

**Norwich City Council**

**SCRUTINY COMMITTEE**

REPORT for meeting to be held on 30 January 2014

**Pre – scrutiny of the proposed policy and budget framework**

**Summary:** The scrutiny committee meeting of 30 January has been set aside for the pre-scrutiny of the council's budget.

**Purpose:** to comment on the proposed budget and make suggestions to cabinet regarding the proposed budget's ability to deliver the council's overarching policy framework (the corporate plan).

Council will be meeting to set the budget for the financial year 2014/ 2015 at its meeting of 18 February 2014.

**Conclusions:** The principles of budget scrutiny are provided in this report. The report also draws a distinction between the role of scrutiny and that of the budget setting meeting of the council.

Members are reminded of the link between the corporate plan and the need to set a budget capable of delivering this.

**Recommendation:** In carrying out scrutiny of the draft budget; check that it is consistent with the council's corporate plan.

**Contact Officer:** **Scrutiny Officer** – 01603 212491  
[stevegoddard@norwich.gov.uk](mailto:stevegoddard@norwich.gov.uk)

## **1. The legal framework for financial scrutiny**

- 1.1 Local Government Act 2000 – “it is the responsibility of the full council, on the recommendations of the executive (cabinet), to approve the budget and council tax demand. The role of scrutiny in the financial process is to hold the executive (cabinet) to account and to ensure that decisions are in the best interests of the community. Some scrutiny of budget setting and other financial planning processes is therefore essential”.
- 1.2 All members of the council need to have an understanding of how council spending matches against the priorities of the organisation set out in the corporate plan. As elected councillors, members need to ensure that the budget will enable the council to deliver them effectively.

## **2. The role of budget pre-scrutiny**

- 2.1 The scrutiny committee should seek to test, check, and evaluate the proposed budget through challenge. This may, if necessary, lead to advice and recommendations to the cabinet. The cabinet can use this as part of the testing of their proposed budget.

## **3. A key question**

- 3.1 Will the budget as presented deliver the council’s corporate plan? By the process of overview, the scrutiny committee will need to check that the budget plans are robust and realistic.
- 3.2 Over the course of the year scrutiny committee members monitor certain aspects of service delivery and performance against funding and at times review certain specific services. The main way in which this is achieved is through the scrutiny of the performance monitoring reports.

## **4. Effective pre budget scrutiny**

- 4.1 Effective pre-budget scrutiny involves:
  - (a) checking that financial planning and the draft budget is sufficient to deliver the council’s corporate plan;
  - (b) reviewing the draft budget to ensure that it is consistent with the council’s commitments and spending plans;
  - (c) reviewing proposals within the draft budget relating to savings or growth in line with the financial plan.

<b>Report to</b>	Cabinet	<b>Item</b>
	5 February 2014	
<b>Report of</b>	Chief finance officer	
<b>Subject</b>	General fund revenue budget and non-housing capital programme 2014/15	

---

## Purpose

To set a budgetary requirement, council tax requirement and level of council tax and to approve the non-housing capital programme, both for the financial year 2014/15.

## Recommendations

That cabinet recommends to council for the 2014/15 financial year:

- (1) that the council's budgetary requirement be set to £19,087m ([para 6.1](#));
- (2) that the proposed general fund budgets be approved, taking into account the savings, income and other budget movements set out in the report. ([para 6.3](#));
- (3) that the council's council tax requirement be set at £7.775m and that council tax be set at £234.76 for Band D, which is an increase of 1.95% ([para 7.1](#));
- (4) that the precept on the council tax collection fund for 2014/15 be set at £7.731m calculated in accordance with Sections 32-36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011 ([para 7.1](#));
- (5) that the prudent level of reserves for the council be set at £4.496m in accordance with the recommendation of the Chief Finance Officer ([para 8](#));
- (6) that the proposed non-housing capital plan 2014/15 to 2018/19 ([para 9.6](#)) and the non-housing capital programme 2014/15 ([para 10.4](#)) be approved;

and

- (7) That cabinet delegates to the Deputy chief executive (operations), in consultation with the Deputy leader and resource portfolio holder, the authority to agree the asset maintenance programme and the final scheme details, including any adjustment to the financial allocations of the section 106 works, provided that this investment is contained within the total budgetary provision shown in Table 10.4;

## Corporate and service priorities

The report helps to meet all the corporate priorities.

**Financial implications**

This report sets out the proposed budget requirement for 2014/15 of £19.087m and the means by which this is to be financed, including through a proposed council tax of £234.76 per Band D property.

It also sets out the proposed capital programme for 2014/15, and the proposed capital plan illustrating how anticipated capital expenditure needs can be financed over the medium term.

**Ward/s:** All wards

**Cabinet member:** Councillor Waters – Deputy leader and resources

**Contact officers**

Caroline Ryba, Chief finance officer

07920 500618

**Background documents**

None

## Report

### 1. Contents of report

1.1 The contents of this report are set out as follows:

2. [Budgetary context](#)
3. [Medium Term Financial Strategy \(MTFS\)](#)
4. [Preparation of the 2014/15 budget](#)
5. [Budgetary resources](#)
6. [Budgetary requirement – income and expenditure](#)
7. [Council tax precept](#)
8. [Report by the Chief finance officer on the robustness of estimates, reserves and balances](#)
9. [Capital resources and capital plan 2014/15 to 2018/18](#)
10. [Proposed capital programme 2014/15](#)
11. [Progress in reducing the council's carbon footprint](#)

Appendix 1 [Budget consultation results](#)

Appendix 2 [Movements in budgets 2014/15 by type](#)

Appendix 3 [Movements in budgets 2014/15 by service group](#)

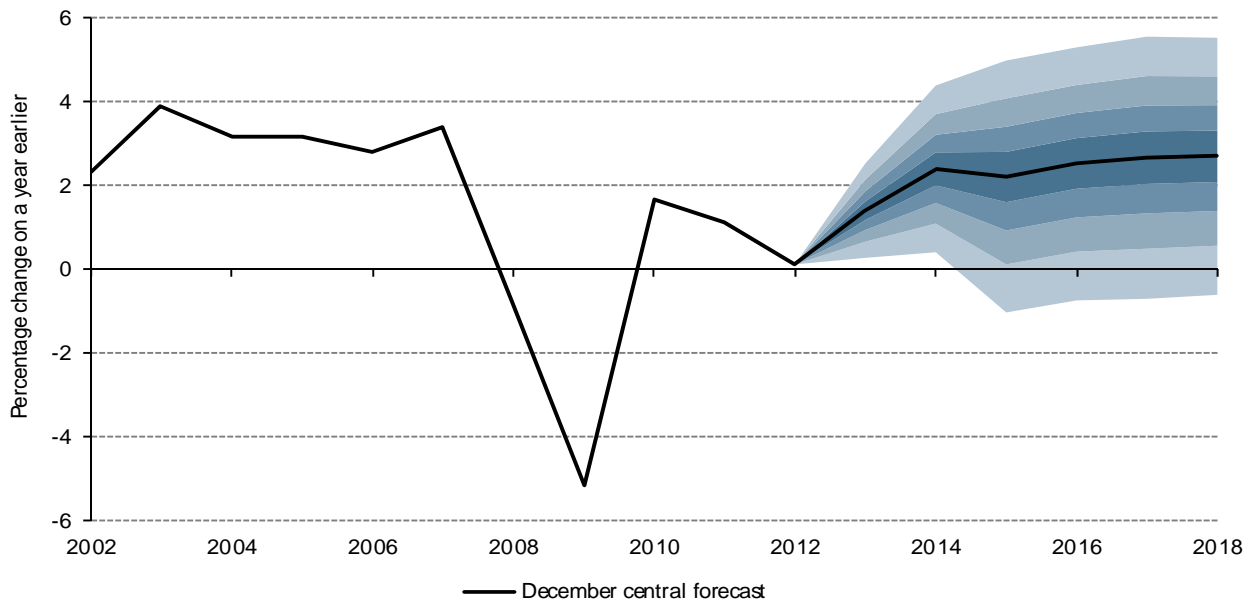
Appendix 4 [Key savings and income projects from the transformation programme](#)

Appendix 5 [Calculation of prudent minimum balance](#)

### 2. Budgetary context

- 2.1 The UK economy has picked up more strongly in 2013 than expected by the Office of Budget Responsibility (OBR). This has been driven by private consumption and housing investment, while business investment and net trade have continued to disappoint. The OBR assesses positive growth to have been cyclical, reducing the amount of spare capacity in the economy, rather than indicating stronger underlying growth potential. Therefore, the OBR does not expect quarterly growth rates seen during 2013 to be sustained in 2014. While consumer confidence, credit conditions and the housing market have improved, productivity and real earnings growth have remained weak.

**Diagram 2.1: Real gross domestic product (GDP) growth fan chart**



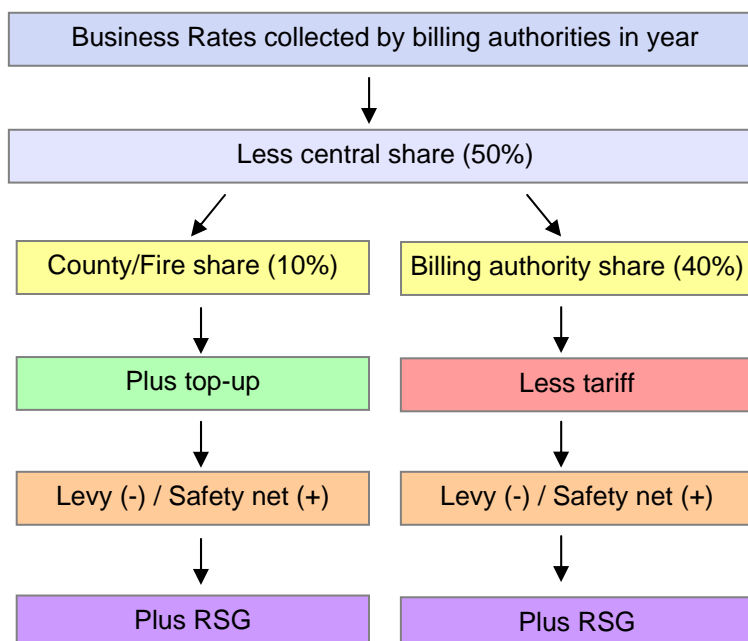
- 2.2 As a result of this growth, public sector net borrowing (PSNB) – the gap between what the government spends and raises in revenue – is forecast to be lower than expected this year. Despite this improvement, the government has announced a fiscally-neutral Autumn Statement, reinforcing the its commitment to the long-term economic plan set out in 2010 to deliver sound public finances, ensuring continuing progress in reducing the deficit and levels of debt.
- 2.3 Within this context, Department Expenditure Limit (DEL) budgets will be reduced by a further £1.1bn in 2014-15 and £1bn in 2015-16, a reduction of 1.1% in each year. However, with the significant cuts already faced by local government, councils have been excluded from this reduction.
- 2.4 The OBR's updated forecasts for the Retail Price Index (RPI) until 2018/19 are shown in the table below. Whilst general levels of inflation impact upon the council's expenditure, the RPI is also used to update the business rates multiplier each financial year based on the previous September's figures. However, the Autumn Statement announced that the government will cap the RPI increase in business rates to 2% in 2014/15.

**Table 2.4 September Retail Price Index (RPI)**

Year	2013 Budget	2013 Autumn Statement	Change
2013/14	3.3%	3.1%	↓
2014/15	2.8%	2.9%	↑
2015/16	3.2%	3.3%	↑
2016/17	3.6%	3.6%	↓
2017/18	3.9%	3.7%	↓
2018/19	n/a	4.0%	n/a

- 2.5 The Spending Review published in 2010 covers the period 2011/12 to 2014/15. In June 2013 the Government published a one-year Spending Review covering 2015/16. Within the context established by these two reviews, the provisional **Local Government Finance Settlement** announced by the government in December 2013 set out detailed grant allocations for individual local authorities for 2014/15 and 2015/16. However, there are a number of areas which require further clarification, including how the shortfall in the uprating of business rates will be made good, referendum limits on proposed council tax increases and any further conditions around freezing council tax. The final settlement is expected in late January.
- 2.6 The **Business Rates Retention Scheme** replaced the Formula Grant system from 2013/14. The scheme takes the business rates collected in a geographical area during the year and applies various splits, additions and/or reductions to calculate an authority's final allocation. Part of the government's rationale in setting up the new scheme is to allow local authorities to retain part of the future growth in their business rates.
- 2.7 The diagram below illustrates how the scheme calculates funding for local authorities. Central government has decided that billing authorities such as Norwich City Council will receive 40% of the business rates collected in their area.

**Diagram 2.1: Business rates retention scheme**



- 2.8 The business rates collected during the year by billing authorities are split 50:50 between central government and local government. Central government's share will be used to fund Revenue Support Grant (RSG) and other grants to local government.
- 2.9 Each authority then pays a tariff or receives a top-up to redistribute business rates more evenly across authorities. The tariffs and top-ups were set in 2013/14 based on the previous 'Four Block Model' distribution and were due to be uprated by September 2013 RPI. However, this increase has been capped to 2%.
- 2.10 A levy and 'safety net' system also operates to ensure that a 1% increase in business rates is limited to a 1% increase in retained income, with the surplus funding any authority whose income drops by more than 7.5% below their baseline funding. As a result, the most that the council can lose as a result of a decline in business rates collected will be £400,000.
- 2.11 In the years where the 50% local share is less than local government spending totals, the difference is returned to local government via RSG. This is allocated pro-rata to local authorities' funding baseline.
- 2.12 Therefore, there is a specific need for billing authorities to accurately forecast future business rates. The Council has committed resources to this task but is hampered by the number of appeals on properties on our ratings list. There is, at the current time, a significant backlog at the Valuation Office which presents a significant risk to forecasts.
- 2.13 The Autumn Statement announced a number of changes to discounts and reliefs and the capping of the increase in business rates to 2%. The government has given assurances that the resulting losses will be reimbursed through S31 grant, but details on the calculation and timing of this have not yet been announced. Due to the existing complexity of the system, these additional changes give rise further levels of uncertainty and risk to forecasts
- 2.14 In 2013/14 the government localised support for Council Tax. A grant of approximately 90% of the Council Tax benefit allowed in the previous year was provided. The council decided to implement a 'no cuts' scheme to protect benefit recipients, and to make up the resulting shortfall in funding through savings in other budgets. In 2014/15, the grant supporting the Council Tax Reduction Scheme has been included in formula funding, and therefore subject to the cuts in that funding. The council has agreed to continue the 'no cuts' scheme in 2014/15, and therefore to fund the additional shortfall resulting from the reduction in grant.

### **3. Medium Term Financial Strategy (MTFS)**

- 3.1 The council's budget is underpinned by the MTFS. The financial projections underlying the MTFS have been revised to reflect changes in assumptions, the provisional Local Government Finance Settlement and the changing risk environment in which the council operates. Other budget pressures including inflation and demographic requirements have also been factored in to produce a projection of the council's medium term financial position.
- 3.2 The presentation of savings in the MTFS has been changed to show the net savings required to deliver a balanced budget. Previously estimates were included for unavoidable growth and one-off demands, giving rise to a gross savings



requirement. Items such as growth and decreases in income are now incorporated within the transformation programme.

- 3.3 A net reduction for 2014/15 of £1.530m has now been included within the budget. The MTFS shows a need to make further net savings of £9.540m over the next 5 years, which following the “smoothed” approach equates to £1.908m each year.
- 3.4 In assessing the longer term financial stability of the council, consideration has been given balancing external factors, such as global and macro-economic risks that may cause the government to increase and/or extend its austerity measures, with the need to maintain services to the residents of Norwich. To a certain degree, the strong culture of forward planning and prudent financial management that exists within the Council mitigates these external risks and allows minimum reserve levels to be set below current reserve levels.
- 3.5 Payroll-related inflation has been estimated at 3%, to include estimates for an annual pay settlement, payroll drift and increases in pension contributions. Inflation has been allowed for on premises costs, supplies and services and transport at 2.1%, reducing marginally in future years to reflect forecast changes in CPI.

- 3.6 Specific grant figures have been confirmed by the Department for Communities & Local Government for 2014/15. Grants for future years have been estimated at 2014/15 levels, except for New Homes Bonus, which has been projected on the basis of current trends and Housing Benefit / CTS Administration Grants, which have been assumed to decrease by 5% per year.. The MTFS assumes no increases in Council Tax beyond that recommended in this report for 2014/15.

