'normal and prudent commercial practices, including evidence of obtaining the view of a professionally qualified valuer. This is in line with *The General Consent 2003* as outlined in appendix 1.2. In those cases where disposal at an under value will promote or improve the economic, social or environmental wellbeing of the area this will be recorded and will be permitted so long as the relevant limit on such disposals is not exceeded.

8. MARKETING STRATEGY

Where applicable, the Group Manager Property & Construction, in consultation with the relevant Director, will determine the marketing strategy for the disposal of surplus or under-used land or property. The marketing strategy may be conducted in-house

or through an external agent. Costs should be recovered from the eventual purchaser.

9. VALUATIONS

9.1 Although there is no particular prescribed route to achieve the best price reasonably obtainable, there may be circumstances in which an actual sale to the market is the only way to achieve it as opposed to one particular sale at a price according to an independent valuation.

9.2 Before disposing of any interest in land for a price which may be less than the best consideration reasonably obtainable, the Group Manager will ensure that a realistic valuation of that interest is obtained. This will apply even for disposals by means of formal tender, sealed bids or auction, and irrespective of whether the Council considers it necessary to make an application to seek the Secretary of State's specific consent. By following this procedure, the Council will be able to demonstrate that it has adopted a consistent approach to decisions about land disposals by carrying out the same step by step valuation process on each occasion. Supporting documents will provide evidence, should the need arise, that the Council has acted reasonably and with due regard to its fiduciary duty.

9.3 The return from any disposal is to be maximised unless there are over-riding factors identified in the Corporate Plan or otherwise agreed by the Chief Executive or relevant Committee, that take precedence over the receipt of capital e.g. preferred use or preferential purchaser.

10. DECISION MAKING

10.1 In accordance with the Constitution/Scheme of Delegations to Officers, the Group Manager Property & Construction has delegated authority to deal with:

- (i) sales of sites for electricity sub-stations and gas governors;
- (ii) the grant, surrender and renewal of licences, wayleaves, and easements;
- (iii) grants of grazing licences;
- (iv) grant, surrender and renewal of leases where the Property concerned has been previously let;
- (v) sales of land/property.
- (vi) rent reviews

The Group Manager Property & Construction must check the Scheme of Delegations for any limitations placed on the exercise of his/her delegated authority.

10.2 Except with the consent of the Secretary of State, the Council cannot dispose of land otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained.

Disposals of land/property by way of a short tenancy, for a consideration less than the best that can reasonably be obtained, will only proceed on the specific authority of the relevant Director on a report of the Group Manager Property & Construction justifying the reasons for disposal at less than the best that can reasonably be obtained.

10.3 The Council is required by law to advertise the disposal of land designated as 'public open space' in a local newspaper for two consecutive weeks and to consider any objections received. No final decision about the disposal will be made until any objections to the disposal have been considered.

11. MEANS OF DISPOSAL

1. Private Treaty – a sale of land/property negotiated with one or a small number of interested parties either through a direct approach from an individual(s) or through a marketing exercise.

A private sale without marketing the land may be justified where for example:

(a) the land to be disposed of is relatively small in size and an adjoining or closely located landowner is the only potential or likely purchaser;

(b) the Council's corporate objectives and best consideration can best be achieved by a sale to a particular purchaser;

(c) the purchaser has a particular interest in purchasing the land or a particular association with the land;

(d) the nature of the Council's land ownership and that of the surrounding landownership is such that the land must be sold to adjoining or surrounding landowners if best consideration is to be obtained;

(e) the Council's land is part of a larger area of land that is proposed for development, redevelopment or regeneration and the nature and complexity of the proposed development of the overall site is such that the Council's corporate objectives and best consideration can only be achieved by a sale to a purchaser with an existing interest in land in the area.

2. Public Auction – a sale of land/property by open auction available to anyone. The sale will be publicly advertised in advance. A binding legal agreement is created upon the acceptance of a bid by the auctioneer. Reasons justifying sale by this method and how the reserve price is determined must be recorded in writing.

3. Formal Tender – a sale of land/property by a process of public advert and tenders submitted by a given date. This is a suitable mechanism where there are identified development proposals. A fair and transparent tender process will need to be adopted.

4. Exchange of Land – a transaction involving the exchange of Council owned land with another land owner. The land acquired by the Council will meet at least one of its corporate objectives and will be 'equal' in commercial worth to the land exchanged whether from the value of the land itself or where a payment is made in addition to the land exchanged.

5. Informal Negotiated Tender – a transaction involving a public advert that requests informal offers or bids that meet a given specification or set of objectives. The Council may then negotiate further or more detailed terms with one or more individuals who submitted the most advantageous bid or bids.

12. TIMING OF DISPOSALS & DUE DILIGENCE

The timing of any marketing/disposals will need to be considered against the background of the current market conditions, potential for the site value to increase in the future, whether there is a need to raise capital receipts and current planning policies.

In order to properly assess the likelihood of and business case for disposal, the asset holding department in consultation with Legal Services and/or the Group Manager Property & Construction will carry out early due diligence on land/property identified as surplus or under-used. In particular, the asset holding department will consider the following issues which have the potential to prohibit disposal or influence the sale price:

12.1 Reviewing the title - Once surplus land/property has been identified and a prima facie business case made for its disposal, the title is reviewed to identify whether there are any title issues which may impact upon the disposal process.

12.2 Unregistered land - If the land and property identified for disposal is unregistered, then it is important that the title deeds are located as soon as possible and checked for evidence of the Council's title. This can be achieved through a voluntary application to the Land Registry to register the land/property before it is put on the market.

12.3 Restrictive covenants - The land/property may be subject to restrictive covenants which limit or restrict its use or the extent to which development can be carried out on it. Whether these are a concern will depend upon the likely use of the land/property following disposal, particularly where surplus land/property is being

sold for re-development. A restrictive covenant against a certain type of development may have a significant adverse effect on the land value.

It is possible to apply to the Lands Tribunal under section 84 of the Law of Property Act 1925 for the release or modification of restrictive covenants in some circumstances. This can be a time consuming process and it is usually better undertaken before the land/property is placed on the open market.

Alternatively, it is often possible to obtain restrictive covenant indemnity insurance against future losses for breach of a restrictive covenant and a policy with an adequate limit of indemnity cover will satisfy most purchasers.

It is very important that no negotiations are carried out with any adjoining or nearby owners who may have or claim to have the benefit of the relevant covenant, prior to receiving legal advice. If negotiations do take place, then it could materially prejudice the Council's ability to obtain insurance cover against breach of the covenant.

12.4 Ransom strip - It will generally be sensible to resolve ransom strip issues prior to offering the property to the open market. It is crucial if the property is to achieve full value on the open market that it has adequate access rights. If development is anticipated, then access may need to be by a different route than that used historically, either because of a physical aspect of or defect with the existing access or for planning purposes or as a consequence of intensification of use. By whichever route access is obtained, a title review should be carried out to establish whether any ransom strips are present. A ransom strip is an area of land which is owned by someone other than the Council. If access is only possible via a ransom strip, then the person with title to that strip will hold the key to unlocking the development potential of the land and that may involve payment to the ransom strip owner, either in return for a formal right of way or transfer of ownership of the strip. The conventional approach to valuing ransom strips has been to offer the ransom owner one third of the uplift in value of the land/property released by unlocking it for development.

However, any agreement will ultimately depend on market conditions and the specifics of the land/property and its locality.

12.5 Rights of way and other easements - It is important to establish the nature of any easements benefitting the land/property, so that any that are missing can be addressed, if possible. As well as access rights, the property may benefit from rights to run services over adjoining land, rights to light, rights of support or other property specific rights. It is also useful to check whether the land/property is subject to any rights which might adversely affect the proposed disposal and subsequent development, for example, public or private rights of way or rights of support.

12.6 Retaining rights over adjoining land - It may be the case where surplus land/property is being disposed of, that the Council will be retaining adjoining land. In that case, the Council will consider whether it needs to reserve any rights over the land/property being disposed of for the benefit of that adjoining land, most commonly, access to the public highway or mains utilities.

12.7 Outline planning consent - Assessing whether an application for a change of planning use might have the potential to increase the value of the surplus land/property. If the change of use is obtained by the Council, it removes an element of risk and uncertainty for potential buyers, which may lead to an increase in the purchase price that they are willing to pay.

12.8 Development agreements - The Council as landowner may, through a development agreement, engage a developer to carry out the development of the site on its behalf. Arrangements may comprise a grant of a lease of the whole site with the developer receiving a fee based partly upon the development value. In circumstances where there is a development agreement or the grant of a lease associated with the disposal, this may trigger the need for an EU tendering exercise

13. OTHER STEPS TO FACILITATE THE DISPOSAL PROCESS

When due diligence in accordance with section 11 of this Policy has been completed, there are a number of other steps that can be taken by the Group Manager Property & Construction to facilitate the disposal process and maximise the value received for the surplus or under-used land/property. The following will be considered:

1. Having regard to legislation and Secretary of State guidance governing the disposal process;
2. Having regard to general guidelines which are applicable, for example, the Crichton Down rules.; The Crichton Down Rules are rules that guide how public authorities should dispose of land previously acquired by compulsory acquisition, or land acquired under the threat of compulsory purchase. They are to be applied by any public body disposing of land that was acquired for a purpose for which the authority had compulsory purchase powers at the time of acquisition, whether or not those powers were relied on to acquire the land.

The Crichton Down Rules considered in this case were those set out in the Office of the Deputy Prime Minister Circular 06/2004. Those rules have since been updated twice in the Department for Communities and Local Government's 'Guidance on compulsory purchase process and the Crichton Down Rules' published in October 2015, and more recently in the 2018 publication of the Ministry of Housing, Communities and Local Government with the same title.

3. Carrying out a site inspection to establish what specific issues there are on the ground, for example, drainage, boundary problems or illegal occupiers. It will also assist when instructing legal advisers or other professionals, who may only have seen the property on plans or in photographs. For some disposals, it may be appropriate for the various professionals to undertake a site visit;
4. Producing a sales pack to circulate to interested parties, including title information and replies to standard pre-contract enquiries. The documents referred to in pre-contract enquiries such as copy planning consents, any asbestos surveys etc. should also be enclosed. In the case of large disposals, consider including a full set of standard property searches;
5. Considering the most appropriate pricing structure. In some cases, it may be appropriate to use an overage arrangement whereby the Council receives future payments representing any uplift in value of the land/property once it has been developed or once it has been developed and sold on. A calculation of the overage that the Council is likely to receive and the likelihood of that sum being correct given changing market conditions will be important pieces of information in assessing the business case for disposal of surplus/under-used land/property.
6. Considering whether the transaction is caught by the public procurement rules.
7. Considering whether the transaction is caught by the State Aid rules.

14. REFERENCES

- (a) A bank reference will be obtained in every case where a lease, tenancy or licence is being granted at a rent or fee in excess of any financial limit as may be defined in Financial Regulations and/or Scheme of Delegations to Officers, unless the relevant Director has agreed to dispense with this requirement.
- (b) In every case where a lease, tenancy or licence is to be granted to a limited company at a rent or fee in excess of any financial limit as may be defined in Financial Regulations and/or the Scheme of Delegations to Officers, a guarantor will be required, unless the relevant Director has agreed to dispense with this requirement.

APPENDIX 1

1. LEGAL POWERS

Section 123 - Local Government Act 1972

1.1 In general, the Council is required to achieve the **‘best consideration reasonably obtainable’** when it is disposing of land. Section 123 imposes a duty on the Council to achieve a particular outcome (namely the best price reasonably obtainable): it is not a duty to conduct a particular process (e.g. to have regard to particular factors).

If the disposal is under the 1972 Act, there is neither express power to include covenants on a disposal, nor a prohibition. Where the disposal is a lease, that lease will contain terms and similarly, on the conveyance/transfer of freehold property or on the assignment of a lease, covenants may likewise be included by virtue of section 111 of the 1972 Act.

Under Section 123(2A), the Council must follow certain statutory requirements to advertise the disposal of land that consists of or forms part of an open space.

General Consent

1.2 If the Council seeks to dispose of land or buildings at less than the market value, then it has to obtain the consent of the Secretary of State Communities and Local Government. However, the Secretary of State has issued a number of ‘general consents’ i.e. a set of conditions which, if they apply to a particular transfer, means that the Council does not need to obtain specific permission to transfer at an ‘undervalue’. However, the undervalue itself still needs to comply with ‘normal and prudent commercial practices, including obtaining the view of a professionally qualified valuer’.

The most important of these consents is the General Disposal Consent 2003 (‘the General Consent’) which permits the Council to dispose of land at less than its market value, without the need to seek specific permission from the Secretary of State, provided that:

- the purpose for which the land is to be transferred is likely to contribute to the ‘promotion or improvement’ of the economic, social, or environmental well-being of the area; and
- the difference between the market value of the land and the actual price paid for the disposal (if any), is not more than £2,000,000.

The General Consent has been issued to provide local authorities autonomy to carry out their statutory duties and functions and to fulfil such other objectives as they consider to be necessary or desirable. The General Consent does not require the Council to undertake a tendering process i.e. to market test a disposal. However, when disposing of land at an undervalue, the Council remains aware of the need to fulfil its fiduciary duty in a way which is accountable to local people. The Council will not divest itself of valuable public assets, unless it is satisfied that the circumstances warrant such action.

In justifying a disposal of land/property at undervalue, the Council will have regard to the following:

- what community benefits will be realised by the disposal;
- how the interests of local people will be better served by the disposal;
- the financial viability of the Council's plans for the land;
- the State Aid implications of the disposal;
- the Council's future plans for the land;
- the market value of the land and the difference between that and the proposed disposal value.

Housing Act 1985 (as amended)

1.5 Under s32 the local authority has the power to dispose of land and dwellings held for housing purposes. Secretary of State consent will be required unless the disposal is covered by one of the General Consents relating to the disposal of:

- vacant dwellings for owner occupation;
- occupied dwelling houses to secure tenants;
- dwellings to tenants who have the right to buy acquiring with others;
- dwellings on shared ownership terms;
- housing authority land; and
- reversionary interest in houses and flats.

Disposals are to be at market value, but discounts may be applicable to qualifying applicants. For details of criteria for disposing of individual council properties (other than through the right to buy) please refer to the Housing Asset Strategy.

Local Government Act 1988 – Section 25

1.6 The Council may provide a Registered Social Landlord with any financial assistance or gratuitous benefit of land for development as housing accommodation. This includes:

- land for development or access, easements and rights;
- dwelling houses for refurbishment;
- financial assistance for prevention of homelessness; and
- loans to RSLs.

The aggregate value of financial assistance or gratuitous benefit provided by the disposal or grant must not exceed £10 million.

Town and Country Planning Act 1990 – Section 233

1.7 The disposal of land held for planning purposes, follow principles similar to those of s123 of the Local Government Act 1972 and its requirement to obtain best consideration reasonably obtainable. However, it must be noted that the General Consent does not apply and a specific consent from the Secretary of State will be required if the Council is considering disposal at an undervalue.

Under s233(2), the Council must obtain the consent of the Secretary of State

to dispose of common land, which may involve the requirement to provide land in exchange.

State Aid

1.8 All land/property disposals need to comply with the European Commission's State Aid rules¹¹. When disposing of land 'at less than best consideration', depending on the nature of the transaction, the Council may be 'subsidising' the purchaser. Where this occurs, the Council must ensure that the nature and amount of subsidy complies with the State Aid rules, particularly if there is no element of competition in the disposal process. Failure to comply with the rules means that the aid is unlawful, and may result in the benefit, with interest, being recovered by the Member State (the UK) from the recipient.

Public Procurement

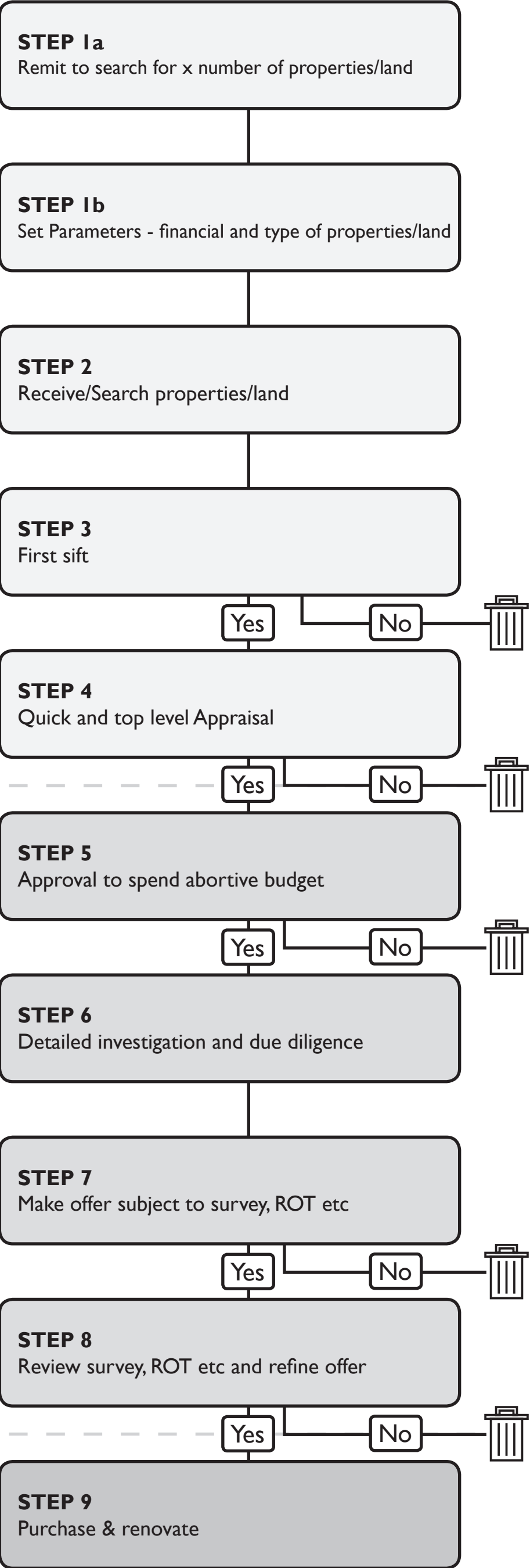
1.9 A straightforward disposal of land/property for a market value price will not be caught by the Public Contracts Regulations 2006 rules. However, when disposing of land the Council is involved in determining the scope of the future development of its land and its intention is to impose on the purchaser certain obligations as to the nature of the development and also perhaps the standards to which the works must be constructed (usually through a development agreement or grant of a lease associated with the disposal), then where the values involved trigger the EU threshold, it is likely that such an arrangement may be construed as a public works contract triggering the need for an EU tendering

The applicability or otherwise of the public procurement rules will depend on the particular nature of the transaction, how it is structured and its detailed provisions. As a general rule, the risk will be higher the more the Council specifies its requirements for any full development and conversely will be lower the more the Council is willing to take a 'hands off' approach. The Council must therefore give due consideration to the possibility of public procurement rules applying to any particular disposal of land and obtain case specific legal advice before entering into any agreement.

