

## **Cabinet**

**Date: Wednesday, 21 June 2017**

**Time: 17:30**

**Venue: Mancroft room, City Hall, St Peters Street, Norwich, NR2 1NH**

### **Committee members:**

#### **Councillors:**

Waters (chair)  
Harris (vice chair)  
Davis  
Herries  
Kendrick  
Maguire  
Ryan  
Stonard

### **For further information please contact:**

**Committee officer:** Alex Hand  
**t:** (01603) 212459  
**e:** [alexhand@norwich.gov.uk](mailto:alexhand@norwich.gov.uk)

Democratic services  
City Hall  
Norwich  
NR2 1NH

[www.norwich.gov.uk](http://www.norwich.gov.uk)

## **Information for members of the public**

Members of the public and the media have the right to attend meetings of full council, the cabinet and committees except where confidential information or exempt information is likely to be disclosed, and the meeting is therefore held in private.

For information about attending or speaking at meetings, please contact the committee officer above or refer to the council's website



If you would like this agenda in an alternative format, such as a larger or smaller font, audio or Braille, or in a different language, please contact the committee officer above.

## Agenda

	Page nos
<p><b>1. Apologies</b></p> <p>To receive apologies for absence</p>	
<p><b>2. Declarations of interest</b></p> <p>(Please note that it is the responsibility of individual members to declare an interest prior to the item if they arrive late for the meeting)</p>	
<p><b>3. Public questions/petitions</b></p> <p>To receive questions / petitions from the public (notice to be given to committee officer in advance of the meeting in accordance with appendix 1 of the council's constitution)</p>	
<p><b>4. Minutes</b></p> <p>To approve the accuracy of the minutes of the meeting held on 12 April 2017</p>	5 - 10
<p><b>5. Q4 performance report</b></p> <p>Purpose: To report progress against the delivery of the corporate plan priorities and key performance measures for quarter 4 of 2016 - 17.</p>	11 - 26
<p><b>6. Private sector housing enforcement strategy</b></p> <p>Purpose: To seek approval for the updated private sector enforcement policy and a new policy on the use of financial penalties as an alternative to prosecution.</p>	27 - 58
<p><b>7. Revenue budget monitoring 2016-17 Final Outturn</b></p> <p>Purpose: To update cabinet on the revenue outturn for the year 2016/17 and the consequent General Fund and Housing Revenue Account balances. To seek approval to transfer £0.500m of the general reserve to an earmarked reserve.</p>	59 - 96
<p><b>8. Capital budget monitoring 2016-17 Final Outturn</b></p> <p>Purpose: To update cabinet on the final outturn position of the 2016/17 capital programmes and seek approval to carry forward unspent 2016/17 capital budgets to the 2017/18 capital programme.</p>	97 - 116
<p><b>9. Telecom line rental and call charge services</b></p> <p>Purpose: To seek approval from cabinet to award a contract for future provision of telecom line rental and call charge services.</p>	117 - 122
<p><b>10. Anglian Water – water rates collection renewal</b></p> <p>Purpose: To seek approval for the renewal of the contract to collect</p>	123 - 130

water rates from council tenants on behalf of Anglia Water.

**11. Exclusion of the public**

To consider exclusion of the public.

**EXEMPT ITEMS:**

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

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

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

**Page nos**

**12. Managing assets (general fund)**

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

**13. Managing assets (housing)**

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

**Key decisions**

A 'key decision' means a decision which is likely to either –

(a) result in the council incurring expenditure which is, or making savings which are, significant in relation to the council's total budget for the service or function to which the decision relates (for these purposes the presumption is that "significant" means any sum exceeding whichever is greater of the thresholds established by the European public contracts directive 2004/18/EC for local government in respect of contracts for supplies or services), or;

(b) be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the Norwich city area.

Date of publication: **Wednesday, 14 June 2017**

**CABINET****17:30 to 19:00****12 April 2017**

Present: Councillors Harris (vice chair, in the chair), Bremner, Kendrick, Ryan, Stonard and Thomas (T)

Also present: Councillors Schmierer and Wright

Apologies: Councillor Waters (chair)

**1. Declarations of interest**

There were no declarations of interest.

**2. Public questions/petitions**

There were no public questions or petitions at this meeting.

**3. Minutes**

**RESOLVED** to agree the accuracy of the minutes of the meeting held on 9 March 2017.

(The chair said that agenda item \*12 Review of Staffing Adjustment Policy would be moved to the end of the agenda to allow officers not required to be in attendance for this item to leave the meeting.)

**4. Greater Norwich Infrastructure Investment Plan – Key decision**

Councillor Stonard, cabinet member for resources and business liaison, presented the report and welcomed the investment in significant infrastructure across the Greater Norwich area. He explained that there was recognition that maintenance should be part of future investment programmes.

The chief executive pointed out that recommendation (2) should be amended to read 2018-19 onwards.

During discussion, the city growth and development manager referred to the report and answered member's questions. She explained that the draft programme had been drawn up in the autumn. Some elements of the report would need updating before the Greater Norwich Growth Board considered the report in May.

The cabinet member for resources and business liaison said in reply to a suggestion from Councillor Wright, that council sponsorship of an academy was outside the

scope of the report and should be taken up with the leader of the council outside the meeting.

In reply to a question from Councillor Schmierer, the city growth and development manager said that investment in the swimming pool at the former Hewett School, which was now an academy, was in the programme for 2018-19 because it was part of the Greater Norwich Investment Programme's work with Sports England, and to provide facilities for a number of clubs that currently used it. Councillor Ryan, cabinet member for customer care and leisure, pointed out that it was important to consider all provision for swimming pools, especially as many pools had closed.

Councillor Bremner endorsed the report and said that he welcomed investment in bus rapid transport corridors and the improvements to the public realm, which made a positive contribution to the vitality of the city centre.

**RESOLVED** to:

- (1) adopt the Annual Growth Programme for 2017-18 (without any provision for maintenance funding);
- (2) recognise that sufficient maintenance funding (2018-19 onwards) will be necessary as part of future investment programmes in the Greater Norwich area; and;
- (3) recommend the draft Greater Norwich Investment Plan to the Greater Norwich Growth Board (GNGB) for approval.

**5. Revenue budget monitoring 2016-17: Period 11**

Councillor Stonard, cabinet member for resources and business liaison, presented the report and said that the current financial position was a credit to the chief finance officer and her team.

The group accountant (general fund) confirmed that both funds were in a good position.

In reply to a question from Councillor Schmierer, members were advised that tenant council tax repairs were demand led and that the "profile" could be adjusted for next year.

**RESOLVED** to note the council's financial position as at 28 February 2017 and the forecast outturn 2016-17.

**6. Self and Custom Build – Government initiative, legislation and the Council's proposed approach**

Councillor Bremner, cabinet member for environment and sustainable development, presented the report and said that the preferred option had the support of the sustainable development panel.

The chair pointed out that the fees would be reviewed on an annual basis.

**RESOLVED** to introduce an annual fee and a local connection test for the council's self-build register as described in the report.

**7. Procurement for income generation for Norwich City Council by advertising in its three multi storey car parks – Key decision**

Councillor Stonard, cabinet member for resources and business liaison, presented the report.

The chief finance officer said that this initiative was part of the transformation programme to identify sources of income generation.

Members of the cabinet thanked the officers involved in this procurement. They considered it was a good deal for the council and achieved the objectives of the transformation programme.

**RESOLVED** to award the contract for the management of internal advertising space in the council's three multi-storey car parks to Colin Huggins and Donna Titcombe in a business partnership known as Raymar Leisure, trading as Digital Signage Company.

**8. Award of Contracts (Housing) – Key decision**

Councillor Harris, deputy leader and cabinet member for council housing, presented the report and said that it achieved the corporate priority of decent housing for all.

In response to a question from Councillor Schmierer, the head of strategic property services, NPS Norwich Ltd, gave assurance that the re-procurement of the remaining 50 per cent of the contract values through Eastern Procurement Ltd would be value for money.

**RESOLVED** to:

- (1) award the contracts as detailed in the report as follows:
  - (a) replacement of kitchens to Foster Property Maintenance Limited (50 per cent of contract value);
  - (b) replacement of bathrooms to Foster Property Maintenance Limited (50 per cent of contract value);
  - (c) replacement windows to Anglian Building Products Limited;
  - (d) replacement doors to Anglian Building Products Limited (50 per cent of contract value); and,
  - (e) Replacement doors to Ashford Commercial Limited (50 per cent of contract value);
- (2) delegate authority to the director of neighbourhoods, in consultation with the deputy leader and cabinet member for council housing, to:

- (a) award the masonry repointing contract at a cost of £750,000 on completion of a mini tender process; and,
- (b) award the contract for the installation of full thermodynamic hot water systems at a cost of £500,000 on completion of a procurement exercise to identify the best value supplier.

## **9. Exclusion of the public**

**RESOLVED** to exclude the public from the meeting during consideration items 10\* to 14\* (below) on the grounds contained in the relevant paragraphs of Schedule 12A of the Local Government Act 1972 (as amended).

## **10.\* Asset and Investment Strategy- Key decision (Paragraph 3)**

Councillor Stonard, cabinet member for resources and business liaison, presented the report. He proposed revised wording for recommendation (4) to reflect the outcome of discussions at scrutiny committee on 6 April 2017.

Councillor Wright, chair of scrutiny committee, referred to the report and said that he considered it was a good strategy which would make the most of the council's assets.

The chief finance officer and the head of citywide development referred to the report and answered questions from Councillor Schmierer.

**RESOLVED** to:

- (1) endorse the criteria based approach to the consideration of asset retention or disposal as set out in paragraph 8 of this report;
- (2) approve the disposal of assets listed in appendix 1 of the report;
- (3) adopt revised guidance for the purchase of new investment property as set out in paragraphs 11 to 19 of this report together with the associated appendices; and
- (4) delegate authority to the director of regeneration and development, in consultation with the chief finance officer and the equivalent number of a quorum of cabinet members, including the cabinet member for resources and business liaison, to invest in income generating assets up to the limit in value described in this report as budgeted for in the council's capital programme.

## **11.\* Grant of Right to Buy One to One Receipts – Key decision (Paragraph 3)**

Councillor Stonard, cabinet member for resources and business liaison, presented the report.

During discussion, the senior development officer (enabling) and the chief finance officer, referred to the report and answered questions on the retention agreement



and the government's use of receipts. Members commented that the lack of flexibility was unfair on local councils.

**RESOLVED** to award £3,661,537 in retained right to buy one for one replacement receipts to registered providers to support the development of 100 new affordable dwellings as described in the report.

#### **12.\* Managing Housing (Assets) – Key decision (Paragraph 3)**

Councillor Harris, deputy leader and cabinet member for council housing, presented the report. She confirmed that the asset identified in the report was already empty.

**RESOLVED** to approve:

- (1) the disposal of the freehold interest in the asset identified in this report on the open market; and,
- (2). the capital receipt from the disposal be reinvested in the housing capital programme for improving, repairing and maintaining our housing stock or for enabling new affordable housing.

#### **13.\* Procurement of Bill Payment Service – Key decision (Paragraph 3)**

Councillor Stonard, cabinet member for resources and business liaison, presented the report.

The chief finance officer explained that whilst the council tried to promote payments by direct debit there were still a lot of residents who used the bill payments service.

**RESOLVED** to award the bill payments service contract to Allpay Limited.

(Officers left the meeting at this point, with the exception of the chief executive, the chief finance officer, the head of HR and learning, the UNISON branch secretary and the committee officer.)

#### **14.\* Review of Staffing Adjustment Policy – Key decision (Paragraph 4)**

Councillor Harris, deputy leader and cabinet member for council housing, presented the report, on behalf of Councillor Waters, leader of the council.

The head of HR and learning advised members of the support given to employees going through the staffing adjustment process.

The UNISON branch secretary presented further comments on the staffing adjustment policy. (Copies of the comments were circulated at the meeting.) The chief executive and the head of HR and learning responded to the comments.

Members of cabinet said that they were sympathetic to the trade union's position, but given the financial pressure that the council was under and the need to protect frontline services, it was necessary to review all of the council's costs.

**RESOLVED** to agree the reduction in the enhancement of redundancy payments from a multiplier of 2.2 to 1.5 and for UNISON and employees to be given 12 weeks' notice of the change.

CHAIR

**Report to** Cabinet  
21 June 2017  
**Report of** Strategy Manager  
**Subject** Quarter 4 2016 - 17 performance report

---

**Item**

**5**

### **Purpose**

To report progress against the delivery of the corporate plan priorities and key performance measures for quarter 4 of 2016 - 17.

### **Recommendations**

To:

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

### **Corporate and service priorities**

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

### **Financial implications**

The direct financial consequences of this report are none.

**Ward/s** All wards

**Cabinet member** Councillor Waters - Leader

### **Contact officers**

Adam Clark

01603 212273

### **Background documents**

None

## **Report**

### **Introduction**

1. This report sets out progress against the key performance measures that are designed to track delivery of the corporate plan priorities. This is the eighth quarterly performance report for the corporate plan 2015-2020.
2. The corporate plan 2015-20 established five priorities. Progress with achieving these is tracked by forty five key performance measures. It is these performance measures which form the basis of this report. Most of the performance measures are available quarterly while some are reported six monthly or annually to show general outcomes for residents.
3. Performance status for each of the performance measures is then combined for each priority to show at a glance high level performance. This should enable members to see where performance is improving or falling.
4. Performance is based around a traffic light concept where green is on target, red is at a point where intervention may be necessary and amber a point in between these two.
5. A copy of the full performance report can be found at appendix A.

### **Headlines**

6. Overall performance this quarter shows a similar picture to last quarter with four council priorities green and one amber. There are some areas where the council is performing well and exceeding its targets. For example, all but one 'Value for Money services' indicators are green. Each of the performance measures are provided within the relevant section of the performance report at appendix A.
7. The following areas of performance are brought to your attention:
  - a) At the end of quarter 4, the timely processing of benefits measure remains at 100%, maintaining the last two quarter's strong performance.
  - b) There remains a high level of tenant satisfaction with the housing service, standing at 86% against a target of 77%.
  - c) 100% of people who responded to surveys from the Money and Budgeting Service agreed that their debt issues had become more manageable.
  - d) The % of residents feeling safe remained below target at 72.5%, against a target of 77%. Although not always possible to identify causes of increases or decreases in people's feeling of safety, police data show that all categories of crime within Norwich have been rising recently.
  - e) 93.9% of those surveyed were satisfied with their recent visit to a Norwich park or open space.

- f) 325 new jobs have been created or supported via council funded activity during 2016/17.
- g) Throughout 2016/17, 336 new businesses were created via local publically funded schemes.
- h) In quarter 4, the average number of days taken to re-let council homes was 19 days, not meeting our target of 16 days. Performance was lowest in January, with the effects of the Christmas closure taking effect, but recovered in later months.
- i) 453 accident casualties on Norwich roads were recorded in the year to the end of December, a further increase to last quarter. This is higher than the anticipated level of 400.





### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	15 March 2017
<b>Head of service:</b>	Adam Clark
<b>Report subject:</b>	Quarter 3 performance report 2016/17
<b>Date assessed:</b>	March 2017
<b>Description:</b>	This report sets out progress against the key performance measures that are designed to track delivery of the Corporate Plan priorities for quarter 3 of 2016/17.

	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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(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
<b>Positive</b>
<b>Negative</b>
<b>Neutral</b>
<b>Issues</b>
The range of council activity represented by this report means that it is not possible to identify the aggregate impact; this is covered by the individual impact assessments that are conducted as part of routine council business



Safe, clean and  
low carbon city

Prosperous and  
vibrant city

Fair city

Healthy city with  
good housing

Value for money  
services

## Comments

This quarter completes the 2016-17 performance reporting. As with last quarter, 4 of 5 corporate priorities are on track overall, with just 'safe, clean and low carbon' city showing amber. This means that we are performing well across the vast majority of our services, despite resource challenges; for example, all but one measure under 'value for money services' is green and new jobs and business figures show that the city continues to thrive economically.

At the same time, most of our key indicators that relate to vulnerable residents, such as preventing homelessness, timely processing of benefits and increases in wellbeing due to money advice are also performing well. Of course there are big challenges faced by many of our public sector partners so we will continue to keep an eye out for how those service reductions impact on our residents.

Clearly the recent increase in road accident casualties is something we need to continue to address with partners, as is the reduction in levels of feeling safe in the city. However, reductions in CO2 emissions and satisfaction levels with parks continue to be very positive.

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

For more information please contact the Strategy & Transformation team on ext 2535 or email [strategy@norwich.gov.uk](mailto:strategy@norwich.gov.uk)

Key to tables (following pages) :

**RAG** - Red, Amber, Green; **DoT** - Direction of Travel: a green upward arrow signifies an improvement in performance compared with the previous reporting period, a red downward arrow shows a drop in performance and a blue horizontal arrow shows no change. **Page 19 of 130**



Safe, clean and low carbon city

Prosperous and vibrant city

Fair city

Healthy city with good housing

Value for money services

Corporate plan

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
<b>SCL8 % of adults living in the City Council's area who cycle at least once per week</b>	<b>21.5%</b>	25.0%	▲	➡	21.5%	25.0%	▲	04/16
Comments: We have seen an increase from 17.7% in 2010/2011 to 21.5% in 2014/15 meaning that we have risen from 10th to 7th in the national ranking of local authorities on this measure. The percentage of adults cycling for utility purposes at least three times a week has shown an increase from 6.7% in 2012/13 to 12% in 2014/15, raising us from 11th to 5th highest local authority on that measure. We have also seen a significant increase in cycling at the count locations across the city councils area. This information was gathered before the completion of the pink pedalway or the publication of the second edition of the cycle map, which we expect will further boost the figures, bringing us closer to our ambitious target for next year. The extra monitoring infrastructure that is being installed through the cycling ambition programme will allow us to improve the performance measure for the next reporting period.								
<b>SCL02 % of people satisfied with waste collection</b>	<b>70.0%</b>	85.0%	▲	➡	73.4%	85.0%	▲	03/17
Comments: The number of responses is still too low (10) for the results to have any significance. We are looking to add a link to the survey on the new online reporting tool (Jadu), which has just gone live.								
<b>SCL07 Number of accident casualties on Norwich roads</b>	<b>453</b>	400	▲	➡	453	400	▲	03/17
Comments: It is disappointing to see a slight rise in the number of casualties since September 2016 which is being closely monitored. At present there remains an overall downward trend in the number of casualties.								

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
<b>SCL01 % of streets found clean on inspection</b>	<b>92.0%</b>	94.0%	●	➡	90.9%	94.0%	●	03/17
Comments: In all 306 sites across the city were surveyed in March 2017. With regard to littering three transects were graded C- (Morello Close, Morello Close alleyway and Northfields) and five sites were graded C. The survey revealed that the areas with the highest percentage of detritus were in areas with prevalence for parked cars and other highways. Of the sites surveyed, one was graded at D this was Northfields. Twelve sites were graded at C and seven graded at C- .								
Out of the 24 transects that failed for either detritus or litter, all bar 4 sites have now been cleaned and brought back up to an A grade standard- the remaining four sites are due for cleaning within the next 14 days.								
<b>SCL03 % of people feeling safe</b>	<b>72.5%</b>	77.0%	●	➡	75.0%	77.0%	●	03/17
Comments: The % of people feeling safe remains under target this quarter. Norfolk Police report that crime in Norwich has risen and across all categories. While this increase remains within police expected levels, this will be reflected in people's perceptions of safety. Operation Gravity, the police and partners' response to organised drug related activity in Norfolk, remains active and receives regular coverage in the media. While the publicity highlights Operation Gravity successes, the high profile nature of increased criminal activity will also impact on people's feelings of safety.								
<b>SCL04 Residual household waste per household (Kg)</b>	<b>101.1</b>	99.0	●	➡	407.7	402.0	●	03/17
Comments: N.B the figures reported are for Q3.								
We are working together with the Norfolk Waste Partnership to increase awareness of the costs of waste and to promote the 'Reduce, Re-use, Recycle' agenda.								
We cannot 'buck' the national trend in higher levels of waste but our actions do contribute to alleviating the overall effects.								
Since we last measured this indicator we have seen a seasonal rise in waste levels.								

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
SCL05 % of food businesses achieving safety compliance	96.0%	90.0%	★	🔴	96.0%	90.0%	★	03/17
Comments: The hygiene standard of food premises in the City remains steady at approximately 96%.								
⚠ SCL06 % of residential homes on a 20mph street	39.3%	38.0%	★	🔴	39.3%	38.0%	★	03/17
Comments: The target for the number of households included in a 20mph area has been exceeded. Work continues to include yet more streets within a 20mph area								
SCL09 CO2 emissions for the local area	13.5%	2.4%	★	🟢	13.5%	2.4%	★	04/16
Comments:								
SCL10 CO2 emissions from local authority operations	8.7%	2.2%	★	🟢	8.7%	2.2%	★	04/16
Comments: Using the 2015 DEFRA conversion factors, Norwich City Council has made an additional 8.7% reduction in its carbon emissions taking the total reduction to 39.5% saving against its target of 40% by 2019.								
⚠ SCL11 % of people satisfied with parks & open spaces (Q)	93.9%	75.0%	★	🟢	92.1%	75.0%	★	03/17
Comments: We are continually working collaboratively with joint ventures to look at improvements and efficiencies. We are also working with and developing relationship with Friends groups to improve what is delivered.								
⚠ SCL12 Percentage of people satisfied with their local environment	86.2%	78.0%	★	🟢	85.3%	78.0%	★	03/17
Comments: People's satisfaction with the local environment continues to be above target and has increased for the third quarter in a row which is very positive.								





Safe, clean and low carbon city

Prosperous and vibrant city

Fair city

Healthy city with good housing

Value for money services

Corporate plan

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
PVC2 Delivery of the council's capital programme	70%	80%	●	↓	70%	80%	●	03/17
Comments: 18 green, 8 amber. In 6 cases this is due to overspend, in one case this is due to delayed completion of project, and in the other case due to on-going contractual dispute with a supplier over the final cost of works.								