**Table 3.1: Budget 2014/15 and medium term financial projections for 5 years to 2019/20**

Item	2014/15 Year 1 £000s	2015/16 Year 2 £000s	2016/17 Year 3 £000s	2017/18 Year 4 £000s	2018/19 Year 5 £000s	2019/20 Year 6 £000s
Employees	£17,367	£18,259	£19,660	£20,160	£20,475	£20,964
Premises	£8,550	£8,796	£9,041	£9,293	£9,552	£9,818
Transport	£314	£322	£330	£338	£346	£354
Supplies & Services	£15,781	£16,199	£16,616	£17,044	£17,484	£17,935
Capital Charges	£3,144	£2,608	£2,638	£2,672	£2,706	£2,742
Transfer Payments	£68,533	£68,533	£68,533	£68,533	£68,533	£68,533
Third Party Payments	£7,785	£7,787	£7,789	£7,791	£7,793	£7,795
Centrally Managed	£1,304	£1,338	£1,372	£1,407	£1,443	£1,479
Recharge Expenditure	£17,514	£17,591	£17,669	£17,748	£17,827	£17,906
Recharge Income	-£25,687	-£25,746	-£25,804	-£25,863	-£25,923	-£25,983
In-Year Savings	-£55	-£55	-£55	-£55	-£55	-£55
Receipts	-£23,186	-£23,667	-£24,158	-£24,660	-£25,172	-£25,696
Government Grants:	£0	£0	£0	£0	£0	£0
New Homes Bonus	-£2,038	-£2,438	-£2,838	-£2,564	-£2,449	-£2,425
PFI Grant	-£1,429	-£1,429	-£1,429	£0	£0	£0
Benefit Subsidy	-£67,379	-£67,379	-£67,379	-£67,379	-£67,379	-£67,379
Benefit/CTS Admin Grant	-£1,272	-£1,209	-£1,145	-£1,081	-£1,018	-£954
Other Government Grants	-£449	-£449	-£450	-£450	-£450	-£451
<b>Subtotal budgets</b>	<b>£18,797</b>	<b>£19,061</b>	<b>£20,390</b>	<b>£22,934</b>	<b>£23,713</b>	<b>£24,583</b>
<b>Savings</b>	<b>0</b>	<b>-£1,908</b>	<b>-£3,816</b>	<b>-£5,724</b>	<b>-£7,632</b>	<b>-£9,540</b>
Contribution to/(from) bals	£290	£261	-£227	-£1,238	-£460	£240
<b>Budget requirement</b>	<b>£19,087</b>	<b>£17,414</b>	<b>£16,347</b>	<b>£15,972</b>	<b>£15,621</b>	<b>£15,283</b>
Share of NNDR (Baseline)	-£5,332	-£5,479	-£5,638	-£5,824	-£6,034	-£6,257
Council Tax Freeze Grants	£0	-£99	£0	£0	£0	£0
Formula Funding	-£5,979	-£4,066	-£2,900	-£2,300	-£1,700	-£1,100
Council Tax Requirement	-£7,776	-£7,770	-£7,809	-£7,848	-£7,887	-£7,926
<b>Total funding</b>	<b>-£19,087</b>	<b>-£17,414</b>	<b>-£16,347</b>	<b>-£15,972</b>	<b>-£15,621</b>	<b>-£15,283</b>

<b>New savings (smoothed)</b>		<b>£1,908</b>	<b>£1,908</b>	<b>£1,908</b>	<b>£1,908</b>	<b>£1,908</b>
-------------------------------	--	---------------	---------------	---------------	---------------	---------------

<b>Balance brought forward</b>	<b>-£6,782</b>	<b>-£7,072</b>	<b>-£7,333</b>	<b>-£7,106</b>	<b>-£5,868</b>	<b>-£5,408</b>
Contributions (to)/from I&E	-£290	-£261	£227	£1,238	£460	-£240
<b>Balance carried forward</b>	<b>-£7,072</b>	<b>-£7,333</b>	<b>-£7,106</b>	<b>-£5,868</b>	<b>-£5,408</b>	<b>-£5,648</b>
<i>Percent of controllable spend</i>	<i>14%</i>	<i>15%</i>	<i>14%</i>	<i>11%</i>	<i>10%</i>	<i>11%</i>

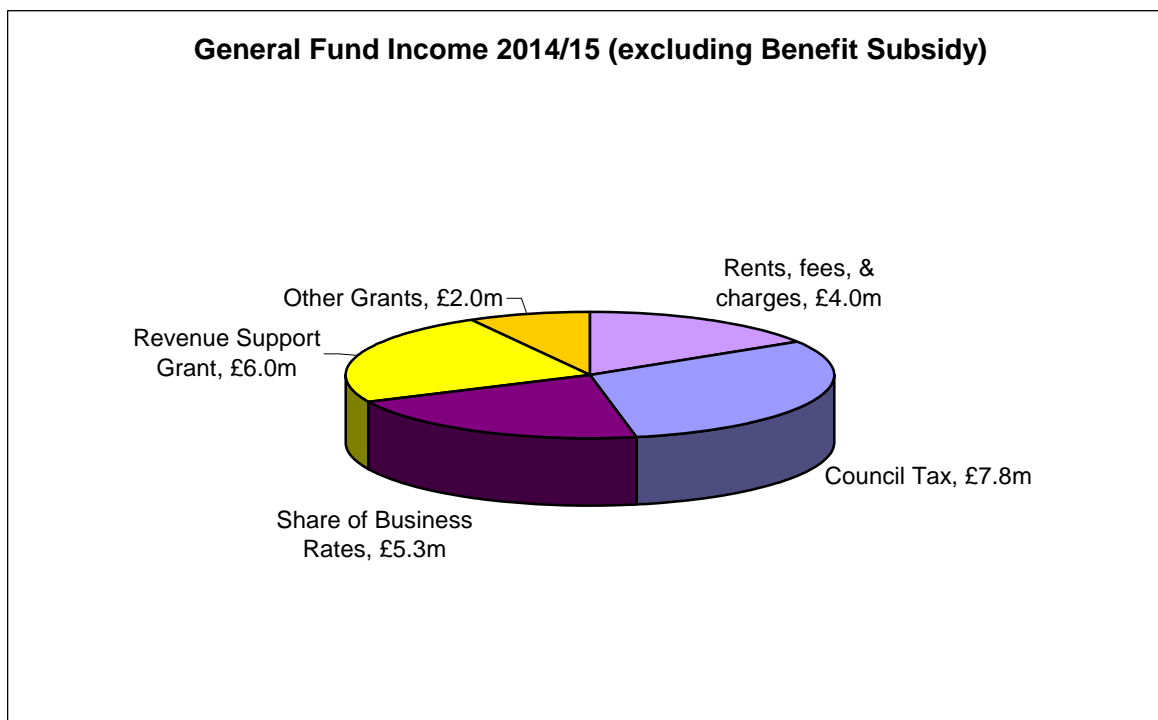
#### **4. Preparation of the 2014/15 budget**

- 4.1 Guided by the council's corporate plan 2012-2015 and its 'changing pace blueprint' (operating model) a range of work has been carried out across the council through the transformation programme, to develop options for additional income and savings in order to meet the target within the MTFS and ensure a balanced budget. This work has been informed by a cross party working group.
- 4.2 In October cabinet considered an initial list of income and savings options and agreed for further work to be carried out to progress these.
- 4.3 In line with the approach used in previous years cabinet agreed to consult the public on the proposed approach to meeting the savings target for 2014/15. It was also agreed to consult the public on the potential for a council tax rise.
- 4.4 The consultation ran from the 21 October – 6 January. An analysis of the results of the consultation can be found at [Appendix 1](#). The overall results showed that of the people who completed the consultation and answered the question:
  - 68.2% supported the council's proposed approach for meeting its savings target
  - 66.1% supported a proposed council tax increase
  - 60.3% of comments supported retaining the current council tax reduction scheme
- 4.5 Comments and ideas were also received on other things the council could do differently to generate income or save money in the future. A large number of these relate to approaches the council is already progressing. However, as with previous years the comments will be used to inform the council's ongoing development of income and savings opportunities as part of the transformation programme.
- 4.6 A final list of the key income and savings projects that have been developed through the transformation programme and are now included in the proposed budget for 2014/15 are set out at [Appendix 4](#). They amount to just under £3.3m.
- 4.7 The changes resulting from the savings would further reduce the council's overall capacity. However, they should not significantly impact the services that the public receive from the council for 2014/15. This further demonstrates the success of the council's ongoing approach to developing savings and income, particularly given that fact that the council has already delivered approximately £23m of savings over the last five years.
- 4.8 The overall package of proposed income and savings alongside all the other upward and downward budget movements and proposals within this report would result in a net reduction of £1.530m in 2014/15.

#### **5. Budgetary resources**

- 5.1 Expenditure in the General Fund is financed from both income within the budgetary requirement and from government grant and council tax within budgetary resources.

**Diagram 5.1: Council income excluding benefit subsidy 2014/15**



- 5.2 The total of £36.2m raised locally (through business rates, council tax and rents, fees and charges) amounts to 76% of this income, whilst the £11.2m of central government funding (RSG and other grants) amounts to 24%.
- 5.3 The government announced the provisional local government finance settlement on 18 December 2013. The final settlement is due to be confirmed in early February.

**Table 5.3 Formula and other grants 2013/14 and 2014/15**

	2013/14 £000s	2014/15 £000s	% change
Revenue Support Grant (RSG)	7,861	5,979	-23.9
Business Rates funding baseline	5,230	5,332	2.0
<b>Formula funding</b>	<b>13,091</b>	<b>11,311</b>	<b>-13.6</b>
New Homes Bonus	1,613	2,038	26.3
Local Council Tax Support / Housing Benefit Administration Grant	1,249	1,272	-1.7
Private Finance Initiative (PFI) Grant	1,429	1,429	0.0
Other grants	548	447	-18.4
<b>Total grant funding</b>	<b>17,953</b>	<b>16,497</b>	<b>-8.1</b>

- 5.4 The 2013/14 formula grant included £1.899m council tax support funding which was intended to make up 90% of the cost of council tax support, the full costs of which fell on the council for the first time in that year. This funding is no longer separately identifiable within the formula grant total.
- 5.5 In addition to the formula grant, the budgetary requirement is funded by council tax collected by the council. Any increase in the level of council tax is limited by referendum principles which are usually announced with the provisional settlement. However, no firm announcement has yet been made so an assumption of a 2% limit on increases (as for 2013/14) has been made for the purposes of the proposals in this report.
- 5.6 The government has announced a further Council Tax Freeze Grant for 2014/15. The value of the grant equates to a 1% increase in council tax and would be paid in 2014/15 and 2015/16. The value of the grant offered is less than the amount that can be raised through the proposed increase in council tax and therefore the resulting shortfall would add considerably to already significant budgetary pressures. Therefore, based on recommendations in this report, the council would reject the freeze grant.
- 5.7 The draft budget proposals are based on an increase of 1.95%, and a rate of £234.76 per Band D property. The calculation of the recommended Council Tax Requirement and derivation of the Council Tax Precept are shown in Section 7.

## 6. Budgetary requirement – income and expenditure

- 6.1 To achieve a balanced budget, the total movements in the budgets must equal the movements in budgetary resources as shown in the MTFS.

**Table 6.1a: Movement in budgetary resources 2013/14 to 2014/15**

	£000s
Formula funding 2013/14	(13,055)
Council tax 2013/14	(7,562)
<b>Budgetary resources 2013/14</b>	<b>(20,617)</b>
- Decrease in formula funding	1,744
+ Increases in council tax	(214)
<b>+ Movement 2013/14 to 2014/15</b>	<b>1,530</b>
= Formula funding 2014/15	(11,311)
= Council tax 2014/15	(7,776)
<b>= Budgetary resources 2014/15</b>	<b>(19,087)</b>

**Table 6.1b: Movement in budget requirement 2013/14 to 2014/15**

	<b>£000s</b>
<b>Budgetary requirement 2013/14</b>	<b>20,617</b>
Base budget adjustment	(234)
Planned Growth	1,797
Recommended Growth	1,029
Planned Income Reduction	178
Recommended Income Reduction	4,393
Planned Savings	(1,680)
Recommended Savings	(4,131)
Planned Income Increase	(1,838)
Recommended Income Increase	(1,047)
Transfers	3
<b>Budgetary requirement 2014/15</b>	<b>19,087</b>

- 6.2 Movements in budget for each type are detailed in [Appendix 2](#).
- 6.3 The following tables show the proposed budget, analysed firstly by type of expenditure or income (subjective group), and secondly by service group:

**Table 6.3a: Proposed budget analysis 2014/15 by subjective group**

<b>Subjective group</b>	<b>Budget 2013/14 £000s</b>	<b>Budget 2014/15 £000s</b>	<b>Change £000s</b>
Employees	17,011	17,367	355
Premises	8,562	8,550	(12)
Transport	305	314	9
Supplies & services	17,262	15,781	(1,481)
Savings proposals	-	(55)	(55)
Third party payments (shared services)	7,960	7,785	(175)
Transfer payments	70,823	68,533	(2,289)

Capital financing	3,271	3,435	163
Recharge expenditure	18,309	18,818	509
<b>Subtotal expenditure</b>	<b>143,503</b>	<b>140,527</b>	<b>(2,976)</b>
Government grants	(75,175)	(72,567)	2,607
Receipts	(22,133)	(23,186)	(1,053)
Recharge income	(25,579)	(25,687)	(108)
<b>Subtotal income</b>	<b>(122,886)</b>	<b>(121,440)</b>	<b>1,446</b>
<b>Total Budgetary Requirement</b>	<b>20,617</b>	<b>19,087</b>	<b>(1,530)</b>

**Table 6.3b: Proposed budget analysis 2014/15 by service group**

<b>Service group</b>	<b>Budget 2013/14 £000s</b>	<b>Budget 2014/15 £000s</b>	<b>Change £000s</b>
Business relationship management	(305)	973	1,278
Chief executive & corporate	2,188	(400)	(2,588)
Customers, communications & culture	2,453	2,409	(44)
Operations	15,828	15,765	(64)
Strategy, people & democracy	452	340	(112)
<b>Total Budgetary Requirement</b>	<b>20,617</b>	<b>19,087</b>	<b>(1,530)</b>

6.4 Movements in budgets for each service group are detailed in [Appendix 3](#).

## **7. Council tax & precept**

7.1 The following table shows the calculation of the level of council tax with the recommended increase of 1.95%

**Table 7.1: Council Tax calculation 2014/15**

	<b>No.</b>	<b>£</b>
<b>Budgetary requirement</b>		<b>19,086,768</b>
- Formula grant		-5,979,000
- NNDR Distribution		-5,332,000
<b>= Council tax requirement</b>		<b>7,775,768</b>
- Surplus on collection fund		-44,652
<b>= Council tax precept</b>		<b>7,731,116</b>
Band D Equivalent properties	32,932	
<b>Council tax (Band D)</b>		<b>234.76</b>

- 7.2 The following table shows the impact of the proposed increase for each council tax band. The figures shown will be reduced, for qualifying council tax payers, by the discount scheme which has replaced the council tax benefit system.

**Table 7.2: Council tax increases 2013/14 to 2014/15, Bands A to H**

Band	A	B	C	D	E	F	G	H
2013/14	£153.51	£179.10	£204.68	£230.27	£281.44	£332.61	£383.78	£460.54
Increase	£3.00	£3.49	£4.00	£4.49	£5.49	£6.49	£7.49	£8.98
2014/15	£156.51	£182.59	£208.68	£234.76	£286.93	£339.10	£391.27	£469.52

## **8. Report by the Chief finance officer on the robustness of estimates, reserves and balances**

- 8.1 Section 25 of the Local Government Act 2003 requires that the Chief finance officer of the council reports to members on the robustness of the budget estimates and the adequacy of council's reserves. The Chief finance officer is required to provide professional advice to the council on the two above matters and is expected to address issues of risk and uncertainty.
- 8.2 The main driver in the current budget round has been the council's transformation programme. This has been subject to rigorous review by both members and officers and is directly linked to the service planning process ensuring a strong link between the council's priorities and the financial resources available to deliver them. As with all future estimates there is a level of uncertainty and this has been taken into when assessing the levels of reserves.
- 8.3 There are risks around the level of unavoidable expenditure and income loss from 2015/16 onwards. Historically this has been in excess of £1 million per annum and it has been estimated each year for the year ahead within the budgeting process. This year both the identification and estimation of these amounts have been included within the council's ongoing transformation programme for the next three years. However, it should be noted that the level of uncertainty surrounding estimates increases as they relate to periods further into the future.
- 8.4 Allowing for the above comment on uncertainty it is the opinion of the Chief finance officer that in the budgetary process all reasonable steps have been taken to ensure the robustness of the budget. Further comfort is taken from the record of the council in managing and delivering to budget in year.
- 8.5 A key mitigation for expenditure/income risks is the Chief finance officer's estimate of a prudent level of reserves. An amount has been built into the prudent level of reserves to cover estimated levels of risk, as set out in [Appendix 5](#).
- 8.6 The requirement for financial reserves is acknowledged in statute. Section 32 of the Local Government Finance Act 1992 requires billing authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 8.7 It is the responsibility of the Chief finance officer to advise local authorities about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. Reserves should not be held without a



clear purpose.

8.8 The council holds two types of general fund reserves:

- The general fund is a working balance to cushion the impact of uneven cash flows. The reserve also acts as a contingency that can be used in year if there are unexpected emergencies, unforeseen spending or uncertain developments and pressures where the exact timing and value is not yet known and/or in the Council's control. The reserve also provides cover for grant and income risk.
- The earmarked general fund is set aside for specific and designated purposes or to meet known or predicted liabilities e.g. insurance claims.

8.9 Earmarked reserves remain legally part of the general fund although they are accounted for separately.

8.10 A risk assessment has been undertaken to determine the level of non-earmarked general reserves required by the council. In making a recommendation for the level of reserves the Chief finance officer has followed guidance in the CIPFA LAAP Bulletin 77 – Guidance notes on Local Authorities Reserves and Balances. The risk analysis shows that a prudent minimum level of reserves for 2014/15 will be of the order of £4.50m as shown in [Appendix 5](#).

8.11 The following table shows that the anticipated level of balances will remain above this prudent minimum level for the duration of the medium term planning period.

**Table 8.10: Estimated general fund balance through the MTFS period**

Year ending	£000s
31 March 2015	7,072
31 March 2016	7,333
31 March 2017	7,106
31 March 2018	5,868
31 March 2019	5,408
31 March 2020	5,648

## **9. Capital resources and capital plan 2014/15 – 2018/19**

9.1 The council owns and maintains a range of assets. Major investment in these assets is funded from the capital programme. In turn the capital programme is resourced, in part, by the income received from the disposal of surplus assets.