Delegation Scheme for Property Matters

Policy & Resources Committee	<p>New leases and licences where the premium or annual rental payment is over £50,000.</p> <p>Where the lease or licence or transaction is subject to an existing legal agreement the Head of Property and Asset Management in consultation with the Director of Finance (Section</p>
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	<p>151 Officer) may approve the transaction.</p> <p>*see exception for Beacon Park and Energy Park</p>
Policy & Resources Committee	<p>Transfers of freehold or leasehold land where the consideration is over £100,000.</p> <p>Where the lease or licence or transaction is subject to an existing legal agreement the Head of Property and Asset Management in consultation with the Director of Finance (Section 151 Officer) may approve the transaction.</p> <p>*see exception for Beacon Park and Energy Park</p>
Head of Property and Asset Management in Consultation with Chairman/vice Chairman and Group Leaders of Policy and Resources Committee and the Director of Finance (Section 151 Officer)	<p>Beacon park and Energy Park South Denes.</p> <p>New leases and licences where the premium or annual rental payment is over £50,000</p>
Head of Property and Asset Management in Consultation with Chairman/vice Chairman and Group Leaders of Policy and Resources Committee and the Director of Finance (Section 151 Officer)	<p>Beacon Park and Energy Park South Denes.</p> <p>Transfers of freehold or leasehold land where the consideration is over £50,000</p>
Head of Property and Asset Management in consultation with the Director of Finance (Section 151 Officer)	<p>New leases and licenses where the premium or annual rental payment is above £10,000</p>
Head of Property and Asset Management in consultation with the Director of Finance (Section 151 Officer)	<p>Transfers of freehold or leasehold land where the consideration is above £10,000 and below £100,000.</p>



STEP 1a Approval/Action Owner: H & N or P & R or Full Council as appropriate	Spend: Zero ActionType: Business as usual
STEP 1b Approval/Action Owner: H & N or P & R or Full Council as appropriate	Spend: Zero Action Type: Business as usual
STEP 2 Approval/Action Owner: Project Manager	Spend: Zero Action Type: Business as usual
STEP 3 Approval/Action Owner: Project Manager	Spend: Zero Action Type: Business as usual
STEP 4 Approval/Action Owner: Head of Property and Assets/ Housing Director	Spend: Zero Action Type: Business as usual
STEP 5 Approval/Action Owner: Strategic Director	Spend: Some fees <£10,000 Action Type: GATEWAY
STEP 6 Approval/Action Owner: Property and Assets team	Spend: Some fees <£10,000 Action Type: Business as usual
STEP 7 Approval/Action Owner: Strategic Director	Spend: Some fees <£10,000 Action Type: GATEWAY
STEP 8 Approval/Action Owner: Head of Property and Assets/ Housing Director	Spend: some fees <£10,000 Action Type: GATEWAY
STEP 9 Approval/Action Owner: Property and Assets team	Spend: Full Budget Action Type: Discrete project

Subject: Progress on deliver of the Housing Strategy

Report to: ELT, 18th February 2019

Housing & Neighbourhoods Committee, 28th February 2019

Report by: Housing Director

SUBJECT MATTER / RECOMMENDATIONS

This report provides an update on the progress against delivery of the Housing Strategy approved in 2018.

Housing & Neighbourhoods Committee are recommended to note the progress to date and request a further report in 12 months.

1. INTRODUCTION / BACKGROUND

Housing & Neighbourhoods Committee approved the strategic aims of the Great Yarmouth Borough Council Housing Strategy in January 2018. The Strategy has four priorities:

- New homes: ensuring there are enough good quality new homes
- Our homes: improving the quality and use of the council's housing stock
- Decent homes: providing a good mix of decent homes across all tenures
- Healthy homes: meeting the needs of vulnerable households.

The Housing Strategy is supported by a Housing Strategy Action Plan which contains a number of strategic objectives designed to deliver against the four priorities of the Housing Strategy. It was further agreed to provide the committee with a progress report at a later meeting against the actions within the Housing Strategy Action Plan.

2. PROGRESS

The strategy included a number of measures for each priority. The outturn for these measures as of Quarter 3 of 2018/19 is shown at Appendix 1 together with

comparable data, where available, for 2017/18. Some additional measures have been provided to provide additional context to the progress of the delivery of the Housing Strategy.

Some key outcomes of delivery against the Housing Strategy to date are:

New Homes

- Focus on housing delivery through the Housing Growth Group's oversight of Local Plan Process, progression of Housing Deal for Great Yarmouth and monitoring of housing delivery rates.
- New focus on enhancing the housing enabling function and bringing forward stalled sites for development.
- In 2018/19, the trend is that the number of new housing starts and completions is increasing with 144 completions at end of December 2018, compared to 172 in 2017/18.

Our Homes

- During 2018/19 all works to resolve health and safety issues in properties will be completedⁱ.
- The average time to complete minor voids has reduced following the successful work to review procedures and the adoption of the revised Voids Policy from 16 days in 2017/18 to 8.83 days at the end of quarter 3 of 2018/19.
- To the end of quarter 3 – 99 replacement kitchens and 77 replacement bathrooms had been installed as part of the planned capital works programme.
- The number of applicants in the Allocation Pool has increased with 347 households in the pool at the end of quarter 3 compared with 259 at the end of 2017/18. The number of applications is expected to continue to increase following the adoption of the new Allocation scheme which came into force from November 2018 which introduced a low / no need criterion.

Decent Homes

- The Selective Licensing Scheme for Nelson Ward went live on 7 January 2019.
- Adopted a new Empty Homes Policy and approach to empty homes intervention.
- Approved 106 Disabled Facilities Grants in 2017/18 and 112 by the end of quarter 3 of 2018/19.

Healthy Homes

- Reduction in the number of households accepted as statutory homeless following the introduction of the Homelessness Reduction Act in April 2018 from 110 in 2017/18 to 31 by the end of quarter 3 of 2018/19. In 2017/18, prior to the introduction of the Homelessness Reduction Act the Council relieved 74 homelessness cases, whilst by the end of quarter 3 in 2018/19, 105 homelessness cases were relieved.
- 12 applications for a Warm Homes grant to install first time central heating have been processed.

In reviewing the status of each action within the Housing Strategy Action Plan the following categories were used to assess whether actions are on track or slipping:

Complete, this includes the following actions:

- The Housing Market Bulletin is being produced quarterly.
- The implementation of new processes (including IT system) required by the Homelessness Reduction Act have been completed.
- The Preventing Homelessness & Rough Sleeping Strategy has been approved by Housing & Neighbourhoods Committee.

In progress, this includes the following actions:

- Work programme for Community led Housing is making good progress with three Community Land Trusts established.
- Decent Home works to the Council's housing stock, the programme of works (mainly kitchen and bathroom replacement) is making progress, however, there has been some slippage in 2018/19 which will be addressed over the remaining years of the programme.
- The feasibility study for the Middlegate estate is in hand and is being reviewed following the removal of the Housing Revenue Account debt cap.

Further action needed, this relates to actions where progress has been unable to be made and includes those cases where circumstances outside the control of the Council has prevented work on an action starting, for example where revised government guidance is awaited. Actions with this status include:

- Updated Housing and Economic Land Availability Appraisal – this is not a priority currently, but other workstreams are addressing the lack of developer activity across the Borough.
- Review of the Tenant's Compact – this specific action is on hold until clearer requirements for tenant engagement are announced, although wider work to strengthen tenant engagement will be actioned.

- Building on the Housing First Model to support rough sleepers or those at risk of rough sleeping – the initial funding bid was unsuccessful and bids for alternative funding will be submitted.

No actions are currently out of tolerance.

3. KEY CHALLENGES FOR 2019/20

During 2019/20, the key challenges in relation to the delivery of the Housing Strategy are:

- The completion of the Local Plan
- Increasing housing delivery of all tenures to meet housing need and demand
- Tenant engagement
- Ensuring value for money on spend on the Council's housing stock through Great Yarmouth Norse.

The Housing Strategy Delivery Group will continue to drive progress on delivering the actions which will address the four priorities of the Housing Strategy and will ensure that there is appropriate and timely focus on the key challenges shown above.

4. FINANCIAL IMPLICATIONS

When the Housing Strategy was approved, it was envisaged that resource implications will be identified in the Action Plan and will be assessed on a case by case basis by the responsible lead officer for each action. Delivering the strategic aim – “Our Homes” – will continue to have significant financial implications for the Housing Revenue Account particularly in relation to ensuring that the Council's housing stock meets (and continues to meet) the Decent Homes Standard and in relation to the replacement of homes sold through the Right to Buy. These implications will be managed through regular monitoring of the Housing Revenue Account and Housing Capital Programme budget.

5. RISK IMPLICATIONS

The Housing Strategy is monitored on a regular basis to ensure that any risks are managed. The main risk relates to the capital programme of works to the Council's housing stock which has experienced some slippage, whilst it is expected that this position will be recovered by the end of the five-year Decent

Homes works programme it will remain under review. Additionally, the loss of housing stock through the Right to Buy remains a risk to the Council in terms of the numbers and types of homes sold and the ability of the Council to meet housing need and the impact of the cost of delivering replacement homes. This reflects the fact that in 2012/13, 20 homes were sold through the Right to Buy, in 2017/18 this increased to 47, with 34 homes sold by the end of quarter 3 of 2018/19.

6. CONCLUSIONS

The actions required to deliver the strategic aim and the four priorities of the Housing Strategy are largely progressing as expected at this time. In 2019/20 there are a number of key challenges for the delivery of the Housing Strategy and these challenges will be a particular focus for attention of the Housing Strategy Delivery Group to ensure that appropriate progress in these areas is made over the next financial year.

The relevant measures which underpin the monitoring of the effectiveness of the delivery against the strategy along with progress against specific actions will continue to be monitored and reported to Housing & Neighbourhoods Committee on an annual basis.

7. RECOMMENDATIONS

That Housing & Neighbourhoods Committee note the progress to date and request a further update in 12 months.

8. BACKGROUND PAPERS

GYBC Housing Strategy

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	Management Team/ELT
Section 151 Officer Consultation:	Management Team/ELT
Existing Council Policies:	Corporate Plan
Financial Implications:	Covered in report

Legal Implications (including human rights):	N/A
Risk Implications:	Covered in report
Equality Issues / EQIA assessment:	Focus of Housing Strategy will improve equality as a result of specific actions regarding housing condition and supply.
Crime & Disorder:	As above
Every Child Matters:	As Above

ⁱ This excludes properties where the tenant refuses works (in which case the Housing Tenancy teams will liaise with GYN to help secure access) or where interim works have been taken pending a longer term solution.

Subject: Review of Unbuilt Housing Permissions and Allocations and the need to prepare a Housing Action Plan

Report to: Housing and Neighbourhoods Committee, 14 March 2019

Report by: Head of Planning and Growth

SUBJECT MATTER/RECOMMENDATIONS

There is a growing gap between housing permissions and housing completions in Great Yarmouth borough, and targets for housing completions have not been met for some years, leading to a situation where there is not currently the required minimum five-year supply of housing land.

Whilst much of relevance to the strength of the housing market is outside the direct control of the Council (the wider economic situation, for example), the Council has already been doing a large number of activities (both itself and with partners) and will do further measures to try to improve the situation. The publication of the first national Housing Delivery Test figures in February 2019 confirmed that – with delivery below 95% over the three-year period – the Council will need to publish a Housing “Action Plan”, setting out the nature of the problem and proposals to mitigate the situation, and has six months to do so.

Housing & Neighbourhoods Committee is recommended to:

- i) Acknowledge that the Council is required to prepare a Housing “Action Plan” to set out the reasons why housing delivery has been below target;
- ii) Note the steps required to prepare the Action Plan, and comment on the potential content, process and timescale of the Action Plan.

1. INTRODUCTION

1.1 The delivery of new housing across England as a whole has always varied over time, and will continue to do so in a market economy. This reflects, in the main, macro-economic factors such as the state of the global and UK economy, interest and taxation rates, and the health and competition of the housebuilding industry. **Appendix A** sets out the history in more detail, but the graph below shows how this has changed. The main element that stands out is the significant overall decline in completions from the late 1960s to more recent years, with the relative lack of

housebuilding by local authorities since the early 1980s not effectively “replaced” by the private sector and housing associations:

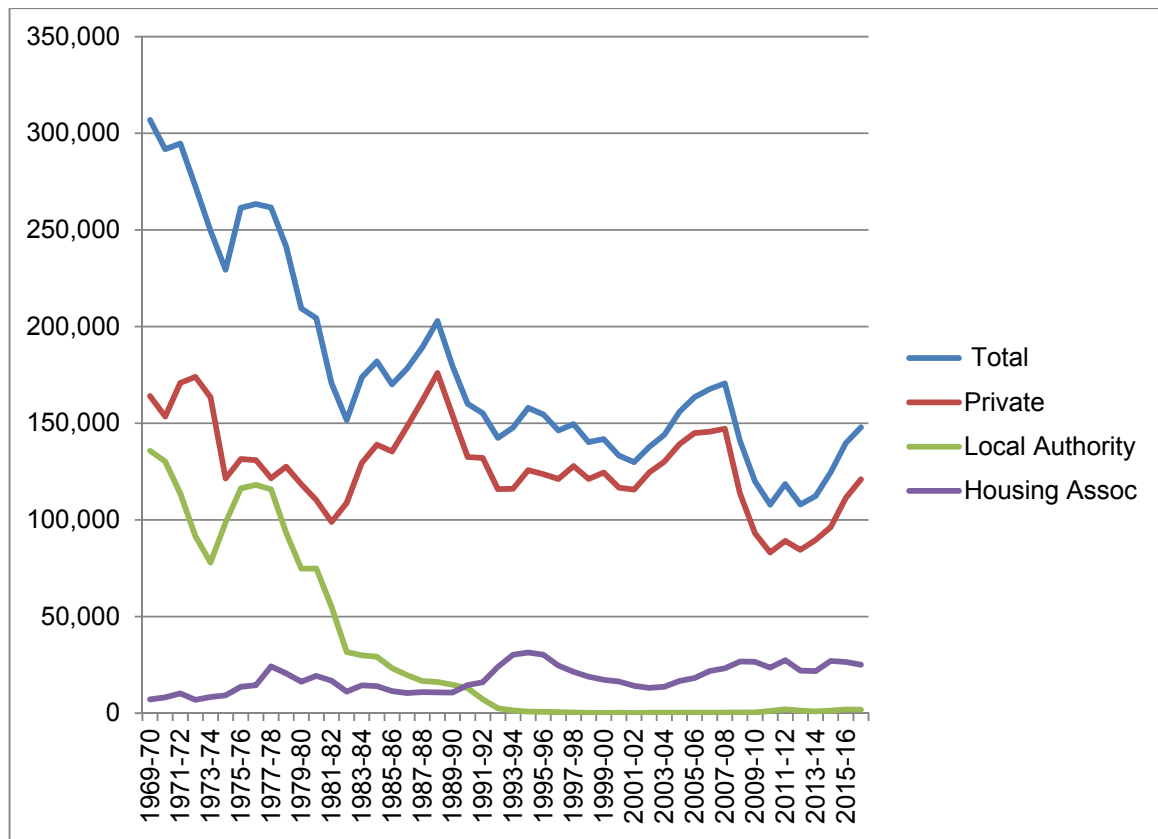


Figure 1: Housing completions (England) by sector

1.2 In any housing market, there will always be a gap between the number of houses with permission, and those being delivered – the industry needs a stock of sites to develop over time, or it could “run out” and have materials and labour it is unable to apply. In addition, a large site may secure consent for 750 dwellings at a single point in time, but delivery on the site could easily take 10 or more years to complete.

1.3 In more recent years, the relative lack of housing completions compared to the stock of available consents and allocations has garnered national attention, and is a source of frustration for local authorities and the Government. This has occurred in Great Yarmouth borough, as in many other areas, and this paper explores the issue, and potential assistance mechanisms.

2. CURRENT AND HISTORIC GREAT YARMOUTH BOROUGH SITUATION

2.1 Housing delivery in Great Yarmouth borough has, like everywhere else in the country, fluctuated over time. The Council's most recently published [Five-Year Housing Land Supply Position Statement](#) covers the period to the end of 2017/18. The graph in paragraph 2.12 of that document shows the completions for every year from 2001/2-2016/17. In that period, the peak completion rate of 376 was achieved in 2009/10, with a low of 150 dwellings completed in both 2002/3 and 2013/14.

2.2 Apart from the period 2004/5-2009/10, delivery has been below the required level, significantly so in more recent years. The Council's published housing land supply figure first fell below 5 years at the end of 2016/17, at 4.13 years. The current housing needs figures, as set out in Table 6 of the [adopted Core Strategy](#), average 420 dwellings per year, although this figure is in the process of changing to the new national standard approach through the emerging Part 2 Local Plan (see paragraph 4.2 below).

2.3 The 2017/18 *Five-Year Housing Land Supply Statement* detailed the net 208 completions recorded in 2017/18, and with changes to the definition of what constitutes a "deliverable" housing site in the updated National Planning Policy Framework (NPPF), the housing land supply position worsened to just 2.6 years at the end of 2017/18.