PVC7 Delivery of the heritage investment strategy action plan	68%	75%	●	↗	68%	75%	●	03/17
Comments: We continue to make progress with the implementation of the Heritage Investment Strategy. The officer implementation group is meeting more regularly (policy 1), historic building training for Norfolk Museums Service staff has been provided by NPS and is being organised for NPS staff and council managers (policy 2, 5 and 6), asset registers held by NPS will be updated with the stewardship status of certain buildings (policy 4), community infrastructure levy funding is almost secure for Castle Gardens (project 1), a feasibility study has been commissioned for the Halls (policy 5), Mile Cross Gardens landscape project is progressing well (project 8) and the Waterloo Park Pavilion will soon be occupied by Britannia Enterprises. Funding for condition surveys and less urgent repairs remains tight.								

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
PVC1 Number of new jobs created/ supported by council funded activity	325	300	★	↓	325	300	★	03/17
Comments: The two teams in the council which, in the main, contributed to this target are Economic Development and Planning through advice and/or, relationship management. The target is 300 so this has been achieved. The local economy has performed well in the past year unemployment has fallen and employment has increased.								

PVC3 Amount of funding secured by the council for regeneration activity (£ thousands)	4,166	250	★	→	4,166	250	★	03/17
Comments: £4.166M in total for 2016/7. Funding is from DfT through the Cycle City Ambition Grant. This funding has already been received. There is the Local Growth Funding allocated to the Westgate/Golden Ball Street project and other projects in the Transport for Norwich programme. The funds have been allocated to county but are funding regeneration activity within the city's boundary but have not been included in the total.								

PVC4 Number of new business start ups	336	100	★	↗	336	100	★	03/17
Comments: 336 new businesses have started through local publicly funded schemes delivered by both the New Anglia Growth hub and NWES.								

PVC5 Provision of free wi-fi in City Centre	100%	100%	★	→	100%	100%	★	03/17
Comments:								

PVC6 Planning service quality measure	91%	83%	★	↗	91%	83%	★	03/17
Comments: We aim to be able to report on the planning service quality measure during 2017-18 once the system to monitor planning service quality developed by PAS (Planning Advisory Service) has been confirmed as still supported and is configured for our use. The result reported here is a proxy using the planning performance measures reported to central government i.e. speed of processing of Major, Minor and Other applications. It is hoped that outputs later in 2017-18 will appear in a different format and will include measurements of speed, as part of a broader measure. However, this will be dependent on the receipt of information which is outside the council's full control as information will be processed via PAS and the successful operation of the new quality measures.								

PVC8 % of people satisfied with leisure and cultural facilities	95.4%	90.0%	★	↗	95.4%	90.0%	★	03/17
Comments: Riverside Leisure Centre has maintained "Quest Excellent", the UK quality scheme award for sport and leisure and the Norman Centre was awarded UK Active Code of practice accreditation.								

PVC9 Number of visitors to the City	11,405,800	11,200,000	★	↓	11,405,800	11,200,000	★	04/16
Comments: Figure includes day trip visitors as well as staying visitors. Norwich continues to do well as a tourist destination as brand and identity awareness rise due to a combination of successful marketing campaigns and PR via VisitNorwich and Visit Norfolk over the last few years. The number of staying visitors is decreasing but this could be attributed to the relatively low numbers of accommodation rooms within the city council area, and the high occupancy levels attributable to business stays in the city (not counted in tourism figures).								



Safe, clean and low carbon city

Prosperous and vibrant city

Fair city

Healthy city with good housing

Value for money services

Corporate plan

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
<b>FAC6 % increase in contractors, providers and partner organisations paying a living wage</b>	-9.5%	12.0%	▲	➡	-9.5%	12.0%	▲	03/17
Comments: We are able to confirm that all contractors are Living Wage compliant and two Commissioning partners are working towards paying 100% of their employees the Living Wage. The emphasis of the Council's work in this area is now shifting to that of encouraging other employers in the City to become Living Wage accredited employers by working with Community Leaders across the City and wider environs. The current indicator is calculated using absolute numbers of suppliers, but as the number of suppliers has decreased, this has led to an decrease in the number paying a living wage. The calculation method for next year has been amended.								

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
<b>FAC1 Delivery of the reducing inequalities action plan</b>	93%	100%	●	➡	93%	100%	●	03/17
Comments: The reducing inequalities action plan themes around social value, locality working and addressing financial exclusion have been largely delivered, with some slippage in other areas due to resource, hence an amber status. However, the collaborative approach to the programme, has realised additional opportunities during the year, such as our successful work around pupil premium take-up in Lakenham.								

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
<b>FAC2 % of people saying debt issues had become manageable following face to face advice</b>	100.0%	86.0%	★	➡	100.0%	86.0%	★	03/17
Comments: The statistics show clearly that there has been a 100% increase in people reporting an improvement in their wellbeing after receiving advice and assistance with managing their problem debts. Money Advise and Budgeting Service (MABS) manner of working is close and intensive work with individuals which, as they gather confidence over time can be reduced. By its nature it can therefore show a low number of clients but very successful.								
This will be the last time we will be using this exact measure as MABS are the only group we are specifically funding to deal with debt agencies and we are therefore extending this to increase the base which we can measure.								
<b>FAC3 Delivery of the digital inclusion action plan</b>	65%	60%	★	➡	65%	60%	★	03/17
Comments: Performance is on target. We have launched new Digital Hubs to join our existing network and have promoted them on our website and through our Citizen and TLC magazines. Volunteer recruitment is strong and consistent, with new volunteers being trained regularly. Volunteers are placed in the community supporting a wide range of learners with individual needs. We have worked with our colleagues in Sheltered Housing to make more communal rooms connected, and ensure that regular support is available for tenants and people living locally. This offer will be developed throughout the year. We are beginning to work with more of our staff to promote the sharing of digital knowledge and skills in the community through a roll-out of digital skills coaching training, which will be delivered throughout 2017/18. And we participated in a successful Jobs and Skills Fair in the city through coordinating a Digital Zone where we supported people to job search and apply online.								
<b>FAC4 Timely processing of benefits</b>	100.0%	100.0%	★	➡	100.0%	100.0%	★	03/17
Comments: Claimants still face pressures from welfare reforms and other economic factors and processing housing benefit within target helps to support those claimants. Performance has been strong this year processing new claims and changes in a timely manner as well as ensuring discretionary housing payments are well managed and support provided to those in need. Appeals are also turned around promptly to ensure there is certainty provided at the earliest opportunity.								
<b>FAC5 No of private sector homes where council activity improved energy efficiency (YTD)</b>	434	150	★	➡	434	150	★	03/17
Comments: In quarter 4, private households were helped with 111 energy efficiency measures for their homes. This constituted completed cavity wall insulation, loft insulation, energy performance certificates and boiler repairs. In addition to this we gave out 100 winter wellbeing packs to vulnerable customers which contained small insulation measures such as draught proofing tape and radiator foil								





	Safe, clean and low carbon city	Prosperous and vibrant city	Fair city	Healthy city with good housing	Value for money services	Corporate plan
--	---------------------------------	-----------------------------	-----------	--------------------------------	--------------------------	----------------

Measure	Actual	Target	▲ RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
HCH4 Number of new affordable homes developed on council land or purchased from developers	38	180	▲	➡	38	180	▲	03/17
Comments: We are on our way to meeting the five year target but delivery is not linear. Work has begun on 105 new dwellings at Goldsmith Street and will commence soon on 18 at Threescore. 39 further units are planned for Threescore subject to a decision by Norwich Regeneration Ltd on how it wishes to proceed with later phases. 10 new units have just been accepted at Hansard Close and a further 12 units are being purchased on a site in Northumberland Street. The programme is therefore well on its way to achieving the cumulative target.								

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
HCH1 Delivery of the Healthy Norwich action plan	91%	100%	●	➡	91%	100%	●	03/17
Comments: We have maintained our commitment to the Healthy Norwich partnership with the Clinical Commissioning Group and county council partners. This has resulted in successful delivery of projects to tackle smoking, unhealthy lifestyles and fuel poverty, with a focus on health inequalities. Although we have not delivered everything in the year's action plan, other additional initiatives (such as our 'Social Prescribing' pilot) have arisen during the course of the year, which support the wider agenda.								
HCH2 Relet times for council housing	19	16	●	➡	16	16	★	03/17
Comments: 211 homes were let in the fourth quarter, taking the total number of relets to 1086 for the year 2016-17. The average relet time for the quarter was just over 18 days for both general needs and sheltered. The lowest performance was in January, with the Christmas closure being a factor, followed by performance recovering in February and being back on target in March. The average relet time for the year as a whole is 16 days, meaning that target has been achieved.								
HCH6 % of people who feel that the work of the HIA has enabled them to maintain independent living	88	90	●	➡	88	90	●	03/17
Comments: Slightly below the target of 90% but not of concern.								

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
HCH03 No of empty homes brought back into use	31	20	★	➡	31	20	★	03/17
Comments: Annual target exceeded								
HCH5 Preventing homelessness	60.3%	55.0%	★	➡	62.2%	55.0%	★	03/17
Comments: While external factors such as cuts to other services are undoubtedly creating pressure on our housing options team, our prevention-focused approach continues to meet and, in this instance, exceed target. Future challenges such as the introduction of Universal Credit, the Homelessness Reduction Bill and cuts to support services will cause further pressure on our limited resources in the near future and in this environment, such high performance may be difficult to maintain.								
HCH7 % of council properties meeting Norwich standard	97.7%	97.0%	★	➡	97.7%	97.0%	★	03/17
Comments: Since the start of the Joint Venture, NPS Norwich and its contractors have installed 6979 new kitchens, 5037 new bathrooms, 4569 new heating systems, and rewired 2212 homes. We have also installed new uPVC doors at nearly 9000 properties. At the end of the year, 97.7% of the Council's housing stock met the Norwich Standard, ahead of the target set back in 2015. Work, of course, continues and the remaining few elements are already programmed for the coming financial years.								
HCH8 % of tenants satisfied with the housing service	86%	77%	★	➡	86%	77%	★	03/17
Comments: 939 housing tenants have responded in the last 12 months to this quarterly local area survey run by customer contact. After a slight decrease in satisfaction in Q2 of 2016-17, there have been two quarters of very strong performance, with satisfaction being well in excess of 87%. Rolling year-to-date figures also show a trend of improvement. This is a very pleasing and encouraging result.								
HCH9 No of private sector homes made safe	105	100	★	➡	105	100	★	03/17
Comments: Annual target exceeded.								





Safe, clean and low carbon city

Prosperous and vibrant city

Fair city

Healthy city with good housing

Value for money services

Corporate plan

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
<b>VFM4 Avoidable contact levels</b>	<b>29.0%</b>	15.0%	▲	➡	30.2%	15.0%	▲	03/17
Comments: We are continuing work with service areas to monitor and use the data captured in this measure and have seen an improvement in the levels of avoidable contact for this quarter. This quarter represents the best for the year which is encouraging for the future. The target for next year has been increased to be more realistic and help support the work being done to improve the quarterly outturn. Other work being developed around customer access and contact channels will ensure that the performance target set is appropriate and realistic.								

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
<b>VFM1 % of residents satisfied with the service they received from the council</b>	<b>99.8%</b>	93.0%	★	➡	99.4%	93.0%	★	03/17
Comments: The current methodology continues to deliver extremely high levels of satisfaction with improvement again in the latest quarter. In order to drive continuous improvement and identify areas for transformation and savings it has been agreed that we will change the methodology of this measure for the coming year starting in Q1 17/18.								
<b>VFM2 Council achieves savings targets</b>	<b>2,300,...</b>	2,300,...	★	➡	2,300,...	2,300,...	★	03/17
Comments: We successfully delivered a package of general fund savings of £2.3 million for 2016/17 achieving the target								
<b>VFM3 % of council partners satisfied with the opportunities to engage with the council</b>	<b>84.0%</b>	80.0%	★	➡	84.0%	80.0%	★	03/17
Comments: We have continued to actively engage with a range of partners across all sectors in the city and are again above target on this annual measure of partnership satisfaction. The list of partners we invite to take part in the survey is reviewed each year to ensure that it reflects those we have engaged with in the previous 12 months								
<b>VFM5 Channel shift measure</b>	<b>11.12%</b>	10.00%	★	➡	14.05%	8.00%	★	03/17
Comments: Work developing online self-serve forms and methods of contact have continued this quarter and will see significant promotion in 17/18 in order to meet the stretched targets that have been set.								
<b>VFM6 % of income owed to the council collected</b>	<b>97.4%</b>	95.0%	★	➡	97.4%	95.0%	★	03/17
Comments: Ensuring timely collection of income due to the council is vital to support the financial pressure the council faces. Performance in this area has been good ensuring that income owed to the council is collected when it is due.								
<b>VFM7 % of income generated by the council compared to expenditure</b>	<b>49.6%</b>	44.2%	★	➡	49.6%	44.2%	★	03/17
Comments: The quarter 4 outturn general fund income for 2016/17 financial year is forecast to equate to 49.6% of expenditure which is above the target of 44.2%. These are provisional figures pending the finalisation of the accounts in June.								
<b>VFM8 % of customers satisfied with the opportunities to engage with the council</b>	<b>63%</b>	52%	★	➡	59%	52%	★	03/17
Comments: People's satisfaction with the opportunities to engage with the council continues to be above target and has increased for the third quarter in a row which is very positive.								
<b>VFM9 Delivery of local democracy engagement plan</b>	<b>2</b>	2	★	➡	2	2	★	03/17
Comments: Local democracy is vital to the democratic process. Local democracy week is a key feature in this indicator and giving local people the opportunity to find out more about the democratic process, councillors and the council. The plan for this was successfully delivered.								



**Report to** Cabinet  
21 June 2017  
**Report of** Head of city development services  
**Subject** Private sector housing enforcement policies

**Item**

**6**

---

### **Purpose**

To seek approval for the updated private sector enforcement policy and a new policy on the use of financial penalties as an alternative to prosecution.

### **Recommendation**

To approve the private sector enforcement policy and civil penalty notice policy.

### **Corporate and service priorities**

The report helps to meet the corporate priority 'a healthy city with good housing'

### **Financial implications**

The policies set out the council's approach to charging for enforcement and the imposition of civil penalties. It is difficult to estimate the potential annual income from these activities; this is dependent on the level of compliance with our requirements and the seriousness of any offence. Civil penalties are intended to have a deterrent effect which, if successful, would reduce any ongoing income.

**Ward/s:** All Wards

**Cabinet member:** Councillor Herries – Safer, stronger neighbourhoods

### **Contact officers**

Paul Swanborough, strategic housing manager 01603 212388

Andy Watt, head of city development services 01603 212691

### **Background documents**

None

## Report

1. The current strategic housing enforcement policy was adopted in 2006. Since then there have been a number of changes to legislation and enforcement guidance, notably the introduction of the Regulators' Code and recently introduced powers to impose civil penalties as an alternative to prosecution.

### **Private sector housing enforcement policy:**

2. This is attached at Appendix 1. It reiterates the principles of good regulation that we are already working to but has been rewritten to reflect the more recent Regulator's Code rather than the Enforcement Concordat which forms the basis of the current policy. In addition it addresses a range of new powers that have been introduced by recent legislation:

### **Civil penalties**

3. The Housing and Planning Act 2016 gives local housing authorities the power to impose a civil penalty on landlords or agents who fail to comply with an improvement notice, breach of licensing requirements or who fail to comply with management regulations applying to houses in multiple occupation. A civil penalty is a financial penalty.
4. Penalties of up to £30,000 per offence can be imposed directly by the council as an alternative to prosecution and those penalties can be retained provided that they are used to support private sector housing enforcement activities.
5. These new powers have the potential to bring-about a significant improvement in the condition of homes in the privately rented sector. Prior to their introduction the council could only contemplate prosecuting a small number of the worst offenders because of the length and cost of the legal process. In addition, fines imposed by the courts are typically low. Seen together, these two problems have meant that there has been little to deter landlords from letting sub-standard homes and it is primarily this situation that the new legislation is intended to address.
6. The imposition of a civil penalty as an alternative to prosecution means that landlords who let sub-standard and poorly-managed properties are much more likely to face substantial financial loss. This is the clear intention of the new legislation and guidance states that councils are expected to take a robust approach to the use of the new powers with the intention of 'disrupting the business model' of offending landlords.
7. There is also potential to effectively deal with low-level offending, such as failure to maintain gardens and yards in a reasonable condition, which previously could not justify the expense of a prosecution. However, it should be noted that, in every case, we will additionally consider whether imposing a civil penalty is in the public interest so these should not be considered as 'on the spot fines'.
8. There will also be some serious cases where a prosecution is a more appropriate approach, for example where a banning order is required to prevent a person from operating as a landlord.

9. The proposed methodology for calculating the level of the penalty in each case is contained in the Financial Penalty Policy which is attached at Appendix 2.

### **Penalty charges in relation to smoke detectors etc.**

10. Similar powers to impose a financial penalty of up to £5,000 for failure to install adequate smoke and carbon monoxide detectors and for failure to join a redress scheme have been introduced by recent legislation. The council is required to publish a statement of principles on the use of these powers and this is included within the enforcement policy.

### **Charging for enforcement**

11. We have existing powers to charge for certain enforcement activities as defined in the Housing Act 2004. Currently we make a nominal charge of approximately £270 in each case where we serve an improvement notice but waive that if a landlord co-operates fully with our requirements. This has worked well to avoid the expense and work involved in forcing landlords to comply. A small number of charges are recovered annually where landlords do not co-operate.
12. The proposal is to continue to waive the charge for landlords who co-operate but to make a full-cost recovery, based on time-recorded activity, for those who don't. We would expect to impose these charges in all cases of failure to comply with an improvement notice, even where a civil penalty is not imposed.

### **Other new powers**

13. The Housing and Planning Act 2016 also introduced a range of new powers and tools to improve the effectiveness of enforcement action in the case of sub-standard conditions in the private rented sector. These are addressed in the enforcement policy and include:
  - Extended powers to seek rent repayment orders to recover housing benefit in the case of certain offences
  - Banning orders preventing criminal landlords from letting residential property
  - The introduction of a national database of criminal landlords and property agents

### **Consultation**

14. There is no requirement to consult before approving these policies. However, informal consultation with the representatives of local landlords and managing agents through our landlord reference group has indicated support for the proposed approach to the use of civil penalties. Professional landlords and agents who comply with the law are currently disadvantaged, through unfair competition and reputational damage, by the activities of a small number of individuals and companies who do not.



## 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>	21 <sup>st</sup> June 2017
<b>Director / Head of service</b>	Dave Moorcroft
<b>Report subject:</b>	Private sector housing enforcement policies
<b>Date assessed:</b>	19 <sup>th</sup> May 2017
<b>Description:</b>	Policies relating to enforcement action against private sector landlords who let sub-standard dwellings

	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"/>	Potential income from financial penalties and increased recovery of enforcement costs
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"/>	Implementation of the new policy will use existing systems although some updating may be required
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The policy has been welcomed by local landlord representative bodies since it will help to remove unfair practices by landlords that disadvantage those who comply with the law
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The policy is designed to improve living conditions and to force out of business criminal landlords who exploit vulnerable tenants
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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The policy is designed to improve living conditions and reduce hazards to health in the privately rented sector



	<b>Impact</b>			
<b>Equality and diversity (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
<b>Relations between groups (cohesion)</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Eliminating discrimination &amp; harassment</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Advancing equality of opportunity</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Environmental (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
<b>Transportation</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Natural and built environment</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Waste minimisation &amp; resource use</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Pollution</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Sustainable procurement</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Energy and climate change</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>(Please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>

	Impact			
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

## Recommendations from impact assessment

### Positive

Adoption of the policy will enable the council to be far more effective when taking action against landlords who let sub-standard homes. It will also increase the resource available to carry out this work.

### Negative

### Neutral

### Issues

Norwich City Council  
City Development Services

# **Private Sector Housing Enforcement Policy**

June 2017

# 1. Introduction

- 1.1. This policy has been written to meet the requirements of the Legislative and Regulatory Reform Act 2006 and the Regulators' Code.
- 1.2. The council has a duty to follow the principles of good regulation specified in the Act and to have regard to the code when setting policies or principles that determine how it carries out its regulatory activities.
- 1.3. The Regulators' Code is available online at  
<https://www.gov.uk/government/publications/regulators-code> .
- 1.4. The functions of Norwich City Council covered by this policy include: -
  - Taking action to remove hazards in privately-owned housing
  - Regulating the management of houses in multiple occupation
  - Licensing of privately rented accommodation
  - Taking action to bring empty homes back into use
  - Regulating the functions of landlords and managing agents
  - Working with other regulating bodies having a responsibility for privately-owned accommodation (e.g. the Health and Safety Executive, the Fire and Rescue Service, Trading Standards etc.)
  - Any other regulatory function arising from the condition or management of residential premises (e.g. the Building Act 1984, the Environmental Protection Act 1990 and the Protection from Eviction Act 1977)
- 1.5. The overall aim of these functions is to:
  - Prevent, detect and control risks to the health, safety and well being of the occupants of privately owned houses and their neighbours.
  - Reduce the adverse impact of empty and poorly maintained dwellings on neighbourhoods

## **2. The principles of good regulation**

- 2.1. The Legislative and Regulatory Reform Act requires regulatory activities to be carried out in a way which is transparent, accountable, proportionate and consistent. It also states that regulatory activities should be targeted only at cases in which action is needed.

### **Transparency**

- 2.2. We will publish and regularly update advice and guidance about our requirements and how to meet them on our website.
- 2.3. We will also ensure that we engage with landlords, managing agents and tenants to allow them to offer views and contribute to the development of our policies and service standards. This may be through working groups, forums, surveys, consultations or the council's complaints, compliments and comments process.

### **Accountability**

- 2.4. We will always explain why we are taking enforcement action, or carrying out an investigation.
- 2.5. Any complaints or comments about our actions or the conduct of our officers will be taken seriously and investigated. The council has an established compliments, comments and complaints process which can be easily accessed either online or by telephone.
- 2.6. In addition, there is usually a statutory right of appeal to formal enforcement action and we will always ensure that those rights are fully explained.