9.2 In June 2011 the council adopted an asset management strategy that established a framework for the maintenance and improvement of assets that meet the needs of the organisation. Underperforming assets, particularly those retained for investment purposes, will be released to provide a receipt for future investment in the capital programme. The key requirements of the strategy are to optimise the existing portfolio (by establishing a rigorous process for review); to prioritise investment in the portfolio to support income generation and cost reduction; to

rationalise office accommodation and to work in partnership with others to attract third party funding to bring forward development on council owned sites (e.g. the use of section 106 funding or the HCA development partnership).

9.3 The following table shows the total non-housing capital resources anticipated over the duration of the capital plan:

**Table 9.3: Capital resources 2014/15 – 2018/19**

<b>Non-housing capital resources</b>	<b>2014/15 £000s</b>	<b>2015/16 £000s</b>	<b>2016/17 £000s</b>	<b>2017/18 £000s</b>	<b>2018/19 £000s</b>
S106 Balances b/f	(1,138)	(210)	(273)	(369)	(367)
S106 Forecast resources arising	(164)	(338)	(467)	(365)	(324)
S106 Forecast resources utilised (ongoing works)	643	0	0	0	0
S106 Forecast resources utilised (proposed)	448	275	371	368	346
<b>Total S106 Resources</b>	<b>(210)</b>	<b>(273)</b>	<b>(369)</b>	<b>(367)</b>	<b>(344)</b>
Balance b/f	(5,250)	0	0	0	0
Less grants received in advance	4,267	0	0	0	0
Forecast resources arising - borrowing	(18,085)	(25,445)	(21,329)	0	0
Forecast resources arising - grants	(7,020)	0	0	0	0
Forecast resources arising - receipts	(1,820)	(3,802)	(1,250)	(1,250)	(1,250)
Forecast resources arising - other	(312)	(3)	0	0	0
Forecast resources utilised (ongoing works)	1,831	0	0	0	0
Forecast resources utilised (proposed)	26,389	29,250	22,579	1,250	1,250
<b>Total other capital resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total non-housing capital resources</b>	<b>(210)</b>	<b>(273)</b>	<b>(369)</b>	<b>(367)</b>	<b>(344)</b>

9.4 Considerable caution needs to be attached to the forecast levels of resources from receipts from asset disposals and section 106 payments, for the following reasons:

- The levels of capital receipts from disposals in 2014/15 and 2015/16 (£1.8m and £3.8m respectively) is acknowledged to be aspirational. Shortfalls against these targets will be managed by continuing the council's policy of not committing spend against forecast resources until they materialise, alongside consideration of further use of borrowing where the associated revenue costs are manageable.
- The rolling programme of asset reviews will bring forward buildings and land for disposal and the projected income of £1.25m each year from 2016/17 to 2018/19 is considered to be a challenging but at the same time realistic estimate.
- The development industry is facing a very difficult outlook and this will impact on S106 income and the total level of receipts is expected to be fairly constrained. In future years the council will start to accrue income from the community infrastructure levy and this will replace most of the current 106 funding.

9.5 In view of the market constraints the S106 programme for 2014/15 does not commit the entire unallocated section 106 fund currently available. The balance, together with contributions accrued during 2014/15, will help to provide some continuity of investment over the planning year period.

9.6 A significant level of resource is anticipated from grants and contributions, including from the Homes & Communities agency supporting development at Bowthorpe and City Cycle Ambition grant supporting the Push the Pedalways

projects.

9.7 Anticipated borrowing covers mainly costs associated with the strategic asset investment scheme, Threescore infrastructure, construction of a new multi-storey car park, and other schemes generating revenue income in excess of the borrowing costs.

9.8 The following table shows the proposed capital plan, based on capital expenditure supporting the Asset Management Plan and the forecast non-housing capital resources.

**Table 9.6: Capital plan 2014/15 – 2017/18**

<b>Non-housing capital plan</b>	<b>2014/15 £000s</b>	<b>2015/16 £000s</b>	<b>2016/17 £000s</b>	<b>2017/18 £000s</b>	<b>2018/19 £000s</b>
Asset improvement	360	1,765	0	0	0
Asset investment	10,735	14,200	10,500	0	0
Asset maintenance	1,290	1,100	800	800	800
Initiative funds	50	450	450	450	450
Regeneration and growth	14,244	11,735	10,829	0	0
Section 106 schemes	157	275	371	368	346
<b>Total expenditure</b>	<b>26,837</b>	<b>29,525</b>	<b>22,950</b>	<b>1,618</b>	<b>1,596</b>
S106	(448)	(275)	(371)	(368)	(346)
Other capital resources	(26,389)	(29,250)	(22,579)	(1,250)	(1,250)
<b>Total resources applied</b>	<b>(26,837)</b>	<b>(29,525)</b>	<b>(22,950)</b>	<b>(1,618)</b>	<b>(1,596)</b>
<b>Total non-housing capital plan</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

9.9 All risks relating to the resourcing and delivery of the capital plan are identified and managed in accordance with the council's risk management strategy.

## **10. Capital programme 2014/15**

10.1 The proposed capital programme for 2014/15 continues to focus on the five core themes of the Asset Management Plan:

- **Asset maintenance**  
This theme includes provision for repair costs to St Andrews MSCP.
- **Asset improvement**  
This theme includes provision for the initial costs of Phase II of the reconfiguration of City Hall to maximise utilisation and facilitate income generation
- **Asset investment**  
This theme includes provision for capital works and possible acquisitions to increase revenue income generation and reduce revenue costs.
- **Regeneration and growth**  
This theme includes provision for the use of the Norwich and Homes &

Communities Agency Strategic Partnership's strategic priority fund, subject to decisions of the partnership's Strategic Board.

- **Developer-funded section 106 schemes**

10.2 Additionally, the proposed capital programme incorporates **Initiative Funds**, including provision for community grants, environmental initiatives, and IT investment which relieves pressure on general fund revenue resources.

10.3 A significant addition to the programme since last year is the **City Cycle Ambition** workstream ("Push the pedalways") which reflects the attraction of millions of pounds of additional capital resource to invest in the city's transport infrastructure.

10.4 The following table sets out the elements making up the proposed capital plan and programme, over and above existing programme items rolling forward.

**Table 10.4: Capital Programme 2014/15**

<b>Scheme</b>	<b>£000s</b>
City Hall 2 <sup>nd</sup> floor refurbishment to maximise utilisation and facilitate income generation and savings	250
Earlham Park access improvements	110
<b>Asset improvement total</b>	<b>360</b>
Private sector new build	85
Asset investment for income	900
Strategic asset investment	9,750
<b>Asset investment total</b>	<b>10,735</b>
St Andrews car park – defect repairs	550
Major repairs programme	740
<b>Asset maintenance total</b>	<b>1,290</b>
Carbon management programme	50
<b>Carbon management programme total</b>	<b>50</b>
Mountergate Phase 2	159
Mile Cross offices	150
Rose Lane – design/build of new multi-storey car park	7,000
Threescore Infrastructure	2,385
Threescore Phase 2	300
Park depots	265
Riverside Walk	260
<b>Regeneration and growth total</b>	<b>10,519</b>
Pilling Park Improvements	4
Mile Cross Gardens Play Project	60
Heartsease Play Project	40
Mousehold Environs Play Project	25
Pointers Field Cycle/Footpath	22
Fire Station Bethel St Cycle Stands	6
<b>Section 106 schemes total</b>	<b>157</b>
The Avenues	585
Earlham Road (Gypsy Lane - Christchurch Road)	423
Park Lane - Vauxhall Street	90

Vauxhall Street - Bethel Street	740
Magdalen Street and Cowgate contraflow	219
Tombland & Palace Street	291
Heathgate - Valley Drive	459
Salhouse Road (Hammond Way - Racecourse Inn)	165
20 mph areas	277
Simplify cycling and loading in pedestrian areas	50
Directional signage and clutter removal	60
Cycle City Ambition Project Administration	367
<b>City Cycle Ambition total</b>	<b>3,726</b>
<b>Total non-housing capital programme 2014/15</b>	<b>26,837</b>

- 10.5 The capital budget monitoring report on this cabinet agenda shows the position on the capital programme 2013/14, and a forecast of expenditure and resources for which approval will be sought to be carried forward, adding to the above 2014/15 programme.

## **11. Progress in reducing the council's carbon footprint**

- 11.1 Previously information on progress in reducing the council's carbon footprint has been included in the budget report. However, this information is now reported through a range of different mechanisms and is also published at all times on the council's website at [www.norwich.gov.uk/Environment/Ecolssues/Pages/CarbonFootprintReport.aspx](http://www.norwich.gov.uk/Environment/Ecolssues/Pages/CarbonFootprintReport.aspx)

## Integrated impact assessment



**NORWICH**  
City Council

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

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	5 February 2014
<b>Head of service:</b>	Caroline Ryba, Chief Finance Officer
<b>Report subject:</b>	General Fund Budget & Capital Programme 2014/15
<b>Date assessed:</b>	22 January 2014
<b>Description:</b>	This integrated impact assessment covers the proposed general fund budget, capital programme, and council tax for 2014/15

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The recommendations of the report will secure continuing value for money in the provision of services to council tax payers and other residents of the city
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The proposed capital plan and programme will provide for improvements to the council's assets and the surrounding environment
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The proposed capital plan and programme will provide for improvements in thermal and carbon efficiency
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments



<b>Risk management</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The risks underlying the proposed budgets, council tax, and capital plan and programme have been assessed and prudent provision made for the financial consequences of those risks both within the budgets and the recommended prudent minimum level of general fund reserves
------------------------	--------------------------	-------------------------------------	--------------------------	---

Recommendations from impact assessment

Positive

None

Negative

None

Neutral

None

Issues

None

## Budget consultation results

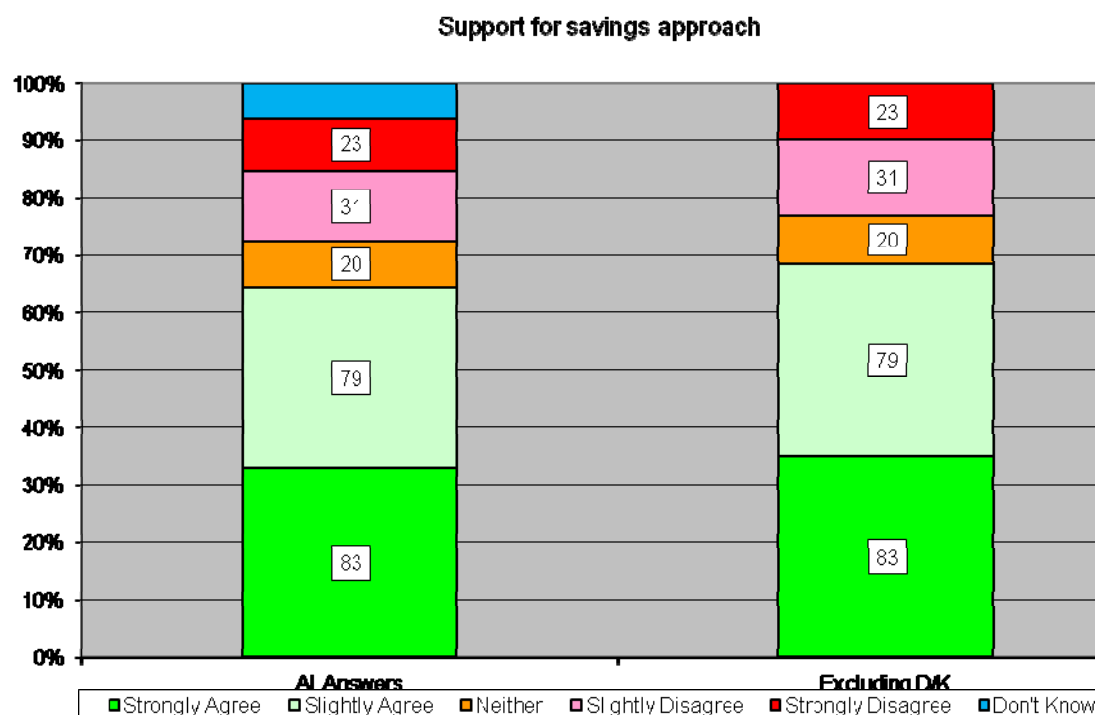
A total of 284 responses were received to the consultation on the budget and the council tax reduction scheme. Respondents were able to complete the survey online or request a paper copy.

26 of the 284 responses had said they were responding “as an employee of Norwich City Council”. In order to avoid any possible bias to the reported results these responses have been excluded from the results set out below.

The data below have been weighted by the research company primarily to reflect responses by age, where some groups have been under or over represented.

### Approach to making savings

The first question set out the council’s proposed approach to generating income and saving money for 2014/15 through continuing to change the way the council works and provided a long list of examples. The question that was then asked was “Do you agree with the council’s proposed approach of continuing to change the way it works to generate income and save money?”:



	<b>Agree with approach to making savings</b>					<b>Don't Know</b>
	<b>Strongly Agree</b>	<b>Slightly Agree</b>	<b>Neither</b>	<b>Slightly Disagree</b>	<b>Strongly Disagree</b>	
<b>All Answers</b>	83	79	20	31	23	15
All	33.1%	31.5%	8.1%	12.4%	9.0%	5.8%
Excluding D/K	35.1%	33.5%	8.6%	13.2%	9.6%	

This shows approximately two in three responses supporting this approach to a greater or lesser degree. About one in five disagree.

### **Other suggestions**

Respondents were also asked two further questions in this section. The first asked for any comments or suggestions on the council's proposed approach of continuing to change the way it works to generate income and save money. The second question asked for any ideas on other things the council could do differently to generate income or save money.

### **Comments or suggestions**

The number of respondents making the comment or suggestion is shown in brackets. Other comments were made by only 1 person.

- Disagree with the increase in rent for allotments (21)
- Joint/ partnership working inc. shared services (10)
- Rent out Council property inc. City Hall (7)
- Disagree with the increased fees for cemeteries (5)
- Sell Council property/ land (5)
- Get rid of non-statutory services/ events e.g. free firework displays (4)
- Shouldn't charge businesses late rent payments (3)
- Make more use of online services (3)
- Make staff cuts (2)
- Increase council tax (2)

### Other things the Council could do

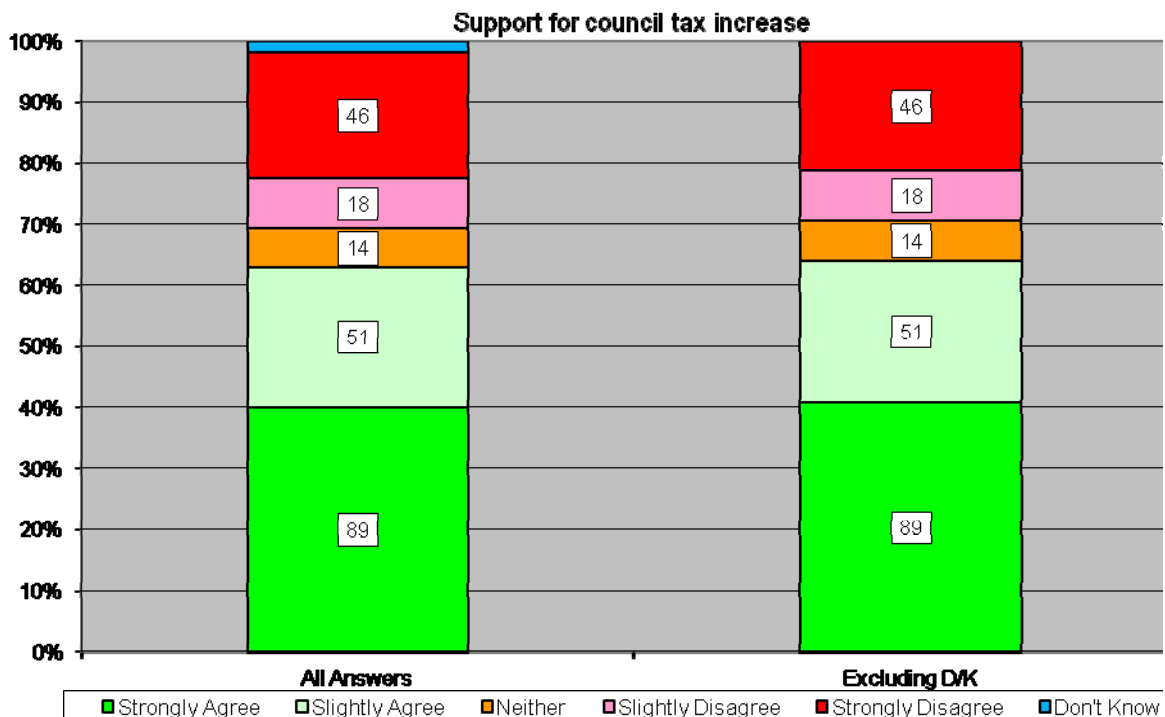
- More services should be shared or contracted out (10)
- There should be fewer staff at the council (5)
- More services should be provided electronically/ there should be fewer offices (5)
- Increase parking charges inc. charging for Housing parking permits (4)
- Managers/ staff at the council should be paid less (2)
- I don't think the council should spend money on events such as firework displays/ Lord Mayor's weekend (2)
- More sponsorship opportunities should be used for events (2)
- More should be done to collect outstanding debts (2)
- Reduction in grass cutting services (2)

As above, there were other responses, some of which are not easily categorised/ were only mentioned by one person.