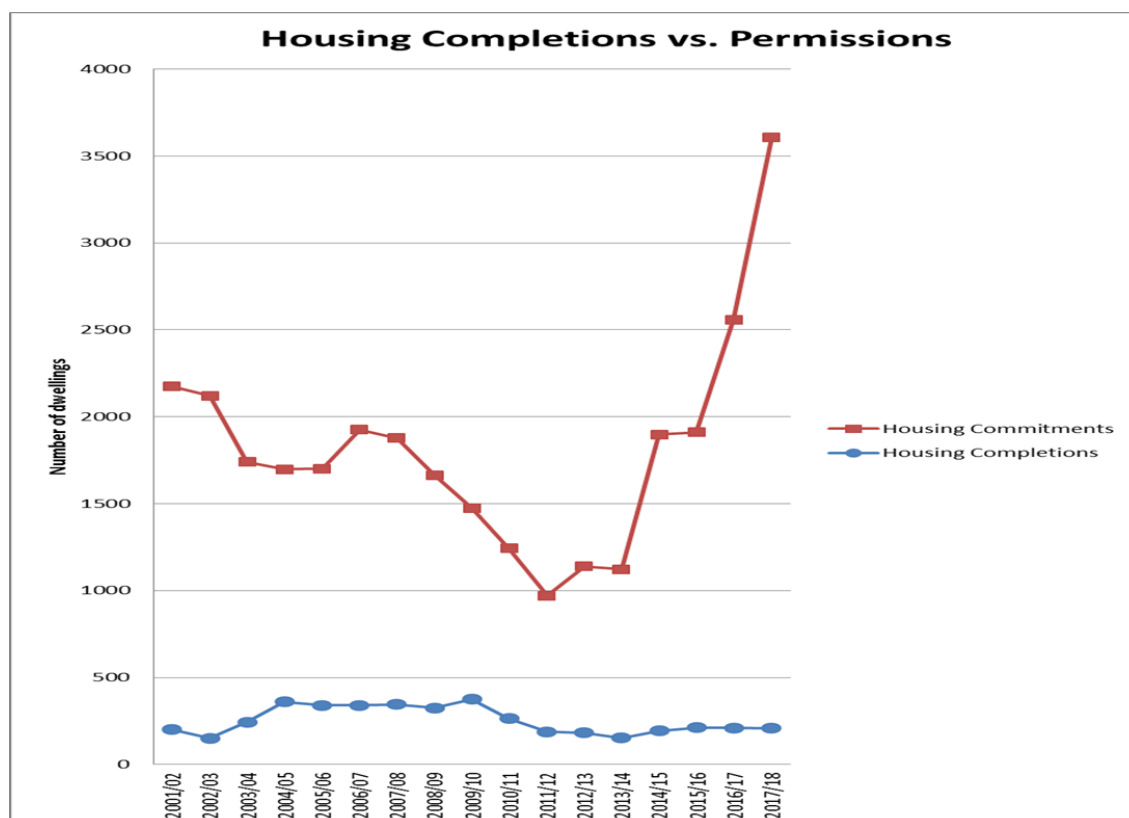
2.4 The national housing market is distinctly different now compared to the mid-2000s, with consolidation of a number of major national housebuilders and the loss of thousands of SME developers. "Caution" is the watchword for many developers and their financiers in terms of taking on new business, but overall levels of private sector completions have climbed in recent years, and are currently above the 50-year average.

Great Yarmouth borough housing market

2.5 The most recently-produced (2013) [Strategic Housing Market Assessment](#) concludes that the borough is largely self-contained as a housing market. There are obviously commuters working in the borough from the surrounding areas and vice versa (particularly Waveney), but the degree of self-containment is currently sufficient to justify a borough-wide housing market. By comparison, more recent work has disclosed that a Central Norfolk strategic housing market area exists, covering Broadland, Breckland, North Norfolk, Norwich and South Norfolk districts.

2.6 Whilst housebuilders and developers do not work to strategic housing market area boundaries, this relative self-containment does mean that the borough is perhaps not regarded as a significant commuter source by many. In other words, the borough (and town of Great Yarmouth in particular) is not especially targeted by housebuilders for (say) commuters to Norwich currently.

2.7 One of the most striking features of the local housing market has been the recent steep increase in housing commitments (broadly, sites with planning permission or allocated in the Local Plan for housing). The Council (and landowners/developers) has responded to the criticism of the Government of poor levels of housing delivery by significantly increasing the supply of potential new homes. However, as the graph below shows, this increase has not been matched by a significant upturn in housing completions. Whilst a degree of lag is to be expected (sites with outline planning permission cannot be constructed until a reserved matters application has been submitted and approved, with pre-commencement conditions discharged), and is not unique to Great Yarmouth (or elsewhere in Norfolk), this is still disappointing. Private sector caution certainly explains some of this, but the relative lack of “public” sector housebuilding also contributes.



2.8 Persimmon is the only national developer particularly active, with little or no current presence of (for example) Taylor Wimpey, Redrow, Barratt David Wilson, Crest Nicholson, Bellway or Bovis. The situation is only a little better at the medium-scale, with only Norfolk Homes, Hopkins Homes and Badger Building particularly active. There are a higher number of smaller builders operating in the borough, with their cumulative delivery rate accounting for little under half of the total completed units during 2017/18 (98 units).

2.9 Some of the national housebuilders – such as Crest Nicholson – do not operate in Norfolk at all, but most of other others do operate elsewhere in the county. Similarly, there are some other medium-scale developers that operate in Norfolk but not within Great Yarmouth borough.

2.10 With the exception of housing delivered on its own land (through the Council's own housing company Equinox), the actual delivery of houses is largely outside the Council's direct control. The Council permits applications and discharges planning conditions etc as rapidly as possible, and also seek to approve Building Control submissions rapidly too; measures that the Council is considering or already doing are included in Section 5. This does mean that there is an inherent unfairness in the housing land supply policy situation: many councils across England (including Great Yarmouth Borough Council) are being "punished" under the five-year land supply considerations of the [National Planning Policy Framework](#) for low delivery of housing by the private sector, despite (in many cases) permitting ample housing permissions to meet needs.

2.11 The Council has approved a significant number of unallocated and "outside settlement boundary" sites in recent years, and since loss of the five-year supply, there is little choice but to continue, as the "presumption in favour of sustainable development" (NPPF para 11) applies.

2.12 2017/18 – completions by builder type (208 in total)

- 47% built by small builders (98 units)
- 39% built by national builders (81 units, all by Persimmon)
- 14% built by medium-sized builders (29 units)

2.13 2017/18 – breakdown per site size

"small sites" i.e. less than 1ha (as per NPPF current definition)

"large sites" over 1ha

- 55% built on "smaller sites" (115 units)

- 45% built on “larger sites” (93 units)

Of the 45% built on “larger sites” virtually all were built by Persimmon on a single site (Bradwell).

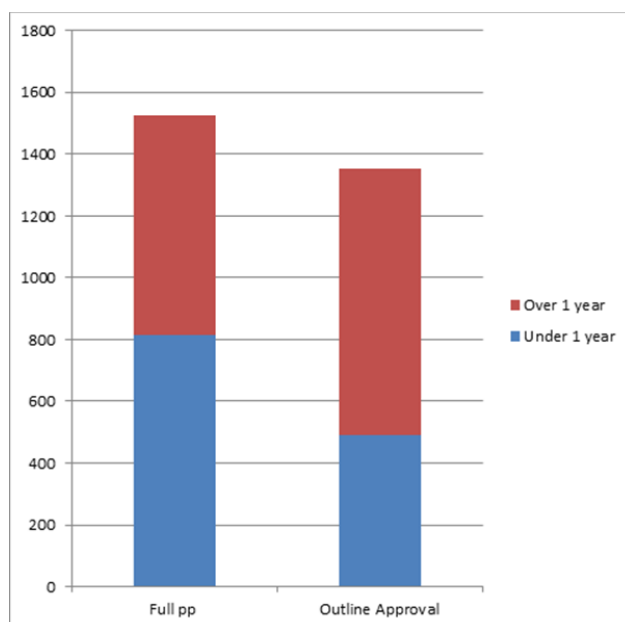
2.14 Figures in Appendix C show that, at the end of 2017/18, of the roughly 3,600 dwellings with planning permission, only 224 were under construction. Of the unbuilt quantity, roughly 1,400 had full permission/reserved matters approved, and roughly 1,500 had outline planning permission (the remainder were at an earlier stage of planning). These figures show – as is common in much of the rest of Norfolk, and elsewhere – that shortage of potential supply is not the main factor holding back higher rates of housing delivery in the borough.

2.15 Appendix C figures also show that, of the sites with planning permission for housing but not yet under construction, slightly more than half (1,780) are more than 12 months old, and slightly less than half (1,600) were granted consent in the previous 12 months.

2.16 The table and graph in Appendix C, and repeated below, has a fuller breakdown of the sizes and ages of sites with planning permission:

		All housing permissions at 01/04/2018		Housing permissions up to 1 year old at 01/04/2018		Housing permissions over 1 year old at 01/04/2018	
	Site Size (dwellings nos.)	Dwellings	Sites	Dwellings	Sites	Dwellings	Sites
Full Planning Permission	1 to 9	524	246	153	77	371	169
	10 to 49	331	17	85	5	246	12
	50+	671	4	575	3	96	1
	Sub-total	1526	267	813	85	713	182
Outline Approval only	1 to 9	76	29	36	13	40	16
	10 to 49	74	5	14	1	60	4
	50+	1202	7	442	4	760	3
	Sub-total	1352	41	492	18	860	23
All Permissions	1 to 9	600	275	189	90	411	185
	10 to 49	405	22	99	6	306	16
	50+	1873	11	1017	7	856	4
	Total	2878	308	1305	103	1573	205

Housing permissions breakdown – type and age



2.17 Overall, the figures show a total of 308 separate sites with planning permission for housing (as at April 2018). Unsurprisingly, the larger sites (50+ dwellings) constitute the majority of supply, at about two-thirds of the total, but the smallest sites (1-9 dwellings) constitute the majority of total permitted sites (275 of 308).

2.18 A significant number of unimplemented planning consents exist across sites of all sizes.

3. POTENTIAL REASONS FOR NON-DELIVERY OR SLOW DELIVERY OF HOUSING SITES IN GREAT YARMOUTH BOROUGH

3.1 Every housing site is unique, with different circumstances, conditions, ownership aims and intents etc. Many potential factors are universal across England, but a smaller number are likely to be more specific to Great Yarmouth borough.

3.2 Officers discuss and debate these issues regularly with colleagues in other authorities, and with landowners and developers. As part of the work to develop the [Norfolk Strategic Planning Framework](#), independent [research was undertaken in 2017 to identify the factors involved in speeding or delaying delivery of housing sites in Norfolk](#). This included a 'deep dive' into the history of two sites in each Norfolk local planning authority area, including discussions with landowners and developers. Appendix B has more details of this report and the recommendations, but the biggest factors affecting delivery are concluded to be risks, costs, infrastructure and viability; discharging planning conditions and completing Section 106 legal agreements; land assembly, land values and cashflow; and third party factors (such as utilities providers and third party objections/land).

3.3 Appendix A includes detailed information on the main reasons that may influence low rates of housing delivery in the Borough. They do not all apply in all cases, but summarised they are:

- Low land values and viability of developments;
- Difficulties in accessing development finance at sensible rates;
- Difficulties for some local people in accessing mortgage finance at sensible rates;
- Lack of competition for housing land;
- Difficulty in finding appropriate sites to develop;
- Developer caution;

- Inflated development value expectations of some landowners;
- Taxation strategies to mitigate (especially) inheritance tax and capital gains tax;
- Corporate landownership structures and landowner disagreements;
- Labour and materials shortfalls;
- Negative perceptions of Great Yarmouth Borough; and
- The impact of developer contributions and pre-commencement planning conditions.

3.4 The housing figures in Section 2 show that there is a very significant stock of housing permissions in the borough. A number of existing and potential measures to try to increase housing delivery are included in Section 5 below, but it is worth explaining why two potential measures that might be thought to increase viability are thought unlikely to work and/or be appropriate:

- Relaxing affordable housing requirements. The requirements – as set out in Policy CS4 of the Core Strategy – are already low, reflecting the low land values in much of the Borough. However, there is a very high level of need for affordable housing throughout the Borough, and there is already provision within the Core Strategy for figures to be reduced if a viability appraisal can be produced which robustly justifies a lower proportion of affordable housing. In addition, a change of this significance would need to be considered very carefully through Local Plan work, with an Equalities Impact Assessment likely to be necessary;
- Relaxing Section 106 contributions for open space and play space. Similar to affordable housing, there are existing standards that could be damaging to sustainable development if not adhered to/reduced. Any changes would need to be considered carefully, and there are already changes proposed through the emerging Part 2 Local Plan. In addition to this, there is very little evidence that the open space requirements cause viability difficulties.

Small and medium sized (SME) developers

3.5 Anecdotal evidence is that a significant number of smaller sites (particularly the single new dwellings) are reliant on a limited number of SME developers. The Head of Planning and Growth recently spoke to seven SME developers active in the Borough (generally building on sites of 1-10 dwellings in size) to try to understand their issues better, and some common themes emerged:

- They tend to specialise in brownfield sites, including 'garden' land, and these sites can sometimes be riskier (in constraints/costs terms);
- They often find it very difficult to access smaller greenfield sites, due to medium and larger developers taking options on them (and not having such good market intelligence that these sites may be available anyway);
- The seven are all either self-funding, or work with private finance partners who supply some/much of their working capital. The terms of loans from High Street banks were frequently described as being extremely onerous in relation to conditions/strictures (if terms are offered at all) and expensive in rates. One said that a developer in a 50:50 agreement can be asked to shoulder the first 50% of any risk on any development loan (in other words, the development would have to lose more than 50% of the value before the bank in question would share any loss). The seven say that it is only their long experience as developers, with their own secure funding, which means they can continue. They sympathise with prospective new SME developers, and wonder how they can get started, with High Street banks thought unlikely to offer any terms at all to them, even if they are experienced developers (previously working for someone else);
- Some are working to capacity, but others could build more if they could get hold of the right (smaller) sites;
- A number said that some brownfield sites/re-developments in parts of Great Yarmouth town itself are simply not viable – the final selling price of the completed re-development would be below the combined purchase price and construction price. These more experienced developers said that they sometimes see newer SME developers take on such sites – and are not surprised when some such projects later stall;
- Whilst some felt that the planning process is not a major barrier to their development projects (with praise for officers), others expressed a degree of frustration with the length of time it can take them to get clearance for schemes. Several mentioned that they feel the (un)timely discharge of pre-commencement conditions by the Council is holding back the start of construction. This is being investigated further.

4. WHAT ARE THE IMPLICATIONS OF THE REVISED NPPF AND THE STANDARD APPROACH TO ASSESSING HOUSING NEEDS?

4.1 The Government has changed the way it requires local planning authorities to assess the minimum amount of new housing to be provided for in local plans. It has introduced a new national 'standard methodology' for doing this, in order to ensure enough housing is provided and to reduce the time spent in arguments about the

calculations and assumptions used to calculate housing need.

4.2 The new standardised methodology has already been amended by the Government, with further changes to be made in 2019. The Council is currently preparing the Local Plan Part 2 therefore providing an opportunity to update the Core Strategy housing target to reflect the new standard method. [Consultation on the Part 2 Local Plan ran from 20th August to 30th September 2018](#), and included a proposed reduction of about 2,000 dwellings from the Core Strategy (Local Plan Part 1) total of about 7,000 dwellings. This is not intended to reduce the delivery of housing, but to bring the target down to a figure which is more realistic and achievable.

4.3 The new 'standard method' is more responsive to market signals of housing demand, resulting in increases in housing targets for many areas, but in the case of Great Yarmouth Borough, it significantly reduces the minimum housing target. The 'local housing need' resulting from the new method is currently calculated as 357 dwellings per annum, compared to 420 dwellings per annum average required by the Core Strategy. The new housing need figure will vary (as house prices and average income levels change) until the Council submits its Part 2 Local Plan for examination.

4.4 The reduced housing targets currently resulting from the new methodology are considered to better reflect circumstances in Great Yarmouth. Despite the Council's best endeavours to encourage appropriate housing development (for example, through granting significant numbers of planning permissions and progressing the Part 2 Local Plan), only around 200 dwellings a year have been completed in recent times. Even during the housing boom of the mid-2000s, completions only twice exceeded 350 in any one year. Average annual completions have been 202 dwellings since the start of the plan period in 2013, and only 256 per annum over the longer period since 2002. Appendix A has more details of previous housing completions.

4.5 The move to the new housing needs number cannot come in fully until the Local Plan Part 2 is adopted in early 2020, however. Until then, the Council is very unlikely to be able to recover a five-year housing supply.

Housing Delivery Test and Housing Action Plans

4.6 Paragraph 75 of the [February 2019 version of the National Planning Policy](#)

[Framework](#) and the [associated Planning Practice Guidance](#) set out what the Housing Delivery Test is and how it is calculated. It is described in more detail in Appendix A, In essence, it uses the “standard methodology” referred to above for calculating the housing need, and if certain thresholds are not met, consequences follow.

4.7 Any local planning authority which has not delivered 95% or more of its housing need (judged over a rolling three-year period) must (within six months) prepare an “[Action Plan](#)”, setting out the reasons for the “failure”, steps proposed to remedy the situation and any further powers, resources etc that may be necessary/desirable to help with this mitigation. If 85% is not reached, a buffer of 20% (instead of the standard 5%) must be added to the five-year land supply need figure (if not already engaged).

4.8 After a three-month delay (the results should have been published in November 2018), the Government finally [published the first set of national statistics in February 2019](#). Great Yarmouth’s figure was 606 out of 903 homes needed – 67% – thus engaging both the need to prepare an Action Plan, and to add the 20% buffer to the need figure. (As the Council already did not have a five-year housing land supply, the 20% buffer had already been engaged.)

4.9 Action Plans can be published at any time by councils, but should be published at the latest six months after the Housing Delivery Test results are published; the Council therefore needs to prepare an Action Plan by August 2019. The Planning Practice Guidance makes clear that the preparation of an Action Plan is not something that should (or could) be solely undertaken by a council – infrastructure providers, utility companies, landowners, developers and adjoining authorities should also be involved.