### **Proportionality**

- 2.7. We will ensure that any action we require or take is proportionate to the seriousness of the breach and the risk to health, safety and welfare or the effect on the local neighbourhood.
- 2.8. The most serious formal action will be for serious breaches of the law where there is a significant risk to health and safety and welfare or where there has been a flagrant disregard for the requirements of the law.
- 2.9. We will seek to create an environment in which those we regulate feel able to seek advice without fear of triggering enforcement action. However, in some circumstances we will be under a duty to take action if we become aware of a breach of a failure to comply with the law or the existence of a hazard.
- 2.10. We will provide the opportunity for response to any proposed enforcement action unless that action is required to prevent or respond to a serious breach, where immediate action is required or where doing so would defeat the purpose of the proposed action. In practice this means:

2.11. We will give reasonable notice of inspections

2.12. We will consult interested parties before serving notices or orders

## **Consistency**

2.13. We will do the following to ensure a consistent approach to our enforcement decisions.

- We will discuss and compare enforcement decisions both within the department, and also externally through liaison and in benchmarking with other local authorities and enforcement bodies.
- All staff undertaking enforcement duties will be suitably trained, qualified and authorised to ensure that they are fully competent to undertake their enforcement duties.
- We will have regard to statutory guidance, tribunal decisions, case law and current research.

## **Targeting**

2.14. We will target our enforcement action primarily towards those situations that give rise to the most serious risks, where the risks are least well controlled and against deliberate or organized breaches of the law.

2.15. Other factors also determine priorities for enforcement activity, including government targets and priorities, new legislation, national campaigns and public concerns.

2.16. Targeting will be based on available evidence including:

- Regular stock condition surveys and modelling. For example, inspections may be targeted at premises based on their age, size or other characteristics that may make the existence of a hazard more likely.
- Previous performance. For example, where a landlord or managing agent lets premises which do not comply with the law then the inspection of these and other premises owned or managed by them may be prioritised in the future.
- Membership of voluntary good-practice schemes. For example, we are less likely to target premises that are registered with the council's property registration scheme or which are managed by members of a professional lettings and management body.
- Complaints from tenants or members of the public.

### 3. Investigation

#### The council's duties

- 3.1. The Housing Act 2004 places a duty on the council to keep housing conditions in its district under review. This is normally achieved through regular stock condition surveys, stock modelling (based on a wide range of nationally-collected data) and targeted inspections.
- 3.2. The council also has a duty to inspect residential premises where appropriate to determine whether or not a hazard to health exists. In practice this means
- 3.3. Individual premises where the occupant or someone acting on their behalf has notified us that there is a potential hazard
- 3.4. Types of premises shown to be at a high risk of being hazardous (e.g. houses in multiple occupation, accommodation above restaurants)
- 3.5. Individual premises owned or managed by people who have a record of letting other hazardous premises

#### Complaints about privately rented accommodation

- 3.6. We believe that most complaints about housing conditions can and should be resolved between tenants and landlords without our direct intervention. However, we recognise that not all tenants are aware of their rights or understand the best way to approach their landlord.
- 3.7. Our normal procedure for dealing with complaints is to request tenants to make the first approach to their landlord. We help with this by providing advice and a 'toolkit' including letter templates. We will also contact landlords, at the tenant's request, to let them know that there has been a complaint and to offer advice.
- 3.8. We will normally contact complainants after an appropriate period of time to see if they have managed to resolve their problem and may choose to inspect at that point if it should appear to be necessary.
- 3.9. Where there appears to be an imminent risk of harm or where a tenant can show that requesting their landlord to remedy a problem has had no effect then the council may arrange an inspection immediately.
- 3.10. Anonymous complaints can be difficult to deal with fairly and practically and so will be investigated at our discretion.

#### *The Deregulation Act 2015*

- 3.11. The Deregulation Act affects a landlord's right to evict tenants where a complaint has been made to them in writing about the premises and where the council has served a notice. Because of this, if a tenant making a complaint to us can show that they have given their landlord 14 days written notice of the problem, and that there has been no adequate response, then we will normally arrange an inspection immediately.

## **Arranging an inspection**

- 3.12. We are usually required to give at least 24 hours' notice of entry to the owner and occupier of the premises. However, when investigating compliance with licensing requirements or the management of houses in multiple occupation we may visit the premises without notice.
- 3.13. Access may be at any reasonable time which, in most cases, means normal working hours between Monday and Friday. Normally we expect to give more than 24 hours' notice and any appointment will be by agreement with the occupants and the owner of the premises. We will re-arrange inspections if given a good reason and sufficient notice.
- 3.14. Our officers will always carry their council identification and a copy of their authorisation which they will show on request.
- 3.15. An officer who is authorised to enter may:
- Take other persons with them
  - Bring equipment or materials
  - Take measurements, photographs or make recordings
  - Leave recording equipment on the premises for later collection
  - Take samples of any articles or substances found on the premises
- 3.16. We do not have the power to force entry to premises, even after service of a notice. However, if any person refuses entry without a good reason then they may be prosecuted for obstruction. We may also seek a court warrant which could allow us to enter by force if necessary.

## **Covert Surveillance**

- 3.17. We will not generally use covert (hidden) techniques to investigate breaches of the Housing Act 2004 and related legislation.
- 3.18. If such techniques are considered necessary then they will be carried out in accordance with the Code of Practice on Covert Surveillance and Property Interference and the requirements of the Regulation of Investigatory Powers Act.



## 4. Action following investigation

### Remedying Hazards

#### *General principles*

- 4.1. Housing hazards will be identified and assessed using the Housing Health and Safety Rating System published by central government. Hazards are banded from A to J with A being the most serious. Bands A, B and C are known as category 1 hazards with the rest being category 2.
- 4.2. The aim of enforcement action is to remove the hazard or reduce it to a reasonable level. In most cases, we will consider a reasonable level to be band G or lower.
- 4.3. We will refer to relevant published guidance, codes of practice and case law when deciding upon the most appropriate course of action.
- 4.4. We will normally allow 14 days to discuss the proposed content of a notice or order with the intended recipient. This will allow that person to make alternative suggestions and to agree suitable time scales for any works to be carried out.
- 4.5. We may be required to inform interested persons (e.g. joint owners or mortgagees) about the action being proposed.
- 4.6. You can expect a notice to state what is wrong and what needs to be done to put things right.
- 4.7. Where immediate action is needed, an explanation of why such action is required will be given at the time and confirmed in writing in most cases within 5 working days and in all cases within 10 working days. This explanation may be contained within the notice or by separate letter.
- 4.8. Details of the rights of appeal against formal action will be included in any correspondence.

#### *Category 1 hazards*

- 4.9. Where a category 1 hazard to health has been identified, the Housing Act 2004 requires us to take formal action.
- 4.10. The action taken will depend upon the severity of the hazard or offence, the most appropriate remedy and the urgency of the need for action to be taken. It must be one of the following:
  - Serving an improvement notice
  - Making a prohibition order
  - Serving a hazard awareness notice
  - Taking emergency remedial action
  - Making an emergency prohibition order
  - Making a demolition order
  - Declaring the area in which the premises are situated to be a clearance area

## *Category 2 hazards*

- 4.11. We may also take action for lesser (category 2) hazards although we will generally only do so for those that fall within bands d, e and f of the housing health and safety rating system.
- 4.12. We will usually do this formally rather than through an informal letter. This is to ensure that there is no delay to works being carried out, to prevent any ambiguity about what the council requires and to provide the recipient with a formal right of appeal. The formal actions that we are able to take are:
- Serving an improvement notice
  - Making a prohibition order
  - Serving a hazard awareness notice
  - Making a demolition order
  - Declaring the area in which the premises are situated to be a clearance area

## *Deregulation Act 2015*

- 4.13. If we carry out an inspection in response to a complaint to which the Deregulation Act applies (see above) we may need to serve a notice without allowing the usual 14 days for consultation. This is to ensure that any rights that the tenant may have to protection from eviction are put in place without delay.

## **Failure to comply**

### *Formal interview*

- 4.14. A person who is believed to have committed an offence may be formally interviewed. This will be to establish the facts of the case, the person responsible for any offence and whether there are any circumstances that would influence a decision to prosecute or to impose a civil penalty.
- 4.15. Any formal interview will normally take place at the council offices and will be conducted under the rules of the Police and Criminal Evidence Act 1984. It will be recorded and the person being interviewed will have the right to be accompanied by a legal representative.
- 4.16. Where a formal interview takes place elsewhere then it will be written down in the officer's notebook and the person being interviewed will be asked to sign it.
- 4.17. We may also write to you requesting information about the offence.
- 4.18. Where a formal interview takes place, or a written request for information relating to an investigation is issued, the following caution will be given:

*'You do not have to say anything. But it may harm your defence if you do not mention when questioned something which you later rely on in court. Anything you do say may be given in evidence'*

### *Civil penalties under the Housing and Planning Act 2016*

4.19. A civil penalty is a financial penalty, up to a maximum of £30,000, imposed by the council on an individual or organisation as an alternative to prosecution for the following offences under the Housing Act 2004:

- Failure to comply with an improvement notice (section 30)
- Offences in relation to licensing of houses in multiple occupation (section 72)
- Offences in relation to licensing of houses under Part 3 of the Act (section 95)
- Offences of contravention of an overcrowding notice (section 139)
- Failure to comply with management regulations in respect of houses in multiple occupation (section 234)

4.20. We will consider the use of civil penalties in all cases where we are satisfied beyond reasonable doubt that an offence has been committed. In each case, we will additionally consider whether the imposition of a civil penalty is in the public interest.

4.21. Whilst this will usually include all cases of failure to comply with a notice, or more serious breaches of the management regulations, it could include relatively minor breaches, for example failing to keep a garden belonging to a house in multiple occupation in a tidy condition where this is having a detrimental impact on the amenity of the area.

4.22. The level of the penalty will be determined in each case having regard to current government guidance and case law.

4.23. Our policy for imposing financial penalties will be published on our website and may be revised at any time following approval by the Director of Regeneration and Development under the council's scheme of delegations.

### *Prosecution*

4.24. Prosecution may be considered where there has been a failure

- to license a property where required
- to comply with a licence condition
- to comply with regulations applying to houses in multiple occupation
- to comply with a notice or order served to remedy a hazard
- to provide information when required
- to comply with other relevant legislation

4.25. We will normally impose a civil penalty as an alternative to prosecution where that is an option available to us.

4.26. We will decide whether or not a prosecution is appropriate by consideration of the following factors: -

- The seriousness of the offence

- The severity and scale of potential or actual harm
  - The previous history of the premises or persons concerned
  - Whether the offence was a flagrant breach of the law
  - The explanation/defence offered by the company or individual
  - Whether false information has been supplied wilfully or there has been the intent to deceive
  - Whether inspectors were intentionally obstructed in the lawful course of their duties
  - Whether other action would be more appropriate or effective
  - Whether the landlord's behaviour is such that it would be appropriate to apply for a banning order (which requires a conviction in court)
- 4.27. Investigating officers will inform the Private Sector Housing Team Leader at the start of any investigations that may result in prosecution. All such cases will be regularly reviewed.
- 4.28. Anyone faced with being prosecuted will have the opportunity to put any matters to us that they consider may contribute to the prosecution decision being reversed.
- 4.29. The Courts will decide any penalty but, in the case of a successful prosecution, we will make a claim for the reasonable costs of bringing the case.

#### *Simple Cautions*

- 4.30. A simple caution may be issued as an alternative to prosecution where there is no option to issue a civil penalty. The purpose of this is to deal quickly and simply with less serious offences, to divert less serious offences away from the courts, and to reduce the chances of repeat offences.
- 4.31. We will follow the Ministry of Justice guidance on Simple Cautions for Adult Offenders and the Conditional Cautioning Code of Practice and associated annexes issued by the Crown Prosecution Service. In particular, the following conditions will be fulfilled before a caution is administered: -
- The offender must be aged 18 or older
  - There must be sufficient evidence of the offender's guilt to give a realistic prospect of conviction
  - The offender must admit the offence; and
  - The offender must understand the significance of the caution and agree to being cautioned.
- 4.32. If a person declines the offer of a simple caution then we may prosecute instead

#### *Works in default*

- 4.33. Where someone has failed to comply with a notice requiring works, we may carry out those works using our own contractors. We will then be able to recover the costs of doing so, including reasonable administration costs.

- 4.34. Works in default can usually only be carried out after a further notice has been served by us explaining our intentions (the exception is where emergency remedial action is required although that will be followed by a notice to allow the recipient to appeal)
- 4.35. If you have been given notice that we intend to do works in default, you may be prosecuted for obstruction if you then do the works yourself
- 4.36. Details of the rights of appeal against formal action will be included in any correspondence.

#### *The Smoke and Carbon Monoxide Alarm (England) Regulations 2015*

- 4.37. These regulations allow us to impose penalty charges up to £5,000 for failure to comply with a remedial notice relating to the provision of smoke and carbon monoxide detectors in rented accommodation.
- 4.38. When deciding the amount of the penalty charge, we have to have regard to a set of principles that are shown in the Appendix.
- 4.39. The statement of principles may be revised at any time following approval by the Director of Regeneration and Development under the council's scheme of delegations.

#### *Property Redress Schemes*

- 4.40. The Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc.)(England) Order 2014 (SI 2014 No. 2359) requires letting agencies to join a redress scheme for dealing with complaints.
- 4.41. We are under a duty to enforce that requirement and may impose a penalty of up to £5,000 on any letting agency that doesn't comply.
- 4.42. Current Government guidance states that a £5,000 penalty should be considered the norm and that a lower penalty should only be charged if the enforcement authority is satisfied that there are extenuating circumstances. Our policy therefore is to impose the maximum £5,000 penalty for failure to comply.

#### *The Proceeds of Crime Act*

- 4.43. In some cases, the proceeds of Crime Act 2002 allows us to seek a court order to recover the benefits of criminal behaviour which includes failure to comply with the Housing Act and similar legislation enforced by the private sector housing team.
- 4.44. In practice this means that a landlord may be liable to pay back all the rent collected for the premises during the time that the breach was occurring. This is in addition to any fine or other penalty that may be imposed.

### *Rent Repayment Orders*

- 4.45. The Housing and Planning Act 2016 allows a council or a tenant to apply to the first tier tribunal for a rent repayment order where the landlord has been convicted, or has received a civil penalty, in relation to the following housing related offences:
- The use of violence for securing entry to a premises
  - Illegal eviction or harassment of occupiers
  - Failure to comply with an improvement notice
  - Failure to comply with a prohibition order
  - Control or management of an unlicensed house or house in multiple occupation
  - Breach of a banning order
- 4.46. Where a tenant makes an application, the first tier tribunal can order the landlord to repay up to 12 month's rent minus any universal credit or housing benefit. The council is able to apply for the universal credit or housing benefit element of the rent.
- 4.47. We will normally expect to apply for a rent repayment order where there has been a payment of universal credit or housing benefit to tenants of the premises. Where we believe that a tenant may be entitled to make a claim, we will assist them in doing so.

### *Banning Orders*

- 4.48. From October 2017, Part 2 of the Housing and Planning Act 2016 will allow councils to seek a banning order against a landlord who has been convicted of a banning order offence. A banning order will prevent a person from property letting and management, and from holding a licence for at least 12 months.
- 4.49. Banning order offences have yet to be defined but are likely to relate to more serious offences.
- 4.50. Where we consider that a landlord's behaviour is such that a banning order would be appropriate we may prosecute where an offence has been committed in preference to imposing a civil penalty.

### *Database of rogue landlords and property agents*

- 4.51. Where a person has been
- convicted of a banning order offence or;
  - received two financial penalties in relation to a banning order offence in a 12 month period
- 4.52. we will consider adding them to the rogue landlords and property agents' database which is expected to become operative from October 2017.

- 4.53. The purpose of the database is to enable councils to identify landlords who have been convicted elsewhere in the country to inform decisions about the imposition of financial penalties, prosecutions or whether the person is a fit and proper person for the purposes of holding a licence.

## 5. Charging for enforcement

- 5.1. Section 49 of the Housing Act 2004 gives us the right to make such reasonable charge as we consider appropriate as a means of recovering certain administrative and other expenses incurred by us in:
- Serving an improvement notice
  - Making a prohibition order
  - Serving a hazard awareness notice
  - Taking emergency remedial action
  - Making an emergency prohibition order
  - Making a demolition order
  - Declaring the area in which the premises are situated to be a clearance area
- 5.2. Administrative expenses that may be charged for include:
- Determining the appropriate course of action (including inspecting the premises)
  - Identifying actions to be specified in a notice
  - Serving the notice
  - Reviewing suspended improvement notices and prohibition orders
- 5.3. The charge will be calculated on the basis of the actual time spent on the case multiplied by the hourly rate for the officer carrying out the work.
- 5.4. Enforcement costs may be reduced or waived depending on the circumstances of the case, at the discretion of the Director of Regeneration and Development.

### *Procedure for charging:*

- 5.5. Where a serious category 1 hazard is identified requiring the immediate service of an improvement notice, prohibition order or the taking of emergency action we will seek to recover our full costs
- 5.6. In other cases where the existence of a hazard would warrant the service of a relevant notice or order, the person on whom it would be served will be sent a report within 14 days clearly indicating:
- the hazard;
  - the proposed remedy;
- 5.7. That person will then be given 14 days to indicate in writing what actions will be taken to remedy the hazard (a 'proposal').



- 5.8. If a proposal is received it will be assessed using the following criteria:
- Proposed time scale
  - Likelihood that the actions will effectively remedy the hazard
  - The effect that the proposal would have on any resident
- 5.9. If the proposal is not acceptable then a full charge will be made.
- 5.10. If the proposal is accepted an improvement notice or prohibition order which accommodates the proposals will be served and no charge will be made.
- 5.11. If, however, the notice or order is subsequently not complied with then a full charge will be made.
- 5.12. If no proposal is received within 14 days then the relevant notice or order will be served and a full charge made.
- 5.13. The sum charged will be a local land charge on the premises and, if not paid within one month, will be recovered in accordance with the powers available under the Law of Property Act 1925 which include the power to appoint a receiver.

#### *Recovery of Costs*

- 5.14. We have a wide range of powers to recover payment of civil penalties, the cost of works in default and enforcement charges. These include:
- Action in the County Court
  - Use of a debt recovery agency
  - Enforced sale of the premises in question
  - Appointing a receiver

## **6. Working with other enforcement bodies**

- 6.1. During the course of an investigation an officer may become aware of breaches of legislation that is enforced by other bodies such as the Police, Fire Service, Trading Standards or the Health and Safety Executive or other departments within the Council such as Planning Enforcement or Environmental Health.
- 6.2. In such cases we will inform the appropriate body of the breach so that they may carry out their own investigations if they feel that to be appropriate.
- 6.3. We will liaise with other enforcement bodies and departments within the council to ensure effective coordination, to avoid inconsistencies, and to ensure that any proceedings instituted are for the most appropriate offence.
- 6.4. Any information shared will be in accordance with the requirements of the Data Protection Act 1998 and the Norfolk Community Safety Partnership protocol for



the exchange of information for the purpose of the reduction of crime and disorder.

## **7. Civil Claims**

- 7.1. Our enforcement action is completely separate and distinct from civil claims made by individuals against their landlord. Enforcement is not undertaken in all circumstances where civil claims may be pursued, nor is it undertaken to assist such claims.
- 7.2. Upon request and, where appropriate, on payment of a fee, we will provide individuals who are pursuing a civil claim a factual report detailing our investigation and involvement in the case.
- 7.3. In some cases (e.g. in the case of illegal eviction) we may assist in the process of making a civil claim or will refer the person wishing to make such a claim to a third-party (e.g. Shelter).

## **Appendix**

### **Penalty Charges under the Smoke and Carbon Monoxide Alarm (England) Regulations 2015**

#### **Summary of Duties Under the Regulations**

1. The Smoke and Carbon Monoxide Alarm (England) Regulations 2015 requires landlords of residential premises to:
  - Provide a smoke alarm on each storey of the premises on which there is a room used wholly or partly as living accommodation;
  - Provide a carbon monoxide alarm in any room of the premises which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance; and
  - Carry out checks to ensure that each prescribed alarm is in proper working order on the day the tenancy begins if it is a new tenancy.
2. Norwich City Council has a duty under the regulations to serve a remedial notice on a landlord where it has reasonable grounds to believe that one or more of the landlord's requirements has been breached.
3. If a landlord fails to comply with a remedial notice, the council has a further duty under the regulations to arrange for the works to be carried out by an authorised person. Those works must be carried out within 28 days of the council becoming aware of the failure to comply with the notice.

#### **Penalty for failure to comply with a remedial notice**

4. Where a landlord fails to comply with a remedial notice the council has the power to impose a penalty charge of up to £5,000.
5. In order to do this, the council must serve a penalty charge notice on the landlord within six weeks of it becoming aware of the failure to comply.
6. The council has the power to reduce the penalty charge if it is paid within 14 days of the date of the penalty charge notice
7. Landlords may request a review of a penalty charge notice and may appeal to the residential property tribunal
8. The council may take proceedings to recover the penalty charge in the same way as if it were payable under a court order

## Statement of Principles

9. The council has a duty to publish a statement of principles which it proposes to follow in determining the amount of a penalty charge. It must have regard to those principles when determining the amount of a penalty charge.
10. The following is the council's statement of principles which it proposes to follow in determining the amount of a penalty charge:
  - i. The charge will consist of a recovery element and a punitive element set to encourage compliance.
  - ii. The total penalty charge will not exceed £5,000.
  - iii. The recovery element will be equal to the cost of carrying out the remedial action including administrative and ancillary costs.
  - iv. The punitive element will be determined as follows:
    - a. The baseline charge will be £3,500. It is set at this level to encourage compliance and in recognition of the fact that the recipient will have had a number of opportunities to remedy any breach and thus avoid a penalty charge. It also provides scope for increasing the penalty where there are aggravating factors.
    - b. Aggravating factors include:
      - i. Where action has previously been taken against the recipient for failure to comply with the regulations including action that did not result in a penalty charge
      - ii. Obstruction of officers and workmen in the carrying out of their duties under these regulations
      - iii. Where there is a direct connection with other illegal activity, for example overcrowding, leading to an increased risk to the occupants from fire
    - c. Where there are aggravating factors, the punitive element will be increased to bring the total penalty charge to the maximum of £5,000.
  - v. The penalty charges will be reviewed from time to time to assess their effectiveness. Any decision to alter the charge will be made by the Director of Regeneration and Development in consultation with the relevant cabinet member.