All the comments will be gone through individually by officers looking at ongoing income and savings to see if there are other ideas which could be considered.

### Council tax increase

Respondents were asked to what extent they supported the city council raising its share of council tax by 2% for 2014 / 15 to generate an estimated £150,000 in extra income and using that money to protect key council services in the future



	<b>Support a 2 % council tax increase</b>					<b>Don't Know</b>
	<b>Strongly Agree</b>	<b>Slightly Agree</b>	<b>Neither</b>	<b>Slightly Disagree</b>	<b>Strongly Disagree</b>	
<b>All Answers</b>	89	51	14	18	46	4
All	39.9%	22.9%	6.5%	8.2%	20.6%	1.9%
Excluding D/K	40.7%	23.4%	6.6%	8.3%	21.0%	

These figures show that there is generally support for an increase with more than six in ten who answered agreeing, there is a polarisation of opinion with just less than one in three against. The number strongly agreeing, at around 40%, is quite a lot higher than in last year's consultation (approx 25%), whilst the proportion strongly disagreeing has gone down. Overall, those in favour of a council tax increase outnumber those opposed by a factor of greater than 2:1.

### **Council tax reduction scheme for Norwich**

From April 2013 the national Council Tax Benefit Scheme which helped people with low or no income to pay their council tax was abolished and councils were required to introduce a local scheme called the Council Tax Reduction Scheme. As part of this the government reduced the amount of funding it provided to councils to pay for this by 10%.

Norwich City Council introduced a scheme which funded the 10% cut so that households on low or no income still received the same help with their council tax.

Respondents were asked if they have any comments or suggestions on our council tax reduction scheme.

A total of 91 comments in total were received which were broken down as below:

Support the current scheme	35	60.3%
Level of support should be reduced/ everyone should pay	23	39.7%

A number of other comments were also made:

Increase council tax on second homes (6)  
 Lower income should pay less/ higher income should pay more (4)  
 Pensioners should not be protected (4)  
 Students should have to pay (2)

Again there were a number of other comments made by just one respondent and officers will look at any suggestions that could be used.

### **Change local pubs to other uses**

Respondents were asked about their support for a proposal to government where landowners who want to change local pubs into other uses such as shops cannot do so without consulting the local community and getting planning permission.

The question asked was “do you agree that it would be a good idea to ask the government to change planning law in this way and try to protect community pubs?”

	Yes	No	Don't Know
	146	42	25
All respondents	68.6%	19.8%	11.6%
Excluding Don't Know	77.7%	22.3%	

More than three quarters of respondents who expressed a view would support the Council using the Sustainable Communities Act to submit a proposal asking the government to change planning law so that landowners would require planning permission to convert a pub to another use such as a shop.

## Appendix 2

### Movements in budget 2014/15 by type

**Table A2.1: Adjustments to base budgets**

<b>Adjusted Base</b>	<b>£000s</b>
Contribution to/from balances	(1,587)
Minimum Revenue Provision	1,339
Other Adjusted Base	14
<b>Total Adjusted Base</b>	<b>(234)</b>

**Table A2.2: Planned budget growth**

<b>Planned Growth</b>	<b>£000s</b>
Payroll cost increase	545
Contribution to/from balances	291
Transformation Programme growth	273
Grounds Maintenance contract savings	246
Pension cost decrease	183
Inflation on LGSS shared service	91
Insurance costs	43
Fuel Poverty & Energy Officer	23
Other Planned Growth	101
<b>Total Planned Growth</b>	<b>1,797</b>

**Table A2.3: Recommended budget growth**

<b>Recommended Growth</b>	<b>£000s</b>
Debt Interest & Investment income	225
Contribution to provision for bad debts	143
Overhead cost increase	117
Business Rates increase	84
Post costs due to HB & CT reforms	76
Increase in TUPE'd staff pension deficit	64
Increase in JNHAC Highways costs	56
On Street Parking income paid to County	52
NPS management fee	28

<b>Recommended Growth</b>	<b>£000s</b>
New cash collection contract	28
Pension cost decrease	27
Increased fuel costs	18
<b>Total Recommended Growth</b>	<b>112</b>

**Table A2.4: Planned income reductions**

<b>Planned Income Reduction</b>	<b>£000s</b>
Transformation Programme growth	159
Grounds Maintenance contract savings	19
<b>Total Recommended Income Reduction</b>	<b>178</b>

**Table A2.5: Recommended income reduction**

<b>Recommended Income Reduction</b>	<b>£000s</b>
Reduction in Housing Benefit subsidy	2,741
NPS management fee	682
Loss of Council Tax Admin Grant	204
Reduced Housing Options recharge to HRA	164
Debt Interest & Investment income	155
Reduction in Planning Fee income	100
Non-housing rent income	72
Reduced Citywide Services income	65
Removal of staff recharge to LEAP	53
Temporary Accommodation benefit loss	50
Shortfall in Natural Burials income	40
Other Recommended Income Reduction	67
<b>Total Recommended Income Reduction</b>	<b>4,393</b>

**Table A2.6: Planned Savings**

<b>Planned Savings</b>	<b>£000s</b>
Transformation Programme savings	(1,641)
NPS management fee	(1)
Other Planned Savings	(38)
<b>Total Planned Savings</b>	<b>(1,680)</b>

**Table A2.7: Recommended savings**



<b>Recommended Savings</b>	<b>£000s</b>
Reduction in Housing Benefit costs	-2,289
Reduction in General Fund Contingency	-762
Reduction in Housing Benefit costs	(2,289)
Reduction in General Fund Contingency	(762)
NPS management fee	(563)
Debt Interest & Investment income	(240)
Budget saving reductions	(70)
Savings on building works costs	(59)
Pension cost decrease	(57)
Temporary Accommodation benefit loss	(5)
Other Recommended Savings	(87)
<b>Total Recommended Savings</b>	<b>(4,131)</b>

**Table A2.8: Planned income increases**

<b>Planned Income Increase</b>	<b>£000s</b>
Transformation Programme savings	(1,570)
Increase in New Homes Bonus	(187)
Individual Electoral Registration grant	(71)
Dwelling void reduction	(10)
<b>Total Planned Income Increase</b>	<b>(1,838)</b>

**Table A2.9: Recommended income increases**

<b>Recommended Income Increase</b>	<b>£000s</b>
Discretionary Housing Allowance grant	(280)
Debt Interest & Investment income	(200)
Recharge of New Build costs to HRA	(160)
Localising Council Tax Support Grant	(125)
Non-housing rent income	(60)
Increased CBL advertising income	(55)
Other Recommended Income Increase	(167)
<b>Total Recommended Income Increase</b>	<b>(1,047)</b>

**Table A2.10: Budget transfers**

<b>Transfers</b>	<b>£000s</b>
Transformation Programme savings	(2)
Other Transfers	6
<b>Total Transfers</b>	<b>3</b>

## Movements in budget 2014/15 by service group

Table A3.1: Business Relationship Management

<b>Business Relationship Management</b>	<b>£000s</b>
Reduction in Housing Benefit subsidy	2,741
Reduction in Housing Benefit costs	(2,289)
Minimum Revenue Provision	1,339
Transformation Programme savings	(539)
Pension cost decrease	(312)
Discretionary Housing Allowance grant	(280)
Loss of Council Tax Admin Grant	204
Contribution to provision for bad debts	143
Transformation Programme growth	97
Inflation on LGSS shared service	91
Increase in postal costs from CT & HB reforms	76
Debt Interest & Investment income	(60)
Payroll cost increase	40
Overhead cost increase	25
Other Business Relationship Management	2
<b>Total Business Relationship Management</b>	<b>1,278</b>

Table A3.2: Chief Executive &amp; Corporate

<b>Chief Executive &amp; Corporate</b>	<b>£000s</b>
Contribution to/from balances	(1,296)
Reduction in General Fund Contingency	(762)
Transformation Programme savings	(557)
Increase in New Homes Bonus	(187)
Overhead cost decrease	181
Payroll cost increase	138
Localising Council Tax Support Grant	(125)
Pension cost increase	7
Insurance costs	(3)

<b>Chief Executive &amp; Corporate</b>	<b>£000s</b>
Other Localising Council Tax Support Grant	16
<b>Total Chief Executive &amp; Corporate</b>	<b>(2,588)</b>

**Table A3.3: Customers, Communications & Culture**

<b>Customers, Communications &amp; Culture</b>	<b>£000s</b>
Overhead cost decrease	(115)
Pension cost increase	97
Savings on building works costs	(59)
Transformation Programme savings	(57)
Payroll cost increase	44
New cash collection contract	28
Grounds Maintenance contract savings	(9)
Insurance costs	3
Other Customers, Communications & Culture	26
<b>Total Customers, Communications &amp; Culture</b>	<b>(44)</b>

**Table A3.4: Operations**

<b>Operations</b>	<b>£000s</b>
Transformation Programme savings	(1,830)
Pension cost increase	293
Grounds Maintenance contract	275
Payroll cost increase	245
Transformation Programme growth	216
Overhead cost decrease	187
Reduced Housing Options recharge to HRA	164
Recharge of New Build costs to HRA	(160)
NPS management fee	146
Reduction in Planning Fee income	100
Business Rates increase	84
Decrease in Highways income from County	28
Budget saving reductions	(70)
Reduced Citywide Services income	65
Increase in TUPE'd staff pension deficit	64
Increased CBL advertising income	(55)

<b>Operations</b>	<b>£000s</b>
Removal of staff recharge to LEAP	53
On Street Parking income paid to County	52
Temporary Accommodation benefit loss	45
Shortfall in natural burials income	40
Insurance costs	36
Increased fuel costs	18
Non-housing rent income	12
Other Operations	(70)
<b>Total Operations</b>	<b>(64)</b>

**Table A3.4: Strategy, People, & Democracy**

<b>Strategy, People &amp; Democracy</b>	<b>£000s</b>
Transformation Programme savings	(230)
Overhead cost decrease	(133)
Transformation Programme growth	120
Payroll cost increase	78
Individual Electoral Registration grant	(71)
Pension cost increase	69
Fuel Poverty & Energy Officer	23
Insurance costs	7
Other Strategy, People & Democracy	24
<b>Total Strategy, People &amp; Democracy</b>	<b>(112)</b>

## Appendix 4

### Key savings and income projects from the transformation programme

In the table below are a range of the key savings and income projects included within different parts of the draft budget:

No.	Service	Description of key savings / income projects	Revenue savings / income for 2014/15
1	City development / NPS	Income from surplus for Norse Norwich Building joint venture	165,000
2	City development / NPS	Renting of self storage containers at Mile Cross Depot and other uses of the site to generate income and a new approach to document storage	10,000
3	City development / NPS	Charge interest on late payment of commercial rent in line with other organisations	33,000
4	City development / NPS	Transfer the commercial debt management function to NPS Norwich in order to create efficiencies in the process	10,000
5	City development / NPS	Demolition of general fund void properties that are unlikely to be let in order to avoid rates charge.	43,000
6	City development / NPS	Use prominent empty shop fronts to market other empty units/services the Council can provide using temporary/movable boards.	10,000
7	City development / NPS	Review of the current processes for the non-housing responsive maintenance & planned work.	50,000
8	Business relationship mgt/ LGSS	Revenues and benefits improvement project resulting in increased grant through lower error rates	150,000
9	Business relationship mgt/ LGSS	Savings from LGSS including reduction in external audit fee.	201,621
10	Business relationship mgt/ LGSS	Correct budgeting error whereby audit fee included twice in budget	198,466
11	City development	Carry out works in default and private work income	6,000
12	City development	Charge cost of parking pool cars dedicated to housing rent and arrears team to HRA	6,000
13	Citywide services	Increase in cemetery fees - resulting in cost recovery over three years	53,000
14	Citywide services	Charging for replacement wheelie bins - consulted on previously	40,000
15	Citywide services	Proposed changes to refuse contract	150,000

No.	Service	Description of key savings / income projects	Revenue savings / income for 2014/15
16	Citywide services	Increase trading capacity of Norwich Norse to include commercial; pest control, private tree works, private landscaping works and bin washing programmes	80,000
17	Citywide services	Retender basis for dog kennelling changing from number of kennels to grant base	9,000
18	Citywide services	Develop other income opportunities - memorial benches/trees/shop	5,000
19	Citywide services	End of project identifying land outside current scope of works (contracts unit)	36,379
20	Citywide services	Increased income through greater usage of golf courses	18,161
21	Citywide services	Increase charges for allotments leading to cost recovery over three years	1,808
22	Strategy, people and democracy service grouping	Providing recruitment and assessment centres to other organisations and selling places on our learning and development courses to offset costs.	20,000
23	Strategy, people and democracy service grouping	Reduction in learning and development spend in line with reducing organisation	13,720
24	Strategy, people and democracy service grouping	Environmental strategy team to be included in recharges in line with activity	45,000
25	Strategy, people and democracy service grouping	Reduction in HR costs and recruitment budget following realisation of benefits of the implementation of self serve and policy changes (Ask HR, business partnering approach) and implementation of e-recruitment	53,830
26	Strategy, people and democracy service grouping	Implementation of paperless committee meetings/ councillors/ senior officers supported by electronic committee management system and suitable electronic devices for councillors and officers.	15,000
27	Strategy, people and democracy service grouping	Strategic services review resulting in redesign and refocusing of strategic resources including removal of vacant management post	54,024
28	Strategy, people and democracy service grouping	Redesign of elections function in line with new requirements e.g. increased elections, individual electoral registration and with aim to improve resilience	15,000
29	Strategy, people and democracy service grouping	Senior management changes	65,463
30	Strategy, people and democracy service grouping	Small miscellaneous savings across the different teams	19,989

No.	Service	Description of key savings / income projects	Revenue savings / income for 2014/15
31	Strategy, people and democracy service grouping	Water optimisation project - to be carried out jointly with Anglian Water to ensure we are on the most efficient tariffs	30,000
32	Multiple	Advertising income review	25,000
33	Multiple	New homes bonus through enabling new homes and bringing empty properties back into use leading to increased new homes bonus	238,441
34	Multiple	Property classification changes (already approved by cabinet)	159,783
35	Customers, communications and culture service grouping	Redesign of the communications function to meet the needs of the council as we move forward with channel shift	17,946
36	Customers, communications and culture service grouping	Review of culture and events	20,600
37	Customers, communications and culture service grouping	Review of sports development including the Norman Centre and the Halls	16,640
38	Customers, communications and culture service grouping	Review of tourism development and tourist Information centre including on-line selling	2,090
39	Housing services	Review of housing services -efficiency savings identified within housing options	90,000
40	Local neighbourhood services	Asb hotline out of hours charges review - savings related to underspend in last financial year.	2,000
41	Local neighbourhood services	Reduce small amounts across local neighbourhood services supplies and services budget	5,960
42	Local neighbourhood services	Remove support/crisis grants (contingency) to community centre management committees that have not previously been used. Contingency now to be provided for this corporately.	3,028
43	Local neighbourhood services	Increase re-charge for wardens costs to the HRA in line with activity	100,360
44	Planning	Professional advice - Cost reduction reflects cyclical nature of producing major policy documents and merger of cost centres.	147,880



No.	Service	Description of key savings / income projects	Revenue savings / income for 2014/15
45	Planning	Printing - Cost reduction reflects cyclical nature of producing major policy documents plus gradual move away from hard copy printing plus merger of printing budgets.	25,000
46	Planning	Promotion and publicity - Reduction in a budget that is higher than necessary.	4,000
47	Multiple	Savings from pension cost contributions through JVs	79,137
48	City development	Increase in parking tariffs	225,000
49	City wide services	Efficiencies from environmental contracts	110,237
50	City development	Changes to NPS Norwich pension contribution rate	223,706
51	City development	Strategic investment project	187,500
		<b>Totals</b>	<b>3,292,769</b>

## Calculation of prudent minimum balance

Estimate of prudent level of General Fund reserves 2014/15				Page 1/2
Description	Level of risk	Amount at risk	Risk	
Employee Costs	Medium	17,328,107	34,656	
Premises Costs	Medium	8,691,775	32,594	
Transport Costs	Medium	314,000	1,766	
Supplies & Services	Medium	6,792,186	101,883	
Third Party Payments	Medium	7,779,742	58,348	
Transfer Payments	Medium	91,249,849	273,750	
Centrally Managed Expenditure	Medium	1,517,614	45,528	
Receipts	Medium	23,106,678	121,310	
Grants & Contributions	Low	115,959,447	173,939	
Total One Year Operational Risk			843,775	
Allowing three years cover on operational risk			2,531,324	
<b>Balance Sheet Risks</b>				
Issues arising from Annual Governance Report	0	@ 100%	0	
<b>General &amp; Specific Risks</b>				
Unforeseen events	2,000,000	@ 50%	1,000,000	
Legal action – counsels' fees	100,000	@ 100%	100,000	
St Andrews Car Park – additional income loss	255,000	@ 100%	255,000	
Council Tax Reduction	700,000	@ 10%	70,000	
Business Rates retention	400,000	@ 100%	400,000	
Litigation / claims	700,000	@ 20%	140,000	
<b>ESTIMATED REQUIRED LEVEL OF GENERAL FUND RESERVES</b>			<b>4,496,324</b>	

## Operational cost risk profiles

Page  
2/2

		<i>Low Risk</i>	<i>Med Risk</i>	<i>High Risk</i>
Employee Costs	overspend probability amount at risk	1.00% 15.0% 25,992	2.00% 10.0% 34,656	3.00% 5.0% 25,992
Premises Costs	overspend probability amount at risk	2.50% 10.0% 21,729	5.00% 7.5% 32,594	7.50% 5.0% 32,594
Transport Costs	overspend probability amount at risk	5.00% 10.0% 1,570	7.50% 7.5% 1,766	10.00% 5.0% 1,570
Supplies & Services	overspend probability amount at risk	5.00% 20.0% 67,922	10.00% 15.0% 101,883	15.00% 10.0% 101,883
Third Party Payments	overspend probability amount at risk	5.00% 10.0% 38,899	10.00% 7.5% 58,348	15.00% 5.0% 58,348
Transfer Payments	overspend probability amount at risk	1.00% 25.0% 228,125	2.00% 15.0% 273,750	3.00% 10.0% 273,750
Centrally Managed Expenditure	overspend probability amount at risk	10.00% 20.0% 30,352	20.00% 15.0% 45,528	30.00% 10.0% 45,528
Receipts	shortfall probability amount at risk	2.00% 25.0% 115,533	3.50% 15.0% 121,310	5.00% 10.0% 115,533
Grants & Contributions	shortfall probability amount at risk	1.00% 15.0% 173,939	1.50% 10.0% 173,939	2.00% 5.0% 115,959

<b>Report to</b>	Cabinet	<b>Item</b>
	5 February 2014	
<b>Report of</b>	Chief finance officer	
<b>Subject</b>	Housing Rents & Budgets 2014-15	

## **KEY DECISION**

---

### **Purpose**

To propose for approval the Housing Revenue Account budget for 2014/15, council housing rents for 2014/15, the prudent minimum level of HRA reserves 2014/15, the housing capital plan 2014/15 to 2018/19; and the housing capital programme 2014/15.