5. WHAT IS THE COUNCIL ALREADY DOING/WHAT FURTHER MEASURES CAN IT TAKE?

5.1 Council officers and members are well aware of the main issues that are constraining housing supply and are continuing and increasing their endeavours to try to improve the current situation, through activities such as:

- Lobbying for central government funding and policy/legislation changes to stimulate housing growth in Great Yarmouth e.g. Housing Infrastructure Fund, in addition to successfully securing infrastructure funding for the Third River Crossing and improvements to flood defences and the A47;

- Working jointly with the other Norfolk planning authorities on measures to support and encourage delivery, as developed through the Norfolk Strategic Planning Framework process;
- Delivering homes on the Council's own land through Equinox (the Council's wholly-owned housing company);
- Using the recently re-established Developers' and Agents' Forum to engage with housebuilders, developers and planning agents (the most recent meeting will be on 13th March 2019);
- Increasing awareness of various national funding sources available to assist developers, both small and large, such as [Help to Buy](#) and the [Home Building Fund](#);
- Investigating, reviewing and proposing actions on "stalled" housing sites via an officer working group comprising Planning, Property and Housing officers. This could include potential re-negotiations of S106 payments or phasing, and the appropriate use of compulsory purchase powers to acquire stalled sites;
- Progressing the preparation of the Local Plan Part 2 as rapidly as possible;
- Improving the resources of the planning service, and improving the quality of applications received, via formal pre-application charging (which commenced on 1st October 2018);
- Appointing, in July 2018, a Housing Growth Manager, with a cross-Service role of helping to deliver housing on some of the Council's own land, on other "challenging" sites and boost wider developer interest in the borough as a whole;
- Working to promote the strengths of the borough (the thriving offshore industry, Enterprise Zones, recent and forthcoming infrastructure improvements, range of available housing sites etc) to developers not currently active in the area, particularly to other national and regional housebuilders;
- Promoting sites at national events to attract developer/investor interest including:
 - MIPIIM – an inward investment event where major development opportunities are showcased e.g. Town Centre Masterplan. For Great Yarmouth, this is under the banner of 'The East' in collaboration with partner authorities across Norfolk and Suffolk;
 - REVO – a national retail-led event where development opportunities can be showcased. For Great Yarmouth this includes the Great Yarmouth Town Centre Masterplan;

- RESI – a national housebuilders event where Great Yarmouth has recently been showcased and promoted alongside other coastal communities.

5.2 Further measures that are being actively worked on or could at least be considered to try to help drive up the rate of delivery (including some of the recommendations arising from the combined Norfolk Strategic Planning Framework work mentioned in paragraph 5.1):

- Preparing a specific Housing Deal for Great Yarmouth bid to the Government (including the seeking of significant financial support), [which the Housing & Neighbourhoods Committee agreed to support in principle in July 2018](#);
- Setting up a “small developers” sub-group of the Developers’ Forum to consider issues of particular significance and relevance to smaller builders. This could include setting up a SME Developers’ Day (to which industry experts, funders, materials providers etc could be invited) to get developers better informed of support available;
- Setting up joint venture companies with small developers/landowners to get smaller sites built out more quickly;
- Building a closer relationship with local affordable housing providers, to better see if they are willing/able to undertake (more) development in Great Yarmouth, either alone or in partnership with the Council. [The Social Housing Green Paper](#), published in August 2018, will likely lead to some changes in this area;
- Increasing the efforts to promote self-build/custom-build in the borough;
- Investigating the potential for the construction and delivery of modular homes, which can be constructed off-site and finished more quickly than traditional houses (as well as – often – more cheaply);
- Trying to attract more retirement/downsizing housing developers, which is currently a very weak area of recent completions (anecdotally due to lower land values and the higher cost such development types can sometimes have), despite an ageing population; and
- Identifying any additional powers/relaxation of current legislation/policy that may be highly desirable to help drive additional housing starts and completions (to be included in the forthcoming Action Plan). This might well include requests for additional Government/Homes England funding to support/forward-fund infrastructure for early delivery to unlock certain stalled sites which are currently unviable.

5.3 Officers therefore need to continue to keep the situation under active review, and any further national legislative, policy or guidance changes relating to housing and planning will be reviewed to explore opportunities to improve the situation.

5.4 Discussions will be held with Norfolk County Council, other infrastructure providers, developers and landowners to ascertain their views as to how the housing supply situation could best be improved in Great Yarmouth. The final Housing Action Plan must be completed and published by mid-August 2019.

6. FINANCIAL IMPLICATIONS

6.1 The work necessary to implement improvement above is mostly covered by staff time, but the use of Council funds to (for example) forward-fund infrastructure and the delivery of housing would have implications.

6.2 All new development will generate either council tax receipts or business rates receipts and (as appropriate/relevant) Section 106 developer contributions for infrastructure.

7. RISK IMPLICATIONS

7.1 Some of the measures to try to boost housing delivery outlined in this paper are low-risk, but others are higher-risk. Higher-risk measures particularly would likely need specific approval, either from a relevant Council committee or a senior officer.

8. CONCLUSIONS

8.1 This paper shows that there is no one reason underlying the low rates of housing completions in Great Yarmouth borough – it is a whole variety of reasons – and so there is no one “magic bullet” solution available. The Council is already doing a lot to try to remedy the situation (alone and with other councils in Norfolk), and other potential/proposed measures are also suggested. However, as mentioned elsewhere in this report, the housing targets for the Borough are significantly in excess of what has been delivered in recent decades, and there does not seem any realistic prospect of such a significant increase in housing delivery coming through in the short- or medium-term (at least).

8.2 Improving the situation will therefore take time, and housing construction and delivery will remain heavily dependent on the state of the housing market and access to affordable finance (both for developers and prospective homeowners) – macro-economic factors that the Council has little direct control over. Nonetheless,

this is not a counsel of despair, and every individual measure that the Council can effect to help boost housing completions (whether directly or indirectly) will be of some benefit. The Housing Action Plan must contain details of the reasons for the housing delivery shortfall, and measures/asks already in hand and proposed to help try to remedy the situation.

9. RECOMMENDATIONS

Housing & Neighbourhoods Committee is recommended to:

- i) Acknowledge that the Council is required to prepare a Housing “Action Plan” to set out the reasons why housing delivery has been below target;
- ii) Note the steps required to prepare the Action Plan, and comment on the potential content, process and timescale of the Action Plan.

10. BACKGROUND PAPERS

None

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	N/A
Section 151 Officer Consultation:	N/A
Existing Council Policies:	Referred to in the report
Financial Implications (including VAT and tax):	Referred to in the report
Legal Implications (including human rights):	Referred to in the report
Risk Implications:	Referred to in the report
Equality Issues/EQIA assessment:	N/A
Crime & Disorder:	N/A
Every Child Matters:	N/A

Appendix A – Background information on the national housing situation

A1 A gap between the number of houses which are on allocated and/or permitted sites, and those which are completed (built) will tend to exist in most phases of the housing cycle. In part, this reflects the fact that the allocation and/or permitting of sites tends to be “lumpy” (a permission for, say, 500 dwellings is granted at a single moment in time) whereas delivery of housing tends to be smoother (e.g. that permission might deliver 50 houses per year for 10 years). It also reflects that fact that the land market is essentially competitive – more land can be (and is) consented for development than will necessarily be built out, and some consented sites will never actually be developed (or re-developed).

A2 In earlier decades, particularly when the public sector was building significant numbers of dwellings, the gap was not especially important. Using [MHCLG figures](#)¹, overall housing completions in England reached a post-war peak of over 352,000 in 1968 (204,000 private sector, 144,000 Local Authorities and 5,000 Housing Associations). As public sector housing development is now extremely low, numbers of completions have, unsurprisingly, been closely related to the strength of the “private” housing market. The last time more than 200,000 were delivered in a calendar year was 1988 (203,000) – just before the major housing market crash of the late 1980s/early 1990s.

	Year	Total	Private	Local Authority	Housing Association
Post-war peak <i>(rounded figures)</i>	1967-68	352,000	204,000	144,000	5,000
Late 80s peak	1987-88	189,300	161,740	16,620	10,940
Pre-crash boom	2007-08	170,610	147,170	220	23,220
Most recent year	2017-18	160,470	131,390	1,870	27,210

Table 1 - Housing completions by sector for selected years

¹ Ministry of Housing, Communities and Local Government

A3 The recession and financial crash of 2008-10 had very significant and long-lasting impacts on the housing market. Completions fell (reaching a low of 110,000 in 2013), with only 86,000 starts recorded in 2009. Many small- and medium-sized developers (SMEs) went out of business, and even the largest volume housebuilders struggled to survive. The main problem was that developers had lots of their money tied up in developments which could not be sold quickly at anything other than a significant loss.

A4 Since the last recession, the development industry has been much more cautious. Whereas previously many would build speculatively (particularly flats), assuming that in a rising market there would always be purchasers, this kind of approach is found only rarely now. Generally, developers will only build at a rate that they are confident they can sell at – at all costs they want to avoid the 2008-12 scenario of sites with large numbers of unsold houses when the next property market downturn comes.

A5 This caution reflects, and is reflected by, development financiers. Banks, financial houses and private equity are not (by and large) keen to lend at relatively low rates of interest to anything other than the most robust and secure medium and large housebuilders. Anecdotal evidence is strong that many SME developers are viewed as simply too high-risk for most lenders to take on, especially new companies without a track record. Even where lending is offered, it can be at interest rates so high (well above 10% in some cases) and other lending terms which are so onerous that it is simply not financially viable to take up such loans. The result – obviously – is seen in low numbers of SME developers, and consequently low housebuilding by these developers.

A6 The problem of housing completions falling well behind need/demand and potential steps to improve the situation is, of course, not new. There have been hundreds of reports prepared over the last 10 years or so on the topic, including (for example) the [Barker Review of land use planning](#) (2006), the Conservative Party's [Green Paper on Planning](#) (prepared when in opposition in 2010) and the (Labour-commissioned) [Lyons Housing Review](#) in 2014.

A7 The previous Conservative/Liberal Democrat and Conservative administrations have spent much time considering the issue, too. Legislation enacted includes the [Localism Act 2011](#), the [Housing and Planning Act 2016](#) and the

[Neighbourhood Planning Act 2017](#). Also of considerable significance was the introduction of the [National Planning Policy Framework in 2012](#). The revised (2018 and 2019) NPPF versions are discussed in more detail elsewhere in this paper.

Current national situation

A8 The gap between housing permissions granted and those completed has widened in recent years. Even accepting the inevitable lag between permissions being granted and those housing permissions being constructed, there is a huge gap in England. [In 2017, over 351,000 houses were granted permission](#), but [only 163,000 completions were achieved](#), well short of even cautious estimates of need of about 220,000 per year. The Government is [aiming for completions of 300,000 per year](#) by the mid-2020s, and hopes to see a house price inflation moderate relative to local incomes.

A9 Whilst many industry and sector bodies are continuing to analyse the situation and propose “solutions”, the Government has followed two main courses of action in the last few years. Firstly, there have been various consultation documents issued, including the [Housing White Paper](#) in February 2017 and [Planning for the Right Homes in the Right Places](#) in September 2017. In addition, several rounds of consultation took place on proposed revisions to the NPPF, including in [2015](#) and from [March-May 2018](#).

A10 Secondly, in the 2017 Budget in November, the Chancellor of the Exchequer announced that the Government had commissioned Sir Oliver Letwin MP to [undertake a review of the build-out of planning permissions into homes](#). The agreed terms of reference are:

“The Review should seek to explain the significant gap between housing completions and the amount of land allocated or permissioned in areas of high housing demand, and make recommendations for closing it. The Review should identify the principal causes of the gap, and identify practical steps that could increase the speed of build out. These steps should support an increase in housing supply consistent with a stable housing market in the short term and so that over the long-term, house prices rise slower than earnings. The review will provide an interim report to the Chancellor of the Exchequer and the Secretary of State for Housing, Communities and Local Government in time for Spring Statement 2018 and a full report for Budget 2018.”

A11 Sir Oliver [published his draft analysis in July 2018](#). His main finding (so far) is that the dominance of the market, and some medium and larger sites in particular, by major (volume) housebuilders leads to a homogeneity of product (particular new house types) in the local area, which the “market” has limited capacity to absorb. He has heard evidence that at least some housebuilders seek to build homes at a rate that does not reduce the price of such homes compared to the price assumed at land purchase. He and his panel are continuing to explore this matter (for example, considering whether/how sites could be opened up to more housebuilders, potentially delivering different housing types, for which there may be greater market capacity to absorb).

A12 The [final Letwin Report was published alongside the Budget in 2018](#). It took forward the analysis of the draft report, and concluded that, in effect, a different system should apply to the largest sites (1500 homes upwards), with a requirement for an independent body to advise planning inspectors where there is a disagreement between the planning authority and the landowners/developers on sub-division of sites to ensure greater competition. An enhanced role for LAs to bring forward large sites themselves or with developers is also proposed. The Government is reflecting on the Letwin Report recommendations and will issue its response in spring 2019.

A13 The [revised NPPF was published on 24th July 2018](#). Amongst many changes is the introduction of a [new standard methodology for assessing future housing needs](#) in a district or borough. In essence, this uses future household projections as the starting point for need, and then applies an adjustment upwards if the ratio of average house prices to average annual income is greater than 4 (which it is in much of England). The aim of this is to gradually reduce house price inflation relative to local incomes, such that properties will become more affordable to most people.

A14 The revised NPPF also includes a new element, called the Housing Delivery Test (see paragraph 211). The [Housing Delivery Test Measurement Rule Book](#) details how the calculations are performed, but put simply, the Test results are:

Total net new homes delivered over three-year period/total new homes required over three-year period.

A15 The results, expressed as a percentage, will be published in November each year, and will cover the previous three-year period (so the November 2018 figures will include information from 2015/16-2017/18). Where delivery does not reach 25%

of the need (in 2018), 45% (2019) or 75% (2020), the “presumption in favour of sustainable development” (revised NPPF paragraph 11 d)) will apply. The implications of this are the same as not having a five-year supply of housing land – relevant Local Plan policies attract reduced weight, and housing applications should be granted permission unless the harms would “significantly and demonstrably outweigh the benefits”.

Appendix B - Potential reasons for non-delivery or slow delivery of housing sites In Great Yarmouth Borough

B1 The Norfolk Strategic Planning Framework-commissioned research into Norfolk housing sites (see paragraph 3.2) concluded that the biggest factors affecting delivery are risks, costs, infrastructure and viability; discharging planning conditions and completing Section 106 legal agreements; land assembly, land values and cashflow; and third party factors (such as utilities providers and third party objections/land). The main findings and recommendations (highlights) of the report's authors are:

- A better understanding of the risks of delivering larger sites would be useful, particularly in relation to cashflow and infrastructure;
- Better engagement with utilities providers is needed, particularly at a strategic level and at the plan preparation stage;
- Lower land values mean that some developers have to work harder to differentiate their “product”, which can push up costs compared to some “no-frills” developers;
- Councils should require the developers of larger sites (300+ houses) to enter into Planning Performance Agreements (PPAs) with the relevant council(s) to demonstrate commitment to delivery, which could help fund specialist officer support;
- Councils should make better use of powers of compulsory purchase to help bring forward more “challenging” sites;
- Councils should have a good range of sizes of sites available for development, rather than an excessive reliance on one (or more) large strategic site(s) to meet housing needs;
- Councils should encourage more retirement developments, “lifetime homes” (*homes which can continue to be lived in as care needs increase*) and extra-care facilities; and
- Councils should consider creating a county-wide developers’ forum, and giving access to senior council members to enable franker discussions about the challenges of development.

B2 The Norfolk Strategic Planning Member Forum agreed that the detailed recommendations could be divided into those which were most appropriately pursued by the relevant individual planning authority, and those which could best be done by the Norfolk planning authorities working together. The latter included a bid for Government HIF funding (sadly unsuccessful), and a joint Norfolk website of available sites. Further joint work on delivery is continuing, and is currently is

focused on clarifying and formalising responsibilities and oversight between the Norfolk Chief Executives Group, Operational Growth Group, Norfolk Strategic Planning Member Forum and Norfolk Strategic Planning (Policy Officers) Group, etc.

B3 There are many potential reasons why delivery of housing land is slow and poor in Great Yarmouth Borough specifically. Inevitably, many of the factors are inter-related:

Low land values and non-viability

B4 In some of the Borough, especially parts of Great Yarmouth town itself, there are a variety of constraints, which can include flood risk: poor ground conditions, archaeology, contamination and access difficulties. Wider socio-economic issues can also be viewed as constraints, including perceptions of crime levels, deprivation and schooling. There is strong evidence – from viability assessments and anecdotal discussions with landowners and developers – that there are parts of the town with very low – or even, in some cases, negative – net (i.e. post-development) land values. In such circumstances, as virtually no developers would be able to access funding (or willing to risk their own funding) to support the development, the site remains undeveloped.

B5 The Council's need to help facilitate marginal development by (where justifiable) reducing requirements such as affordable housing and infrastructure can hinder (to some extent) and attractiveness and quality of an area, which in turn can perpetuate lower land values.

Difficulties in accessing development finance

B6 As stated in paragraph A5, it remains difficult, particularly for new SME developers, to access funding at sensible rates. As a result, new builds are released slowly as they often do not have sufficient working capital to work on (say) three houses at the same time. Even larger developers can be vulnerable to this, particularly for more marginal areas.

Difficulties in accessing affordable mortgage finance

B7 Average incomes for residents of Great Yarmouth Borough are low (when compared to many other areas), with unemployment higher than the Norfolk and England average also. This means that it can be difficult, even with relatively low house prices in parts of the Borough, for some residents to save enough money for a deposit and to be able to secure mortgages. This obviously feeds through to developers, who need the confidence that their developments will sell in a

reasonable time.

Lack of competition amongst housebuilders

B8 As discussed above in paragraphs 2.8 and 2.9, there is not always the most robust competition for housing land in the borough. This can mean that sites which may have certain perceived constraints may not attract bids at all, or if they do, only at low values. Anecdotal information is that certain consented housing sites marketed for sale recently in parts of the borough have attracted very little serious interest.