## **Financial Penalty Policy**

### **June 2017**

#### **Introduction**

1. The Housing and Planning Act 2016 allows local housing authorities to impose financial penalties of up to £30,000 as an alternative to prosecution for a range of offences contained within the Housing Act 2004:
  - a. Failure to comply with an improvement notice
  - b. Offences relating to the licensing of houses
  - c. Failure to comply with an overcrowding notice
  - d. Failure to comply with management regulations in respect of HMOs
2. The council will use these new powers in accordance with the following principles:
  - The failure to comply with the requirements listed above are criminal offences and, as such, a financial penalty will be considered in every case where an offence has been identified
  - A prosecution may be an appropriate option where an offence is particularly serious or where the offender has committed similar offences in the past
  - A financial penalty will only be imposed where the council is satisfied beyond reasonable doubt that an offence has been committed
  - In addition, the council will consider whether the imposition of a financial penalty is in the public interest
  - The amount of the financial penalty will reflect the seriousness of the offence and will be determined in a consistent and transparent way
3. Regulations made under the Housing and Planning Act 2016 and the Housing Act 2004 enable the council to use any financial penalty recovered to meet the costs and expenses incurred in, or associated with, carrying out any of its enforcement functions in relation to the private rented sector.
4. Schedule 13A to the Housing Act 2004 deals with the procedure for imposing financial penalties, appeals and enforcement.

#### **Determining the Penalty**

5. Statutory guidance states that the following factors should be considered when determining the appropriate level of penalty:

- Severity of the offence
  - Culpability and track record of the offender
  - Harm caused to the tenant
  - Punishment of the offender
  - Deterring the offender from repeating the offence
  - Deterring others from committing similar offences
  - Removing any financial benefit the offender may have obtained as a result of committing the offence
6. The council will use a consistent approach which is based on the Magistrates' Court Sentencing Guidelines issued by the Sentencing Council. This is shown in more detail in the Appendix.
7. A penalty band will be indicated based on a judgement of culpability and harm as shown in the following matrix:

Harm	Culpability			
	Very high	High	Medium	Low
High	Band 6	Band 5	Band 4	Band 3
Medium	Band 5	Band 4	Band 3	Band 2
Low	Band 2	Band 1c	Band 1b	Band 1a

8. With the exception of band 1, each band has an assumed starting point which indicates the penalty before any possible adjustments have been considered.

Band	Financial penalty range/£	Assumed starting point/£	Adjustment increment/£
1a	100	-	-
1b	150	-	-
1c	200	-	-
2	200-800	400	200
3	1,000-4,000	2,000	1,000
4	6,000 – 12,000	8,000	2,000
5	14,000 – 20,000	16,000	2,000
6	22,500 – 30,000	25,000	2,500

9. The penalty bands are weighted as follows:

- Band 1 relates to offences where there is a low risk of harm. Financial penalties at this level are designed to encourage compliance with lower level requirements for example failing to maintain yards and gardens or failure to display an information notice in a house in multiple occupation. They will also act as an initial deterrent where management standards are beginning to slip to prevent more significant contraventions.
- Bands 2 and 3 relate to more serious, but still relatively minor offences. This is reflected in lower indicative penalties. Penalties at this level will be considered as a deterrent to prevent more serious offending.

- Band 4 and 5 fines relate to the type of offences that are normally dealt with by the council where there is a higher risk of harm and greater culpability. These offences carry significantly higher financial penalties.
- Band 6 is reserved for cases where the contravention exposed people to a high risk of harm due to an intentional breach or flagrant disregard of the law.

10. In each band, the penalty may be adjusted by the incremental value to reflect the level of co-operation experienced following identification of the offence:

Full co-operation following identification of offence	Reduce from starting point by one increment
Minimal further input required by the council to achieve compliance	No adjustment
Significant involvement by the council required to achieve compliance	Plus one increment
A significant lack of co-operation and/or obstruction leading to significant further enforcement activity (e.g. works in default)	Plus two increments

11. Finally, the council will apply the “Totality Principle” in cases where more than one penalty has been imposed, with a view to ensuring that the total penalty or penalties properly reflect all of the offending behaviour and are just and proportionate in all the circumstances.

### **Ability to Pay**

12. Statutory guidance states that local housing authorities should use their existing powers to, as far as reasonably possible, make an assessment of a landlord's assets and any income (not just rental income) they receive when determining an appropriate financial penalty.

13. The existing powers available to the council include:

- Section 235 Housing Act 2004 (power to require documents to be produced)
- Housing benefit and council tax information (permitted by Section 237 of the Housing Act 2004)
- Service of a requisition for information under section 16 of the Local Government (miscellaneous provisions) Act 1976 (power to obtain particulars of persons interested in land)

14. When a person receives a notice of intent to impose a financial penalty they have the right to make written representations about the proposal. The council will

specifically ask for those representations to include any evidence of the person's ability to pay the proposed penalty.

15. If no representations are received then the presumption will be that the person is able to pay the full amount of the proposed penalty. This presumption will be tested against information held by the council, or publicly available information such as company records or land registry entries.
16. Evidence put forward in representations will be assessed for accuracy against council-held and public information.
17. Where appropriate, further information may be required through service of notices using the powers listed above.
18. Any evidence about ability to pay will be considered before a final decision is made about the level of the penalty.

## **Representations and Appeals**

19. A person who is given a notice of the council's intention to impose a financial penalty may make written representations to the council within 28 days beginning with the day after that on which the notice was given. These should be addressed to the private sector housing team at the council or emailed to [privatesectorhousing@norwich.gov.uk](mailto:privatesectorhousing@norwich.gov.uk).
20. Written representations will be considered by the private sector housing team leader.
21. A person who is given a final notice requiring a penalty to be paid may appeal to the First-tier Tribunal against
  - a. The decision to impose the penalty, or
  - b. The amount of the penalty
22. Details about how to make an appeal will be included with any final notice.

## **Recovery**

23. A penalty must be paid within 28 days beginning with the day after that on which the notice was given
24. In the absence of an appeal and where a penalty is not paid within 28 days, the council will seek to recover it through a county court order.



## APPENDIX: Determination of culpability and Harm

### Culpability

Band	Description	Examples
Very high	The offender has intentionally breached or flagrantly disregarded the law	The offender has a track record of failure to comply
		There is evidence that the offender has deliberately delayed compliance for example to prevent a complainant from benefitting from improvements
		An opportunity to comply was deliberately avoided, for example, by moving a new tenant in to the property before a known hazard or breach has been remedied
		Deliberate avoidance of significant cost through non-compliance
High	Actual foresight of, or wilful blindness to, risk of offending but risk nevertheless taken	The offender had knowledge of the breach, for example through a complaint, but has not responded
		A clear requirement by the council has been ignored. This would include an improvement notice that has not been complied with, or the failure to respond to a letter requesting action to address a management failure
		The offender is a member of a professional body which makes clear requirements that have not been followed, leading to the breach
		Offender had not started the works by the notice expiry date and had not made a reasonable case for an extension of time
Medium	Offence committed through act or omission which a person exercising reasonable care would not commit	A failure to carry out regular inspections, for example, of the common parts of a house in multiple occupation
		Failure to have adequate systems in place to avoid the offence, for example, an emergency contact or regular maintenance contract for gas appliances or fire alarm systems
		The offender did not provide sufficient contact information to the tenant to enable the problem to be addressed
		Offender has failed to comply with notice start by date but, nevertheless, completed the works satisfactorily within time

Low	Offence committed with little fault, for example because: Significant efforts were made to address the risk although they were inadequate on this occasion There was no warning/circumstance indicating a breach Failings were minor and occurred as an isolated incident	Failure to comply with licence conditions aimed at lessening the impact of the use of the property on the amenity of the local area (e.g. keeping yards and gardens in reasonable condition) where there is no ongoing history of similar breaches
		Failure to display an information notice where required to do so

#### Harm

Category	Description	Examples
High	Serious adverse effect(s) on individual(s) and/or having a widespread impact High risk of an adverse effect on individual(s)	Failure to comply with an improvement notice served under section 11 of the Housing Act 2004 (category 1 hazard)
		Failure to maintain fire precautions
Medium	Adverse effect on individuals(s) Medium risk of an adverse effect on individual(s) or low risk of serious adverse effect Legitimate industry substantially undermined by offender's activities	Failure to comply with an improvement notice served under section 12 of the Housing Act 2004 (category 2 hazard)
		Failure to maintain facilities or to clean common parts in houses in multiple occupation
		Unfair competition with landlords who do not commit offences e.g. by overcrowding
Low	Low risk of an adverse effect on individual(s)	Failure to display an information notice in a house in multiple occupation where the tenants possess that information through other means
		Minor inconvenience either to tenants or local residents through a failure to comply with licence conditions

<b>Report to</b>	Cabinet	<b>Item</b>
<b>Report of</b>	Chief finance officer	
<b>Subject</b>	Revenue budget monitoring 2016/17 – Period 13 Final Outturn	<b>7</b>

---

### **Purpose**

To update cabinet on the revenue outturn for the year 2016/17 and the consequent General Fund and Housing Revenue Account balances. To seek approval to transfer £0.500m of the general reserve to an earmarked reserve.

### **Recommendations**

- 1) To note the revenue outturn 2016/17 (unaudited)
- 2) Approve the transfer of £0.500m of general reserves into the invest-to-save earmarked reserve to support the delivery of savings and efficiencies through the transformation programme

### **Corporate and service priorities**

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

### **Financial implications**

The net revenue outturn for the General Fund for the year 2016/17 is a surplus of £2.184m. This represents a planned contribution to reserves of £0.451m and an underspend of £1.733m.

The net revenue outturn for the Housing Revenue Account for the year 2016/17 is a surplus of £4.197m.

The total HRA Revenue Contribution to Capital outturn in 16/17 was £9.530m. This is £16.573m lower than budgeted due to lower than anticipated capital expenditure in year. Resources will be carried forward to fund future HRA spend.

The council's share of the closing balance on the business rates collection fund at 31<sup>st</sup> March 2017 is a deficit of £0.049m.

The council's share of the closing balance on the council tax collection fund at 31<sup>st</sup> March 2017 is a surplus of £0.821m.

**Ward/s:** All wards

**Cabinet member:** Councillor Kendrick – Resources

### **Contact officers**

Karen Watling, Chief finance officer  
Hannah Simpson, Group accountant

01603 212440  
01603 212561

### **Background documents**

None

## Report

1. Council approved budgets for the 2016/17 financial year on 23 February 2016.
2. The attached appendices show the final outturn and final positions for the General Fund and the Housing Revenue Account:
  - [Appendix 1](#) shows the General Fund by Corporate Leadership Team responsibilities, and by Subjective Group
  - [Appendix 2](#) shows the Housing Revenue Account in (near) statutory format, and by Subjective Group
  - [Appendix 3](#) shows budget and expenditure for the year to date in graphical format
  - [Appendix 4](#) shows the P12 2016/17 provisional outturn report for information. This has been superseded by the P13 final outturn report.

## General Fund

3. Budgets reported include the resources financing the Council's net budget requirement (which includes a contribution of £0.451m to reserve balances as allowed for in the Medium Term Financial Strategy) so that the net budget totals zero:

<i>Item</i>	<i>Approved Budget £000s</i>
Net Budget Requirement	16,120
Non-Domestic Rates	(4,870)
Revenue Support Grant	(2,756)
Council Tax precept	(8,494)
<b>Total General Fund budget</b>	<b>0</b>

4. The General Fund final outturn includes an underspend of **£1.733m** at year end compared to a forecast underspend in Period 12 of **£1.706m**. When added to the budgeted contribution to reserves agreed as part of the MTFS (£451k) this makes a total outturn surplus for the year of £2.184m. Key variances from budget are set out below:

<i>General Fund Service</i>	<i>Outturn Variance £000s</i>	<i>Commentary</i>
Business Services	(802)	Unbudgeted grant income (£216k), unused contingency (£503k) and movement in bad debt provision (£81k).  The outturn variance excludes the budgeted contribution to reserves of £451k.

<b>General Fund Service</b>	<b>Outturn Variance £000s</b>	<b>Commentary</b>
Finance	981	Variance mainly due to: <ul style="list-style-type: none"> <li>£200k interest income from Norwich Regeneration Ltd not achieved as planned loan not made in year</li> <li>£44k higher MRP charges than budgeted</li> <li>additional debit card charges of £66k</li> <li>£88k housing benefits audit repayment plus higher than budgeted increase in bad debt provision.</li> <li>£96k unbudgeted revenue contribution to capital (corresponding revenue underspend on IT Services)</li> </ul>
Customer Contact	(189)	Land searches underspend resulting from lower than budgeted customer contact corporate recharge (£154k) and unbudgeted refunds (£44k).
City Development	(1,045)	<p>Outturn variance mainly due to:</p> <ul style="list-style-type: none"> <li>additional bus shelter advertising income received (£117k)</li> <li>rental income higher than budget due to rent reviews on assets properties (£216k)</li> <li>depreciation less than budgeted (£54k)</li> <li>staffing underspend (£198k)</li> <li>unbudgeted grant income received (£67k).</li> </ul> <p>Remainder of the variance relates to a number of small underspends across the service and a reduction in recharged corporate overhead costs.</p>
Property Services	(215)	Underspend on repairs and maintenance budget (£211k).
Citywide Services	(459)	Variance mainly due to: <ul style="list-style-type: none"> <li>unbudgeted smoothing mechanism receipt relating to waste contract (£229k)</li> <li>depreciation less than budgeted (£146k)</li> <li>increased garden waste and recycling credit income (£120k).</li> </ul>
Neighbourhood Housing	139	Overspend on private sector leasing scheme due to lower management fees being received as a result of a reduction in rental properties (£45k) and an increase in bad debt provision (£63k).

## Housing Revenue Account

5. The budgets reported include a £16.3m use of HRA balances, so that the net budget totals zero:

<i>Item</i>	<i>Approved Budget £000s</i>
Gross HRA Expenditure	60,372
Gross HRA Income	(44,091)
Contribution from HRA Balance	(16,281)
<b>Total net HRA budget</b>	<b>0</b>

6. The Housing Revenue Account has been forecast to underspend by **£4.197m** at year end compared to a forecast underspend in Period 12 of **£4.091m**. Key forecast variances from budget are set out below:

<b>HRA Division of Service</b>	<b>Outturn Variance £000s</b>	<b>Commentary</b>
Repairs & maintenance	(3,410)	<p>Overall variance reflects a reduction in responsive repairs works and savings from renegotiated contracts.</p> <p>Key individual variances include:</p> <ul style="list-style-type: none"> <li>• outturn being below the anticipated requirement for the general major and minor repairs responsive budget £(779)k;</li> <li>• stair lift repairs; reflecting reduced number of repairs required (£76k);</li> <li>• underspend on cavity insulation (£158k) &amp; drainage (£224k) reflecting lower than originally anticipated requirement;</li> <li>• Gas central heating repairs and servicing contract savings £(206k)</li> <li>• lower asbestos removal requirement than budgeted (£240k);</li> <li>• asphalt balconies major work covered under capital projects therefore less revenue expenditure required (£81k);</li> <li>• fire prevention work carried out when identified, rather than planned (£122k);</li> <li>• no internal wall insulation works in 2016/17 (£180k);</li> <li>• estate repairs forecast based on reduced number of repairs (£108k)</li> <li>• lower than budgeted demand for estate tidiness works (£190k)</li> <li>• no requirement for work on unadopted roads (£105k)</li> <li>• less requirement for garage repairs than originally anticipated (£76k)</li> <li>• lower spend on void properties (£103k) due to increase in number of properties eligible for capital whole house upgrades</li> <li>• higher than budgeted tenant and leasehold contributions relating to repairs (£394k).</li> </ul>
General management	(486)	<p>Key variances include:</p> <ul style="list-style-type: none"> <li>• vacant posts (£75k);</li> <li>• lower repairs &amp; rates on area offices (£50k) due to changes in accommodation use.</li> <li>• lower than budgeted corporate recharges (£123k)</li> <li>• reduced void management costs (£71k)</li> <li>• reduction in rent collection costs (£47k).</li> </ul>
Special Services	(639)	<p>Underspend on district heating gas expenditure due to mild winter (£467k). Reduced sheltered alarm contract and costs (£86k).</p>

<b>HRA Division of Service</b>	<b>Outturn Variance £000s</b>	<b>Commentary</b>
Depreciation & Impairment	544	Key variances include <ul style="list-style-type: none"> <li>• Actual depreciation calculated for the year £774k higher than budgeted largely due to valuation increases at 2015/16 year end</li> <li>• Borrowing and debt management costs lower than budgeted (£329k)</li> <li>• Unbudgeted non-dwellings impairment £270k.</li> </ul>
Provision for bad debts	(416)	Reduction in bad debt provision in line with reducing debt balance.
Dwelling Rents	272	Rental income forecast to be lower than budget due to delays on new-build projects.

7. The chief finance officer has approved a virement of £120,817 from the HRA contingency budget to meet restructuring costs within Housing Management incurred earlier in the year.

## Financial Planning

8. Overall levels of overspend and underspend will have an ongoing impact on the budget for following years and the size and urgency of savings requirements.
9. Net overspends and underspends will be consolidated into the General Fund and Housing Revenue Account balances carried forward to 2017/18. These are reflected in periodic updates to the Medium Term Financial Strategy and Housing Revenue Account Business Plan.

## Impact on Balances

10. The prudent minimum level of General Fund reserves has been assessed as £4.273m. The outturn's impact on the 2015/16 balance brought forward, is as follows:

<i>Item</i>	<i>£000s</i>
Balance at 1 April 2016	(12,158)
Contribution to balances 2016/17	(451)
Outturn 2016/17	(1,733)
<b>= Balance at 31 March 2017</b>	<b>(14,342)</b>

11. The General Fund balance therefore continues to exceed the prudent minimum.
12. The Medium Term Financial Strategy assumes this further building up of reserves in 2016/17 ahead of drawing them down in future years to offset known and anticipated grant reductions and ensure a balanced budget.

13. Given the scale of the savings and efficiencies needed over the medium term and the value of the 2016/17 outturn underspend, the corporate leadership team seek cabinet's approval to transfer £0.500m of general reserves into the invest-to-save earmarked reserve in 2017/18. This will be used to further support the delivery of savings and efficiencies through the transformation programme.
14. The prudent minimum level of HRA reserves has been assessed as £5.968m. The outturn's impact on the 2016/17 balance brought forward, is as follows:

<i>Item</i>	<i>£000s</i>
Balance at 1 April 2016	(26,190)
Outturn 2016/17	(4,197)
<b>= Balance at 31 March 2017</b>	<b>(30,387)</b>

15. The total HRA Revenue Contribution to Capital outturn in 16/17 was £9.530m. This is £16.573m lower than budgeted due to lower than anticipated capital expenditure in year. Resources will be carried forward to fund future HRA spend.
16. The Housing Revenue Account balance therefore continues to exceed the prudent minimum.
17. The HRA reserve balance will continue to be used to fund capital expenditure in 2017-18. This will bring resources down closer to the recommended minimum balance and reduce the requirement to borrow, which incurs greater costs.

## Collection Fund

18. The Collection Fund is made up of three accounts – Council Tax, the Business Improvement District (BID) account, and National Non-Domestic Rates (NNDR).
  - Council Tax is shared between the city, the county, and the police and crime commissioner based on an estimated tax base and the council tax rates agreed by each of the preceptors. Any surplus or deficit is shared in the following financial year.
  - The BID account is operated on behalf of the BID company, to collect their income from the BID levy. Any surplus or deficit is passed on to the BID company.
  - NNDR income is shared between the city, the county, and central government. Since "localisation", any surplus or deficit is also shared, rather than as formerly being borne wholly by the government.
19. There are particular risks attached to NNDR, which are:
  - Appeals – the impact of any appeals will fall on the Collection Fund, and therefore in part on the city. The Valuation Office has cleared a large number of appeals which has adversely affected the council's business rates income levels. However, a backlog of appeals remains and the value of the appeals



is not known, nor the likelihood of success, nor the timing of the appeal being determined.

- NNDR billable – changes in the NNDR billable, e.g. demolition or construction of new billable premises, will impact on the amount billable. Assumptions of growth may also be affected by changes in the larger economic environment.
- NNDR collectable – arrears and write-offs (e.g. where a business goes into administration) will also impact on the Collection Fund.

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

21. A summary of the in-year Collection Fund performance is provided below:

<i>Approved Budget £000s</i>	<i>Current Budget £000s</i>	Collection Fund Summary	<i>Forecast Outturn £000s</i>	<i>Forecast Variance £000s</i>
		<b>Council tax</b>		
59,001	59,001	Expenditure	59,364	362
(59,380)	(59,380)	Income	(60,574)	(1,194)
379	379	Surplus/(deficit)	1,210	832
<b>0</b>	<b>0</b>	<b>Total Council Tax</b>	<b>0</b>	<b>0</b>
		<b>Business Improvement District</b>		
656	656	Expenditure	890	234
(656)	(656)	Income	(660)	(4)
<b>0</b>	<b>0</b>	<b>Total Business Improvement District</b>	<b>249</b>	<b>249</b>
		<b>National Non-Domestic Rates</b>		
76,263	76,263	Expenditure	82,876	6,613
(79,138)	(79,138)	Income	(85,558)	(6,420)
2,875	2,875	Surplus/(deficit)	2,683	(192)
<b>0</b>	<b>0</b>	<b>Total National Non-Domestic Rate</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>0</b>	<b>Total Collection Fund</b>	<b>0</b>	<b>0</b>

22. The Council Tax year-end surplus is £1.210m which will be taken into account in considering distribution of balances between the preceptors (city, county, and police) in the future. The council's share of this is approximately £176k (14.53%). The council's share of the closing balance on the council tax collection fund at 31st March 2017 is a surplus of £0.821m.

23. The council operates the BID account on behalf of the BID company, so no surplus or deficit will fall on the council's accounts. The balance at the year-end only appears only because the BID year differs from the council's financial year.

24. Any deficit reported on the NNDR account will roll forward and be distributed in the 2017/18 budget cycle. The impact on the council in 2016/17 of deficits arising in 2014/15 and 2015/16 is £1.247m. The forecast impact in 2017/18 of deficits arising in 2015/16 and 2016/17 is £0.131m. This will be offset by a transfer from the S31 earmarked reserve in the 2017/18 financial year.