### **Recommendation**

That cabinet recommends to council for the 2014/15 financial year:

1. That the proposed council housing rent increase ([para 6.6](#)) be approved or amended.
2. That the proposed Housing Revenue Account budgets be approved ([para 3.1](#)) subject to any amendment to the proposed rent increase ([para 6.13](#))
3. That the prudent minimum level of housing reserves be approved ([para 7.11](#))
4. That the housing capital plan 2014/15-2018/19 ([para 8.6](#)), and the housing capital programme 2014/15 ([para 9.1](#)) be approved

and

5. That cabinet notes that service charges will be determined under delegated powers in compliance with the constitution ([para 6.15](#)).

### **Corporate and service priorities**

The report helps to meet the corporate priorities “Decent housing for all” and “Value For Money services”.

### **Financial implications**

These are set out in the body of the report

**Ward/s:** All wards

**Cabinet member:** Councillor Bremner – Housing

**Contact officers**

Mark Smith, Finance Control Manager

01603 212561

**Background documents**

None.

# Report

## 1. Contents of report

1.1 The contents of this report are set out as follows:

2. [Budgetary context](#)
3. [Summary HRA Budget 2013/14 into 2014/15](#)
4. [HRA Balances](#)
5. [Financial Planning for the HRA](#)
6. [Council Housing Rents](#)
7. [Report by the Chief Financial Officer on the robustness of estimates, reserves and balances](#)
8. [Housing Capital Plan 2014/15-2018/19](#)
9. [Recommended Housing Capital Programme 2014/15](#)

Appendix 1 [Budget analysis by movement](#)

Appendix 2 [Budget analysis by service division](#)

Appendix 3 [Housing Rent Options](#)

Appendix 4 [Calculation of Prudent Minimum Balance](#)

## 2. Budgetary context

- 2.1 The Housing Revenue Account (HRA) is a “ring fenced” account that the authority must maintain in relation to its council housing stock. The HRA must fund all expenditure associated with the management and maintenance of the housing stock. The HRA is a complex account, the format of which is prescribed by government.
- 2.2 The HRA has moved from a position of being heavily influenced by central government, through the Housing Subsidy system, to a position under Self-Financing where the council has considerably greater discretion over the use of HRA resources. Rent and other income, under Self-Financing, remain within the council’s HRA rather than being subsumed into a national pool.
- 2.3 The proposed budgets have been drawn up within the framework of the Corporate Plan, corporate Medium Term Financial Strategy (MTFS), the Neighbourhood & Strategic Housing Services’ Service Plans, the HRA Business Plan, the Housing Asset Management Plan, and the Housing Investment Strategy.

## 3. HRA Budget 2013/14 into 2014/15

- 3.1 The following table shows the proposed budget in summarised statutory form.

Statutory Division of Service	Original Budget 2013/14 £000s	Draft Budget 2014/15 £000s	Change £000s
Repairs & Maintenance	15,474	15,923	449
Rents, Rates, & Other Property Costs	6,656	6,178	(477)
General Management	10,354	11,382	1,028
Special Services	5,551	5,629	78
Depreciation & Impairment	22,078	21,925	(153)
Provision for Bad Debts	941	941	-
<b>Gross HRA Expenditure</b>	<b>61,054</b>	<b>61,978</b>	<b>925</b>
Dwelling Rents	(58,597)	(61,414)	(2,817)
Garage & Other Property Rents	(2,194)	(1,951)	243
Service Charges - General	(10,026)	(9,643)	383
Adjustments & Financing Items	16,186	17,089	903
Amenities shared by whole community	(732)	(700)	32
Interest Received	(150)	(150)	-
<b>Gross HRA Income</b>	<b>(55,513)</b>	<b>(56,769)</b>	<b>(1,257)</b>
<b>Total Housing Revenue Account</b>	<b>5,541</b>	<b>5,209</b>	<b>(332)</b>

3.2 The £0.332m movement from £5.541m deficit to £5.209m use of reserves can be analysed by type of movement and statutory division of service as follows:

Item	General Management	Special Services	Repairs & Maintenance	Other HRA	Total HRA
Planned Growth	222	14	410	1,245	<b>1,890</b>
Recommended Growth	974	366	611	55	<b>2,006</b>
Recommended Income Reduction	39	-	-	1,011	<b>1,050</b>
Planned Savings	(23)	(190)	(572)	(140)	<b>(924)</b>
Recommended Savings	(153)	(110)	-	(721)	<b>(984)</b>
Planned Income Increase	-	-	-	(2,817)	<b>(2,817)</b>
Recommended Income Increase	(29)	(4)	-	(519)	<b>(552)</b>
Transfers	(1)	1	-	-	-
<b>Draft Budget 2014/15</b>	<b>1,028</b>	<b>78</b>	<b>449</b>	<b>(1,887)</b>	<b>(332)</b>

3.3 Budget movements for each type of movement are shown in [Appendix 1](#), and for each division of service are shown in [Appendix 2](#).

## 4. HRA Balances

4.1 The proposed budgets will impact on the HRA Balance as follows:

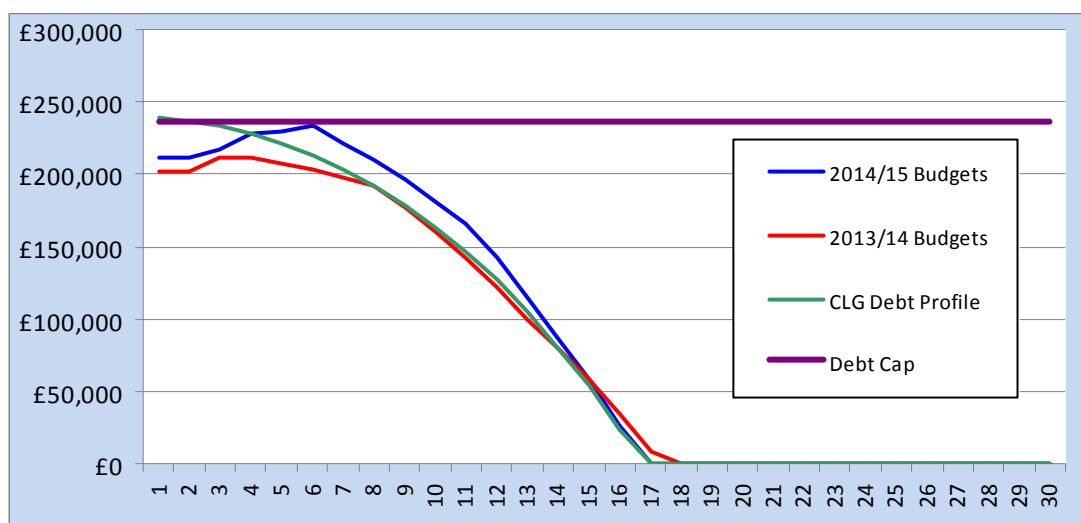
Item	£000s
Brought Forward from 2012/13	(27,788)
Budgeted use of balances 2013/14	6,166
Forecast Outturn 2013/14	(843)
<b>Carried Forward to 2014/15</b>	<b>(22,465)</b>
Draft Budget 2014/15	5,209
<b>Carried Forward to 2015/16</b>	<b>(17,256)</b>

4.2 Potential future uses of the HRA balance are considered in financial planning for the HRA as set out in paragraphs 5.1-5.4 of this report.

## 5. Financial Planning for the HRA

5.1 Financial planning for the HRA is based upon the 30-year Business Plan (BP).

5.2 The following diagram shows the debt curve of the Business Plan as impacted by the revenue and capital budget proposals and proposed council housing rent increase.



5.3 This shows that the proposed revenue budgets, rent increase, and capital plan (incorporating the Norwich Standard and initial elements of the Housing Investment Strategy) can be contained within the Business Plan.

5.4 Other BP outputs show stable revenue balances, consistent with the objectives behind the BP of financing the housing investment programme while maintaining balances in excess of the minimum prudent balance assessed.

## 6. Council Housing Rents



## Rent policy context

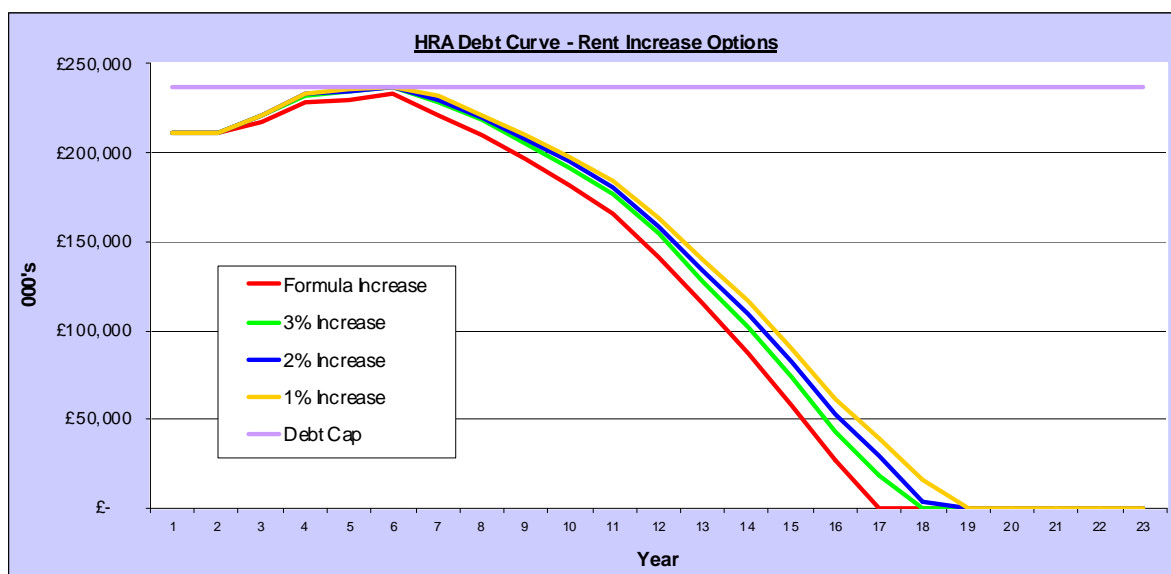
- 6.1 In December 2002 the Executive agreed to introduce the Government's Rent Restructuring from April 2003. Under this system a target rent for each property is calculated. Rents for individual properties are set to collect the general increase, and move rent levels towards the target rents. The Government initially intended that Council and Registered Social Landlord rents, for properties of similar sizes and locations, would converge by April 2011, now extended to April 2017. This means that the amount of increase in rent can vary for properties depending on the how near they are to the target rent as calculated by the Rent Restructuring Formula.
- 6.2 From 2012-13, the housing subsidy system has been abolished and councils are now "self financing". The proceeds of rent increases now remain with the council instead of being negated by housing subsidy payments.
- 6.3 Under the previous subsidy system, the council was able to finance the Decent Homes Standard but was unable to maintain service and investment standards in the medium and long term. The introduction of self financing improves this position, enabling a higher level of investment, which has informed the capital proposals set out in paragraphs 8.1-9.3 of this report.
- 6.4 The level of rent tenants pay continues to be a decision for the council, although under the principals of self financing the incentive to follow rent restructuring policy is lessened. However, it remains the expectation of ministers and assumption of the HRA business plan that authorities will continue to follow the existing (and future) guidelines.
- 6.5 More significantly for council landlords, the self-financing regime relies on councils raising sufficient money through rents to fund their liabilities and investment needs, assessed through their HRA Business Plans.
- 6.6 For 2014-15, the combination of September 2013 inflation at 3.2% and the movement towards converging rents by 2016/17 means that following the rent restructuring formula would generate an average increase of **5.57%** (£4.21) for Norwich tenants.
- 6.7 The rationale for applying this increase is as follows:
  - a) That it maximises resources for future investment
  - b) That it is consistent with the basis of the HRA Business Plan
  - c) That it reduces the risk of having to refinance borrowing in future at less advantageous terms
  - d) That it provides certainty that the Norwich Standard and Housing Investment Strategy can be delivered within planned timescales
  - e) That it preserves consistency of rents with private sector rent increases and other local authority landlords
  - f) That the distribution of increases is "fair" in that it incorporates convergence on formula rents
- 6.8 The rationale for applying a lower rate of increase is almost entirely one of affordability for tenants.
- 6.9 Alternatives have been modelled for the increase of dwelling rent charges:

Option	Average Increase (%)	Average Increase (£)	Description
1	5.57%	£4.21	RPI at September 2013 + ½%
2	3.00%	£2.27	Flat rate of 3% for all tenants
3	2.00%	£1.52	Flat rate of 2% for all tenants
4	1.00%	£0.76	Flat rate of 1% for all tenants

6.10 62% of tenants are in receipt of Housing Benefit, which will in most cases rise to cover the increased rent set out above. The financial impact of the increases will fall hardest on those just above the benefit entitlement threshold, either impacting on their disposable income or forcing them into benefit. For tenants affected by the benefit changes for non-dependants and under-occupation the position will be worsened.

6.11 The impact of rent increase options will directly affect only the rent income budget and the contribution to HRA balances, since service charge increases have been de-linked from rents, and the responsive repairs and contribution to capital budgets will be reformulated within the draft budget totals.

6.12 The impact of the alternative rent increase options would be to reduce the “headroom” (capacity to borrow below the debt cap) resources available to support the housing capital plan, and to extend the date at which the council would be able to pay off its housing debt, as illustrated below:



6.13 The budget impact of an alternative (lower) rent increase on the 2014/15 budget would be to reduce income budgets and so to increase the use of contributions to/from HRA balances, as follows:

Budget Impact	Flat 3% £000s	Flat 2% £000s	Flat 1% £000s
Rent Income	(1,392)	(1,445)	(1,497)
Contribution to/from HRA balances 2014/15	1,392	1,445	1,497

- 6.14 It is proposed that garage rents again remain unchanged from current levels in order to maintain affordability and encourage new tenants thereby reducing the number of void garages.
- 6.15 In accordance with the constitution, levels of tenants' service charges will be determined by officers under delegated powers, in consultation with the portfolio holder and after engagement with tenant representatives.

### **Relationship with Investment Strategy & Housing Revenue Account budgets**

- 6.16 The relationship of rents with the Investment Strategy and the HRA revenue budgets is incorporated in detail within the HRA Business Plan which currently assumes the implementation of 5.57% average rent increase in 2014/15.

### **Consultation with tenants**

- 6.17 Tenant representatives have been consulted over the proposed increase and other options, through the Tenant Involvement Panel on 5 December 2013 and a tenant briefing 14 January 2014 – see [Appendix 3](#).
- 6.18 A range of responses were received supporting all three proposed options. Many tenants appreciate that rent increases are inevitable if the level of investment is to be maintained. However there are concerns about the effect of higher increases on those struggling in the current financial climate, and the equity of all tenants having the same increase whether or not their homes currently meet the Norwich standard.
- 6.19 All those who attended the briefing have been offered the opportunity to make further comment and any differing subsequent feedback will be reported orally.

### **Future Rents**

- 6.20 The government has recently closed consultation on a successor policy to Rent Restructuring. This would mean two key changes:
- (1) To end the “convergence” of actual rents on Formula Rents. This means that the council would not continue to increase rents by as much as under Rent Restructuring (except when dwellings are re-let) and so would receive less income in future than expected.
  - (2) To replace the “RPI + ½%” increase with a “CPI + 1%” increase. Because CPI is expected to remain well below RPI, this means lower increases in future years and therefore less income to the council.
- 6.21 Councils continue to have absolute discretion over rents and increases, however, so will not be obliged to adopt any new government policy. It is likely that the government will seek to incentivise councils to adopt any new government policy by tying future Limit Rent (maximum housing benefit level) to its expectations.

## **7. Report by the Chief Financial Officer on the robustness of estimates, reserves and balances**

- 7.1 Section 25 of the Local Government Act 2003 requires that the Chief Finance Officer of the reports to members on the robustness of the budget estimates and the adequacy of council's reserves.
- 7.2 The Chief Finance Officer is required to provide professional advice to the council on the two above matters and is expected to address issues of risk and uncertainty.