Developer caution

B9 Paragraph 1.4 highlighted that speculative building of homes is much rarer to observe now than it used to be in years past, at least outside known property hot-spots. This means that if there are uncertainties about the current/future housing market, some potentially expensive/unknown constraints, and a general lack of competition, many developers will simply walk away and not agree a potential deal unless the price is right, and they are all but certain they could achieve the desired profit margin (knowing that their rivals may well do the same).

Inflated development value expectation of landowners

B10 There is strong anecdotal evidence that at least some landowners' price expectations for their site are unrealistic in the current market. They may have been led to believe (perhaps by professional advisers) that a certain value could be achieved, and if this value is not achieved when marketed for sale to developers, many do not lower their price expectations, but simply do not sell, hoping for higher prices in the future.

Taxation

B11 Taxation does not always feature highly in lists of the reasons hindering development, but it can be a very important factor. Examples can include: the impact of potential inheritance tax bills and mitigation strategies; the impact of an untimely death of a landowner (which may be linked to an inheritance tax situation); the potential for a significant capital gains tax bill to accrue if a sale or deal is not structured "correctly" (seen from the landowner's perspective) – this can sometimes mean deferring a sale into the following tax year, for example, or awaiting the transfer of land to a new corporate structure before the sale completes; stamp duty considerations; and uncertainty/anxiety about future national business, property and personal taxation changes.

Corporate structures and landowner disagreements

B12 It is not uncommon for parcels of land to be held by two or more individuals, and/or companies. Land can also be held by trusts, which can add significantly to the complexity and time to agree and complete property transactions. Sadly, it is also not uncommon for family members/trustees/company directors to have disagreements about the strategy, price etc for disposing of land, which can lead to (in some cases) complete paralysis of any transaction. Sometimes this can be down to personal disagreements, and at other times to personal and /or business taxation situations, as well as simple disagreements as to whether an offered price is high enough to accept.

Labour and materials shortfalls

B13 Various studies and reports have concluded that there is an impending “crunch” in construction industry labour supply, with a significant reduction (nationally) of people joining the construction sector, many existing construction works retiring early and a lack of relevant skills amongst existing construction workers in trades such as bricklayers, plasterers, architects and quantity surveyors, constraining the house building market. The Letwin Review identifies a shortage of bricklayers as being a particular cause of concern to the industry, needing urgent remedial action.

Perception

B14 Paragraph 2.6 highlighted the relative self-containment of Great Yarmouth’s housing market area, one that is not perhaps regarded as a significant commuter hub to many volume house builders, consequently reducing their desire to build homes which might be targeted (for example) to commuters to Norwich.

B15 Norwich’s sphere of influence cannot be ignored in this regard, or indeed on other factors which may be perceived by some as reducing the attractiveness of building new home in Great Yarmouth, including the current town centre offer, a seasonal visitor economy and high unemployment. Though the Council and partners have done, and are doing, much to improve this, some negative perceptions of the town remain hard to shake from some “outsiders” and will take time to be overcome.

Section 106 legal agreements (developer contributions) & pre-commencement Conditions

B16 Timescales for agreeing or completing S.106 negotiations can often be long and protracted. Consequently, developers or landowners may incur significant costs

during this time via loans and mortgages, unable to realise the value of the land until the S.106 is signed, which can further delay the delivery of housing.

B17 Discharging conditions can be both time- and resource-intensive for both LPAs and agencies and can often expose developers to significant risk such as in instances where delivering necessary major infrastructure upfront comes at a high cost and is linked to the need to raise sufficient cashflow i.e. delivery of housing to raise revenue to finance the infrastructure works.

Appendix C – Great Yarmouth Borough housing figures at the end of 2017/18

DWELLINGS PERMITTED	
NOT UNDER CONSTRUCTION	3,385
UNDER CONSTRUCTION*	224
TOTAL	3,609

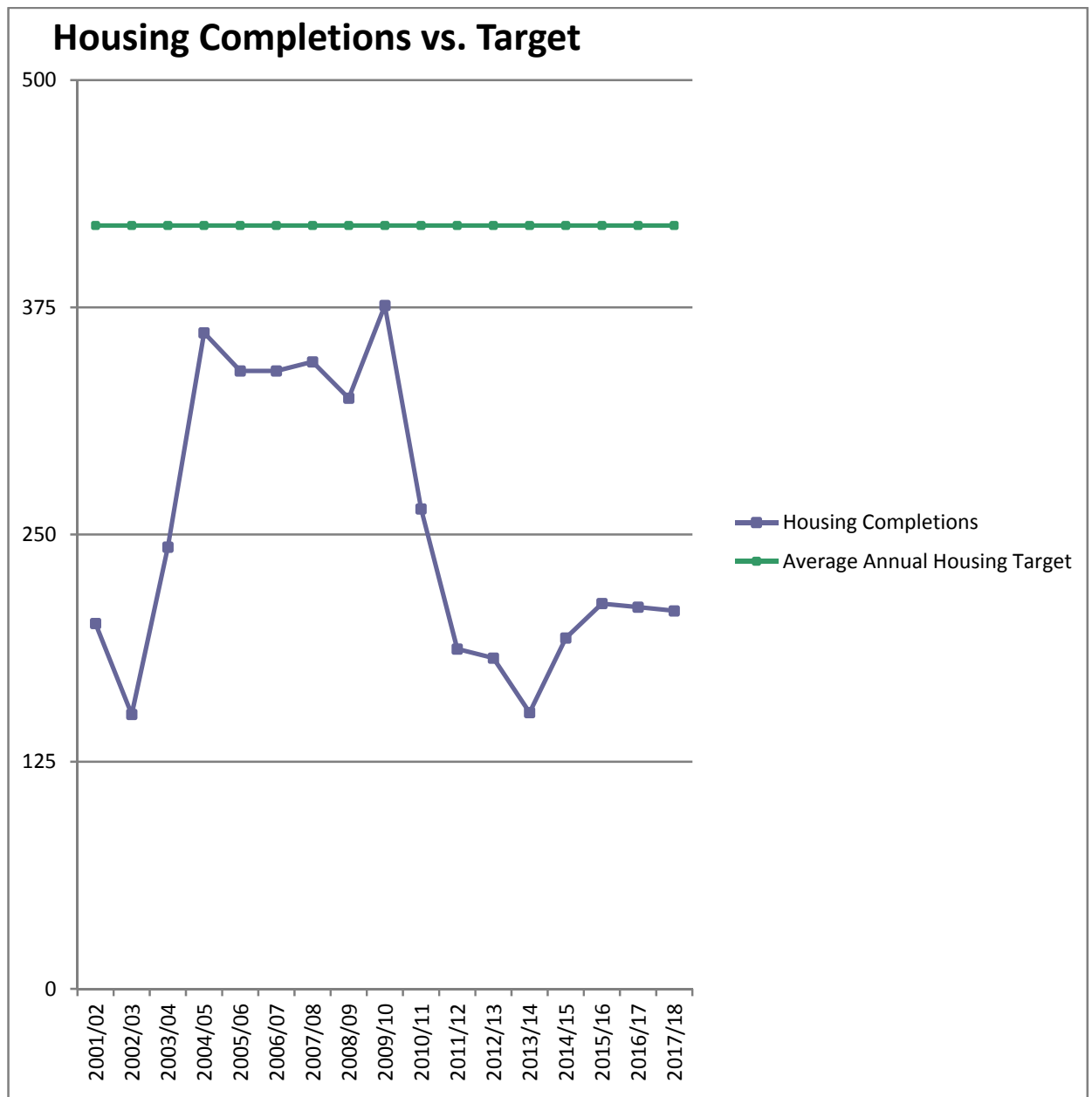
* Note that for large areas such as Bradwell, we have counted only the current phase as under construction, not the whole of the remaining allocation or permission

NOT UNDER CONSTRUCTION	Dwellings
Full pp	1,397
Outline pp	1,472
Resolution to grant permission	250
Strategic Allocations	266
Sub-total	3,385

NET DWELLINGS COMPLETED 2013-2018	
2013/14	152
2014/15	193
2015/16	212
2016/17	210
2017/18	209
TOTAL	976
ANNUAL AVERAGE	195

		All housing permissions at 01/04/2018		Housing permissions up to one year old at 01/04/2018		Housing permissions over one year old at 01/04/2018	
	Size (units)	Units	Sites	Units	Sites	Units	Sites
Full PP	1 to 9	524	246	153	77	371	169
	10 to 49	331	17	85	5	246	12
	50+	671	4	575	3	96	1
	Sub-total	1526	267	813	85	713	182
Outline PP	1 to 9	76	29	36	13	40	16
	10 to 49	74	5	14	1	60	4
	50+	1202	7	442	4	760	3
	Sub-total	1352	41	492	18	860	23
All PP	1 to 9	600	275	189	90	411	185
	10 to 49	405	22	99	6	306	16
	50+	1873	11	1017	7	856	4
	TOTAL	2878	308	1305	103	1573	205

Note: Permission data above includes outline, full and reserved matters consents only. It does not include any resolutions to approve or strategic allocations (see table on previous page for this overall breakdown)



Housing Permissions and Construction

Great Yarmouth Borough currently has **3,609** dwellings with 'permissions', of which only **224** are under construction, and **3,385** are not under construction

Of those not under construction, **1,397** have full planning permission, **1,472** outline permission, **250** have a resolution to grant permission, and **266** are remaining Strategic Allocations.

976 dwellings have been constructed in the Borough since April 2013, an average of 195 per annum. (Completed dwellings are excluded from figures above.)

Age of Housing Permissions

Approximately **1,800** current dwelling 'permissions' are over a year old and not under construction.

Of the dwellings 'permitted' but not under construction:

1,782 permissions over a year old (including 266 remaining Strategic Allocations);

1,603 permissions under a year old;

3,385 in total

DWELLINGS PERMITTED	
NOT UNDER CONSTRUCTION	3,385
UNDER CONSTRUCTION*	224
TOTAL	3,609

* Note that for large developments such as Bradwell, only the current phase is counted as under construction, not the whole of the remaining allocation or permission

DWELLINGS PERMITTED AND NOT UNDER CONSTRUCTION	Dwellings
Full pp	1,397
Outline pp	1,472
Resolution to grant permission	250
Strategic Allocations	266
Sub-total	3,385

DWELLINGS COMPLETED 2013-2018	
2013/14	152
2014/15	193
2015/16	212
2016/17	210
2017/18	209
TOTAL	976
ANNUAL AVERAGE	195

Subject: Middlegate TCosy Project

Report to: Management Team – 4th March 2019
Housing and Neighbourhoods – 14th March 2019

Report by: Head of Property and Asset Management

SUBJECT MATTER/RECOMMENDATIONS

To grant permission for Beattie Passive to undertake the retrofit of the TCosy Passivhaus System to the Middlegate block numbered 89-90 consisting of 6 flats, at a nil cost to the Council. In line with funding requirements to approve access for monitoring purposes both pre and post retrofit to providing vital design information for use by Beattie Passive to enable further develop of the system for wider rollout across the country.

1. BACKGROUND

- 1.1 The TCosy system is being developed to provide a retrofit solution to existing properties to bring the existing building to a Passivhaus standard, reducing energy costs for the tenant whilst reducing issues such as damp and condensation.
- 1.2 The system aims to produce a fast, efficient and cost-effective solution providing a deep retrofit which involves a wrap around the whole block creating a continuous void from on top of the roof to a defined depth below the ground which is then filled with insulation.
- 1.3 The basic objective of the system is to produce a super insulated envelope to the building in which the thermal bridge around the perimeter of the ground floor, at the eaves, windows and doors are also addressed. These are to be designed to ensure that no moisture or mould damage may occur to the existing structure.
- 1.4 The system included new triple glazed, insulated windows installed within the cladding system along with an individual mechanical ventilation system for each flat, to maximise the benefit of the retrofit in achieving target CO₂ and energy bill reductions.
- 1.5 Fire engineering is a high priority of the system and may involve an innovative integrated low flow sprinkler system that can be activated by the fire brigade which cools down the cladding system sufficiently in the event of a fire.
- 1.6 The upgrade provides other benefits including improved visual appearance and reduced maintenance of the fabric of the building.
- 1.7 To achieve the Passivhaus standard the retrofit must be capable of achieving at least 75% reduction in space heating for the property (and therefore a significant reduction in CO₂ emissions).
- 1.8 The retrofit system must be fast to install with minimal time onsite, and the aim is to reduce costs of deep retrofit as far as possible. It must also be non-invasive to the tenants, allowing them to remain in-situ with as little disturbance as possible.

- 1.9 The retrofit project will need to look at an array of different details to understand how it is best to achieve high thermal comfort, fire resistance and speed of erection.

2. CURRENT POSITION

- 2.1 As part of the opportunity to further develop this retrofit solution the Department of Business Energy and Industrial Strategy (BEIS) through the Thermal Efficiency Innovation Fund are looking for projects to further advance the TCosy system to enable this product to continue to be developed and refined in relation to both cost and design challenges around type of building and speed of delivery.
- 2.2 A scheme has been completed on two houses in Birmingham, see appendix 1 and a proposal is currently underway in Solihull, appendix 2. As part of the continued development of the system Great Yarmouth Community Housing has been approached with a view to BEIS providing a fully funded retrofit using the TCosy system on a block of 6 council flats in Great Yarmouth. In order to review this proposal a potential block has been identified which is traditional 1950s style terrace and thus provides solutions to challenges that can be overcome on this project, aiding its roll out more widely around the country.
- 2.3 The block identified is within the Middlegate Estate and although work is ongoing in relation to the regeneration of this area the block under consideration is one that would be retained following any regeneration of the estate but that would clearly benefit from this type of retrofit system.
- 2.4 The external challenges regarding this retrofit are provided through its terraced nature, and so the way that the new structure interacts with the neighbouring properties is of high interest and will most likely require further innovation for this detail to be a success, further leading to benefits in relation to wider roll out around the country. External challenges to overcome will be around the existing balconies on each flat, and whether the systems can incorporate them into the design or if they will have to be removed.
- 2.5 Should approval be given for this development opportunity the block identified is located in an area of national heritage, meaning that the design will have to be aesthetically sensitive by nature.
- 2.6 The range of complexities highlighted above are typical of large-scale retrofits throughout the country, for which any one of these issues can present a threat to the success of the project. The benefit, therefore, in this project is that a proposal will be developed to cater for each issue. The chosen building is not a 'clean' slate but has a number of difficulties which are frequently associated with retrofit making it an ideal opportunity.

3. THE SYSTEM

3.1 The following challenges have been identified and will be addressed as part of the retrofit:

- With the events of the Grenfell Tower fire, moving away from any combustible materials is a must for any retrofit system.
- The retrofit needs to create a 300mm void around the existing structure, be lightweight but strong enough to enable fixing of the cladding finish.
- Speed of delivery needs to be achieved.

3.2 The system, options for consideration and solutions have been developed by Beattie Passive and are attached as appendix 3 of this report.

4. FINANCIAL IMPLICATIONS

4.1 As a development scheme this project would be fully funded through BEIS and Beattie Passive, the Council are providing authority for works to be undertaken on the Community Housing asset identified in the report, at no cost to Great Yarmouth Borough Council. As part of the project GYBC will approve access to the asset for monitoring purposed to assist in reducing the longer term costs and time of delivery to increase the potential for rollout across a wider section of the country.

4.2 From a Great Yarmouth perspective by undertaking this project we would need to identify if this system provides a wider solution as a retrofit across a number of assets within the Community Housing Stock. The cost and solution will be essential to model as part of this delivery for any future options. The system will not provide additional properties but may offer a solution to extending the efficiency and increasing the life of properties.

4.3 The system is installed with tenants in occupation and therefore relocation costs associated with decanting for whole house refurbishment are removed by this type of retrofit.

4.4 Further consideration will need to be given to heating refurbishments to further enhance the model as heating changes are excluded from the retrofit but these can be considered as part of the Capital replacement programme and do not need to be undertaken at the time of the retrofit works.

4.5 Internal works are not included as part of this project and therefore any bathroom or kitchen replacements will continue to be programmed as part of the Capital Programme.

5. RISK IMPLICATIONS

5.1 The proposal for the retrofit of 6 flats at 89-90 Middlegate is fully funded however there is a risk that following the initial project costs are still such that a wider rollout of the retrofit is not feasible or cost-effective leaving this as the only block within the Borough of this type.

5.2 That design developments in relation to some of the challenges identified above result in tenants needing to be relocated during the works. This would need to be explained carefully to the tenants at the commencement of the project to ensure they are aware that this is a development project.

6. CONCLUSIONS

6.1 It is important to consider the final block aesthetics, maintenance and safety. Attached appendix 4 is a computer-generated image (CGI) of both before and after the retrofit. A number of the individual components, as examples; final roof finish, external cladding, use of sprinkler system, will continue to be developed during this project to identify the most appropriate product for the location which delivers the required efficiency and safety to best develop the process.

6.2 The residents should realise significant savings in energy bills, monitoring of this following the retrofit will form part of the monitoring.

6.3 The retrofit will provide a mechanical ventilation and heat recovery system (MVHR) filtering air by bringing fresh filtered air into the home and removing stale air offering the potential to improve respiratory issues.

6.4 The retrofit will see triple glazed windows installed as standard.

6.5 A full fact sheet in relation to the Beattie Passive TCosy system is included as appendix 5.

6.6 Some of the next steps in relation to this project following approval will include:

- Submission in relation to planning and building control.
- Engagement with tenants
- Installation of monitoring devices within the block to record current levels
- Further development of the areas of challenge identified in this report
- Timeline for retrofit and commencement on site
- Installation of system
- Continued monitoring of completed project to identify benefits

6.7 Should this project be approved work is timetabled to commence in the Spring.

7. RECOMMENDATIONS

7.1 To grant permission for Beattie Passive to undertaken the retrofit of the TCosy Passivhaus System to the Middlegate block numbered 89-90 consisting of 6 flats, at nil cost to the Council.