25. Additional (section 31) grant has been received in the General Fund to offset all or part of any shortfall in business rate income due to additional reliefs granted by government. On 17th February 2015, Council approved the creation of an

earmarked reserve for this section 31 business rate relief grant, and that all grant monies received from 2013/14 and going forwards be transferred to this earmarked reserve to be offset against deficits in the years that they impact on the revenue accounts.

26. To offset the prior year deficit impact in 2016/17 a transfer of £1.15m has been made from the S31 earmarked reserve.
27. Section 31 business rates relief grant received in 2016/17 has been transferred to the earmarked reserve to be offset against future deficits in the years that they impact on the revenue accounts. For 2016/17, a transfer of £0.885m has been made from the General Fund revenue to the earmarked reserve. After these movements, the closing balance on the Section 31 Earmarked Reserve is forecast to be £1.053m.
28. The associated transfer from revenue to the earmarked reserve for monies received in 2016/17 and from general fund reserve to the earmarked reserve for monies received in 2015/16 but not applied against deficits to date, is included in the reserve forecasts set out at para 14 above.
29. The Collection Fund made a small deficit on budgeted business rates for 2016/17 of £0.192m. The closing balance on the collection fund at 31st March 2017 is a deficit of £0.123m of which the council's share is £0.049m.
30. Despite the small deficit on the collection fund, within 2016/17 the council's share of retained business rates income exceeded its baseline funding level by £0.303m. This means the council has to pay a levy of £0.152m to the business rates pool, this levy has been funded from the s31 grants earmarked reserve.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	
<b>Head of service:</b>	Chief Finance Officer
<b>Report subject:</b>	Revenue Budget Monitoring 2016/17
<b>Date assessed:</b>	31/05/17
<b>Description:</b>	This is the integrated impact assessment for the Revenue Budget Monitoring 2016/17 report to Cabinet

	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 report shows that the council monitors its budgets, considers risks to achieving its budget objectives, reviews its balances position, and is therefore able to maintain its financial standing
Other departments and services e.g. office facilities, customer contact	<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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The report demonstrates that the council is aware of and monitors risks to the achievement of its financial strategy.

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

## Budget Monitoring Summary

Year: 2016/17

Outturn Period: 13 (EOY)

## GENERAL FUND SERVICE SUMMARY

<i>Approved Budget</i>	<i>Final Budget</i>		<i>Budget</i>	<i>Actual</i>	<i>Removal of Unbudgeted Accounting adjustments*</i>	<i>Revised Actual</i>	<i>Revised Variance</i>
<b>Business Services</b>							
1,800,982	1,249,358	Business Relationship Management	1,249,358	1,674,127	424,769	(3,475)	(1,252,833)
375,183	386,720	Democratic Services	386,720	277,163	(109,557)	320,383	(66,337)
(18,720,042)	(18,720,042)	Finance	(18,720,042)	(20,137,525)	(1,417,483)	(17,738,731)	981,311
0	0	Human Resources	0	(41,856)	(41,856)	0	0
0	0	Procurement & Service Improvement	0	(76,326)	(76,326)	0	0
<b>(16,543,877)</b>	<b>(17,083,964)</b>	<b>Total Business Relationship Management &amp; Democracy</b>	<b>(17,083,964)</b>	<b>(18,304,417)</b>	<b>(1,220,453)</b>	<b>(17,421,823)</b>	<b>(337,859)</b>
<b>Chief Executive</b>							
0	0	Chief Executive	0	(15,023)	(15,023)	0	0
0	(18,963)	Strategy & Programme Management	(18,963)	(28,735)	(9,772)	0	18,963
<b>0</b>	<b>(18,963)</b>	<b>Total Chief Executive</b>	<b>(18,963)</b>	<b>(43,758)</b>	<b>(24,795)</b>	<b>0</b>	<b>18,963</b>
<b>Customers, Comms &amp; Culture</b>							
2,209,128	2,187,036	Communications & Culture	2,187,036	2,008,661	(178,375)	2,161,386	(25,650)
(60,851)	(645)	Customer Contact	(645)	(356,931)	(356,286)	(189,358)	(188,713)
<b>2,148,277</b>	<b>2,186,391</b>	<b>Total Customers, Comms &amp; Culture</b>	<b>2,186,391</b>	<b>1,651,730</b>	<b>(534,661)</b>	<b>1,972,028</b>	<b>(214,363)</b>
<b>Regeneration &amp; Growth</b>							
(1,418,443)	(1,207,580)	City Development	(1,207,580)	(484,250)	723,330	(2,252,302)	(1,044,722)
0	0	Environmental Strategy	0	(12,010)	(12,010)	0	0
0	0	Executive Head of Regeneration &	0	(11,569)	(11,569)	0	0
1,326,678	1,372,404	Planning	1,372,404	1,187,393	(185,011)	1,340,964	(31,440)
258,661	476,069	Property Services	476,069	443,343	(32,726)	260,655	(215,414)
<b>166,896</b>	<b>640,893</b>	<b>Total Regeneration &amp; Growth</b>	<b>640,893</b>	<b>1,122,907</b>	<b>482,014</b>	<b>(650,683)</b>	<b>(1,291,576)</b>
<b>Strategy, People &amp; Neighbourhoods</b>							
10,910,959	10,936,800	Citywide Services	10,936,800	10,103,913	(832,887)	10,477,517	(459,283)
1,796,364	1,692,616	Neighbourhood Housing	1,692,616	1,734,191	41,575	1,831,953	139,337
1,521,381	1,646,224	Neighbourhood Services	1,646,224	1,551,061	(95,163)	1,606,636	(39,588)
<b>14,228,703</b>	<b>14,275,640</b>	<b>Total Strategy, People &amp; Neighbourhoods</b>	<b>14,275,640</b>	<b>13,389,165</b>	<b>(886,475)</b>	<b>13,916,105</b>	<b>(359,535)</b>
<b>0</b>	<b>(3)</b>	<b>Total General Fund</b>	<b>(3)</b>	<b>(2,184,373)</b>	<b>(2,184,370)</b>	<b>(2,184,373)</b>	<b>(2,184,370)</b>

## GENERAL FUND SUBJECTIVE SUMMARY

<i>Approved Budget</i>	<i>Final Budget</i>		<i>Budget</i>	<i>Actual</i>	<i>Removal of Unbudgeted Accounting adjustments*</i>	<i>Revised Actual</i>	<i>Revised Variance</i>
17,906,974	18,019,974	Employees	18,019,974	19,541,657	1,521,683	17,681,202	(338,772)
9,166,995	9,059,824	Premises	9,059,824	8,674,041	(385,783)	8,674,041	(385,783)
274,578	270,686	Transport	270,686	254,583	(16,103)	254,583	(16,103)
15,854,075	15,889,168	Supplies & Services	15,889,168	15,271,445	(617,723)	15,271,445	(617,723)
7,421,215	7,421,215	Third Party Payments	7,421,215	6,964,347	(456,868)	6,964,347	(456,868)
88,340,576	88,340,576	Transfer Payments	88,340,576	88,741,066	400,490	88,741,066	400,490
2,135,505	2,135,505	Capital Financing	2,135,505	4,075,926	1,940,421	3,618,386	1,482,881
0	0	Rev Contris to Capital	0	95,322	95,322	95,322	95,322
(26,199,024)	(26,129,025)	Receipts	(26,129,025)	(29,141,210)	(3,012,185)	(26,823,215)	(694,190)
(108,068,244)	(108,118,832)	Government Grants	(108,118,832)	(109,902,264)	(1,783,432)	(109,902,264)	(1,783,432)
1,121,913	1,121,913	Centrally Managed	1,121,913	797,131	(324,782)	797,131	(324,782)
16,648,799	16,921,831	Recharge Expenditure	16,921,831	15,627,564	(1,294,267)	15,627,564	(1,294,267)
(24,603,364)	(24,932,838)	Recharge Income	(24,932,838)	(23,183,981)	1,748,857	(23,183,981)	1,748,857
<b>0</b>	<b>(3)</b>	<b>Total General Fund</b>	<b>(3)</b>	<b>(2,184,373)</b>	<b>(2,184,370)</b>	<b>(2,184,373)</b>	<b>(2,184,370)</b>

\*At year end a number of accounting adjustments are put through as part of preparing the council's annual accounts. A large number of these are not budgeted for and net to zero across the cost centres. Actual outturn figures including year-end adjustments are reported above but in addition revised variances excluding these transactions are reported to show more clearly under and overspends against budget.





## Budget Monitoring Report

Year: 2016/17

Outturn Period: 13 (EOY)

**HOUSING REVENUE ACCOUNT STATUTORY SUMMARY**

<i>Approved Budget</i>	<i>Final Budget</i>		<i>Budget</i>	<i>Actual</i>	<i>Removal of Unbudgeted Accounting adjustments*</i>	<i>Revised Actual</i>	<i>Revised Variance</i>
15,499,378	15,499,378	Repairs & Maintenance	15,499,378	12,088,909	(3,410,469)	12,088,909	(3,410,469)
5,936,838	5,936,838	Rents, Rates, & Other Property Costs	5,936,838	5,957,979	21,141	5,957,979	21,141
11,392,777	11,370,353	General Management	11,370,353	10,444,353	(926,000)	10,884,472	(485,881)
5,068,935	5,091,359	Special Services	5,091,359	4,314,810	(776,549)	4,452,133	(639,226)
22,139,594	22,139,594	Depreciation & Impairment	22,139,594	13,439,101	(8,700,493)	22,894,099	754,505
334,000	334,000	Provision for Bad Debts	334,000	(81,902)	(415,902)	(81,902)	(415,902)
(58,973,202)	(58,973,202)	Dwelling Rents	(58,973,202)	(58,700,897)	272,305	(58,700,897)	272,305
(2,223,564)	(2,223,564)	Garage & Other Property Rents	(2,223,564)	(2,168,939)	54,625	(2,168,939)	54,625
(8,343,247)	(8,343,244)	Service Charges - General	(8,343,244)	(8,420,519)	(77,275)	(8,420,519)	(77,275)
(75,000)	(75,000)	Miscellaneous Income	(75,000)	(97,618)	(22,618)	(97,618)	(22,618)
9,966,872	9,966,872	Adjustments & Financing Items	9,966,872	19,790,355	9,823,483	9,757,916	(208,956)
(548,381)	(548,381)	Amenities shared by whole community	(548,381)	(540,576)	7,805	(540,576)	7,805
(175,000)	(175,000)	Interest Received	(175,000)	(222,238)	(47,238)	(222,238)	(47,238)
<b>0</b>	<b>3</b>	<b>Total Housing Revenue Account</b>	<b>3</b>	<b>(4,197,180)</b>	<b>(4,197,183)</b>	<b>(4,197,180)</b>	<b>(4,197,183)</b>

**HOUSING REVENUE ACCOUNT SUBJECTIVE SUMMARY**

<i>Approved Budget</i>	<i>Final Budget</i>		<i>Budget</i>	<i>Actual</i>	<i>Removal of Unbudgeted Accounting adjustments*</i>	<i>Revised Actual</i>	<i>Revised Variance</i>
6,378,712	6,499,529	Employees	6,499,529	7,548,791	1,049,262	6,943,888	444,359
23,519,256	23,519,256	Premises	23,519,256	20,352,263	(3,166,993)	20,352,263	(3,166,993)
172,538	176,428	Transport	176,428	76,826	(99,602)	76,826	(99,602)
2,830,282	2,709,465	Supplies & Services	2,709,465	1,293,925	(1,415,540)	1,293,925	(1,415,540)
353,432	353,432	Third Party Payments	353,432	424,469	71,037	424,469	71,037
6,785,205	6,781,315	Recharge Expenditure	6,781,315	6,175,967	(605,348)	6,175,967	(605,348)
(7,481,037)	(7,481,037)	Capital Financing	(7,481,037)	8,094,274	15,575,311	8,699,177	16,180,214
(71,024,043)	(71,024,040)	Receipts	(71,024,040)	(71,109,741)	(85,701)	(71,109,741)	(85,701)
(150,500)	(150,500)	Government Grants	(150,500)	(150,500)	0	(150,500)	0
(843,894)	(843,894)	Recharge Income	(843,894)	(842,817)	1,077	(842,817)	1,077
26,103,891	26,103,891	Rev Contribs to Capital	26,103,891	9,530,499	(16,573,392)	9,530,499	(16,573,392)
13,356,159	13,356,158	Capital Financing	13,356,158	14,408,862	1,052,704	14,408,862	1,052,704
<b>0</b>	<b>3</b>	<b>Total Housing Revenue Account</b>	<b>3</b>	<b>(4,197,180)</b>	<b>(4,197,183)</b>	<b>(4,197,180)</b>	<b>(4,197,183)</b>

\*At year end a number of accounting adjustments are put through as part of preparing the council's annual accounts. A large number of these are not budgeted for and net to zero across the cost centres. Actual outturn figures including year end adjustments are reported above but in addition revised variances, excluding these transactions, are reported to show more clearly under and overspends against budget.

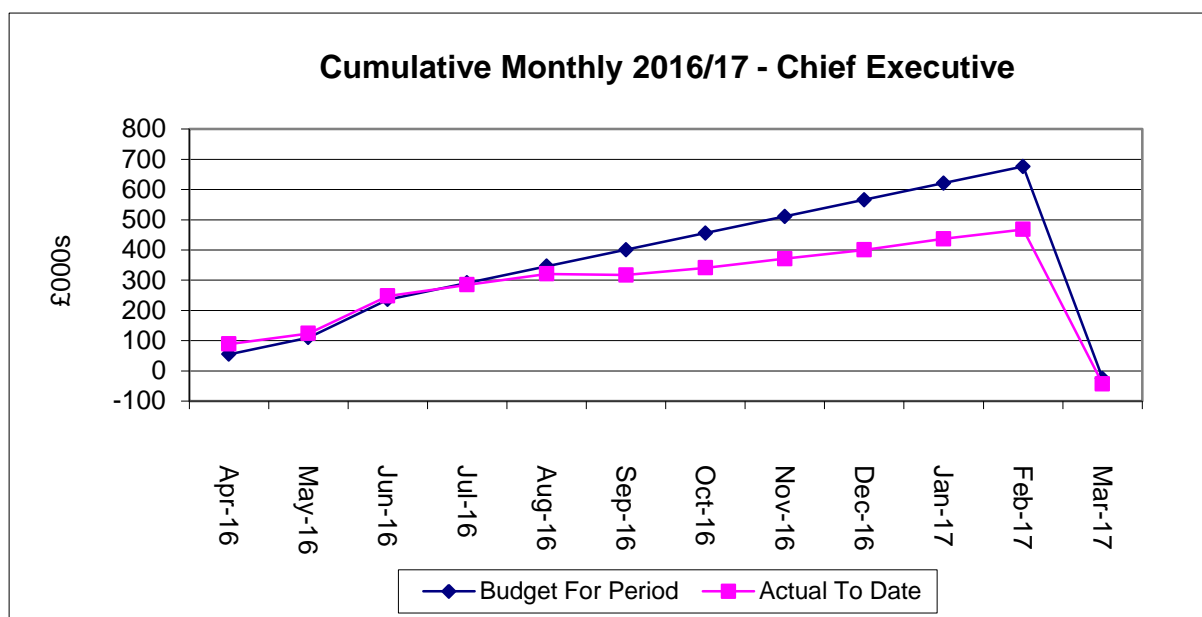
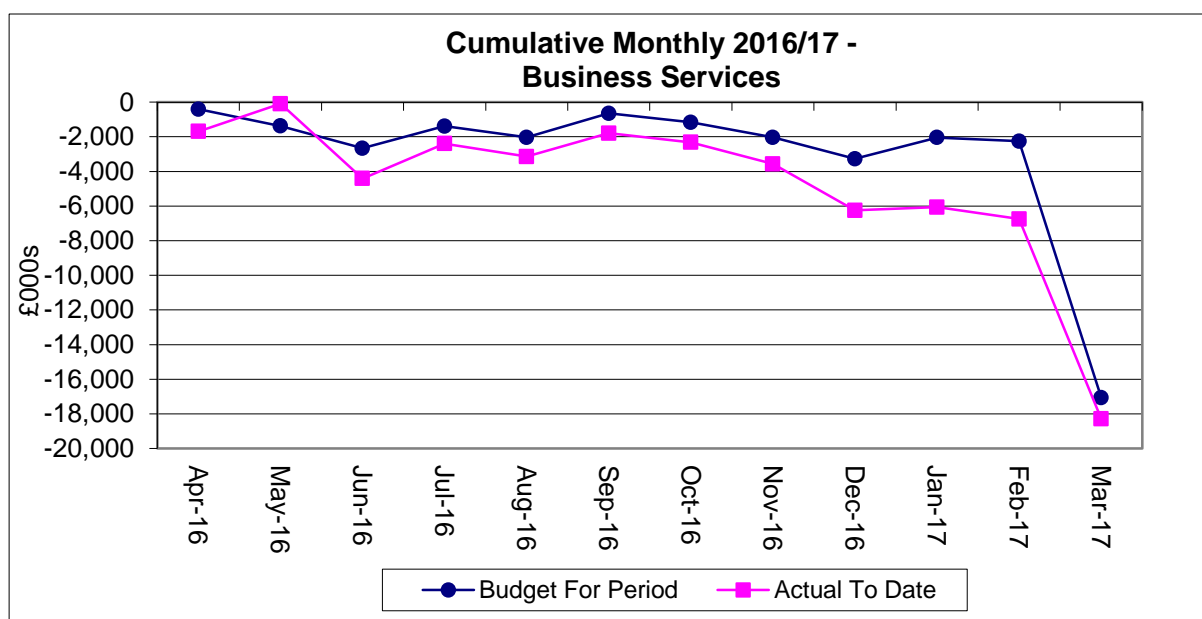


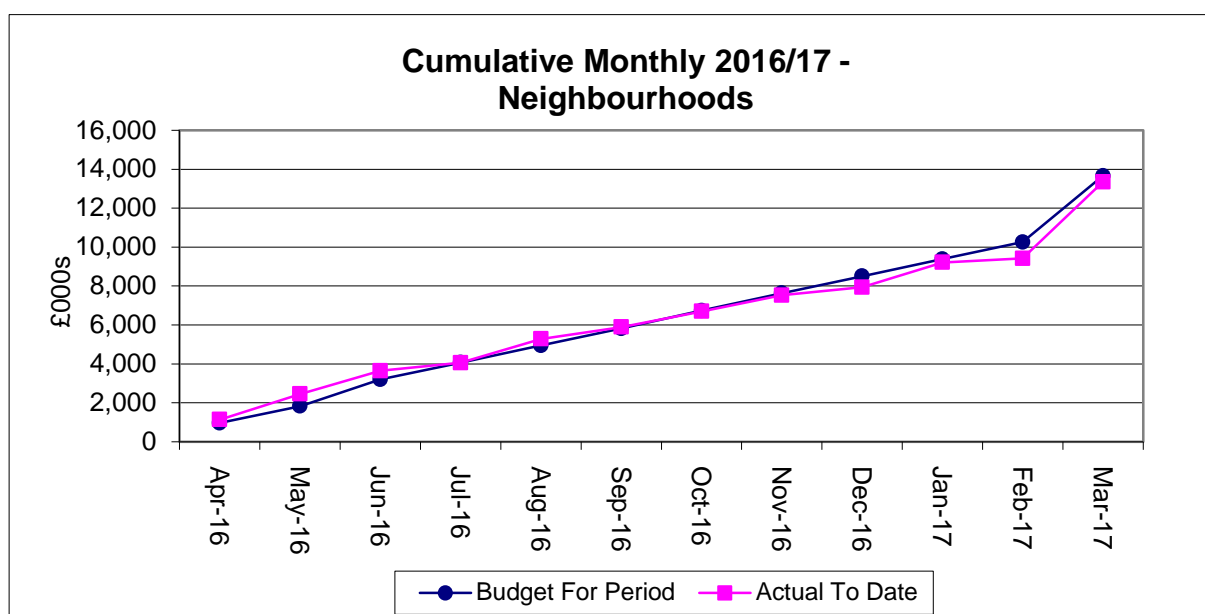
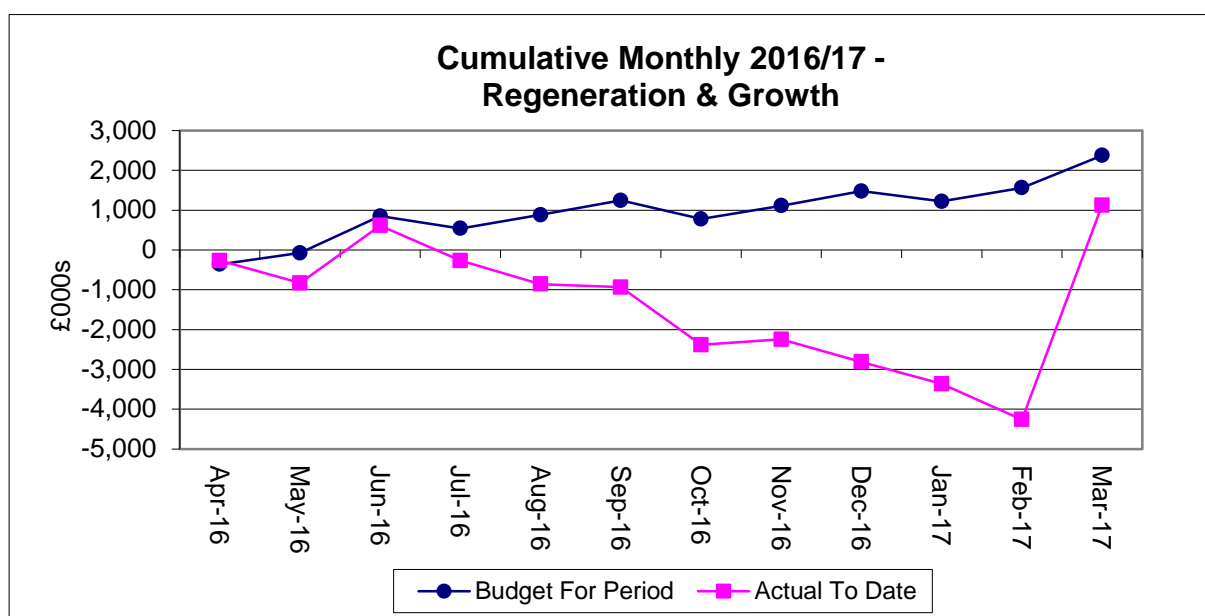
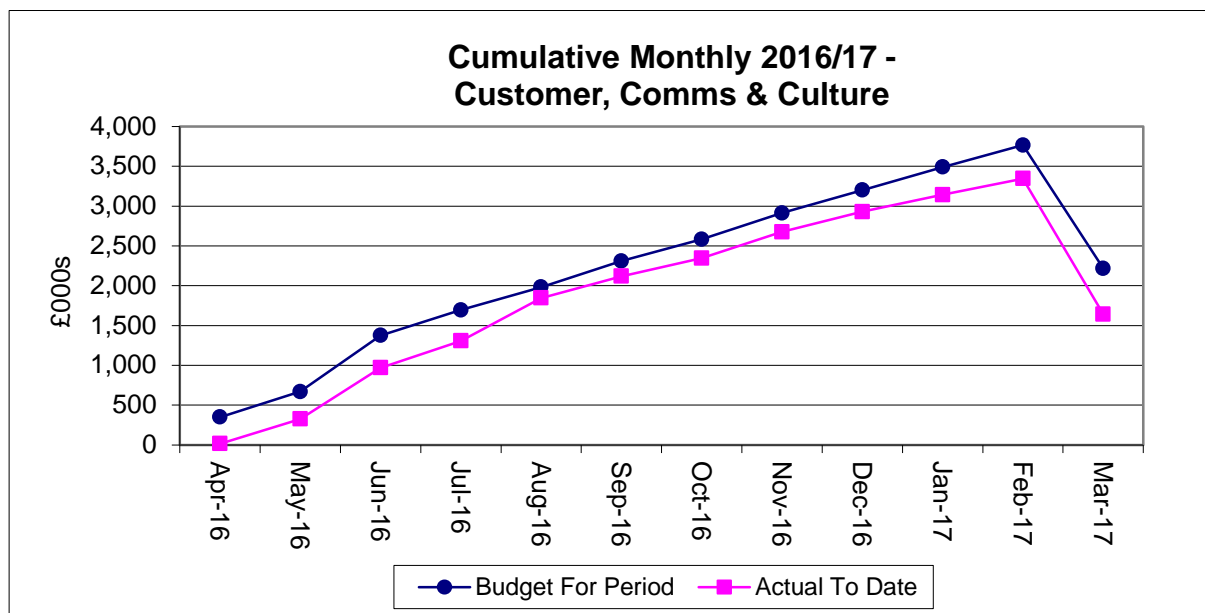
## Budget & Expenditure – Monthly by Service Graphs