### **Estimates**

- 7.3 In the current budget round the budget process is being integrated with the service planning process thus ensuring a strong link between the council's priorities and the financial resources available to deliver them. This process has been further enhanced by holding a series of Corporate Leadership Team budget review meetings. As with all future estimates there is a level of uncertainty and this has been taken into account when assessing the levels of reserves.
- 7.4 Allowing for the above comment on uncertainty it is the opinion of the Chief Finance Officer that in the budgetary process all reasonable steps have been taken to ensure the robustness of the budget.

### **Reserves**

- 7.5 A risk assessment has been undertaken to determine the level of general reserves required by the Council, attached as [Appendix 4](#).
- 7.6 In making a recommendation for the level of reserves the Chief Finance Officer has followed guidance in the CIPFA LAAP Bulletin 77 – Guidance notes on Local Authorities Reserves and Balances.
- 7.7 The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 7.8 Earmarked reserves remain legally part of the general fund although they are accounted for separately.
- 7.9 There are also a range of safeguards in place that help to prevent local authorities over-committing themselves financially. These include:
  - a) the balanced budget requirement (England, Scotland and Wales) (sections 32, 43 and 93 of the Local Government Finance Act 1992)
  - b) Chief Finance Officers' duty to report on robustness of estimates and adequacy of reserves (under section 25 of the Local Government Act 2003 when the authority is considering its budget requirement (England and Wales))
  - c) the requirements of the Prudential Code
  - d) auditors will consider whether audited bodies have established adequate arrangements to ensure that their financial position is soundly based.
- 7.10 Whilst it is primarily the responsibility of the local authority and its Chief Finance Officer to maintain a sound financial position, external auditors will, as part of their wider responsibilities, consider whether audited bodies have

established adequate arrangements to ensure that their financial position is soundly based. However, it is not the responsibility of auditors to prescribe the optimum or minimum level of reserves for individual authorities or authorities in general.

## **Role of the Chief Finance Officer**

- 7.11 Within the existing statutory and regulatory framework, it is the responsibility of the Chief Finance Officer to advise local authorities about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. Reserves should not be held without a clear purpose. The risk analysis attached as Appendix 4 shows that an adequate level of HRA reserves for the Council will be in the order of £3.067m.

## **8. Housing Capital Plan 2014/15-2018/19**

- 8.1 The abolition of the HRA subsidy system from 1 April 2012 and the inception of "self financing" for council housing has allowed the council, in consultation with its tenants, to develop plans for increased investment in maintaining and improving council housing in Norwich.
- 8.2 The additional resources made available by retaining rent income within the city, rather than passing surpluses to the government, have enabled the council to adopt the Norwich Standard for maintenance and improvements of tenants' homes rather than the basic Decent Homes Standard, and to adopt a Housing Investment Strategy (as considered by cabinet on 14 November 2012) to deliver new council housing, reconfiguration of sheltered housing, estate renewal, renewable energy solutions, and support to private sector housing in the city.
- 8.3 The following table indicates the anticipated levels of resources available to the Housing Capital Programme in future years.

<b>Housing Capital Resources</b>	<b>2014/15 £000s</b>	<b>2015/16 £000s</b>	<b>2016/17 £000s</b>	<b>2017/18 £000s</b>	<b>2018/19 £000s</b>
Forecast resources brought forward	0	0	0	0	0
Capital grants	(408)	(408)	(408)	(408)	(408)
Major Repairs Reserve - depreciation charges	(16,611)	(12,333)	(12,346)	(12,312)	(12,276)
HRA borrowing from headroom under debt cap	0	(1,026)	(5,916)	0	0
Revenue Contribution to Capital	(19,885)	(31,538)	(16,809)	(13,684)	(17,434)
Leaseholder contributions to major works	(250)	(250)	(250)	(250)	(250)
Capital receipts - properties uneconomic to repair	(802)	(782)	(762)	(743)	(725)
Capital receipts arising from RTB (25%)	(2,583)	(758)	(758)	(744)	(757)
Retained "one for one" RTB Receipts	(2,013)	(5,179)	(1,962)	(91)	0
<b>Gross forecast resources</b>	<b>(42,551)</b>	<b>(52,273)</b>	<b>(39,211)</b>	<b>(28,232)</b>	<b>(31,849)</b>
Forecast resources utilised	42,551	52,273	39,211	28,232	31,849
<b>Forecast resources carried forward</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 8.4 The level of RTB receipts included in the proposed capital plan anticipates a short term increase in RTB sales because of the government's increased incentives, but that numbers of sales will decline within a few years toward the current "normal" rate. The additional "one for one" resources consequently forecast in the capital plan are anticipated to be applied to support the provision of new council housing.
- 8.5 Proposed housing capital expenditure includes continuing to maintain the structural integrity of tenants' homes, delivering the Norwich Standard of maintenance and improvement, and investment in accordance with the objectives set out in the Housing Investment Strategy.
- 8.6 The following indicates the anticipated levels of expenditure until 2018/19 and constitutes the Housing Capital Plan:

<b>Housing Capital Plan</b>	<b>2014/15 £000s</b>	<b>2015/16 £000s</b>	<b>2016/17 £000s</b>	<b>2017/18 £000s</b>	<b>2018/19 £000s</b>
Neighbourhood housing	30,070	33,121	30,781	26,039	29,959
Strategic housing	1,570	1,390	1,390	1,390	1,390
Housing investment	10,911	17,762	7,040	803	500
<b>Total Housing Capital Programmes</b>	<b>42,551</b>	<b>52,273</b>	<b>39,211</b>	<b>28,232</b>	<b>31,849</b>
Available resources applied	(42,551)	(52,273)	(39,211)	(28,232)	(31,849)
<b>Surplus/(Deficit) in Housing Capital Plan</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 8.7 All planned capital costs and resources are incorporated into the HRA Business Plan projections.
- 8.8 All risks relating to the resourcing and delivery of the capital plan are identified and managed in accordance with the council's Risk Management Strategy.

## **9. Recommended Housing Capital Programme 2014/15**

- 9.1 The following table details the proposed Housing Capital Programme for approval:

<b>Scheme</b>	<b>£000s</b>
Home Upgrades	14,100
Heating Upgrades	5,680
Window & Door Upgrades	2,710
Community Safety	180
Sheltered Housing Regeneration	270
Preventative Maintenance	5,830
Supported Independent Living	1,200
Bin Stores	100
<b>Neighbourhood Housing</b>	<b>30,070</b>

Sheltered Housing Regeneration	3,750
New Build Social Housing	6,661
RTB Buyback Programme	500
<b>Housing Investment</b>	<b>10,911</b>
Home Improvement Agency Works	1,140
Capital Grants to Housing Associations	180
Site Formation	250
<b>Strategic Housing</b>	<b>1,570</b>
<b>Total Housing Capital Programme 2014/15</b>	<b>42,551</b>

- 9.2 The programme includes provision for the door replacement programme, as the window replacement programme comes to an end, and for development of new council housing at Goldsmith Street and commencement of regeneration schemes for the sheltered housing stock.
- 9.3 The outcomes that will be supported by the increased level expenditure on the council's own stock, compared to last year, will be as follows:

<b>Housing Capital Programme</b>	<b>2011/12 Outcomes</b>	<b>2012-13 Outcomes</b>	<b>2013-14 Outcomes</b>	<b>2014/15 Outcomes</b>	<b><i>Change 2013/14 to 2014/15</i></b>
New kitchens	750	1,264	1,531	1,557	+ 26
New bathrooms	357	747	655	1,049	+ 394
Heating systems/boilers	>1,200	>950	>1,000	999	- 1
New composite doors	642	479	1,309	4,015	+ 2,706
New PVCu windows	2,300	2,400	1,320	34	- 1,286
Whole house imp's	0	20	20	20	0

- 9.4 These outcomes reflect the winding-down of the windows programme, and the stepping up of the doors programme.
- 9.5 The capital programme proposed above will be supplemented by resources and commitments brought forward from the 2013/14 capital programme, as identified in the Capital Monitoring report on this cabinet agenda.

## Integrated impact assessment



**NORWICH**  
City Council

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

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	5 February 2014
<b>Head of service:</b>	Caroline Ryba, Chief Finance Officer
<b>Report subject:</b>	Housing Budgets & Rents 2014/15
<b>Date assessed:</b>	22 January 2014
<b>Description:</b>	This integrated impact assessment covers the proposed housing budgets and council housing rents for 2014/15



	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The recommendations of the report will secure continuing value for money in the provision of works and services to council tenants
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The proposed housing capital plan and programme will provide for improvements to tenanted properties and the surrounding environment
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The proposed housing capital plan and programme will provide for improvements in thermal and carbon efficiency

	Impact			
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The risks underlying the budgets, rent increase, and capital plan and programme have been assessed and prudent provision made for the financial consequences of those risks both within the budgets and the recommended prudent minimum level of HRA reserves
Recommendations from impact assessment				
Positive				
None				
Negative				
None				
Neutral				
None				
Issues				
None				

## Draft Housing Revenue Account budgets 2014/15

**Budget movements by type**

<b>Planned Growth</b>	<b>£000s</b>
Revenue Contribution to Capital	1,189
External Wall Insulation	200
Replace tanks & lead water mains	125
Payroll cost increase	94
Neighbourhood Warden costs	61
Repairs costs for HRA Shops	60
Interest charges on HRA debt	56
Insurance costs increase	24
Other Planned Growth	81
<b>Total Planned Growth</b>	<b>1,890</b>

<b>Recommended Growth</b>	<b>£000s</b>
Revenue cost of Estate Aesthetics	800
Fuel cost increases	241
New Build development costs	192
Internal Wall Insulation	180
Technical staffing costs	146
Pension cost increase	61
Budgeting Adviser posts	60
Sheltered Housing Review costs	39
Decoration Allowances increase	35
Choice Based Lettings advertising	30
Tree Planting Programme	19
Loss of Social Housing Fraud Grant	19
Other Recommended Growth	185
<b>Total Recommended Growth</b>	<b>2,006</b>

<b>Recommended Income Reduction</b>	<b>£000s</b>
Tenant Water Charges reduction	491
Tenant Service Charges reduction	216
Garage void increase	148
Reduction in Non-Dwelling rents	113
Dwelling void reduction	13
Other Recommended Income Reduction	70
<b>Recommended Income Reduction</b>	<b>1,050</b>

<b>Planned Savings</b>	<b>£000s</b>
Savings from plastic windows	(350)
Reduced repair requirements	(206)
Grounds Maintenance savings	(158)
Interest charges on HRA debt	(140)
Other Planned Savings	(71)
<b>Total Planned Savings</b>	<b>(924)</b>

<b>Recommended Savings</b>	<b>£000s</b>
Anglian Water cost reduction	(512)
Interest charges on HRA debt	(211)
Overhead cost decrease	(71)
TV Aerial Maintenance	(39)
"Heats & Smokes" savings	(35)
Pension cost decrease	(24)
Fuel cost savings	(14)
Other Recommended Savings	(77)
<b>Total Recommended Savings</b>	<b>(984)</b>

<b>Planned Income Increase</b>	<b>£000s</b>
Dwelling rent increase 5.57%	(2,587)
Dwelling void reduction	(230)
<b>Total Planned Income Increase</b>	<b>(2,817)</b>

<b>Recommended Income Increase</b>	<b>£000s</b>
Tenant Service Charges increase	(322)
RTB admin costs recovered	(164)
Reduction in Non-Dwelling rents	(31)
Other Recommended Income Increase	(35)
<b>Recommended Income Increase</b>	<b>(552)</b>

## Draft Housing Revenue Account budgets 2014/15

**Budget movements by service division**

<b>General Management</b>	<b>£000s</b>
Technical staffing costs	476
New Build development costs	192
Payroll cost increase	118
Overhead cost decrease	(68)
Neighbourhood Warden costs	61
Budgeting Adviser posts	60
Sheltered Housing Review costs	39
Decoration Allowances increase	35
Choice Based Lettings advertising	30
Pension cost increase	8
Other General Management	77
<b>Total General Management</b>	<b>1,028</b>

<b>Special Services</b>	<b>£000s</b>
Fuel cost increases	226
Grounds Maintenance costs	(158)
TV Aerial Maintenance	(39)
"Heats & Smokes" savings	(35)
Pension cost increase	29
Payroll cost increase	(25)
Tree Planting Programme	19
Tree Planting Programme	14
Overhead cost decrease	(6)
Other Special Services	52
<b>Total Special Services</b>	<b>78</b>

<b>Repairs &amp; Maintenance</b>	<b>£000s</b>
Revenue cost of Estate Aesthetics	800
Technical staffing costs	(369)
Savings from plastic windows	(350)

<b>Repairs &amp; Maintenance</b>	<b>£000s</b>
Reduced repair requirements	(206)
External Wall Insulation	200
Internal Wall Insulation	180
Replace tanks & lead water mains	125
Repairs costs for HRA Shops	60
Other Repairs & Maintenance	9
<b>Total Repairs &amp; Maintenance</b>	<b>449</b>

<b>Other HRA</b>	<b>£000s</b>
Revenue Contribution to Capital	1,189
Tenant Water Charges reduction	491
Garage void increase	148
Reduction in Non-Dwelling rents	82
savings on subj 2850	26
Loss of Social Housing Fraud Grant	19
Overhead cost decrease	2
Tenant Service Charges	(105)
RTB admin costs recovered	(164)
Dwelling void reduction	(217)
Interest charges on HRA debt	(295)
Anglian Water cost reduction	(512)
Dwelling rent increase 5.57%	(2,587)
Misc Other HRA	38
<b>Total Other HRA</b>	<b>(1,887)</b>



## Council Housing Rent Increase

The following are extracts from presentations made to the Tenant Involvement Panel on 5 December and a tenant briefing session on 14 January, to invite tenants' feedback on their preferred balance between rent increases and resources for revenue and capital investment.

### Restructured Rent Increase

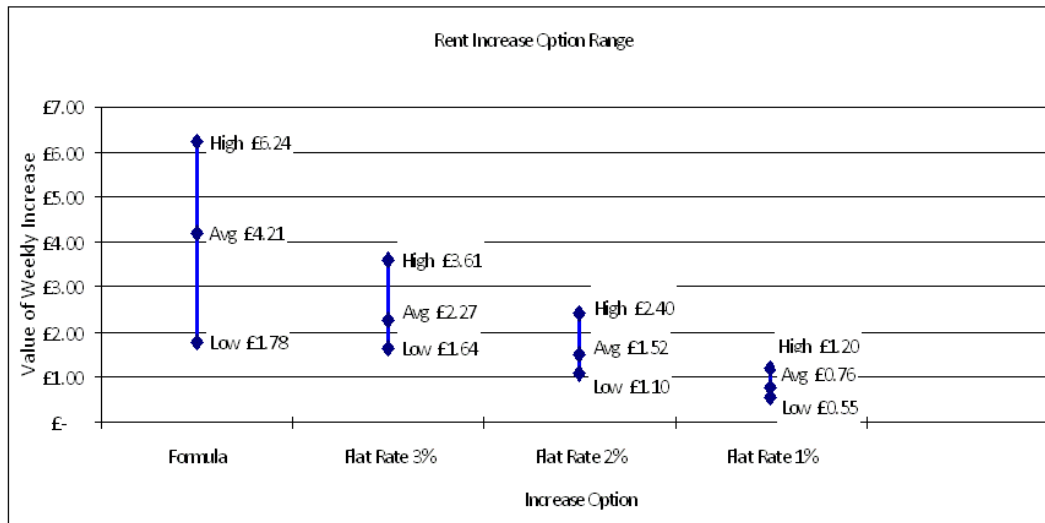
- Based on September RPI of 3.2%
- Plus ½% annual increase
- Plus convergence by 2016/17
- Equates to 5.57% (£4.21) increase on average

Item	Average £	Maximum £	Minimum £
Rent 2013/14	75.80	114.63	74.25
RPI (@ 3.2%)	2.43	3.67	2.38
Additional ½%	0.38	0.57	0.37
Convergence	1.41	2.00	-0.97
Rent 2014/15	80.01	120.87	76.03
<b>Increase</b>	<b>£4.21 5.57%</b>	<b>£6.24 5.44%</b>	<b>£1.78 2.40%</b>

*By the public sector, for the public sector*



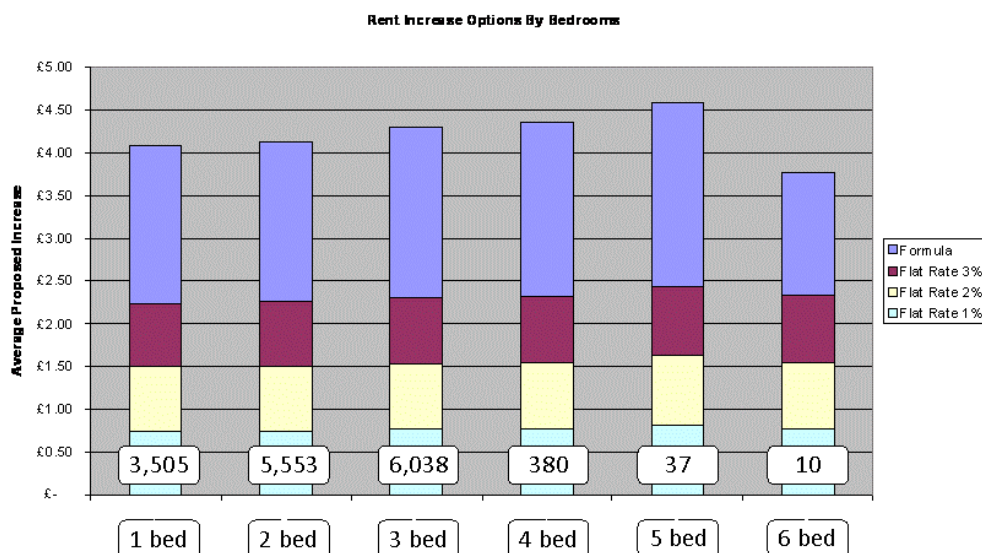
## Other options for increases (2)