Area for consideration	Comment
Monitoring Officer Consultation:	
Section 151 Officer Consultation:	Included
Existing Council Policies:	
Financial Implications (including VAT and tax):	Considered
Legal Implications (including human rights):	None
Risk Implications:	Considered
Equality Issues/EQIA assessment:	Nonepp
Crime & Disorder:	None
Every Child Matters:	None

Offsite Retrofit Project Birmingham



Description:

As one of the partners of the Innovate UK initiative for 'Scaling up retrofit of the nation's homes, were asked to retrofit two semi-detached houses to EnerPHit performance standards.

Using the innovative offsite TCosy™ system, two of **Birmingham City Council's** semi-detached homes were quickly and easily retrofitted, lifting the performance of the houses, reducing energy bills and making the homes a more comfortable and healthier environment for the residents to live in.

The TCosy™ project delivered the following benefits for the council and their tenants:

- **2 houses retrofitted to Passivhaus standard** – TCosy™ achieves Passivhaus standards of build and incorporates Passivhaus Certified windows and doors and a Mechanical Heat Recovery and Ventilation system. This delivers a high performance, high quality home
- **Fast build** - the Passive Panel system was manufactured offsite and installed onsite in a few weeks
- **Limited disturbance** - residents remained in their homes for the duration of the retrofit
- **Lifting tenants out of fuel poverty** - reduced heating requirements and energy bills by up to 85%
- **Created healthier, more comfortable** homes to live in
- **A new look home** - we worked with the council to provide a new external façade. Birmingham City Council were keen that the newly retrofitted properties blended in with the other houses in the cul-de-sac
- **Regular engagement with the tenants** to ensure they understood the process and benefits of the Retrofit
- **Increased Asset Value** of the housing stock



Thermal image of the building prior to work commencement, bright colours indicate high heat losses from central heating radiators

“Following on from the initial selection process for the two houses to be retrofitted by the Beattie Passive TCosy™ system, we will be carrying out evaluations to monitor the buildings from both the council's perspective as well as the tenants'. We can see the benefit and are fully on board with the reasons to encase or 'TCosy' a property as this reduces our building repair commitment due to a brand new exterior and changes such as removing gas fires eliminates the need and cost of annual gas checks. This system does also address our social responsibility commitments when targeting fuel poverty, which remains a major issue affecting tenants in our region.”

Joe Muxlow - Contract Team Manager

Interview with Birmingham City Council's Residents

The residents share their thoughts and views on the process of their newly retrofitted homes

Elisabete - Gressel Lane Resident

1. What was your perception of your house prior to the Retrofit.

Before the retrofit my house was cold all the time, even with the heating on and we did not feel very comfortable living here in the winter.

2. What was your perception of your house after the Retrofit?

We now have a very nice atmosphere in our house. We don't need to have the heating on all the time and only need to switch the heating on once a day if it is very cold outside.

3. How would you rate the overall performance of the house including comfort and energy?

The overall performance after the retrofit is excellent. The house is really warm and quiet as we don't hear noise from planes anymore (house is under the flight path). We sleep very well nowadays and feel very comfortable. With the MVHR we have fresh air all the time and there are no bad smells or mold. I can't ask for more, well done good work!

4. How did you feel living in the house when the retrofit was in progress?

I felt very comfortable as I was in my own home and didn't have to move somewhere else during the project. I didn't have any disruption from the workmen, I was out during the day most of the time and didn't experience anything bad.

5. What do you think the best thing is about the retrofit?

Having a warm house and reduced energy bills is the best thing about this project. Energy is now not lost from the building and I have started to save money already, which is very important to us. Also the fact that we essentially have a new house with a new door, triple glazing, new roof and new walls. There are many good things that have happened to us. Thank you for the opportunity, there are so many changes for the better.

6. What do you think is the worst thing about this retrofit?

Nothing. Only minor things like the dust.

7. Are there any matters you wish to tell us about?

I don't have any problems, thank you very much for letting us be a part of this project. I am so grateful for everything that has been done. I am happy to live here now.

Catherine – Gressel Lane Resident

1. What was your perception of your house prior to the Retrofit?

We used to be very cold and use the heating a lot, the heating didn't stay in the house for very long. To keep warm, we would often spend most of our time in the living room with blankets. Now it feels warmer. It is nice.

2. What was your perception of your house after the Retrofit?

Now we don't use very much heating and the rooms stay warmer for longer. We used to top up the gas all the time. Now we don't need to. It feels good and we are very happy with the house.

3. How would you rate the overall performance of the house including comfort and energy?

All good! Before the retrofit some of the rooms felt colder than others, now we have a nice temperature throughout the house.

4. How did you feel living in the house when the retrofit was in progress?

It was ok, the workmen were nice and very helpful throughout the process.

5. What do you think the best thing is about the retrofit?

I think the best things is that the house now looks really good outside and it is warmer.

6. What do you think is the worst thing about this retrofit?

I can not think of anything.



Gressel Lane Residents



Case Study

Retrofit for Social Housing – Solihull, Birmingham



Beattie Passive has delivered an innovative project for Solihull Community Housing in the Midlands using its patented Retrofit solution TCosy™ which provides a fast, low cost and highly replicable solution for a wide range of buildings. The TCosy™ dramatically reduces energy requirements, creates a healthier living environment and can be delivered whilst residents remain in their home.

The project partners are:

- **Beattie Passive** - inventors of the patented TCosy™ Retrofit build system. Designed, manufactured and delivered the retrofit.
- **Encraft**: energy consultants and Passivhaus designers, who were the innovative lead partner.
- **Coventry University**: for tenant involvement and assessment
- **Solihull Community Housing**: a subsidiary of Solihull Metropolitan Borough Council, who own the block of 6 flats to be retrofitted.

The project had a three stage approach:

1. Analysis of tenant energy usage pre-retrofit
2. Retrofit of apartments block containing 6 flats
3. Analysis of tenant energy usage post-retrofit

Technical Specification:

Wall U value:	0.099 W/m ² k
Roof U value:	0.1 W/m ² k
Perimeter Floor U value:	0.43 W/m ² k
Air Tightness:	0.93 ³ /hm ² @50pa



“We’ve enjoyed working with Beattie Passive and seen with great interest the impressive transformation of these six flats. We are looking forward to the feedback from our tenants and seeing the impact of their new super insulated homes”

**Mark Pinnell, Head of Asset Management
Solihull Community Housing**



Retrofit Stages using TCosy™:

- **Contractor completes Retrofit:** Beattie Passive certified contractors manufacture and erect the TCosy™ system, fit passive standard windows and doors, install MVHR and fit external finish
- **On-site compliance checks:** Every Retrofit is tested at structural completion including structural compliance, thermal continuity testing and air testing
- **Beattie Passive Certification:** Beattie Passive undertake detailed checks to ensure the retrofit is delivered as designed
- **Completed Retrofit:** Delivering a new energy efficient, healthier, more comfortable home.



Project Benefits:



There was minimal disruption to residents as they remained in their homes for the duration of the retrofit process.



Energy bills will be dramatically reduced (anticipated 84% reduction from £1,064 per flat to £166 per year) and residents will also benefit from an enhanced and healthier living environment.



The project is estimated to deliver CO₂ savings, typically in the range 2-4t CO₂ per year per dwelling. On realistic assumptions of rapid scale up to 1000-5000 properties a year, will contribute up to 20,000t CO₂ savings a year to the national effort to reduce CO₂ emissions.



The approach provided training and labour opportunities which is hoped to have a positive impact on social inclusion and long-term economic benefits for local communities. The Jericho Foundation manufactured the TCosy™ structure, developing the skill and experience of the trainees.



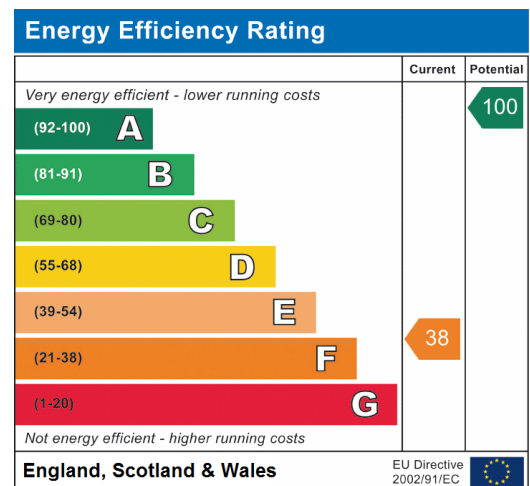
The project developed models for best practice in tenant and community engagement, ongoing liaison and feedback loops which ensure energy use is optimised but also ensures tenants and communities are happy with the outcomes of the project.

"What every retrofit project needs is a low risk, whole building approach, capable of delivering superior thermal protection and air tightness, as well as fit for purpose heat recovery ventilation. Beattie Passive's TCosy™ does all of this and more."

Helen Brown: Head of Building Physics, Encraft

For more information on TCosy™ for the Retrofit market, visit www.beattiepassiveretrofit.com

Retrofit Customer Journey



Feedback from the residents

"We are very pleased with the work that has been done. We have noticed that there are no draughts around the windows anymore and our whole flat feels much warmer. We certainly don't put our heating on as often as we did before the work was done. The MVHR system has made a real difference to the quality of the air, especially the boost button which gets rid of stale air ever so quickly, especially after smoking"

Mr & Mrs Dooley

"It has made an incredible difference. I have only had to switch my heating on twice so far since the work was completed a few months ago. Even today (29/11/16) which is really cold (less than 5°C) I haven't had to put the heating on. I budget for my energy costs and usually put £10 credit on each time. This is now lasting a lot longer than it was before we had the work done and I am even building up credit on my account"

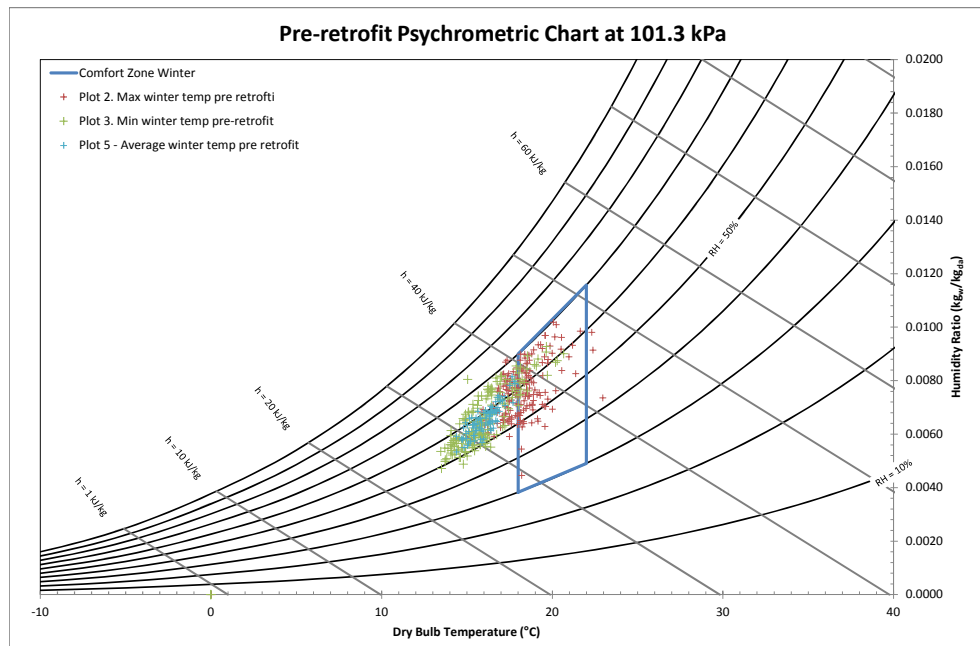
Miss Freeman

Winter Comfort Levels pre and post Retrofit

These graphs demonstrate the considerable improvement in the indoor comfort levels for residents following the retrofit.

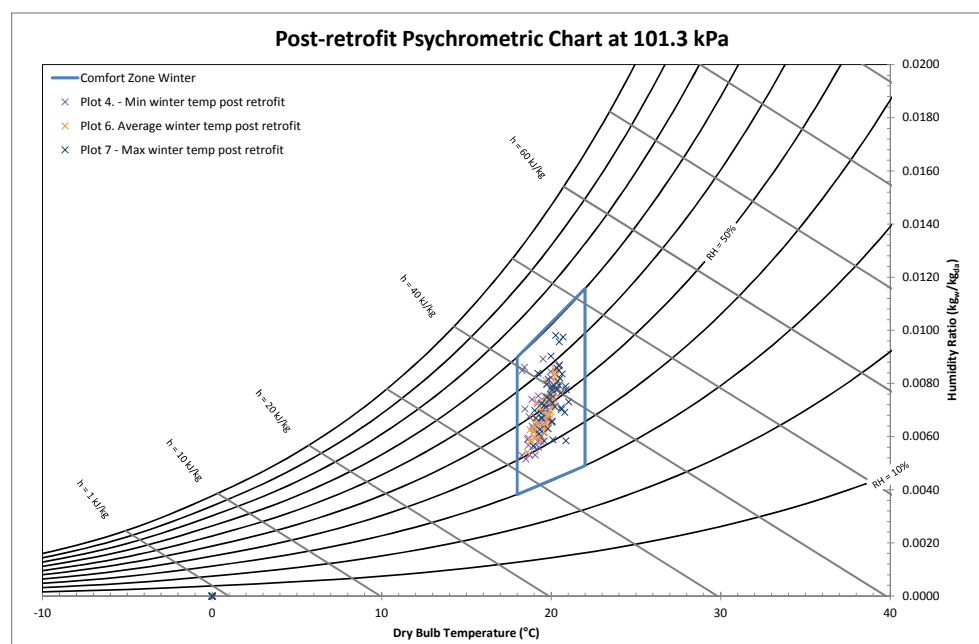
Comfort Level Pre-Retrofit:

Prior to the retrofit the graph shows that the majority of the minimum and maximum winter temperatures were below the comfort zone.



Comfort Level Post-Retrofit:

After the retrofit the graph shows that all of the minimum and maximum winter temperatures were within the comfort zone.



BEIS Retrofit Project
Thermal Efficiency Innovation Fund – Gt Yarmouth Retrofit

TCosy™ Retrofit Overview



King Street – Flats 89, 89a, 89b, 90, 90a and 90b

Support System

The following challenges need to be overcome:

- With the tragic events of the Grenfell Tower fire, moving away from any combustible materials is a must for any retrofit system.
- The new support systems needs to be able to create a 300mm void around the existing structure whilst being lightweight but strong enough to enable the fixing of the cladding finish.
- Speed of erection needs to be achieved, and adjustment of different levels and planes needs to be accommodated.

System options

Through extensive research and development, we have looked at many different cladding support systems to understand the best system that meets these requirements. We believe that the Nvelope N1, which incorporates thermal isolators to the wall bracket currently is the closest product to be developed. The product will be thermally modelled, along with our other components, and the identification of any thermal shortcomings reviewed and further development of the system proposed. This will be augmented within the overall Passive House Planning Package (PHPP) to give the performance design of the complete retrofit.

The Nvelope N1 system has adjustment of 40mm on the vertical plane and horizontal plane to align for wall finishes, meeting the need of adjustment to compensate for unevenness in the facades of older buildings. Additionally, the brackets and rails are aluminium which is lightweight and with a tensile strength of 36 N/mm², which should make it suitable structurally although thermally poor. The thermal isolator and other products need to be evaluated further.

Once the external finish has been designed, structural calculations will need to be completed to establish design loadings, wind and point loads. These will need to be proven for any situation where this system is likely to be used.

APPENDIX 3

Airtightness Layer

It is proposed that the airtightness layer within the new system is located on the existing buildings external surface but on the internal side of the retrofit system. It is to be vapour permeable to ensure the free passage of moisture vapour. This combined with an external wind tight layer, ensures low thermal bypass in the insulation zone and achieves an airtightness of 0.1 ach^{-1} @50Pa or better. This airtightness layer will need to be securely fixed to the building's facade to prevent any flapping and noise whilst the external cladding is being fitted.

When considering what product to use for the internal airtightness layer, it's important to consider its durability with regards to fire and life cycle.

There are four potential products that could be considered suitable:

- Wraptight Red external air tightness membrane: this product is self-adhesive and could be secured back to the brickwork. However, this is a very expensive product.
- Wraptight Yellow: this is a possibility, but we need to test this product further to understand whether the membrane can adhere to brick and rendered surfaces.
- Pro Clima DA Weather Resistant external membrane: has an adhesive lap of 150mm on bottom of roll which would help with fixing in windy conditions but we would need to find a way to fix the full membrane permanently to the building.
- A recent innovation the UK industry is a spray-on airtight membrane which is currently being evaluated for robustness and cost of installation. Practically it could alleviate some of the issues identified above.

Insulation

It is vital that the insulation used is fire and water repellent plus also has very high insulating properties.

- Ecobead: has the required water repellent and thermal properties. It is a tried and tested product. We are looking at upgrading the fire properties by adding a liquid to the bead material. We are considering the use of a new liquid fire retardant product, not yet available on the market and is currently being patented.
- Rockwool EnergySaver[®] cavity fill insulation: has the correct fire requirement but is not water repellent. This will mean that the insulation will sag and lose its insulation properties if it becomes wet. Work will need to be done to see if the repellent properties can be enhanced.
- Vermiculite: has good fire and thermal properties and could be used as a fire break between floors, this product will need to be tested for the effect of water on the material and whether it retains its fire and thermal properties.

Fire stops

We need to research and test expanding fire stops that allow the passage of water. There is a potential to have expanding plastic covered pouches between floors that will only expand when heated and will not impede the flow of water.

Fire Sprinkling System

The initial idea is to incorporate an external fire sprinkler system into the insulated 300mm void. This could allow the fire brigade to extinguish any fire that was rising externally within the fire protected area. This could involve a simple ring main pipe system with floor by floor isolation valves to be able to isolate as appropriate. Water flow levels would not need to be high but enough to suppress the rise of the fire within the void. This will need to be tested to work out an appropriate flow rate. Work will also be done with fire consultants and fire brigade to design the levels of suppression required at different heights of building. Collection and water disposal at foundation level and thermal compliance around external water levels will need to be ascertained and a rapid over flow system built into the existing drainage.