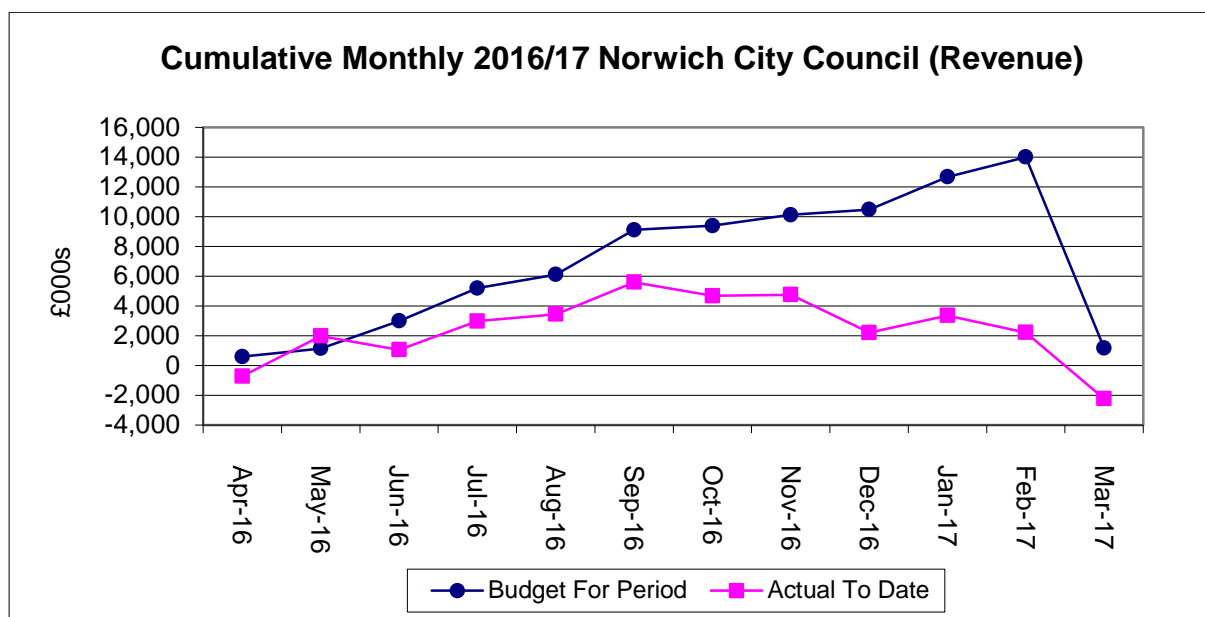
The following graphs show the monthly budget profile and income/expenditure to date for each service (both General Fund and Housing Revenue Account) for the financial year.

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

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









**Report to** Cabinet

**Report of** Chief finance officer

**Subject** Revenue budget monitoring 2016/17 – Period 12  
Provisional Outturn

---

### **Purpose**

To update Cabinet on the financial position as at 31<sup>st</sup> March 2017, the provisional outturn for the year 2016/17, and the consequent forecast of the General Fund and Housing Revenue Account balances.

### **Recommendations**

- 1) To note the provisional financial position as at 31<sup>st</sup> March 2017.

### **Corporate and service priorities**

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

### **Financial implications**

The General Fund budget is forecast to underspend by £1.706m. The Housing Revenue Account budget is forecast to underspend by £4.091m.

The impact in 2016/17 of deficits on the Collection Fund in respect of business rates arising in 2014/15 is £0.124m and for 2015/16 is £1.026 m. To offset the deficit a transfer of £1.150m has been made from the S31 earmarked reserve. The Collection Fund made a small deficit on business rates for 2016/17 of £0.192m. The closing balance on the collection fund at 31<sup>st</sup> March 2017 is a deficit of £0.123m of which the council's share is £0.049m.

Within 2016/17 the council's share of retained business rates income exceeded its baseline funding level by £0.303m. This means the council has to pay a levy of £0.152m to the business rates pool, this levy has been funded from the s31 grants earmarked reserve. Section 31 business rates relief grant received in 2016/17 has been transferred to the earmarked reserve to be offset against future deficits in the years that they impact on the revenue accounts. For 2016/17, a transfer of £0.885m has been made from the General Fund revenue to the earmarked reserve. The forecast underspend above takes account of these transfers.

The forecast impact in 2017/18 of the deficits arising in 2015/16 and 2016/17 is £0.131m. This will be offset by a transfer from the S31 earmarked reserve in the 2017/18 financial year.

**Ward/s:** All wards

**Cabinet member:** Councillor Kendrick – Resources

### **Contact officers**

Karen Watling, Chief finance officer	01603 212440
Hannah Simpson, Group accountant	01603 212561

### **Background documents**

None





## Report

31. Council approved budgets for the 2016/17 financial year on 23 February 2016.
32. The attached appendices show the forecast outturn and year-to-date positions for the General Fund and the Housing Revenue Account:
- [Appendix 4a](#) shows the General Fund by Corporate Leadership Team responsibilities, and by Subjective Group
  - [Appendix 4b](#) shows the Housing Revenue Account in (near) statutory format, and by Subjective Group
  - [Appendix 4c](#) shows budget and expenditure for the year to date in graphical format

## General Fund

33. Budgets reported include the resources financing the Council's net budget requirement (which includes a contribution of £0.451m to reserve balances as allowed for in the Medium Term Financial Strategy) so that the net budget totals zero:

<i>Item</i>	<i>Approved Budget £000s</i>
Net Budget Requirement	16,120
Non-Domestic Rates	(4,870)
Revenue Support Grant	(2,756)
Council Tax precept	(8,494)
<b>Total General Fund budget</b>	<b>0</b>

34. The General Fund provisional outturn is an underspend of **£1.706m** at year end compared to a forecast underspend last month of **£1.255m**. Key variances from budget are set out below:

<i>Forecast Outturn P11 £000s</i>	<i>General Fund Service</i>	<i>Provisional Outturn P12 £000s</i>	<i>Commentary</i>
(369)	Business Services	(813)	Unbudgeted grant income (£216k), unused contingency (£503k) and movement in bad debt provision (£81k).
554	Finance	988	Variance mainly due to: <ul style="list-style-type: none"> <li>• £200k interest income from Norwich Regeneration Ltd not achieved as planned loan not made in year</li> <li>• £254k unbudgeted accounting adjustment</li> <li>• £44k higher MRP charges than budgeted</li> <li>• additional debit card charges of £66k</li> <li>• £88k housing benefits audit repayment plus higher than budgeted increase in bad debt provision.</li> <li>• £96k unbudgeted revenue contribution to capital (corresponding revenue underspend on IT Services)</li> <li>• (£198k) higher transfer-in from the Section 31 business rates reserve than budgeted.</li> </ul>

<b>Forecast Outturn P11 £000s</b>	<b>General Fund Service</b>	<b>Provisional Outturn P12 £000s</b>	<b>Commentary</b>
(13)	Customer Contact	(191)	Land searches underspend resulting from lower than budgeted customer contact corporate recharge (£154k) and unbudgeted refunds (£44k).
(365)	City Development	(955)	<p>Outturn variance mainly due to:</p> <ul style="list-style-type: none"> <li>• additional bus shelter advertising income received (£117k)</li> <li>• rental income higher than budget due to rent reviews on assets properties (£216k)</li> <li>• depreciation less than budgeted (£54k)</li> <li>• staffing underspend (£198k)</li> <li>• unbudgeted grant income received (£67k).</li> </ul> <p>Remainder of the variance relates to a number of small underspends across the service and a reduction in recharged corporate overhead costs.</p>
(8)	Property Services	(216)	Underspend on repairs and maintenance budget (£211k).
(634)	Citywide Services	(477)	<p>Variance mainly due to:</p> <ul style="list-style-type: none"> <li>• unbudgeted smoothing mechanism receipt relating to waste contract (£229k)</li> <li>• depreciation less than budgeted (£146k)</li> <li>• increased garden waste and recycling credit income (£120k).</li> </ul>
140	Neighbourhood Housing	135	Variance mainly relates to private sector leasing. Expenditure on rental forecasted to be lower than budgeted (£313k) due to less rental properties being available, resulting in lower than expected forecast income from rents & fees £405k.

35. Two virements have been authorised to:

- Provide £18,750 of budget for expenditure on the Syrian Refugee project, along with a corresponding grant income budget to reflect the funding already received for 2016/17.
- Move £13,000 to Community Enabling to fund a Crowdfunding platform, using £2,500 from call centre costs and £10,500 from reduced external grant awards within the Director of Neighbourhoods and Community Centre cost codes.

36. In addition, the chief finance officer has approved a virement of £96,631 from the GF contingency budget to meet restructuring costs associated with the CCTV service review.

## Housing Revenue Account

37. The budgets reported include a £16.3m use of HRA balances, so that the net budget totals zero:

<i>Item</i>	<i>Approved Budget £000s</i>
Gross HRA Expenditure	60,372
Gross HRA Income	(44,091)
Contribution from HRA Balance	(16,281)
<b>Total net HRA budget</b>	<b>0</b>

38. The Housing Revenue Account has been forecast to underspend by **£4.091m** at year end compared to a forecast underspend last month of **£3.100m**. Key forecast variances from budget are set out below:

<b>Forecast Outturn P11 £000s</b>	<b>HRA Division of Service</b>	<b>Forecast Outturn P12 £000s</b>	<b>Commentary</b>
(3,529)	Repairs & maintenance	(3,426)	<p>Overall variance reflects a reduction in responsive repairs works and savings from renegotiated contracts.</p> <p>Key individual variances include:</p> <ul style="list-style-type: none"> <li>• general responsive repairs (£305k) and major/minor repairs (£474k);</li> <li>• stair lift repairs; reflecting reduced number of repairs required (£76k);</li> <li>• underspend on cavity insulation (£158k) &amp; drainage (£224k)</li> <li>• central heating servicing (£206k);</li> <li>• asbestos removal (£240k);</li> <li>• asphalt balconies major work covered under capital projects therefore less revenue expenditure required (£81k);</li> <li>• fire prevention work carried out when identified, rather than planned (£122k);</li> <li>• no internal wall insulation works in 2016/17 (£180k);</li> <li>• estate repairs forecast based on reduced number of repairs (£108k)</li> <li>• lower than budgeted demand for estate tidiness works (£190k)</li> <li>• no requirement for work on unadopted roads (£105k)</li> <li>• less requirement for garage repairs than originally anticipated (£76k)</li> <li>• lower spend on void properties (£103k) due to increase in number of properties eligible for capital whole house upgrades</li> <li>• higher than budgeted tenant and leasehold contributions relating to repairs (£394k).</li> </ul>
(116)	General management	(488)	<p>Key variances include:</p> <ul style="list-style-type: none"> <li>• vacant posts (£75k);</li> <li>• lower repairs &amp; rates on area offices (£50k) due to changes in accommodation use.</li> <li>• lower than budgeted corporate recharges (£123k)</li> <li>• reduced void management costs (£71k)</li> <li>• reduction in rent collection costs (£47k).</li> </ul>
(555)	Special Services	(646)	<p>Underspend on district heating gas expenditure due to mild winter (£467k). Reduced sheltered alarm contract and costs (£86k).</p>

<b>Forecast Outturn P11 £000s</b>	<b>HRA Division of Service</b>	<b>Forecast Outturn P12 £000s</b>	<b>Commentary</b>
805	Depreciation & Impairment	544	Actual depreciation calculated for the year £774k higher than budgeted largely due to valuation increases at 2015/16 year end; and provisional borrowing and debt management costs £263k lower than budgeted.
(283)	Provision for bad debts	(416)	Reduction in bad debt provision in line with reducing debt balance.
398	Dwelling Rents	272	Rental income forecast to be lower than budget due to delays on new-build projects.

39. The chief finance officer has approved a virement of £120,817 from the HRA contingency budget to meet restructuring costs within Housing Management incurred earlier in the year.

## Risks

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

Key Risk Budgets	Budget £000s	Current Variance	Current Var %	Current RAG	Forecast Variance	Forecast Var %	Forecast RAG
Housing Benefit Payments & Subsidy	-30	475	-1557%	RED	475	-1557%	RED
HRA Repairs - Tenanted Properties	11,848	-2,693	-23%	RED	-2,693	-23%	RED
HRA Repairs - Void Properties	2,639	-92	-3%	GREEN	-92	-3%	GREEN
Multi-Storey Car Parks	-1,442	144	-10%	RED	144	-10%	RED
City Hall	1,067	-126	-12%	RED	-126	-12%	RED
HRA Rents - Estate Properties	-59,223	125	0%	GREEN	125	0%	GREEN
Corporate Management including Contingency	-2,901	-1,104	38%	RED	-653	22%	RED
Private Sector Leasing Costs	-286	142	-50%	RED	142	-50%	RED

41. The red/amber status of items in the "Forecast RAG" column is explained below.

<b>Key Risk Budgets</b>	<b>Commentary</b>
Housing Benefit Payments & Subsidy	Year-end variance due to unbudgeted £88k housing benefits audit repayment and higher than budgeted increase in bad debt provision.
HRA Repairs - Tenanted Properties and Void Properties	Year-end variance reflects a reduction in responsive repairs works and savings from renegotiated contracts. Further detail provided in HRA variance table (point 8).
Multi-storey car parks	Forecast income from new Rose Lane car park lower than budgeted.
City Hall	Lower than budgeted repairs and maintenance costs.

Corporate Management including contingency	Unbudgeted grant income (£216k) and unused contingency (£503k).
Private Sector Leasing	Expenditure on rental forecasted to be lower than budgeted (£313k) due to less rental properties being available, resulting in lower than expected forecast income from rents & fees £405k.

42. The 2016/17 budgets approved by Council were drawn up in the expectation of reduced resources as announced by the previous government. There are risks to the current and medium term financial position from:
- Further reductions in government grant – the localisation of Business Rates and of Council Tax reductions has increased the risks to the council's financial position arising from economic conditions and policy decisions. In addition, recent Government announcements indicate that further reductions in Government funding are likely and the move to 100% retention of business rates by local government will increase uncertainty further.
  - Changes in policy – if further “empowerment” of local authorities is not matched by devolved resources
  - Delivery of savings – the budget incorporates both savings measures already in place, and those planned for implementation during the year. If these savings are not achievable in full, overspends will result. With appropriate approvals these may be mitigated through provision made in the corporate contingency, up to the level of that contingency
  - Identification of further savings – work is continuing on developing proposals for additional savings to bridge the medium-term budget gap. If these proposals fall short, or are not implemented fully and in a timely manner, further budget shortfalls will result.
43. Forecast outturns are estimates based on management assessments, formulae, and extrapolation. They may not adequately take account of variables such as:
- Bad Debts – budget reports show gross debt, i.e. invoices raised. While allowance has been made in the budget for non-collections, the current economic climate may have an adverse influence on our ability to collect money owed.
  - Seasonal Factors – if adverse weather conditions or a worsening economic climate depress levels of trade and leisure activities in the city, there may be a negative impact on parking and other income.
  - Housing Repairs & Improvements – the rate of spend on void properties, though closely managed, is heavily influenced by void turnaround, since transfers can create a chain of voids involving significant repair costs.

## Financial Planning

44. Overall levels of overspend and underspend will have an ongoing impact on the budget for following years and the size and urgency of savings requirements.
45. Net overspends and underspends will be consolidated into the General Fund and Housing Revenue Account balances carried forward to 2017/18. These are reflected in periodic updates to the Medium Term Financial Strategy and Housing Revenue Account Business Plan.

## Impact on Balances

46. The prudent minimum level of General Fund reserves has been assessed as £4.273m. The budgeted and forecast outturn's impact on the 2015/16 balance brought forward, is as follows:

<i>Item</i>	<i>£000s</i>
Balance at 1 April 2016	(12,158)
Budgeted contribution to balances 2016/17	(451)
Forecast outturn 2016/17	(1,706)
<b>= Forecast balance at 31 March 2017</b>	<b>(14,315)</b>

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

48. The Medium Term Financial Strategy assumes this further building up of reserves in 2016/17 ahead of drawing them down in future years to offset known and anticipated grant reductions and ensure a balanced budget.

49. The prudent minimum level of HRA reserves has been assessed as £5.968m. The budgeted and forecast outturn's impact on the 2016/17 balance brought forward, is as follows:

<i>Item</i>	<i>£000s</i>
Balance at 1 April 2016	(26,190)
Budgeted use of balances 2016/17	16,281
Forecast outturn 2016/17	(4,091)
Reduced revenue contribution to capital (see below)	(16,558)
<b>= Forecast balance at 31 March 2017</b>	<b>(30,558)</b>

50. The provisional Revenue Contribution to Capital Outlay has been reduced due to lower capital expenditure in year. Resources will be carried forward to fund future HRA spend.
51. The Housing Revenue Account balance is therefore expected to continue to exceed the prudent minimum.
52. The HRA reserve balance will continue to be used to fund capital expenditure in 2017-18. This will bring resources down closer to the recommended minimum balance and reduce the requirement to borrow, which incurs greater costs.

## Collection Fund

53. The Collection Fund is made up of three accounts – Council Tax, the Business Improvement District (BID) account, and National Non-Domestic Rates (NNDR).
- Council Tax is shared between the city, the county, and the police and crime commissioner based on an estimated tax base and the council tax rates agreed by each of the preceptors. Any surplus or deficit is shared in the following financial year.
  - The BID account is operated on behalf of the BID company, to collect their income from the BID levy. Any surplus or deficit is passed on to the BID company.
  - NNDR income is shared between the city, the county, and central government. Since “localisation”, any surplus or deficit is also shared, rather than as formerly being borne wholly by the government.
54. There are particular risks attached to NNDR, which are:

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

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

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

<i>Approved Budget £000s</i>	<i>Current Budget £000s</i>	Collection Fund Summary	<i>Forecast Outturn £000s</i>	<i>Forecast Variance £000s</i>
		<b>Council tax</b>		
59,001	59,001	Expenditure	59,364	362
(59,380)	(59,380)	Income	(60,574)	(1,194)
379	379	Surplus/(deficit)	1,210	832
<b>0</b>	<b>0</b>	<b>Total Council Tax</b>	<b>0</b>	<b>0</b>
		<b>Business Improvement District</b>		
656	656	Expenditure	890	234
(656)	(656)	Income	(660)	(4)
<b>0</b>	<b>0</b>	<b>Total Business Improvement District</b>	<b>249</b>	<b>249</b>
		<b>National Non-Domestic Rates</b>		
76,263	76,263	Expenditure	82,876	6,613
(79,138)	(79,138)	Income	(85,558)	(6,420)
2,875	2,875	Surplus/(deficit)	2,683	(192)
<b>0</b>	<b>0</b>	<b>Total National Non-Domestic Rate</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>0</b>	<b>Total Collection Fund</b>	<b>0</b>	<b>0</b>

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

58. The council operates the BID account on behalf of the BID company, so no surplus or deficit will fall on the council's accounts. Due to the differing financial year end for the BID a balance remains on the fund at P12.

59. Any deficit reported on the NNDR account will roll forward and be distributed in the 2017/18 budget cycle. The impact on the council in 2016/17 of deficits arising in 2014/15 and 2015/16 is £1.247m. The forecast impact in 2017/18 of deficits arising in 2015/16 and 2016/17 is £0.131m. This will be offset by a transfer from the S31 earmarked reserve in the 2017/18 financial year.

60. Additional (section 31) grant has been received in the General Fund to offset all or part of any shortfall in business rate income due to additional reliefs granted by government. On 17th February 2015, Council approved the creation of an earmarked reserve for this section 31 business rate relief grant, and that all grant monies received from 2013/14 and going forwards be transferred to this earmarked reserve to be offset against deficits in the years that they impact on the revenue accounts.