*By the public sector, for the public sector*



## Other options for increases (4)



*By the public sector, for the public sector*



## Impact of rent options on Business Plan (2)

Option	Average increase	Year Debt Repayable	Slippage in investment	Size of Yr 6-10 investment
Formula	£4.21	2030	£0m	£54m
Flat Rate 3%	£2.27	2030	£2m	£44m
Flat Rate 2%	£1.52	2031	£5m	£34m
Flat Rate 1%	£0.76	2031	£11m	£21m

*By the public sector, for the public sector*



## Impact of rent options on Business Plan (3)

Option	Slippage in investment	Options for slippage in investment
Flat Rate 3%	£2m	Defer tower block programme by 1 year <b>or</b> Defer construction of 19 new builds for 2 years <b>or</b> Estate aesthetics programme halved for 5 years, extended over 10 years
Flat Rate 2%	£5m	Defer tower block programme by 2 years <b>or</b> Defer construction of 54 new builds for 2 years <b>or</b> Estate aesthetics <u>and</u> door programmes halved for 5 years, extended over 10 years
Flat Rate 1%	£11m	Defer tower block programme by 2-3 years <b>or</b> Defer construction of 94 new builds for 2-3 years <b>or</b> Defer estate aesthetics <u>and</u> door programmes for 5 years

*By the public sector, for the public sector*



## Housing Revenue Account – Prudent Minimum Balance

Estimate of prudent level of HRA reserves 2014/15			Page 1/2
<u>Description</u>	<u>Level of risk</u>	<u>Amount at risk</u>	<u>Risk</u>
Employee Costs	<i>High</i>	6,467,099	32,335
Supplies and Services	<i>High</i>	2,300,943	5,752
Premises Costs	<i>High</i>	9,063,663	22,659
Transport Costs	<i>High</i>	122,263	306
Contracted Services	<i>Medium</i>	15,909,569	119,322
Fees and Charges	<i>Medium</i>	2,801,350	42,020
Investment Income	<i>Medium</i>	150,000	4,500
Rents & Service Charges	<i>Low</i>	71,056,864	177,642
Financing Items	<i>Medium</i>	17,230,913	34,462
Total One Year Operational Risk			438,999
<b>Allowing three years cover on operational risk</b>			<b>1,316,996</b>
<b>Balance Sheet risk</b>			
Issues arising from Welfare reform			<b>750,000</b>
<b>General Risk</b>			
Unforeseen events			<b>1,000,000</b>
<b>ESTIMATED REQUIRED LEVEL OF HRA RESERVES</b>			<b>3,066,996</b>

## Operational cost risk profiles

Page  
2/2

		<i>Low Risk</i>	<i>Med Risk</i>	<i>High Risk</i>
Employee Costs	overspend probability amount at risk	1.00% 25.0% 16,168	2.50% 15.0% 24,252	5.00% 10.0% 32,335
Supplies and Services	overspend probability amount at risk	1.00% 10.0% 2,301	2.50% 7.5% 4,314	5.00% 5.0% 5,752
Premises Costs	overspend probability amount at risk	1.00% 10.0% 9,064	2.50% 7.5% 16,994	5.00% 5.0% 22,659
Transport Costs	overspend probability amount at risk	1.00% 10.0% 122	2.50% 7.5% 229	5.00% 5.0% 306
Contracted Services	overspend probability amount at risk	5.00% 10.0% 79,548	10.00% 7.5% 119,322	15.00% 5.0% 119,322
Fees and Charges	shortfall probability amount at risk	5.00% 25.0% 35,017	10.00% 15.0% 42,020	15.00% 10.0% 42,020
Investment Income	shortfall probability amount at risk	10.00% 20.0% 3,000	20.00% 15.0% 4,500	30.00% 10.0% 4,500
Rents & Service Charges	shortfall probability amount at risk	1.00% 25.0% 177,642	1.50% 15.0% 159,878	2.00% 5.0% 71,057
Financing Items	overspend probability amount at risk	1.00% 15.0% 25,846	2.00% 10.0% 34,462	3.00% 5.0% 25,846

<b>Report to</b>	Cabinet	<b>Item</b>
	5 February 2014	
<b>Report of</b>	Executive head of strategy, people and democracy	
<b>Subject</b>	Corporate Plan 2012 -2015	

### **Purpose**

To consider the proposed amendments to the Corporate Plan 2012-2015.

### **Recommendation**

To recommend to council that the amendments to the Corporate Plan 2012-2015, as set out in the report, are approved and that the Corporate Plan, as amended, is then agreed as the council's overarching policy framework for 2014-15.

### **Corporate and service priorities**

The report helps to meet all the corporate priorities.

### **Financial implications**

There are no direct financial consequences of this report.

**Ward/s:** All wards

**Cabinet member:** Councillor Arthur – Leader of the council

### **Contact officers**

Russell O'Keefe, Executive head of strategy, people and democracy	01603 212908
---	--------------

Phil Shreeve, Policy and performance manager	01603 212356
--	--------------

### **Background documents**

None

# Report

## Background

1. The corporate plan 2012-2015 sets out the overall strategic direction of the council including its vision, priorities and values. This will guide everything the council will do for the city and its residents and visitors for the period. As such, the plan acts as the overarching policy framework for the council.
2. The plan was developed during 2011 and early 2012 through a number of methods including:
  - Analysing information on levels of need in the city including drawing on the joint strategic needs assessment, indices of multiple deprivation and our own economic barometer.
  - Listening to our residents and customers on what are the key issues and priorities for city residents, including the results of our 12-week public consultation (your services, your say) on the future priorities and shape of the council.
  - Reviewing the current environment the council operates in, including the national and local economic climate and changing policy and legislation for local government.
  - Consideration of the council's need to continue to significantly reduce its resources in line with its medium-term financial strategy and the reductions required of other public sector organisations.
  - Discussions with key partners and stakeholders over their priorities for the city.
  - Workshops with councillors and staff to consider the key role of the council in the current climate.
  - Formal reviews by scrutiny committee, cabinet and council.
3. The corporate plan was drawn up in line with the Medium Term Financial Strategy and in parallel to the development of the budget for 2012/13 to ensure the necessary resources were in place for its delivery.

## Review of the corporate plan

4. Following a review carried out alongside the development of the budget for 2013/14, changes were made to three corporate performance targets and the updated corporate plan was approved by Council as the overarching policy framework on the 19 February 2013.
5. The corporate plan has again been reviewed this year in parallel to the development of the city council budget for 2014/15 to ensure that there will

be adequate resources to continue the delivery of the key corporate priorities. The plan has also been reviewed in light of the changing context that the council operates in.

6. The corporate plan was always intended to last until 2015 and despite the fact some of the context has changed the overall vision, priorities and values remain current and appropriate for the council. It is, therefore, proposed to again not make significant changes to the corporate plan. However, it is proposed to amend the following corporate performance targets for the reasons set out in the table below.

DRAFT



Performance measure	Current target	Proposed revised target	Reason for proposed revision
% reduction in CO2 emissions from local authority operations	<ul style="list-style-type: none"> <li>2014/15 - 4%</li> </ul>	<ul style="list-style-type: none"> <li>2014/15 – Provisionally 2.2% (see explanation)</li> </ul>	<p>The council is currently developing a new carbon management programme for the next five years. This will be discussed at Sustainable Development Panel on the 29 January 2014 before being formally considered by Cabinet on 5 February 2014. Currently, the proposed target in the draft programme is to achieve a further 11% reduction over the next five years equating to 2.2% per year. This is considered realistic given the significant reductions achieved by the council over the last five years (24% or 29% weather corrected), the complex nature of the council's estate and operations and the further opportunities that could be practically realised. This would also mean the Council would have achieved a total reduction above the government's national target.</p>
% of domestic waste sent for re-use, recycling or composting	<ul style="list-style-type: none"> <li>2014/15- 50%</li> </ul>	2014/15- 43%	<p>It is proposed to keep the council's recycling target at the 2013/14 amount of 43% for 2014/15 rather than increase it to 50%. This is for the following reasons:</p> <ul style="list-style-type: none"> <li>All authorities in Norfolk except Kings Lynn and West Norfolk Borough Council have shown a decrease in recycling rates</li> <li>Evidence suggests people are throwing away less food reducing the level of food waste recycling</li> <li>Manufacturers are continuing to actively light weight products, especially packaging and since the recycling rate is calculated by weight this will reduce the percentage that is recycled</li> <li>There is a general reduction of 2% per year in the amount of newspaper that is produced – again a relatively heavy material which forms the largest part of the recycling weight</li> <li>The county council will still not pay recycling credits for street</li> </ul>

			<p>sweepings meaning we have sent them to county for disposal</p> <p>The launch of the new Materials Recycling Facility contract, which is expected to be operational by November 2014, will provide the opportunity for people to co-mingle recyclables and recycle more materials which should help overall performance. Nevertheless, for the reasons stated above retaining the current year's target of 43% rather than increasing it to 50% is considered more realistic.</p>
% of compliant food safety inspections	2014/15 - 97%	2014/15 - 90%	<p>The council has a very high performing food hygiene service. As such, it has previously set extremely challenging targets for the service. It is now considered that these targets are actually slightly too challenging and unrealistic given the very complex nature of the work. As such, it is proposed to set a more realistic target of 90% for 2014/15 which would still represent good performance.</p>

Please note: That the savings target in the Corporate Plan will be automatically be aligned with the savings target within the MTFS that is part of the budget report agreed by Council on the 18 February 2014.

## **Delivery of the corporate plan**

7. The plan is underpinned by a range of service and operational plans, which set out in more detail how our vision and priorities will be delivered. These plans contain more specific targets, which are allocated to teams, contractors and employees to deliver.
8. Progress against targets is monitored and reviewed regularly through the council's performance management framework. This includes monthly performance reports to portfolio holders.
9. Overall progress on delivering the corporate plan is then formally reported quarterly to the council's cabinet and scrutiny committee. The council also publishes an annual performance review as part of its statement of the accounts.
10. The corporate plan 2012-15 also links closely to the council's risk management strategy and corporate risk register. The council has a comprehensive approach to risk management which ensures that all strategic risks are appropriately identified, managed and mitigated against.
11. It is recommended that the Cabinet agree to recommend to council that the amendments to the Corporate Plan 2012-2015, as set out in the report, are approved and that the Corporate Plan, as amended, is then agreed as the Council's overarching policy framework for 2014/15.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	5 February 2014
<b>Head of service:</b>	Russell O'Keefe
<b>Report subject:</b>	Corporate Plan 2012 -2015
<b>Date assessed:</b>	December 2013
<b>Description:</b>	To consider the proposed amendments to the Corporate Plan 2012-2015

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

	Impact			
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	For the reasons set out in the report the council expects to achieve a lower recycling rate in 2014/15 then originally envisaged when the corporate plan was first approved in February 2012.
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The changes to the council's carbon reduction target in line with the development of a new carbon management programme will ensure that the council is working to realistic and deliverable targets for carbon reduction that are still significantly ahead of the government's national target. However, it will be lower than originally envisaged when the corporate plan was first approved in February 2012

(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	





**NORWICH**  
City Council



**Norwich City Council** Corporate plan 2012-15



# Norwich City Corporate Council plan 2012-15

## List of contents

<b>1. Foreword by the leader of the council</b>	page 3
<b>2. The council and the city</b>	page 4
<b>3. Strategic direction of the council</b>	page 7
<b>4. Council priorities and key actions</b>	page 9
<b>5. Performance measures and targets</b>	page 11
<b>6. Delivering the plan</b>	page 14

## 1. Foreword by the leader of the council

As leader of Norwich City Council, I want our peers and other organisations across the county to regard us as a leading authority, a trusted partner and an organisation that is outward looking and good to work with.

I strongly believe the council has, and should continue to hold, a civic leadership role. Elected councillors have a mandate to represent and work with their communities. While having the civic leadership role, we all know that in the current climate a local authority can no longer deliver the range of services it used to. However, I believe we have a responsibility to protect the delivery of public sector services. This means we have to work with others to ensure the services which people tell us are important remain.

This may be through our commissioning framework, through shared services and partnerships, by giving grants or by working with local groups and organisations to develop skills and capacity. We have to take a collaborative approach to enhancing the quality of life of people living in our communities.

The administration's record on developing sound financial systems and making significant efficiencies, cost reductions and improvements to services over the past five years has put us in a better position than many authorities to face the challenges presented to us by significant cuts to public

sector funding. This has been demonstrated by our recent short listing for the LGC's award for 'Most improved council of the year'. Our prudent management gives us time to consider just how we spend our income and use it to deliver against our corporate plan.

This work, together with our successful joint working through the Greater Norwich Development Partnership (GNDP), our work on economic development and with the business sector together with our emerging closer working with health, social care and the police, has put us in a strong position to engage and collaborate even more effectively with our external partners.

The recent achievement of health city status and launch of the health city programme will provide a strong framework for continuing to work with our partners to reduce health inequalities in Norwich in the future.

We recognise that we face some big issues as cuts in funding to local government and other public service providers, major changes in the welfare system and increases in fuel and food bills all impact on households in Norwich. As a council I am keen that we do everything we can, within our limited resources, to support the city through these difficult times.

The challenges we face are significant. However, in developing new ways of

working we will still cleave to our values of equality, protecting the delivery of public services, and supporting the most vulnerable. We are also committed to ensuring we continue to enable the provision of decent homes despite the difficult wider economic position impacting on new house building and are working to maintain a buoyant economy. This will include us starting work to build council houses again for the first time in more than 20 years.

The application we have developed with our partners for a City Deal has the potential, if approved, to deliver huge economic and social benefits for the greater Norwich area in the future.

Norwich City Council has achieved a great deal in just a few years and while, we may not be able to meet everyone's

expectations because of the funding cuts we face, we will continue to fight strenuously for a better quality of life for the people of Norwich.



**Brenda Arthur**  
Leader of Norwich City Council

## 2. The council and the city

Norwich City Council provides services to the city of Norwich along with Broadland District Council, South Norfolk Council and Norfolk County Council.

The city council is responsible for approximately 60 per cent of the urban area of the city, including the historic city centre, covering a population of approximately 143,000 people.

Norwich is an innovative, creative city with big ambition for both the place and the people who live here. The fastest-growing population in the east of England, it is home to the headquarters of many global companies, in the top nine shopping destinations in the country and is the regional cultural capital. Its economic, social, cultural and environmental influence is out of all proportion to its size, and extends far beyond its boundary.

But Norwich is also a tale of two cities. While the city has many positive aspects, it also has many of the tough challenges that urban centres can experience. Many city residents experience deprivation, poor educational attainment and poor health.

Our position as a regional centre means there are high levels of inward travel into the city for work, shopping, cultural and leisure activities. This means many of the services the city council provides are used by people who live outside of Norwich, placing additional pressures on our resourcing.

Norwich is also a growing city (the fourth-fastest growing in the UK), which will put additional demands on the council's services and resources in the future.

The information on the next page provides more detail on the economic, social, health, cultural and environmental picture of the city.

The city council has approximately 740 full time equivalent members of staff who provide a range of different services for residents and visitors including:

- street cleaning, waste collection and recycling services
- planning services
- public protection services, including licensing and environmental health
- housing services including, providing and maintaining approximately 16,000 council homes in the UK making us one of the largest local authority landlords
- regeneration and economic development
- parks and open spaces
- cultural, tourism and leisure services
- housing and council tax benefits
- electoral services.

### Summary of the social picture

**Levels of socio-economic deprivation are the third highest in the region and 70th (out of 326) in England.**

Above average rates of homelessness.

**25 per cent of housing is council rented, compared to only 5.5 per cent in Norfolk.**

75 per cent of school leavers staying on to further education, compared with 84 per cent across Norfolk.

**6.7 per cent of the working age population is claiming incapacity benefit/employment support allowance.**

Overall crime reduced by four per cent in 2010-11 compared with previous year.

**For the 12 months for the year ending March 2011 there were 16,437 reports to police of anti-social behaviour in Norwich, which was a year-on-year reduction of nine per cent and 12,196 reports of anti-social behaviour to Norwich City Council, a year-on-year reduction of six per cent.**

31.8 per cent of children affected by income deprivation in Norwich which is the 30th highest percentage nationally. It is the highest percentage of any district council and the highest percentage in the eastern region.

### Summary of the environmental picture

**Norwich has the highest decrease in CO<sup>2</sup> emissions per capita in the south and east of the UK as well as being one of the highest nationally, whilst at the same time having one of the highest population growths.**

Since the start of our Carbon Management Programme, Norwich City Council has reduced its carbon emissions by more than 16 per cent.

**University of East Anglia and Norwich Research Park are internationally recognised for excellence in environmental, health and life sciences.**

Norwich City Council has increased household recycling and composting to over 40 per cent and reduced residual waste per household.

### Summary of the economic picture

**Around 127,000 people work in the Norwich urban area and 50,000 workers commute to the city each day.**

40 per cent of jobs in the county are based in the Norwich urban area.

**The ninth ranked shopping venue in the UK.**

39.1 per cent of Norwich's working age population is qualified to degree level and above, higher than the national and regional averages.