APPENDIX 3

External Cladding Finish

External cladding will need to be light weight prefinished boards which are supported from the fire proof wall board with thermal battens. These boards will need to be a class A fire rated product which is cut and manufactured offsite. A design requirement is that these boards will need to be attached quickly without full scaffolding.

Potential cladding finishes include:

- Equitone Natura By Marley Eternit
- Rock Panel
- Steni Board

Mechanical Ventilation Heat Recovery (MVHR) Integrations

MVHR will need to be provided for each property separately, this will need to meet the Passivhaus criteria for MVHR and be designed in accordance with both this and the current building regulations. Above all it must operate below audible threshold whilst maintaining the indoor environment.

Current design practice uses small bore 75mm flexible pipe system with little or no joints encapsulated in the insulation and providing supply and extract air for each dwelling. This, however, results in significant ductwork within the new insulation void reducing the impact of the overall insulation and as such other innovative products or new products will need to be reviewed.

Each MVHR unit will need to be externally housed so maintenance can be carried out without entering the properties. Each unit will be fitted with boost buttons inside the home to enable residents to purge ventilate when necessary.

Roof System Structural Components

The roof option will require light weight structural trusses to be fixed over the existing roof timbers to form the 300mm void. Weather tightness and offsite manufacture with easy fast fixing to existing structure is essential. Scaffolding may be required at eaves level and will be completed with single finish materials, such as prefinished roofing sheets with tile formats or flat sheet would be most suitable.

The airtightness membrane may be the same material as used on the walls but, nevertheless, will need to deliver the same results.

The use of EasiJoists will allow insulation to flow through the void, as well as the additional benefit of being both strong and lightweight. Aluminium brackets and rails fixed off the existing structure will create the 300mm void over the roof.

Bargeboards and Gutters

Bargeboards and gutters will be externally fitted to the back of the Magply boarding to form overhangs of 600mm minimum outside the thermal and fire zone.

Windows and doors

Windows will be Passivhaus standard, high-performance and triple-glazed. These must achieve a very good air tightness. They are potentially a high cost item and therefore finding an affordable, reliable retailer is essential.

APPENDIX 3

Doors will be of the highest thermal and air tightness standard available. Front doors will need to be secure first and foremost, and therefore we will work with the Council's suppliers to make sure these meet the highest performance.

Information required for handover

Handover documentation and training may need to be developed and will need to cover at least the following items;

Heating: The heating system is not part of the retrofit, however the heating systems needs to be able to modulate efficiently down to the much lower outputs that will be required once the retrofit is completed. A survey of the current heating system (controls, distribution, boilers etc.) will need to be completed for each flat. This will inform the specification for upgrade or replacement that may be completed at a later date.

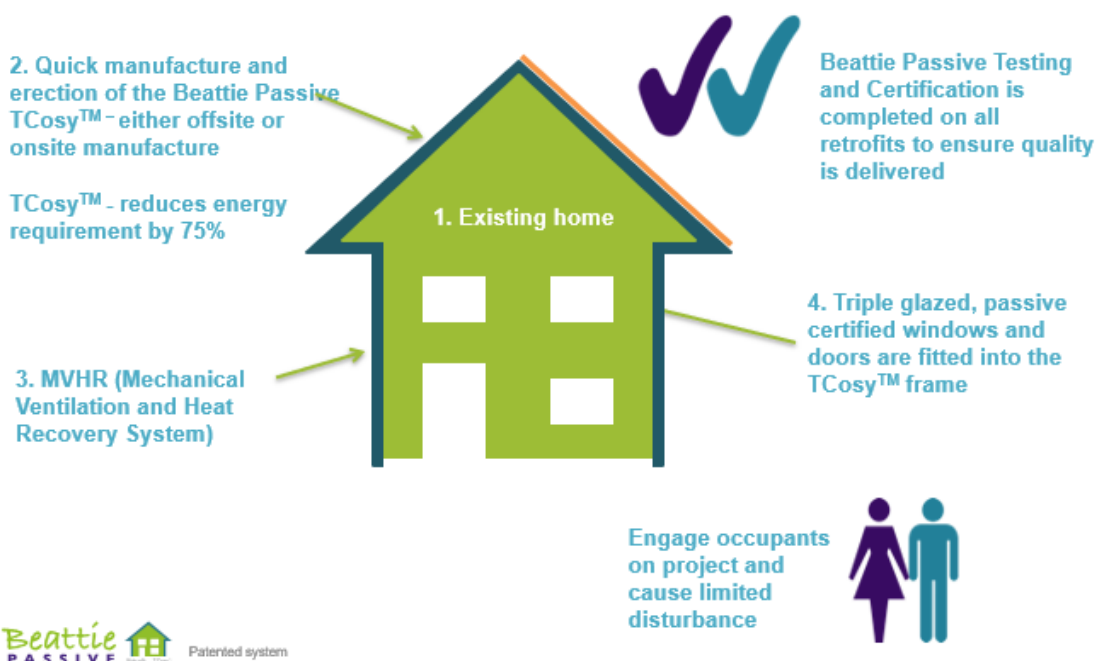
Ventilation: The residents will not be familiar with living with an MVHR system and will therefore need training and information on how they work and window opening. The landlords will also require maintenance information regarding the MVHR system.



What does the Beattie Passive TCosy™ do?

The Beattie Passive TCosy™ involves increasing the energy efficiency of existing buildings with the aim to help households save money on their bills, reduce their emissions, and make their homes warmer and more pleasant places to live.

The TCosy™ product takes existing buildings and wraps around a highly insulated frame (“tea cosyng” the existing property).



What is the Beattie Passive system?

The Beattie Passive system is a super-insulated structure that incorporates a unique and patented construction method that provides a continuous insulated seal around the core of a structure.

Beattie Passive has built over 150 Passivhaus new homes and retrofits of existing homes across the UK.



What are the main benefits of the Beattie Passive TCozy™ system?



You can **stay in your home** for the duration of the Retrofit

The Retrofit can easily be manufactured and erected whilst you remain in the comfort of your home. This means you do not need to move out of your home for any period of time and can continue with your daily life as normal. The contractors will only need to enter your home on a select number of days to change the windows (to Passive quality triple glazed windows) and to secure the entry / exit holes for the Mechanical Ventilation and Heat Recovery system. You will be informed of all requests for entry in advance and made aware of the dates and times.



Your home will be **more energy efficient** and your **energy bills may be less**

Your new home will be significantly more energy efficient. If you use your new home properly then the retrofit is expected to reduce your heating bills. Guidance on this will be provided nearing completion of the Retrofit.



Your home will be **healthier to live in**

Not only will your home feel warmer in winter, it will also be healthier. The Mechanical Ventilation and Heat Recovery System that will be installed in the TCozy™ brings fresh filtered air into your home and takes the exhaust air (old, stale air) out. The positive mechanical ventilation means any respiratory issues, e.g. Asthma, related to poor air quality will be greatly reduced from air borne pollutants such as Smoke, CO₂, Mould, and Humidity. It also means you will not be breathing in as much pollution fumes and other airborne pollutants (e.g. pollen that causes hay fever) when you open the windows as they will be extracted out as well.



Your home will feel **more comfortable** to live in

The TCozy™ will enable your home to keep a consistent air temperature – no more drafts from gaps around your windows or vents. The design of the buildings aim to provide the optimum comfort for living – warm rooms in winter with no drafts and cool rooms in summer that do not overheat.



You will have a **new look home**

We are totally transforming the look of your home. Beattie Passive have designed a new look that brings these flats into the 21st Century. This is an exciting opportunity to give your home an external facelift.



New **triple glazed windows**

All your windows will be replaced with triple glazed Passive Certified windows – these will provide you with the optimum performance – no drafts and can be easily opened.



Reducing you **carbon footprint**

The TCosy™ combined with Mechanical Ventilation and Heat Recovery will reduce the carbon footprint of the flats.

Retrofit Process



Future vision for 89/90 King St

Subject: GYNorse Annual Report 2017/18
Report to: Management Team – 18th February 2019
Housing and Neighbourhoods – 28th February 2019
Report by: Head of Property and Asset Management

SUBJECT MATTER/RECOMMENDATIONS

Attached is the completed GYNorse Annual Report for 2017/18. The Annual Plan is produced as a requirement of the Joint Venture. The Committee is asked to receive the report and note the contents.

1. BACKGROUND

GY Norse as the Council Joint Venture partner completes an annual report outlining performance, development and delivery over the previous year, this is broken down into the following five areas:

- People
- Operations
- Customer
- Finance
- Strategy

1.2 A link to the Annual Report is attached for reference.

1.3 The Annual Report would normally be presented to Committee during the second quarter of the following year however it is later than anticipated as a result of prioritisation of the procurement of Planned and Capital Programme and structure changes within the GYN team.

2. CURRENT POSITION

2.1 The Joint Venture is now in the 5th year of operation and as can be seen from the 2017/18 report improvements continue to be made on the previous year.

2.2 Key performance indicators are measured throughout the operational year and although the 2017/18 report indicates improvement we can already see for the 2018/19 year a further improved position can be reported.

2.3 Areas of focus for the Joint Venture remain around value for money, customer service, improving the standard and condition of the assets and moving to new and improved way of working to reduce costs and improve efficiencies.

2.4 Work is ongoing through a joint Improvement Working Group to improve Strategic and Operational issues in the Joint Venture

2.5 The Annual Report for 2018/19 is proposed for submission to the Housing and Neighbourhoods Committee in September 2019.

3. **FINANCIAL IMPLICATIONS**

- 3.1 Included within the Annual Report for the 2017/18 year. It should be noted that detailed monitoring is undertaken through joint Officer meetings which review, monitor and challenge all costs prior to approval on a monthly basis.

4. **RISK IMPLICATIONS**

- 4.1 Delivery in relation to the increased Planned and Capital programme remains a high priority for the Joint Venture. The delivery of this programme will see the Council Housing Asset portfolio improve leading to reduced future costs of day to day maintenance.

5. **RECOMMENDATIONS**

To receive and accept the GYNorse 2017/18 Annual Report.

Area for consideration	Comment
Monitoring Officer Consultation:	N/A
Section 151 Officer Consultation:	N/A
Existing Council Policies:	
Financial Implications (including VAT and tax):	Considered
Legal Implications (including human rights):	None
Risk Implications:	Considered
Equality Issues/EQIA assessment:	None
Crime & Disorder:	None
Every Child Matters:	None

Subject: HOUSING & NEIGHBOURHOODS PERFORMANCE REPORT
Quarter 3 2018/19

Report to: Housing & Neighbourhoods Committee 28 February 2019

Report by: Trevor Chaplin, Housing Transformation Manager

SUBJECT MATTER/RECOMMENDATIONS

**This report provides performance data from the Housing Department for
Quarter 3 of 2018 – 19**

Housing & Neighbourhoods Committee are requested to note this report

1. INTRODUCTION/BACKGROUND

- 1.1 A report on key performance indicators (KPI's) will be provided to the Housing & Neighbourhoods Committee each quarter.

2.0 PERFORMANCE INDICATORS

- 2.1 The indicators reported to committee are those where targets are set and performance can be measured against.

3.0 INDICATORS TO NOTE

3.1 HN04: Average cost of a Void repair (Quarterly Cumulative)

The increase for this quarter is as a result of a number of issues, there have been a reduced number of voids undertaken in addition to annual leave in the voids team which has resulted in an increased average cost for December. Although costs for both October and November individually remained around the £2,800 cost, the in-month cost for December increased impacting the year to date costs. In addition to provide a comprehensive comparison of costs all void work now incorporates all costs including asbestos management or removal as part of the void works. It is therefore difficult to compare current void costs with those for the same period in 2017/18.

HN09: Number of Disabled Facilities Grant (DFGs) Numbers of calendar days from initial request to works complete.

Performance has improved this quarter from the last quarter however it remains below target. There continues to be delays with two areas of the process:-
(i) the Occupational Therapist assessment and the recommendation for works and
(ii) the technical officer availability.

There continues to be a 0.4 fte vacancy for an Occupational Therapist within the team and Norfolk County Council is currently running a recruitment process. The technical officer resource is being monitored with caseloads being kept under review to determine whether the level of resource available needs to be re-evaluated.

4.0 FINANCIAL IMPLICATIONS

None

5.0 RISK IMPLICATIONS

None

6.0 CONCLUSIONS

None

7.0 RECOMMENDATIONS

That the Housing & Neighbourhoods Committee note this report.

8.0 BACKGROUND PAPERS

Performance data attached.

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	N/A
Section 151 Officer Consultation:	N/A
Existing Council Policies:	N/A
Financial Implications:	N/A
Legal Implications (including human rights):	N/A
Risk Implications:	N/A
Equality Issues/EQIA	N/A

assessment:	
Crime & Disorder:	N/A
Every Child Matters:	N/A








PERFORMANCE INDICATORS – SUMMARY REPORT QUARTER 3 (Oct – Dec) 2018/19

HOUSING AND NEIGHBOURHOODS COMMITTEE

[illegible]

Measure	Previous Quarter	This Quarter	Target	Qtr 3 2017/18	Status	Trend	
						Last Period	Last Year
HN05: Percentage of residents very or fairly satisfied with the repairs service they received (Quarterly Cumulative)	98%	98.03%	95%	New measure	G	↑	N/A
HN06: Time taken for GYNurse to complete standard voids (Quarterly Cumulative)	9.4 days	7.1 days	10 days	*New measure	G	↑	↑
Note: *During 2017/18 the information for this measure was collected in a totally different way, so it is not possible to compare current performance against those for the same period in 2017/18.							
HN07: Time taken for GYNurse to complete all voids (Quarterly Cumulative)	27.1 days	28.0 days	24.54 days	*New measure	A	↓	N/A
Note: The GYN Improvement Plan identifies voids as an area of continued focus both in terms of cost and delivery timescales this is being addressed through continuing discussions regarding resource allocation, method and delivery and ensuring that the voids standard is agreed and widely understood.							
HN08: Time taken for Housing Options to match property (Quarterly Cumulative)	2 days	-2 days	14 days	17 days	G	↑	↑
Note: As Council tenants normally have to give four weeks' notice it is possible that the Housing Options team can match a new tenant to the property before the current tenant moves out.							
HN09: Number of Disabled Facilities Grant (DFGs) Numbers of calendar days from initial request to works complete (Quarterly Cumulative)	309 days	280 days	240 days	New measure	R	↑	N/A
Commentary: Performance has improved this quarter from the last quarter however it remains below target. There continues to be delays with two areas of the process:- (i) the Occupational Therapist assessment and the recommendation for works and (ii) the technical officer availability. There continues to be a 0.4 fte vacancy for an Occupational Therapist within the team and Norfolk County Council is currently running a recruitment process. The technical officer resource is being monitored with caseloads being kept under review to determine whether the level of resource available needs to be re-evaluated.							
HN10: Wherry Way Control Centre call handling: a) Alarm Calls answered within 30 seconds b) Alarm Calls answered within 60 seconds (Quarterly Cumulative)	87.56%	86.99%	80%	84.95%	G	↓	↑
	94.06%	94.12%	98%	93.53%	A	↑	↑

Measure	Previous Quarter	This Quarter	Target	Qtr 3 2017/18	Status	Trend	
						Last Period	Last Year
HN11: Neighbourhoods That Work programme					A		
a) Number of self-help resident led community groups supported to develop.	12	16	14	4		N/A	↓
b) Number of residents who have overcome issues preventing them from getting and holding down a job, resulting in them sustaining employment.	28	33	30	5		N/A	↑
c) Number of residents with complex needs supported to overcome at least one personal challenge. (Quarterly Cumulative)	41	56	20	15		N/A	↑

Key	
Status	
	Current performance has met or exceeded target/ has met or exceeded trend
	Current performance is below target but within tolerance/ is below trend but within tolerance
	Current performance is below target and tolerance/ is below trend and tolerance
	Contextual information only
Trend	
	Performance for quarter is improving (up) or deteriorating (down) compared to previous quarter.
	Performance for period (quarter) is improving (up) or deteriorating (down) compared to same quarter last year.
	Performance for quarter is showing improvement (up) or deterioration (down) compared to same quarter last year for measures that are for contextual information.

Key:

NA = No target set, contextual information only

N/A = Not available/not applicable

Subject: 2018/19 Period 10 Housing Revenue Account Budget Monitoring Report

Report to: 04/03/19 ELT
Housing and Neighbourhoods Committee

Report by: HRA Service Accountant

SUBJECT MATTER/RECOMMENDATIONS

To consider the 2018/19 Housing revenue budget monitoring position as at the end of period 10.

1. Introduction

- 1.1. There is a statutory requirement to maintain a Housing Revenue Account (HRA) and that account must not show a deficit. The HRA is a separate (ring fenced) account of the Council covering income and expenditure relating to its role as landlord. Under the self-financing arrangements for local authorities, the HRA records the costs of management and maintenance of the Council's dwellings and the related income from rents and other charges. The Government provides guidance on what should be included in the HRA to protect Council tenants.
- 1.2. Although there is not a requirement for a similar separation of capital expenditure, the capital programme as it relates to the HRA is separately monitored. This report outlines the estimated forecasts for the full financial year 2018/19 as well as showing the position of the HRA as at the end of period 10.
- 1.3. The regular review and monthly monitoring of the HRA budgets provides a sound basis for the preparation of estimates for 2019/20 and of the 30 year Business Plan.

2. Budget Monitoring summary Period 10 (April – January 2019)

- 2.1. For budget monitoring purposes, the actual expenditure and income to the end of period 10 is compared to the profiled budgets for the same period. Key variations are identified and explained within Appendix 1, HRA Income and Expenditure 2018/19 and Appendix 2, HRA Capital programme expenditure.
- 2.2. The Housing Revenue Account currently has a revised 2018/19 forecast deficit of £0.031m, from an originally budgeted forecast deficit of £1.637m, resulting in a favorable movement of £1.606m.