61. To offset the prior year deficit impact in 2016/17 a transfer of £1.15m has been made from the S31 earmarked reserve.
62. Section 31 business rates relief grant received in 2016/17 has been transferred to the earmarked reserve to be offset against future deficits in the years that they impact on the revenue accounts. For 2016/17, a transfer of £0.885m has been made from the General Fund revenue to the earmarked reserve. After these movements, the closing balance on the Section 31 Earmarked Reserve is forecast to be £1.053m.
63. The associated transfer from revenue to the earmarked reserve for monies received in 2016/17 and from general fund reserve to the earmarked reserve for monies received in 2015/16 but not applied against deficits to date, is included in the reserve forecasts set out at para 14 above.
64. The Collection Fund made a small deficit on business rates for 2016/17 of £0.192m. The closing balance on the collection fund at 31<sup>st</sup> March 2017 is a deficit of £0.123m of which the council's share is £0.049m.
65. Despite the small deficit on the collection fund, within 2016/17 the council's share of retained business rates income exceeded its baseline funding level by £0.303m. This means the council has to pay a levy of £0.152m to the business rates pool, this levy has been funded from the s31 grants earmarked reserve.



## Budget Monitoring Summary

Year: 2016/17

Period: 12 (March)

## GENERAL FUND SERVICE SUMMARY

<i>Approved Budget</i>	<i>Current Budget</i>		<i>Budget To Date</i>	<i>Actual To Date</i>	<i>Variance To Date</i>	<i>Forecast Outturn</i>	<i>Forecast Variance</i>
<b>Business Services</b>							
1,800,982	1,249,358	Business Relationship Management	1,249,358	256,674	(992,684)	435,890	(813,468)
375,183	386,720	Democratic Services	386,720	320,095	(66,625)	320,095	(66,625)
(18,720,042)	(18,720,042)	Finance	(18,720,042)	(9,757,210)	8,962,832	(17,732,390)	987,652
0	0	Human Resources	0	0	0	0	0
0	0	Procurement & Service Improvement	0	0	0	0	0
<b>(16,543,877)</b>	<b>(17,083,964)</b>	<b>Total Business Services</b>	<b>(17,083,964)</b>	<b>(9,180,441)</b>	<b>7,903,523</b>	<b>(16,976,404)</b>	<b>107,560</b>
<b>Chief Executive</b>							
0	0	Chief Executive	0	0	0	0	0
0	(18,963)	Strategy & Programme Management	(18,963)	0	18,963	0	18,963
<b>0</b>	<b>(18,963)</b>	<b>Total Chief Executive</b>	<b>(18,963)</b>	<b>0</b>	<b>18,963</b>	<b>0</b>	<b>18,963</b>
<b>Customers, Comms &amp; Culture</b>							
2,209,128	2,187,036	Communications & Culture	2,187,036	2,153,575	(33,461)	2,153,575	(33,461)
(60,851)	(645)	Customer Contact	(645)	(191,165)	(190,520)	(191,165)	(190,520)
<b>2,148,277</b>	<b>2,186,391</b>	<b>Total Customers, Comms &amp; Culture</b>	<b>2,186,391</b>	<b>1,962,411</b>	<b>(223,980)</b>	<b>1,962,411</b>	<b>(223,980)</b>
<b>Regeneration &amp; Growth</b>							
(1,418,443)	(1,207,580)	City Development	(1,207,580)	(2,162,585)	(955,005)	(2,162,585)	(955,005)
0	0	Environmental Strategy	0	0	0	0	0
0	0	Executive Head of Regeneration &	0	0	0	0	0
1,326,678	1,372,404	Planning	1,372,404	1,320,747	(51,657)	1,320,747	(51,657)
258,661	476,069	Property Services	476,069	259,960	(216,109)	259,960	(216,109)
<b>166,896</b>	<b>640,893</b>	<b>Total Regeneration &amp; Growth</b>	<b>640,893</b>	<b>(581,877)</b>	<b>(1,222,770)</b>	<b>(581,877)</b>	<b>(1,222,770)</b>
<b>Strategy, People &amp; Neighbourhoods</b>							
10,910,959	10,936,800	Citywide Services	10,936,800	10,459,467	(477,333)	10,459,467	(477,333)
1,796,364	1,692,616	Neighbourhood Housing	1,692,616	1,827,225	134,609	1,827,225	134,609
1,521,381	1,646,224	Neighbourhood Services	1,646,224	1,602,813	(43,411)	1,602,813	(43,411)
<b>14,228,703</b>	<b>14,275,640</b>	<b>Total Strategy, People &amp; Neighbourhoods</b>	<b>14,275,640</b>	<b>13,889,506</b>	<b>(386,134)</b>	<b>13,889,506</b>	<b>(386,134)</b>
<b>0</b>	<b>(3)</b>	<b>Total General Fund</b>	<b>(3)</b>	<b>6,089,599</b>	<b>6,089,602</b>	<b>(1,706,365)</b>	<b>(1,706,362)</b>



## Budget Monitoring Report

Year: 2016/17

Period: 12 (March)

**HOUSING REVENUE ACCOUNT STATUTORY SUMMARY**

<i>Approved Budget</i>	<i>Current Budget</i>		<i>Budget To Date</i>	<i>Actual To Date</i>	<i>Variance To Date</i>	<i>Forecast Outturn</i>	<i>Forecast Variance</i>
15,499,378	15,499,378	Repairs & Maintenance	15,499,378	12,073,175	(3,426,203)	12,073,175	(3,426,203)
5,936,838	5,936,838	Rents, Rates, & Other Property Costs	5,936,838	5,957,979	21,141	5,957,979	21,141
11,392,777	11,370,353	General Management	11,370,353	10,882,703	(487,650)	10,882,703	(487,650)
5,068,935	5,091,359	Special Services	5,091,359	4,444,972	(646,387)	4,444,972	(646,387)
22,139,594	22,139,594	Depreciation & Impairment	22,139,594	14,278,508	(7,861,086)	22,683,657	544,063
334,000	334,000	Provision for Bad Debts	334,000	(81,902)	(415,902)	(81,902)	(415,902)
(58,973,202)	(58,973,202)	Dwelling Rents	(58,973,202)	(58,700,897)	272,305	(58,700,897)	272,305
(2,223,564)	(2,223,564)	Garage & Other Property Rents	(2,223,564)	(2,168,939)	54,625	(2,168,939)	54,625
(8,343,247)	(8,343,244)	Service Charges - General	(8,343,244)	(8,420,519)	(77,275)	(8,420,519)	(77,275)
(75,000)	(75,000)	Miscellaneous Income	(75,000)	(97,618)	(22,618)	(97,618)	(22,618)
9,966,872	9,966,872	Adjustments & Financing Items	9,966,872	229,624	(9,737,248)	10,052,081	85,209
(548,381)	(548,381)	Amenities shared by whole community	(548,381)	(540,576)	7,805	(540,576)	7,805
(175,000)	(175,000)	Interest Received	(175,000)	0	175,000	(175,000)	0
<b>0</b>	<b>3</b>	<b>Total Housing Revenue Account</b>	<b>3</b>	<b>(22,143,490)</b>	<b>(22,143,493)</b>	<b>(4,090,884)</b>	<b>(4,090,887)</b>

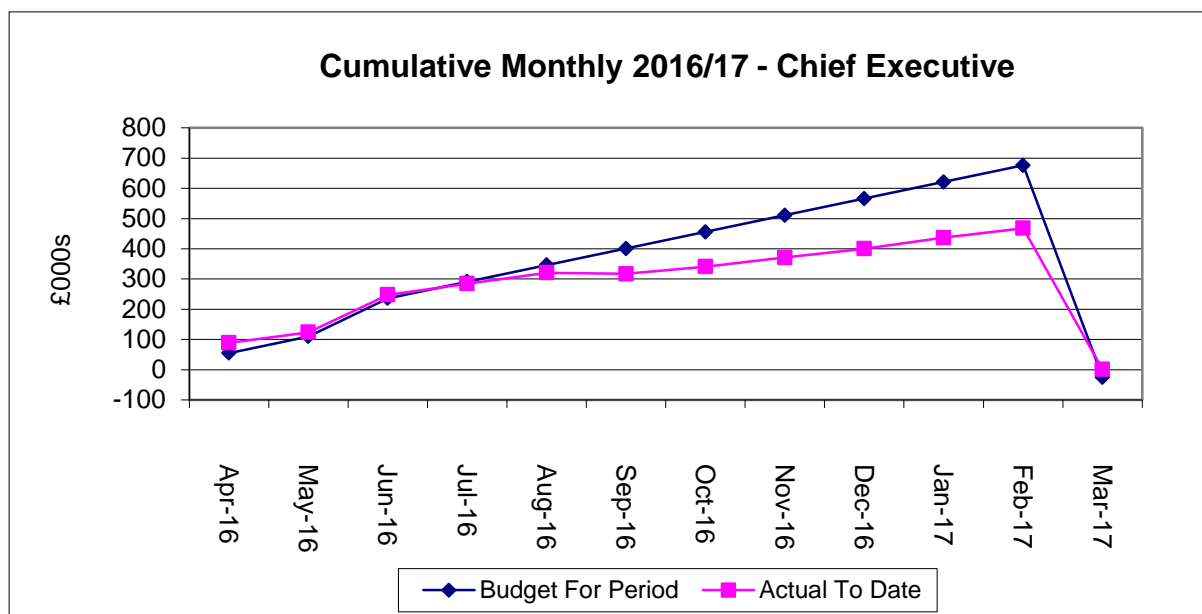
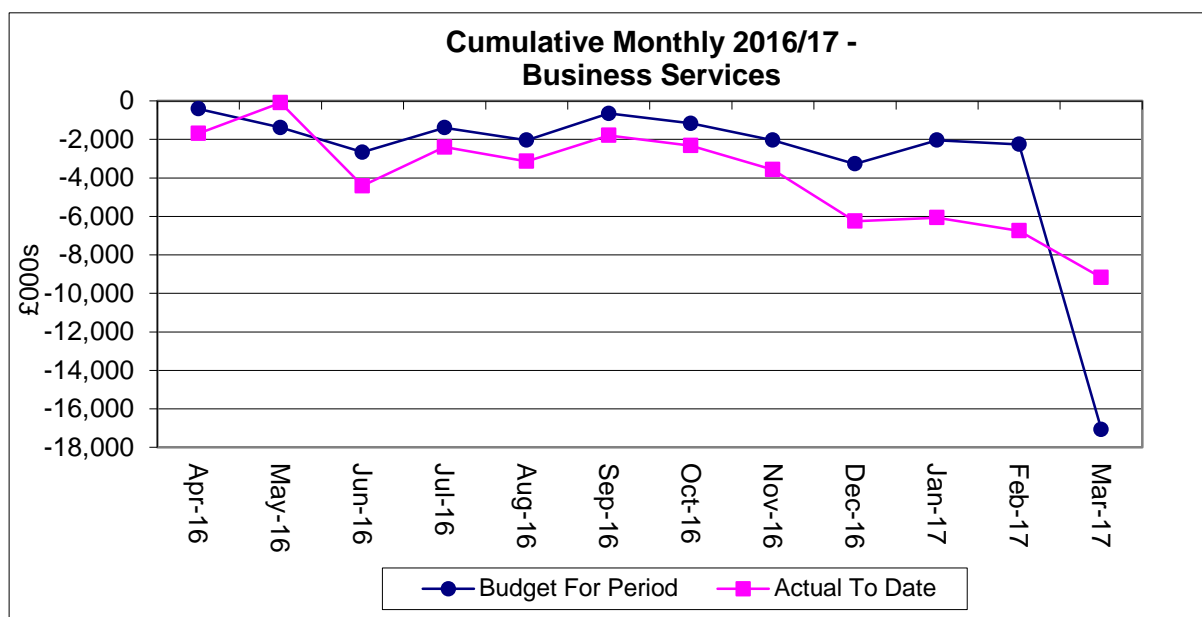


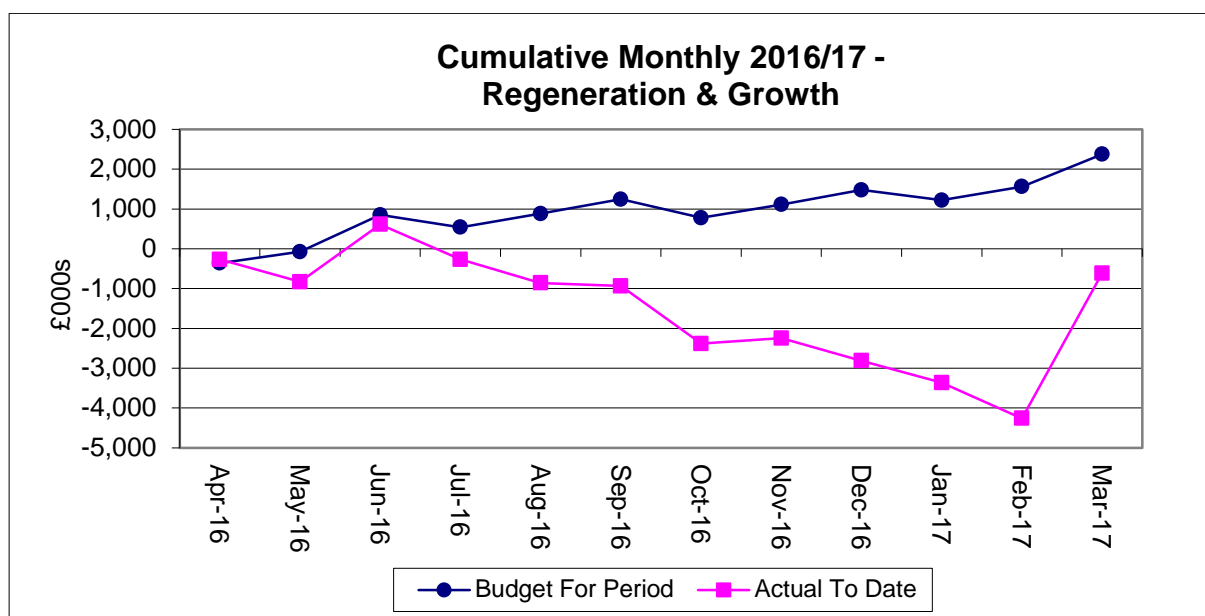
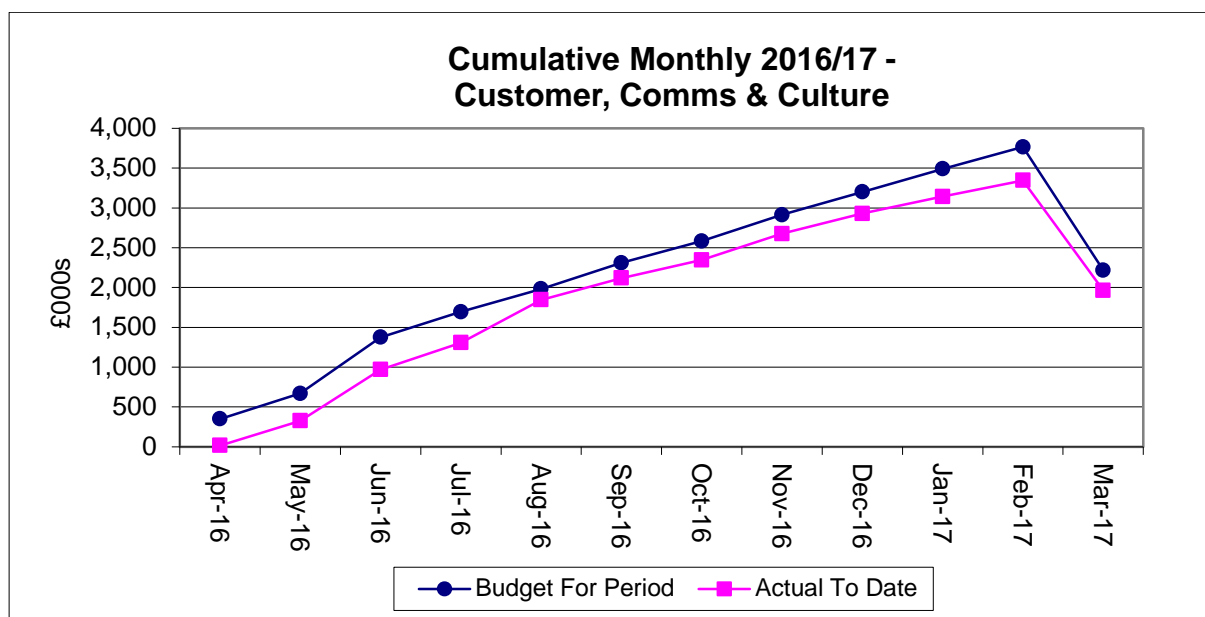
## Budget & Expenditure – Monthly by Service Graphs

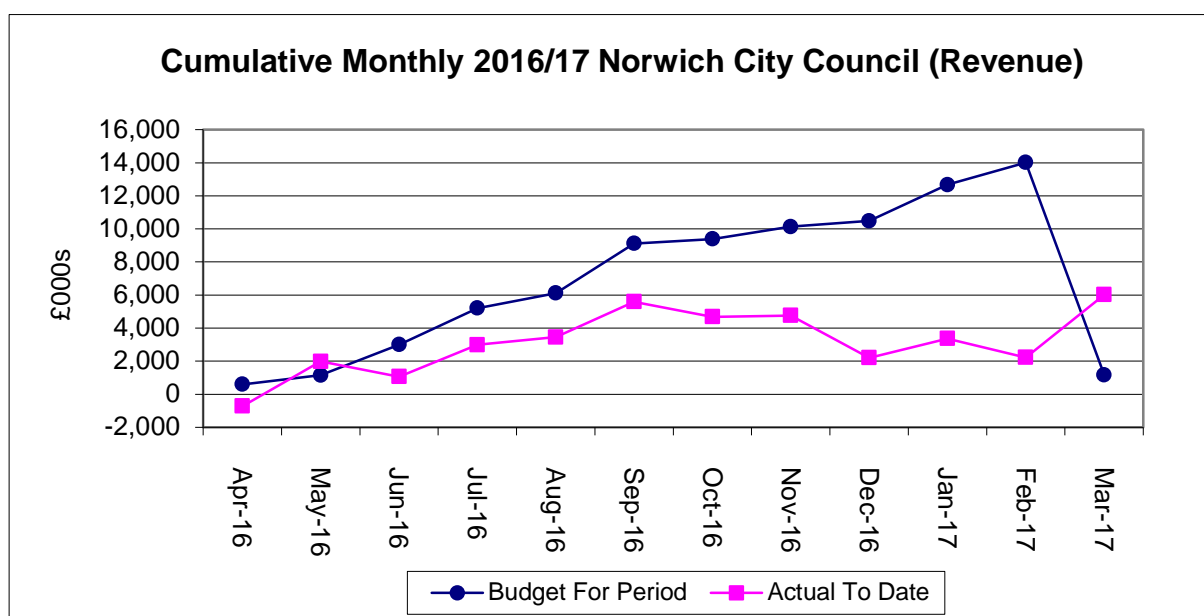
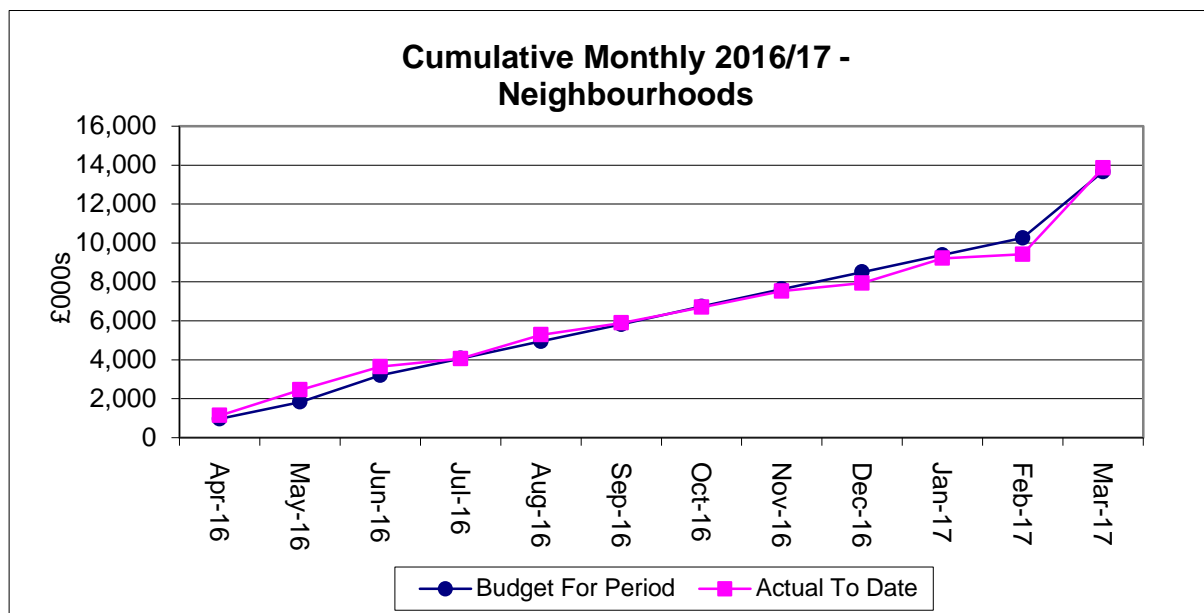
The following graphs show the monthly budget profile and income/expenditure to date for each service (both General Fund and Housing Revenue Account) for the financial year.

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

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











**Report to** Cabinet  
21 June 2017  
**Report of** Chief finance officer  
**Subject** Capital budget monitoring 2016/17 – Final outturn

**Item**

**8**

---

## **Purpose**

To update cabinet on the final outturn position of the 2016/17 capital programmes and seek approval to carry forward unspent 2016/17 capital budgets to the 2017/18 capital programme.

## **Recommendations**

To:

- (1) note the final outturn position (unaudited) of the 2016/17 housing and non-housing capital programme budgets.
- (2) approve the carry-forward of unspent 2016/17 capital budgets still required, to the 2017/18 capital programme.

## **Corporate and service priorities**

The report helps to meet the corporate priorities to provide value for money services and to make Norwich a healthy city with good housing.