## Summary of the cultural picture

### Highest level of culture per capita in the UK.

Prime examples of architecture including Norwich 12, the UK's finest collection of heritage buildings in a medieval cityscape.

### Bid shortlisted for UK City of Culture 2013.

Major sporting facilities including football, athletics, olympic swimming pool etc.

### Three regional media businesses (BBC, Anglia and Archant).

High-profile arts calendar including the Norfolk and Norwich Festival, the largest festival in the country.

### Writers' Centre Norwich delivering world-class literary events.

Bidding to become England's first UNESCO City of Literature.

### Highly regarded arts institutions including Norwich Castle Museum and Art Gallery, Norwich University College of the Arts and the Sainsbury Centre for Visual Arts.

Five theatres, including the Theatre Royal – the most successful regional theatre in the UK.

### 75 formal play areas and 17 all weather games areas.

## Summary of the health picture

### The health picture overall for Norwich is mixed, with life expectancy overall similar to the national average.

But this masks huge differences within the city, for example a difference of eight years between people in the healthiest and least healthy wards.

### Many key health measures are significantly worse in Norwich than in the rest of the county.

Significant health issues with high levels of teenage pregnancy, mental health problems and drug and alcohol misuse.

### High levels of adult smoking, physical inactivity and adult obesity.

Low levels of childhood obesity and diabetes.

### Lower than average children's population, and higher young people's population (16 to 24).

Lower than average road deaths and injuries.

[Click here for sources of data.](#)

### 3. Strategic direction of the council

This corporate plan sets out the overall strategic direction of the council including our vision, priorities and values. This will guide everything the council will do for the city and its residents and visitors for the next three years.

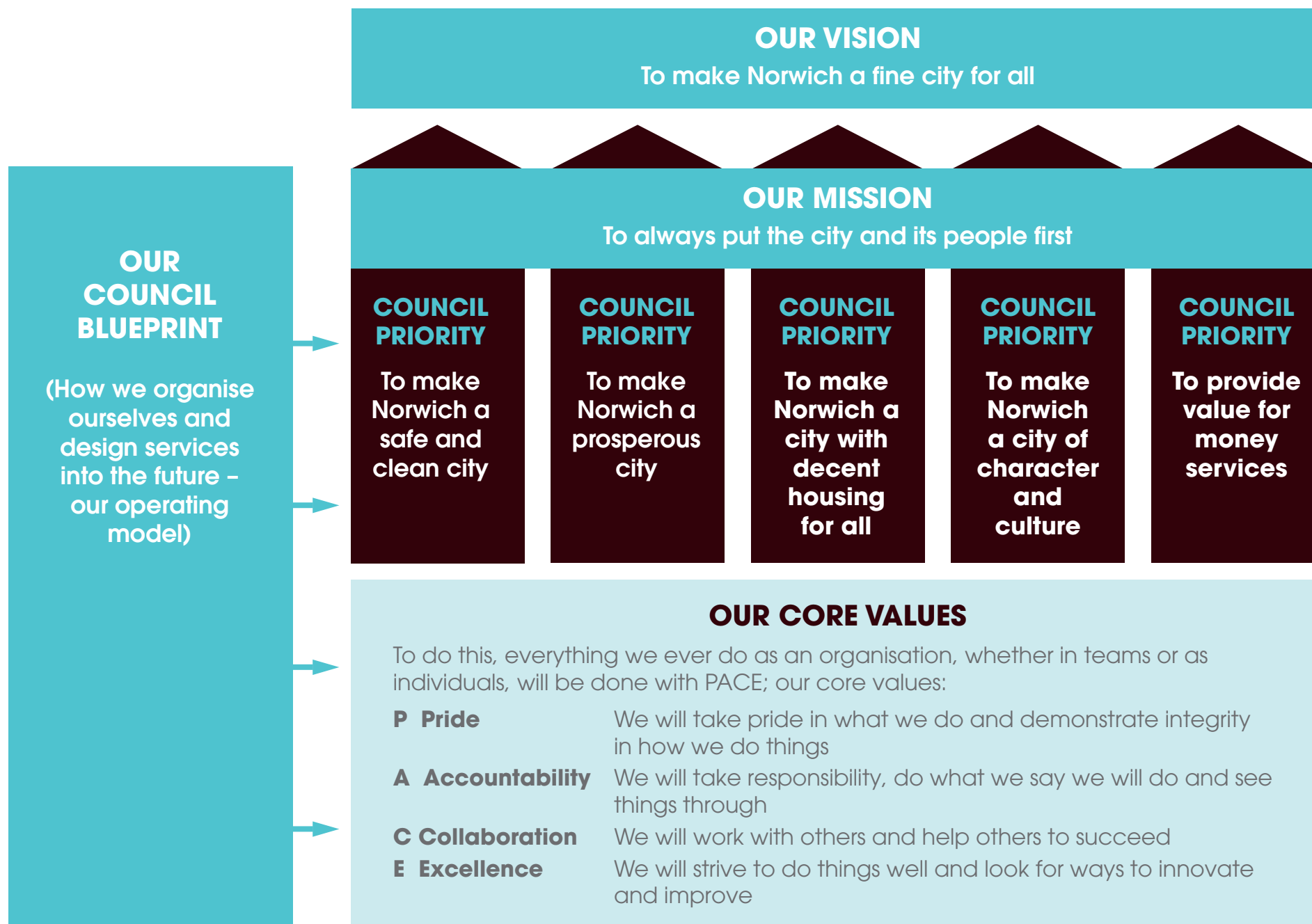
Our strategic direction is shown in the diagram on the next page and covers the following elements:

- **Our vision** – overall this is what as a council we aim to achieve for the city and its residents
  - **Our mission** – this is the fundamental purpose of the council – what we are here for
  - **Our priorities** – these are the key things we aim to focus on achieving for the city and its residents to realise our vision over the next three years
  - **Our core values** – these drive how we will all work and act as teams and employees of the council.
- Taken together, these summarise what we promise to do and be as a council for the city and its residents and visitors.
- This direction has been developed through a number of methods including:
- analysing information on levels of need in the city including the joint strategic needs assessment, indices of multiple deprivation and our own economic barometer
  - listening to our residents and customers on what are their key issues and priorities, including the results of our 12-week public consultation (your services, your say) on the future priorities and shape of the council
  - reviewing the current environment the council operates in, including the national and local economic climate and changing policy and legislation for local government
  - consideration of the council's need to continue to significantly reduce its resources in line with its medium-term financial strategy and the reductions required of other public sector organisations

- discussions with key partners and stakeholders over their priorities for the city
- workshops with councillors and staff to consider the key role of the council in the current climate.

Also mentioned in the diagram is the council's blueprint. This is a separate document that can be found on our website at [www.norwich.gov.uk](http://www.norwich.gov.uk) and guides how we design our services and organise ourselves to deliver the priorities.







## 4. Council priorities and key actions

### Council priority – Safe and clean city

We want to make sure Norwich is safe and clean for all residents and visitors to enjoy. We also want to increase recycling and environmental sustainability in the city. This was the priority ranked most important by residents in our public consultation on the future priorities and shape of the council.

To support this priority we will work with our residents and partners to deliver the following key actions over the next three years:

- maintain street and area cleanliness
- provide efficient and effective waste services and increase the amount of recycling
- work effectively with the police to reduce antisocial behaviour, crime and the fear of crime
- protect residents and visitors by maintaining the standards of food safety
- maintain a safe highway network and reduce road casualties including seeking to achieve the introduction of 20mph zones across the city.

### Council priority – Prosperous city

We want Norwich to be a prosperous city which businesses want to invest in and where everyone has access to opportunities and a reasonable standard of living. Currently, we have areas of considerable deprivation and the changing economic and policy climate may worsen the impact on certain disadvantaged groups. This priority was ranked third most important by residents in our public consultation on the future priorities and shape of the council.

To support this priority we will work with our residents and partners to deliver the following key actions over the next three years:

- support the development of the local economy and attract inward investment through economic development and regeneration activities
- encourage visitors and tourists to Norwich through effective promotion of the city
- support people on low incomes through advocacy and financial inclusion activities
- reduce fuel poverty through affordable-warmth activities.

### Council priority – Decent housing for all

We want to make sure people in Norwich have access to appropriate and good quality housing. Currently, the demand for affordable housing considerably outstrips supply in Norwich. This priority was ranked fourth most important by residents in our public consultation on the future priorities and shape of the council.

To support this priority we will work with our residents and partners to deliver the following key actions over the next three years:

- improve the letting of council homes so we make the best use of existing affordable housing resources
- improve the council's housing stock through a programme of upgrades and maintenance including new kitchens, windows and doors
- develop new affordable housing
- prevent people from becoming homeless through providing effective advice and alternative housing options
- bring empty homes back into use and improve the standard of private sector housing through advice, grants and enforcement.



### Council priority – City of character and culture

We want Norwich to maintain its historic character and continue to be a vibrant cultural city with lots for residents and visitors to do. This priority was ranked fifth most important by residents in our public consultation on the future priorities and shape of the council.

To support this priority we will work with our residents and partners to deliver the following key actions over the next three years:

- manage the development of the city through effective planning and conservation management
- provide a range of cultural and leisure opportunities and events for people
- provide well-maintained parks and open spaces
- maximise the opportunities provided by the 2012 Olympics
- become the first UNESCO City of Literature.

### Council priority – Value for money services

The council is committed to providing efficient, effective and quality public services to residents and visitors. While we face considerable savings targets over the next three years, we will continue to protect and improve those services our residents value most as much as we possibly can. This priority was ranked second most important by residents in our public consultation on the future priorities and shape of the council.

To support this priority we will work with our residents and partners to deliver the following key actions over the next three years:

- continue to reshape the way the council works to realise our savings targets, protecting and improving services wherever possible and working effectively with partners, through a transformation programme
- improve the efficiency of the council's customer engagement and access channels

- maximise council income through effective asset management, trading and collection activities.
- reach the achieving level of the equalities framework
- reduce the council's carbon emissions through a carbon management programme.



5. Key performance measures and targets

To ensure we are achieving our priorities and delivering the key actions that support them we develop and monitor key performance measures. We use these to test how we are doing. These are shown in the table below.

[Click here for an A3 version](#)

PRIORITIES, ACTIONS AND PERFORMANCE MEASURES FOR 2012-2015										
WHAT WE AIM TO ACHIEVE (OUR PRIORITIES)	SAFE AND CLEAN CITY		PROSPEROUS CITY		DECENT HOUSING FOR ALL		CITY OF CHARACTER AND CULTURE		VALUE FOR MONEY SERVICES	
WHAT WE WILL DO TO ACHIEVE OUR PRIORITIES WORKING WITH OUR PARTNERS AND RESIDENTS (KEY ACTIONS)	To maintain street and area cleanliness		To support the development of the local economy and bring in inward investment through economic development and regeneration activities		To improve the letting of council homes so we make the best use of existing affordable housing resources		To manage the development of the city through effective planning and conservation management		To continue to reshape the way the council works to realise our savings targets, protecting and improving services wherever possible and working effectively with partners, through a transformation programme	
	To provide efficient and effective waste services and increase the amount of recycling		To encourage visitors and tourists to Norwich through effective promotion of the city		To improve the council's housing stock through a programme of upgrades and maintenance including new kitchens, windows and doors		To provide a range of cultural and leisure opportunities and events for people		To improve the efficiency of the council's customer engagement and access channels	
	To work effectively with the police to reduce antisocial behaviour, crime and the fear of crime		To support people on low incomes through advocacy and financial inclusion activities		To develop new affordable housing		To provide well-maintained parks and open spaces		To maximise council income through effective asset management, trading and collection activities	
	To protect residents and visitors by maintaining the standards of food safety		To reduce fuel poverty through affordable-warmth activities		To prevent people from becoming homeless through providing advice and alternative housing options		To maximise the opportunities provided by the 2012 Olympics		To reach the achieving-level of the equalities framework	
	To maintain a safe highway network and reduce road casualties including seeking to achieve the introduction of 20mph zones across the city.				To bring empty homes back into use and improve the standard of private sector housing through advice, grants and enforcement		To become England's first UNESCO City of Literature		To reduce the council's carbon emissions through a carbon management programme	
HOW WE MEASURE WHAT WE ARE ACHIEVING (KEY PERFORMANCE MEASURES)	% of streets found clean on inspection	% of compliant food safety inspections	No. of new jobs created though council activity	% of people saying that debt issues had become manageable following face to face advice	Relet times for council housing	No. of people prevented from becoming homeless	% of major planning applications completed within target	% of people satisfied with leisure and cultural facilities	Council achieves savings targets	Avoidable contact levels
	% of domestic waste sent for reuse, recycling or composting	No. of killed and seriously injured road casualties	Amount of funding secured by the council for regeneration activity	Average processing time for housing and council tax benefits	No. of council properties meeting the Norwich Standard	No. of empty homes brought back into use	% of minor and other planning applications completed within target	No. of people attending free or low-cost events provided through the council	% of residents satisfied with the service they received from the council	% of income owed to the council collected
	% of people satisfied with waste services		No. of new homes built	No. of private households where council activity helped to improve the energy efficiency at their homes	% of tenants satisfied with the housing service	No. of privately owned homes made safe		No. of visitors and residents engaged with Olympic torch relay activities	% of all council outcome performance measures on or above target	Reaching 'achieving' level of equalities framework
	% of people feeling safe		No. of people accessing information through the TIC		No. of new affordable homes delivered on council owned land		% of people satisfied with parks and open spaces	City becomes first UNESCO City of Literature	% of council partners satisfied with the opportunities to engage with the council	% reduction in CO <sup>2</sup> emissions from local authority operations
KEY SERVICES CONTRIBUTING	Customer contact service	Local neighbourhoods service	Customer contact service	Communications and culture service	Customer contact service	Housing service	Customer contact service	Communications and culture service	All services	All services
	Citywide services	Housing service	Strategy and programme management	City development services	City development service	Property service	Planning service	Citywide services		
	City development services			Planning service						

For each of the key performance measures the council sets targets it aims to achieve. These are set out in the table below:

Key performance measures	Targets		
	2012-13	2013-14	2014-15
<b>Corporate priority – Safe and clean city</b>			
% of streets found clean on inspection	92%	93%	94%
% of domestic waste sent for re-use, recycling or composting	50%	43%	50%
% of people satisfied with waste collection services	65%	70%	75%
% of people feeling safe	68%	70%	72%
% of compliant food safety inspections	93%	95%	97%
No. of killed and seriously injured road casualties	< 46	< 45	< 43
<b>Corporate priority – Prosperous city</b>			
No. of new jobs created through council activity	300	300	300
Amount of funding secured by the council for regeneration activity	£0.25m	£0.25m	£0.25m
No. of new homes built	499	513	521
No. of people accessing information through the Tourist Information Centre	370,000	365,000	363,000
% of people saying that debt issues had become manageable following face to face advice	50%	53%	56%
Average processing time for housing and council tax benefits	21 days	21 days	21 days
No. of private households where council activity helped to improve the energy efficiency of their homes	50	75	150
<b>Corporate priority – Decent housing for all</b>			
Relet times for council housing	16 days	16 days	16 days
No. of council properties meeting the 'Norwich Standard'	2,337	2,860	3,488
% of tenants satisfied with the housing service	85%	85%	87%
No. of new affordable homes delivered on council owned land	85	31	78
No. of people prevented from becoming homeless	300	300	300
No. of empty homes brought back into use	20	20	20
No. of privately owned homes made safe	100	100	100

Key performance measures	Targets		
	2012-13	2013-14	2014/15
<b>Corporate priority - City of character and culture</b>			
% of major planning applications completed within target	80%	80%	80%
% of minor and other planning applications completed within target	85%	85%	85%
% of people satisfied with parks and open spaces	65%	70%	75%
% of people satisfied with council leisure and cultural facilities	65%	70%	75%
No. of people attending free or low-cost events provided through the council	130,000	100,000	100,000
No. of visitors and residents engaged with Olympic torch relay activities	30,000	N/A	N/A
City becomes England's first UNESCO City of Literature	Yes	N/A	N/A
<b>Corporate priority - Value for money services</b>			
Council achieves savings targets	£4.6m	£2m	£2m
% of residents satisfied with the service they received from the council	93%	93%	93%
% of all council outcome performance measures on or above target	80%	85%	90%
% of council partners satisfied with the opportunities to engage with the council	75%	80%	85%
Avoidable contact levels	24%	24%	24%
% of income owed to the council collected	96%	96%	96%
Reaching 'achieving' level of equalities framework	Yes	Yes	Yes
% reduction in CO <sup>2</sup> emissions from local authority operations	6%	4%	4%



## 6. Delivering the plan

This plan is underpinned by a range of strategic and operational plans, which set out in more detail how our vision and priorities will be delivered. These plans contain more specific targets, which are allocated to teams, contractors and employees to deliver.

Progress against targets is monitored and reviewed regularly through the council's performance management framework. This includes monthly performance reports to the council's portfolio holders.

Overall progress on delivering the corporate plan is then formally reported quarterly to the council's cabinet and scrutiny committee. The council also publishes an annual performance review as part of its statement of the accounts. To find this statement [click here](#).

This corporate plan 2012-15 sits alongside the council's budgets and Medium Term Financial Strategy 2012-15. These documents ensure resources are available for the delivery of the corporate plan.

The corporate plan 2012-15 also links closely to the council's risk management strategy and corporate risk register. The council has a comprehensive approach to risk management which ensures all strategic risks are appropriately identified, managed and mitigated against.

The diagram below summarises how our priorities, actions and performance targets are delivered through delivery plans, financial plans and agreed staff actions.



## Corporate plan delivery structure