- 2.3. The reduction in the forecast deficit is largely due to capital variances following procurement programming delays, sourcing of materials, tenant refusals and an increase in capital receipts to finance the capital programme in year.
- 2.4. Kitchen and bathroom improvements have been delayed by extended procurement timescales at the beginning of the year. Great Yarmouth Norse have provided the council with a reasonable assurance that both the kitchen and bathroom programmes will reach the number of replacements programmed for 2018/19, by the end of the financial year.
- 2.5. Windows and doors activity has been delayed due to sourcing fire door replacements to meet the relevant standards required. Works are due to increase within Quarter four, although works programmed within communal areas and blocks are currently on hold until formal notification is received regarding the required specification of the doors. Any remaining budget will be carried forward into 2019/20.
- 2.6. Within planned maintenance works, rewires have seen a high number of tenant refusals, which have delayed programmed works year to date. Tenant adaptations are underspent following delayed contractor site starts, although programme works are expected to reach budget allocation by the end of the financial year.
- 2.7. Whole house and empty property programmes have experienced delays due to additional time being required to individually prepare and tender each project, ensuring that the best standard of works are delivered and competitive prices are achieved.
- 2.8. An increase in Right to buy sales within the year has increased the readily available capital receipts that could be used to fund the current years major capital works programme. Due to an increased number of capital receipts being available, the contribution from revenue to capital has been partly reduced from £4.018m to £2.243m.
- 2.9. The original forecast for 2018/19 was 30 RTB sales, the actual completed sales by the end of Quarter three is 34. The full year forecast is projecting 42 sales by 31st March 2019.

3. Forecasts for 2018/19

- 3.1. To prepare updated yearend forecasts a detailed analysis has been undertaken of year to date actual figures, known variations (as indicated in the budget monitoring analysis) and planned changes identified by the monitoring work. The latest forecasts are set out below; table 3 shows the HRA Income and Expenditure forecast and table 4 shows the HRA Capital Programme and planned financing of that programme.

Table 3 - HRA Income and Expenditure Forecast 2018/19

	Original Budget	Revised Budget Forecast	Variance
	£000	£000	£000
Dwelling Rents	(21,581)	(21,581)	0
Other non-dwelling rents	(249)	(249)	0
Charges for services and facilities	(1,339)	(1,339)	0
Interest & investment income	(5)	(5)	0
Income Total	(23,174)	(23,174)	0
Repairs & Maintenance	9,364	8,594	(770)
Supervision and Management	2,587	2,587	0
Supervision and Management (Staff Costs)	2,241	2,160	(81)
Rents Rates & Taxes	230	230	0
Capital expenditure funded by the HRA	4,018	3,243	(775)
Depreciation Non-Dwelling	137	137	0
Depreciation	3,252	3,252	0
HRA Interest Payable	2,643	2,643	0
Provision for bad and doubtful debts	150	150	0
Total Expenditure	24,622	22,996	(1,626)
Transfers (from)/to Earmarked Reserves	(160)	(160)	0
Leasehold Capital Contributions	(20)	0	20
Contribution to Pension Reserves	369	369	0
Deficit/(Surplus) for the year	1,637	31	(1,606)
Bfwd HRA Reserves Balance (01 Apr)	10,221	10,221	0
Deficit/(Surplus) for the year	1,637	31	(1,606)
Cfwd HRA Reserves Balance (31 Mar)	8,584	10,190	1,606

Table 4 – Summary of Capital Expenditure and Financing Forecast 2018/19

Capital programme	Original Budget	Revised budget forecast	Variance
	£000	£000	£000
Kitchens & Bathrooms	3,599	3,819	220
Windows & Doors	738	500	(238)
Energy & Efficiency	1,070	1,050	(20)
Estate Improvements	80	0	(80)
Neighbourhood Plans	1,562	1,062	(500)
New Affordable Housing	2,184	1,460	(724)
Planned Maintenance	876	826	(50)
Specific Plan Projects	285	91	(194)
Empty Properties	1,150	967	(183)
Total Expenditure	11,544	9,775	(1,769)
Borrowing	2,923	1,460	(1,463)
Capital Receipts	1,195	1,683	488
Depreciation	3,389	3,389	0
Revenue funding Capital	4,017	3,243	(774)
Leasehold Capital Contributions	20	0	(20)
Total Financing	11,544	9,775	1,769

- 3.2. The changes shown within the revised budget forecasts reflect programmed underspends for the year ended 2018/19. Budgets will be monitored throughout quarter four and final changes will be reflected within the HRA 2018/19 outturn report.
- 3.3. Table 4 displays a forecast variance of £1.8m for 2018/19. Underspends identified to be carried forward into 2019/20 will total £1.2m. A summary of the changes can be found in the table 5 below.

Table 5 – Forecasted Requests to Carry forward capital budgets into 2019/20

Project	Current budget 2019/20	C/Fwd Budget Amendment	Reason for change:	Financing from:
	£000	£000		
Windows & Doors Improvements	650	230	Windows and Doors underspend budget from 2018/19	HRA Revenue
Planned Maintenance	535	50	Planned Rewires underspend budget from 2018/19	HRA Revenue

Project	Current budget 2019/20	C/Fwd Budget Amendment	Reason for change:	Financing from:
	£000	£000		
Specific Planned Projects/Empty Properties	920	340	Long term void and Whole House Improvement underspend budget from 2018/19.	HRA Revenue
Estate Improvements	0	80	Sewerage scheme underspend from 2018/19	HRA Revenue
Neighbourhood Plans	2,106	500	Stair Enclosures, Neighborhood Plan and Roofing budgets underspend from 2018/19	HRA Revenue
Total		1,200		

4. Conclusion

- 4.1. The majority of the HRA revenue income & expenditure budgets are on track with some revenue and capital programmes looking to increase in the final quarter.
- 4.2. The budget variances identified are partly due to programmed delays but are expected to reduce with an increase to workflows during quarter 4. A reduction in capital programmed works have been identified within 2018/19. However, these are required to be carried forward into 2019/20 to meet the current and arising need of the HRA housing stock, as identified within the stock condition survey.

5. Financial implications and Risks.

- 5.1. The detail within the report highlights the significant variances for the year to date, including a full year impact to the HRA revenue and capital budgets.
- 5.2. The income and expenditure will continue to be monitored in detail during the year, including additional reviews of the HRA 30 year business plan throughout the year.
- 5.3. The HRA is dependent mainly on the rental income stream of the social housing rents, and we have a dedicated team monitoring tenant arrears on a regular basis.

6. Right To Buy (RTB) Summary 2018/19

- 6.1. Table 6 provides the number of the RTB sales made in quarter 3 against our original anticipated budgeted sales.
- 6.2. Monitoring will be undertaken to review sales anticipated for the full year. A further 7 sales are expected within quarter 4 projecting 42 completed sales by 31st March 2019.

Table 6 – RTB Sales 2018/19

	Original forecast Sales	Actual Sales
Qtr. 1	8	8
Qtr. 2	8	15
Qtr. 3	7	11
Qtr. 4	7	0
Total	30	34

7. RECOMMENDATIONS

- 7.1. To consider the 2018/19 Housing revenue budget monitoring position – Period 1 to 10 (April – January 2019) and the full forecast budgets for 2018/19.

8. BACKGROUND PAPERS

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	Sent for information
Section 151 Officer Consultation:	Sent awaiting approval
Existing Council Policies:	N/A
Financial Implications:	Included within detail of the report
Legal Implications (including human rights):	N/A
Risk Implications:	Included within detail of the report
Equality Issues/EQIA assessment:	N/A
Crime & Disorder:	N/A
Every Child Matters:	N/A

Appendix 1 - HRA Income and Expenditure 2018/19

	Profiled Budget to Period 10 £000	Expenditure to Period 10 £000	Variance £000	Comments
Dwelling Rents	(17,756)	(17,747)	9	No Significant Variance.
Other non-dwelling rents	(208)	(201)	7	No Significant Variance.
Charges for services and facilities	(1,119)	(1,128)	(9)	No Significant Variance.
Interest and investment income	(4)	0	4	No Significant Variance.
Income Total	(19,087)	(19,076)	11	
Repairs and Maintenance	7,430	7,150	(280)	GYN's Electrical Test & Inspect programme is underspent by £181k. Delays and access availability has reduced completions for the year to date. Neighbourhood planned works are underspent by £31k, this is due to a reduced programme being implemented so that capital programmes can be accelerated.
Supervision and Management (Staff Pay)	1,867	1,739	(128)	The underspend year to date is due to staff vacancies along with the housing management restructure.
Supervision and Management	646	629	(17)	Increased income received from RTB administration due to an increase in RTB sales.
Rents Rates and Taxes	179	192	13	No Significant Variance.
Depreciation Non-Dwelling	114	114	0	No Significant Variance.
Depreciation	2,710	2,710	0	No significant variances.
Capital expenditure funded by the HRA	1,717	245	(1,472)	Revenue funding capital is underspent due to increased capital receipts available from current year RTB sales. Delays within capital programmes mean that reduced revenue is required to fund the capital programme year to date.
HRA Interest Payable	2,188	2,158	(30)	Saving in year due to interest payments being less than budgeted due to lower rates.
Expenditure Total	16,851	14,937	1,914	

Appendix 2 – HRA Capital Expenditure 2018/19

Capital Programme	Profiled Budget to Period 10 £000	Expenditure to Period 10 £000	Variance £000	Comment
Improvement Programme Kitchen and Bathroom	2,171	2,006	(165)	Whilst kitchens and bathrooms are underspent to the end of period 10 following contractor delays, 224 Kitchens and 141 Bathrooms have been completed year to date. Workflows are forecast to accelerate in final quarter to meet the budget provision.
Improvement Programme Windows and Doors	350	2	(348)	Limited activity on the windows and doors programme has led to an underspend year to date of £348k. This is due to delays sourcing fire door replacements to meet the relevant standards required. Works are expected to increase within quarter 4 2018/19 but the majority of budget will be carried forward to 2019/20.
Planned Maintenance	590	459	(131)	Rewires are currently underspent with 77% being completed year to date. High levels of tenant refusals have delayed works. This budget is forecast to carry forward an underspend provision to 2019/20. Adaptations are underspent by £50k, due to a delay in contractor site starts, however works are expected to reach budget allocation.
Energy and Efficiency Improvements	871	866	(5)	Boiler replacements are ahead of schedule with 211 boiler installations being completed year to date. Inefficient heating replacements will be underspend in year, but this will be offset against an increase in the installation of air source heat pumps.
Specific Planned Projects	139	30	(109)	Whole house capital works have been delayed, with one dwelling being completed. Projects are individually prepared and tendered to receive the most competitive quotes for works. Underspent budgets are forecast to be carried forward to 2019/20.

Capital Programme	Profiled Budget to Period 10 £000	Expenditure to Period 10 £000	Variance £000	Comment
Empty Properties	800	754	(46)	Works have been mobilised, but no long-term void works have been completed year to date in 2018/19. Projects are individually prepared and tendered to receive the most competitive quotes for works. Forecast underspent budget is forecast to be carried forward to 2019/20.
Neighbourhood Plans	830	622	(208)	Works have focussed on the replacement of concrete canopies and external render works following replacement roofing. Works have been partly affected by the procurement to deliver works at a lower cost, along with the need to supply multiple quotes in line with the section 20 procedure for leaseholders before engaging. Underspent budgets are forecast to be carried forward to 2019/20.
New Affordable Housing	1,274	1,084	(190)	Six properties have been purchased from the open market year to date as part of the planned programme using retained receipts. Currently the 1-4-1 receipt commitments are in line with the retention requirement.
Total	7,025	5,823	(1,202)	

Subject: RNLI Lifeguard service

Report to: Housing & Neighbourhoods Committee – 14 March 2019

Report by: Neil Shaw, Strategic Director

RECOMMENDATIONS

- 1. That the council agree a new three-year contract with the RNLI for the provision of lifeguard services from the start of Spring 2019.**
- 2. That the council delegate authority to one of the council's Strategic Directors to develop and sign the contract for the lifeguard service.**
- 3. To seek agreement from the GYBS Company Board to reduce the GYBS joint venture budget by £46,500 and transfer this funding back to the council and update the GYBS Partnership Agreement to reflect the change of service provision in the joint venture.**

1. INTRODUCTION

- 1.1. The council currently funds a lifeguarding service for the beaches at Hemsby, Great Yarmouth and Gorleston provided by the RNLI. Currently the service is funded from the GYBS joint venture partnership budget and has been part of the joint venture since 2008.
- 1.2. This report is proposing that the council contract the service from the RNLI direct and this service is therefore removed from the GYBS joint venture. The new approach seeks to provide more clarity on service provision through the agreement of an updated contract with the RNLI, for the lifeguards to take on a wider role around promoting the borough and to achieve better value for money.

2. LIFEGUARD SERVICE PROVISION

- 2.1. The RNLI service to the borough currently covers the following activities:

- Recruitment of lifeguards
- Training
- Lifeguard patrolling and rescue
- Equipment provision and maintenance
- Incident report
- Pollution reporting
- Water safety education

The service is funded partly by the council and by the RNLI.

- 2.2. The service is provided on three beaches in the borough – Hemsby, Great Yarmouth and Gorleston. The service is provided during 'main' season (12 May – 6 July) and 'peak' season (7 July – 9 September). Main season provision is provided only at

Gorleston with two lifeguards and peak season provision takes place at all three beaches with three lifeguards present at Gorleston and Hemsby and two at Great Yarmouth. The dates of the service provision change marginally each year depending on the timing of bank holidays. The service is provided from 10:00 to 18:00 seven days per week. The main season provision at Gorleston enables promotion of a lifeguarded beach in the borough at times when beach visitors fluctuate in May and June.

- 2.3. The majority of the funding provided by the council is used to fund the direct cost of the lifeguards. The RNLI supplement this funding to ensure the service is adequately supported, for example, through provision of vehicles, equipment, first aid training and risk assessment. The RNLI also undertake wider work, for example, water safety education sessions in local schools to complement the lifeguarding work. This is funded by the RNLI.
- 2.4. The volume of activity the service undertakes is notable. Lifeguards undertake actions to prevent people becoming exposed to danger which includes safety advice and the placement of flags/signage etc. The tables, below, shows the number of preventative actions and incidents undertaken over the last couple of years. Data for 2018 is still being collated.

Preventative actions

	2017	2016
Hemsby	10,417	8,197
Great Yarmouth	5,191	4,014
Gorleston	13,383	6,112
Total	28,991	18,323

2017 Incidents

	Rescue	Assistance	Major First Aid	Minor First Aid	Search	Near Miss	Other	Missing / Found	Total
Hemsby	0	4	2	38	2	0	0	2	44
Great Yarmouth	0	4	2	6	2	0	3	3	13
Gorleston	1	2	0	38	0	7	2	0	44
Total	1	10	4	79	4	7	5	5	101

3. NEW ARRANGEMENTS

- 3.1. The RNLI provide a highly regarded service, which the council is looking to build upon. The council is now proposing to contract with the RNLI direct. This will enable more clarity on service provision through the agreement of an updated contract. The contract will be based on the following service provision:

- Lifeguard patrolling and rescue
- Incident reporting
- Pollution reporting
- Borough promotional activity

- 3.2. In addition to this provision the RNLI provides wider services which have a positive impact for the borough, summarised earlier in 2.1. These will continue to be funded by the RNLI.
- 3.3. The council has explored the potential for lifeguards to play a role in promoting the borough to tourists whilst on patrol, without this distracting them from their core role. Lifeguards will be provided with information to enable them to signpost tourists to key events, activities and the tourist information centre. This will enable them to play a role in positively promoting the borough.
- 3.4. Directly contracting with the RNLI will avoid the imposition of a 4% overhead added to all GYBS activity through the joint venture. As GYBS have no role in service provision for this area and contract with the RNLI, the council undertaking this role will avoid the overhead of around £1,860 in 2018/19, providing better value for money.
- 3.5. The proposal will need the formal approval of the GYBS Board. Verbal agreement has already been reached and both parties have mutually agreed the proposal. A report will be considered at the next GYBS Board meeting. However, as this is not until 23 April 2019 it is imperative the council approves the proposal to ensure sufficient preparation can take place before the start of the service provision in Spring.

5. FINANCE

- 5.1. In 2018/19 £46,500 was included in the GYBS joint venture budget to fund the RNLI contract. The joint venture budget will be reduced by this amount for 2019/20. The service will cost the council £44,965 in 2019/20, which includes a 2.5% increase from the previous year. The small difference will be a saving to the council.
- 5.2. The RNLI provide the following services at no cost to the council - recruitment of lifeguards, training, equipment/vehicle provision and maintenance and water safety education. They also supplement the wages of the lifeguards.

6. RISKS

- 6.1. Council funded provision of lifeguard services plays a key part in safeguarding against loss of life and negative reputational damage to the borough such as that which occurred in 2016 at Camber Sands in East Sussex when seven people drowned off an un-lifeguarded public beach in two separate incidents. Continued provision of a lifeguard service mitigates the risks associated with such incidents.
- 6.2. All lifeguards must attend a one-week training course and are supervised by experienced RNLI staff. The RNLI undertake a risk assessment to identify hazards and determine control measures to ensure the safety of the beaches during the operation of their service.

7. LEGAL

The new arrangements will be underpinned by the development of a new contract with the RNLI. This will enable an updating of the service requirements and will be put into effective for the start of the 2019 season. The council will develop a three-year contract with annual review points to enable a systematic review of performance

and enable the council to review provision during the three years. The Head of Environmental Services will have responsibility for monitoring the contract.

8. RECOMMENDATIONS

- 8.1. That the council agree a new three-year contract with the RNLI for the provision of lifeguard services from the start of Spring 2019.**
- 8.2. That the council delegate authority to one of the council's Strategic Directors to develop and sign the contract for the lifeguard service.**
- 8.3. To seek agreement from the GYBS Company Board to reduce the GYBS joint venture budget by £46,500 and transfer this funding back to the council and update the GYBS Partnership Agreement to reflect the change of service provision in the joint venture.**

Area for consideration	Comment
Monitoring Officer Consultation:	Yes
Section 151 Officer Consultation:	Yes
Existing Council Policies:	No
Financial Implications (including VAT and tax):	No
Legal Implications (including human rights):	No
Risk Implications:	Yes
Equality Issues/EQIA assessment:	No
Crime & Disorder:	No
Every Child Matters:	No