## **Financial implications**

The housing and non-housing capital programmes have been delivered within available resources.

The detailed financial implications of this report are set out in the text.

**Ward/s:** All wards

**Cabinet member:** Councillor Kendrick – Resources

## **Contact officers**

Karen Watling, chief finance officer 01603 212440

Shaun Flaxman, group accountant 01603 212805

## **Background documents**

None

## Report

1. The housing and non-housing capital programmes for 2016/17 were approved by cabinet and council on 3 and 23 February 2016 respectively.
2. The carry-forward of unspent 2015/16 capital budgets to the 2016/17 capital programme was approved following delegation the executive head of regeneration and development, executive head of neighbourhoods and chief finance officer, in consultation with the portfolio holder for resources and business liaison, by cabinet on 8 June 2016.
3. This report and the attached appendices reflect the final outturn position as at the end of March 2017:
  - [Appendix 1](#) shows the non-housing capital programme expenditure in detail.
  - [Appendix 2](#) shows the housing capital programme expenditure in detail.
  - [Appendix 3](#) shows the capital quarter 4 2016/17 provisional outturn report for information. This has been superseded by the final outturn report.

## Non-housing capital programme

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

## Final outturn

5. The following table shows expenditure for the year compared to budget:

Programme Group (£000s)	Original Budget	Current Budget	Final Outturn	Variance	Requested Carry Forward
Asset Improvement	402	666	77	(589)	326
Asset Investment	10,789	10,814	34	(10,781)	5,026
Asset Maintenance	1,215	1,893	726	(1,167)	333
Initiatives Funding	400	1,307	175	(1,132)	932
Regeneration	10,629	18,038	1,735	(16,303)	13,457
Community Infrastructure Levy	1,553	1,640	924	(717)	101
Greater Norwich Growth Partnership	300	374	90	(284)	102
Section 106	193	735	116	(619)	507
City Cycle Ambition (Group 1)	0	25	66	42	0
City Cycle Ambition (Group 2)	4,488	4,929	2,721	(2,209)	1,903
<b>Total Non-Housing</b>	<b>29,969</b>	<b>40,422</b>	<b>6,664</b>	<b>(33,758)</b>	<b>22,687</b>

6. The final outturn as at 31 March 2017 is £6.66m, which results in an underspend of £33.76m. The variance is largely due to:
  - The re-profiling of planned expenditure on new build housing schemes (£12.26m);
  - The decision to develop Goldsmith Street as social housing within the HRA (£2.7m)
  - Investment in assets for future income not as yet taking place (£5m)
  - Waste vehicle replacement being funded by contractor (£3.5m)

- Homelessness hostel and private rental pilot not taking place at this stage (£1.5m)
- City Cycle Ambition Group 2 (£2.21m) and Section 106 (£0.62m) programmes extending into 2017/18

Additionally, the council's policy of not committing spend against forecast resources until the resources materialise, has resulted in some projects not progressing in 2016/17.

7. Asset improvement covers reconfiguration and major repairs to City Hall as part of the delivery of the office accommodation strategy and investment in existing assets.
8. Asset investment covers the acquisition of new investment property as part of the delivery of the asset management plan. Opportunities are identified and assessed with the support of the council's advisers, NPS Norwich Ltd.
9. Asset maintenance expenditure covers provision for major repairs and upgrades and investment to reduce asset liabilities.
10. Initiative funds cover the community capital fund and the eco-investment fund, as well as the IT investment fund.
11. Regeneration covers the development, enabling and regeneration of vacant buildings and sites.
12. Further detail regarding non-housing capital expenditure is shown in appendix 1.

### Non housing capital resources

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

Housing Capital Resources (£000s)	Original Approved	Brought Forward	Planned Total Resources	Final Outturn	Utilised to Fund 2016/17 Expenditure	To be Carried Forward into 2017/18
Section 106	(183)	(1,732)	(1,915)	(3,037)	190	(2,847)
Community Infrastructure Levy	(1,078)	(548)	(1,625)	(1,119)	915	(204)
CIL Neighbourhood	(283)	(129)	(412)	(236)	9	(228)
Borrowing	(24,373)	0	(24,373)	(1,423)	1,423	0
Capital Grants	(4,465)	(2,166)	(6,631)	(6,396)	2,880	(3,516)
Greater Norwich Growth Partnership	(381)	0	(381)	(118)	117	(1)
Capital Receipts and Balances	(1,585)	(759)	(2,343)	(3,294)	1,035	(2,258)
Other Contributions (Revenue)	(210)	0	(210)	(96)	96	0
<b>Total Non-Housing Capital Resources</b>	<b>(32,557)</b>	<b>(5,334)</b>	<b>(37,890)</b>	<b>(15,718)</b>	<b>6,664</b>	<b>(9,054)</b>

14. The final outturn for non-housing resources and receipts as at 31 March 2017 was £15.72m, of which £6.66m was utilised to fund capital expenditure in 2016/17. There remains £9.05m of non-housing resources that may be utilised to fund expenditure in future years.
15. The significant difference between the planned resources of £37.89m and final outturn of £15.72m is largely due to the reduced borrowing requirement of £1.4m, as opposed to the planned requirement of £24.37m.

## Housing capital programme

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

### Final outturn

17. The following table shows expenditure for the year compared to budget:

Programme Group (£000s)	Original Budget	Current Budget	Final Outturn	Variance	Requested Carry Forward
Housing Investment	4,794	14,009	3,815	(10,194)	9,315
Neighbourhood Housing	31,879	32,033	20,579	(11,454)	10,185
Strategic Housing	2,400	4,240	2,741	(1,498)	69
<b>Total Housing</b>	<b>39,073</b>	<b>50,282</b>	<b>27,135</b>	<b>(23,146)</b>	<b>19,569</b>

18. The final out-turn as at 31 March 2017 is £27.14m which results in an underspend of £23.15m. The variance is largely due to:
- The re-profiling of planned expenditure on new build social housing schemes (£9.54m);
  - The extension of programmes and delays in structural projects (£4.12m), tower block regeneration (£1.25m), other upgrade works to council homes (£6.09m) as orders placed in early 2016/17 were lower than required for the full programme, due to the uncertainty around the high value void determination. As this has not been implemented as yet, additional orders were raised later in the year, with not all of these being fully implemented within the financial year
  - Postponed grants to registered providers due to their delays with new homes construction projects (£1.05m).

## Housing capital resources

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

Housing Capital Resources (£000s)	Original Approved	Brought Forward	Planned Total Resources	Final Outturn	Utilised to Fund 2016/17 Expenditure	To be Carried Forward into 2017/18
Housing Capital Grants	(568)	(97)	(665)	(1,058)	858	(200)
HRA Major Repairs Reserve	(13,173)	0	(13,173)	(13,553)	13,553	0
HRA Borrowing from Headroom	(9,110)	0	(9,110)	0	0	0
HRA Revenue Contribution to Capital	(26,104)	0	(26,104)	(9,530)	9,530	0
HRA Contributions to Costs	(275)	0	(275)	(442)	442	0
Housing Capital Receipts and Balances	(4,101)	(5,371)	(9,472)	(10,190)	0	(10,190)
Retained One for One Capital Receipts	(4,759)	(11,183)	(15,941)	(16,772)	2,667	(14,105)
Repayment of existing HRA Borrowing	10,750	0	10,750	10,750	0	0
Refinancing of borrowing internally	0	0	0	(10,750)	0	0
Housing General Fund Contributions	0	0	0	(117)	85	(31)
<b>Total Housing Capital Resources</b>	<b>(47,339)</b>	<b>(16,651)</b>	<b>(63,990)</b>	<b>(51,662)</b>	<b>27,135</b>	<b>(24,526)</b>

20. The final outturn for housing resources and receipts as at 31 March 2017 was £51.66m, of which £27.14m was utilised to fund capital expenditure in 2016/17. There remains £24.53m of housing resources that may be utilised to fund expenditure in future years.
21. The significant difference between the planned resources of £63.99m and final outturn of £51.66m is largely due to the reduced HRA revenue contribution to capital outlay requirement of £9.53m, as opposed to the planned contribution of £26.10m.

## Carry forwards

22. The carrying forward of capital budget approvals from one year to the next allows for the continuation of schemes across the year-end without the need to seek re-approval of capital budgets through the new year's capital programme. This facility caters for schemes starting later than planned, schemes where the expenditure profile is different from that originally envisaged, and packaged schemes of small capital projects.
23. The tables above summarise, and the appendices detail, where carry-forwards have been requested by capital budget managers to enable underspent 2016/17 budgets to fund schemes continuing in 2017/18, for the purpose(s) for which the existing approval was originally given.

## Non-housing capital programme

24. Non-housing capital programme budget managers have requested underspent 2016/17 budgets totalling £22.69m to be carried forward into 2017/18. Significant budgets that contribute to this value, are large regeneration projects including new build housing (£12.26m), asset investment for future income (£5m) and the City Cycle Ambition Group 2 project (£1.9m).
25. The following table details the anticipated source of funding for the 2016/17 budgets requested to be carried forward into 2017/18.

<b>Non- Housing Capital Programme Proposed Funding</b>	<b>Requested Carry Forward (£000s)</b>
Asset Sales	1,472
Borrowing	17,887
Grant	3,328
<b>Total</b>	<b>22,687</b>

26. It is anticipated that £1.47m of the requested carry forward budgets is to be funded from asset disposal receipts. This is within the £2.26m of non-housing capital receipts and balances to be carried forward, as shown by the table in paragraph 13.
27. In accordance with the council's policy of not committing spend against forecast resources until the resources materialise, alongside consideration of further use of borrowing where the associated revenue costs are manageable, commitment against carried forward non housing capital budgets should only take place if a viable business case has been approved by the corporate leadership team.

### **Housing capital programme**

28. Housing capital programme budget managers have requested underspent 2016/17 budgets totalling £19.57m to be carried forward into 2017/18. Significant budgets that contribute to this value are new build social housing (£9.26m), structural works to council homes (£4.12m), tower block regeneration (£1.25m) and other upgrade works to council homes (£4.87m).
29. The requested housing capital carry forward budgets can be funded from existing resources and are included within the 30 year HRA Business Plan.

## Integrated impact assessment



**NORWICH**  
City Council

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

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	
<b>Head of service:</b>	Karen Watling, chief finance officer
<b>Report subject:</b>	Capital budget monitoring 2016/17 final outturn
<b>Date assessed:</b>	
<b>Description:</b>	To update cabinet on the final outturn position of the 2016/17 capital programmes and seek approval to carry forward unspent 2016/17 capital budgets to the 2017/18 capital programme.

	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"/>	Report demonstrates efficient, effective, and economic delivery of capital works
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 and 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 and 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
<b>Risk management</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Report demonstrates awareness of risks to delivery of planned capital works and mitigating actions

Recommendations from impact assessment	
<b>Positive</b>	
None	
<b>Negative</b>	
None	
<b>Neutral</b>	
None	
<b>Issues</b>	
None	

## Non-Housing Capital Programme

Approved Budget	Current Budget		Final Outturn	Variance	Requested carry forward
250,000	250,000	5020 CCTV replacement	0	(250,000)	60,000
10,000	10,000	5030 Community asset transfer	0	(10,000)	-
30,000	30,000	5031 Community shop	0	(30,000)	-
0	45,775	5294 Eaton Park Tennis Development	0	(45,775)	45,775
0	160,000	5324 City Hall 2nd Floor	62,797	(97,203)	80,850
0	27,893	5332 City Hall external lighting	0	(27,893)	27,330
12,000	12,000	5337 Sloughbottom Park artificial cricket	0	(12,000)	-
0	0	5342 Civic Chains	7,123	7,123	-
90,232	90,232	5350 Parking Management System	7,080	(83,152)	72,351
10,000	10,000	5450 Energy saving lighting	0	(10,000)	10,000
0	29,686	5931 Eaton Park access improvements	0	(29,686)	29,686
<b>402,232</b>	<b>665,586</b>	<b>Subtotal Asset Improvement</b>	<b>77,000</b>	<b>(588,586)</b>	<b>325,992</b>
0	25,753	5312 Yacht Station Repairs	33,701	7,948	-
5,000,000	5,000,000	5315 Asset investment for income (other	0	(5,000,000)	5,000,000
500,000	500,000	5360 Private Rental Pilot	0	(500,000)	-
3,500,000	3,500,000	5370 Replacement of waste vehicle fleet	0	(3,500,000)	-
1,000,000	1,000,000	5460 Homelessness hostel	0	(1,000,000)	-
788,667	788,667	5480 Traveller Site	0	(788,667)	26,000
<b>10,788,667</b>	<b>10,814,420</b>	<b>Subtotal Asset Investment</b>	<b>33,701</b>	<b>(10,780,719)</b>	<b>5,026,000</b>
70,000	70,000	5040 Customer centre redesign	8,906	(61,094)	61,094
0	0	5245 Memorial Gardens temporary works	0	0	-
0	0	5310 22 Hurricane way - asbestos	0	0	-
150,000	221,509	5308 St Andrews MSCP repair	286,110	64,601	-
275,000	275,000	5340 Co-St Giles MSCP Refurb	181,422	(93,578)	93,578
260,000	260,000	5341 The Halls refurbishment project	57,776	(202,224)	-
100,000	91,090	5420 Major Repairs 2016-17 Castle	0	(91,090)	-
40,000	48,910	5421 Major Repairs 2016-17 Community	60,318	11,408	-
130,000	130,000	5422 Major Repairs 2016-17 Investment	0	(130,000)	-
40,000	40,000	5423 Major Repairs 2016-17 NAIE	0	(40,000)	-
75,000	75,000	5424 Co-Major Repairs 2016\ -1	0	(75,000)	-
75,000	75,000	5425 Major Repairs 2016-17 Rolling	6,807	(68,193)	-
0	0	5906 Hurricane Way 6-12 enabling works	0	0	-
0	200,000	5937 City Hall finials	40,130	(159,870)	159,870
0	0	5913 Swanton Rd - Astra TC works	0	0	-
0	10,000	5918 St Andrews MSCP CCTV	7,004	(2,996)	-
0	11,187	5933 Car Park - Westwick Street	0	(11,187)	-
0	0	5941 Community Centre - Norman Car	0	0	-
0	0	5944 Investment Portfolio - Refurbishment	(7,070)	(7,070)	-
0	0	5948 St Andrews & Blackfriars Halls	0	0	-
0	40,000	5949 St Andrews & Blackfriars Hall WC	77,005	37,005	-
0	210,000	5954 Waterloo Park pavillion works	0	(210,000)	-
0	35,000	5959 CC Norman Bowl Lighting	0	(35,000)	-
0	75,000	5962 Hurricane way (6-14) demolition	0	(75,000)	-
0	7,000	5963 16 St Andrews Street re roofing works	7,169	169	-
0	18,025	5966 St Giles MSCP - Windows and door rep	0	(18,025)	18,025
<b>1,215,000</b>	<b>1,892,721</b>	<b>Subtotal Asset Maintenance</b>	<b>725,577</b>	<b>(1,167,144)</b>	<b>332,567</b>

Approved Budget	Current Budget		Final Outturn	Variance	Requested carry forward
10,000	10,000	5558 Co-CIL Nhood Ketts Heig	0	(10,000)	10,000
10,000	10,000	5559 CIL Nhood 20 Acre Wood	938	(9,062)	9,062
4,000	4,000	5560 CIL Nhood Chapel Break play area	1,416	(2,584)	2,584
4,000	4,000	5561 CIL Nhood Eaton Green Play Area	0	(4,000)	4,000
12,000	12,000	5562 CIL Nhood Community Enabling	0	(12,000)	11,993
1,513,000	1,513,000	5580 CIL Contribution Strategic	914,965	(598,035)	-
0	18,119	5590 CIL neighbourhood - Britannia Rd	1,066	(17,053)	-
0	0	5591 CIL neighbourhood -	0	0	-
0	7,370	5592 CIL neighbourhood - Natural	879	(6,491)	6,491
0	6,400	5593 CIL neighbourhood - Lakenham Way	0	(6,400)	6,400
0	5,460	5594 CIL neighbourhood - City Trees	4,386	(1,074)	-
0	50,000	5595 CIL neighbourhood - Netherwood	0	(50,000)	50,000
<b>1,553,000</b>	<b>1,640,349</b>	<b>Subtotal Community Infrastructure Levy</b>	<b>923,650</b>	<b>(716,699)</b>	<b>100,530</b>
0	65,916	5921 Earlham Millenium Green	38,876	(27,040)	-
0	6,520	5922 Riverside Walk GNDP	2,956	(3,564)	-
0	1,500	5923 Marriotts Way GNDP	828	(672)	-
150,000	150,000	5964 GNGP Bowthorpe Crossing	47,593	(102,407)	102,407
150,000	150,000	5965 GNGP Heathgate Pink Pway	0	(150,000)	-
<b>300,000</b>	<b>373,936</b>	<b>Subtotal GNGP</b>	<b>90,253</b>	<b>(283,683)</b>	<b>102,407</b>
0	161,781	5305 Eco-Investment Fund	6,548	(155,233)	50,000
0	0	5306 Community Capital Fund	0	0	-
400,000	993,000	5317 IT Investment Fund	154,148	(838,852)	750,000
0	20,240	6054 DECC Green Deal Communities	14,447	(5,793)	-
0	132,250	6057 Norwich Preservation Trust Loan	0	(132,250)	132,250
<b>400,000</b>	<b>1,307,271</b>	<b>Subtotal Initiatives Funding</b>	<b>175,143</b>	<b>(1,132,128)</b>	<b>932,250</b>
0	6,317	5701 s106 Chapelfield Gardens Play	0	(6,317)	6,317
0	185,420	5705 s106 The Runnel Play Provision	17,764	(167,656)	167,655
0	0	5711 S106 schemes	0	0	-
12,194	12,194	5728 S106 Mile Cross Gardens Play	11,735	(459)	459
0	7,000	5730 S106 Midland Street Open Space	0	(7,000)	-
0	3,947	5731 s106 Wooded Ridge project	328	(3,619)	3,619
6,402	6,402	5732 s106 Wensum View Play	5,522	(880)	-
0	9,444	5733 s106 Sarah Williman Close	11,147	1,703	-
0	73,410	5735 s106 Castle Green Play	8,694	(64,716)	64,716
0	36,034	5737 S106 Heartsease Play Area	34,779	(1,255)	-
0	57,034	5740 Bowthorpe Southern park	1,963	(55,071)	55,071
11,774	11,774	5741 Co-s106 Eaton play Area	0	(11,774)	11,774
0	49,852	5801 s106 Hurricane Way Bus Link	0	(49,852)	45,743
0	22,000	5806 Threescore, Bowthorpe - sustainable	0	(22,000)	-
5,472	35,401	5813 S106 Green Infrastructure Imps	0	(35,401)	23,485
53,104	90,667	5821 S106 Livestock Mkt Cycle/Walkway	23,830	(66,837)	-
0	76,283	5823 BRT & Cycle Route Measures	0	(76,283)	76,283
0	0	5825 Sustainable Transport Car Club	0	0	-
51,600	51,600	5829 S106 UEA CPZ Extension	0	(51,600)	51,600
52,451	0	5834 S106 Westlegate Public Realm	0	0	-
<b>192,997</b>	<b>734,779</b>	<b>Subtotal Section 106</b>	<b>115,762</b>	<b>(619,017)</b>	<b>506,724</b>

Approved Budget	Current Budget		Final Outturn	Variance	Requested carry forward
376,000	278,743	5126 PtP - Yellow - Lakenham/Airport	0	(278,743)	
30,080	35,282	5141 CCAG2 Liberator Road	6,315	(28,967)	
16,920	16,920	5142 CCAG2 Spitfire RD Hurricane Way	13,394	(3,526)	
0	0	5143 CCAG2 Hurricane Way - Heyford Rd	4,109	4,109	
13,160	17,901	5144 CCAG2 Taylors Lane (Connector)	17,904	3	
235,000	209,000	5145 CCAG2 Fifers Lane/Ives Rd/Heyford	233,721	24,721	
0	0	5146 CCAG2 Ives Rd - Weston Rd Ind est.	0	0	
0	3,000	5147 CCAG2 Bussey Rd - Ives Rd	3,254	254	
79,900	79,900	5148 CCAG2 Mile Cross Lane	60,753	(19,147)	
253,800	265,000	5149 CCAG2 Woodcock Rd / Catton	229,343	(35,657)	
0	974	5150 CCAG2 Mile Cross - Angel Rd via	(2,885)	(3,859)	
300,800	300,800	5151 CCAG2 Angel RD	34,764	(266,036)	
0	0	5152 CCAG2 Shipstone Rd/Waterloo Rd	5,817	5,817	
47,000	47,000	5153 CCAG2 Edward Street north	672	(46,328)	
122,200	133,337	5154 CCAG2 St Crispins (St Georges -	31,588	(101,749)	
0	52,451	5155 CCAG2 Golden Ball	38,114	(14,337)	
507,600	499,000	5156 CCAG2 All Saints	28,950	(470,050)	
329,000	45,000	5157 CCAG2 Lakenham Way	18,086	(26,914)	
168,260	310,000	5159 CCAG2 Hall Rd (Bessemer - Old	346,012	36,012	
0	295	5160 CCAG2 Ipswich Road - Old Hall	423	128	
141,000	550,000	5161 CCAG2 20 MPH areas (Yellow)	495,021	(54,979)	
100,580	93,000	5162 CCAG2 Cycle Parking (Yellow)	57,649	(35,351)	
28,200	28,200	5163 CCAG2 Wayfinding	0	(28,200)	
14,100	18,600	5164 CCAG2 Monitoring inf (Yellow)	888	(17,712)	
47,000	47,000	5166 Co-CCAG2 A11 north slip	175	(46,825)	
61,100	61,100	5168 CCAG2 Bluebell Road (Connector)	42,338	(18,762)	
34,780	75,000	5169 CCAG2 Eaton Centre	72,871	(2,129)	
639,200	682,348	5171 CCAG2 Newmarket Rd (Unthank Rd	421,099	(261,249)	
0	0	5172 CCAG2 Newmarket Rd / ORR &	307	307	
0	0	5173 CCAG2 Newmarket Rd (ORR -	3,339	3,339	
197,400	225,600	5175 CCAG2 Magdalen Rd	56,890	(168,710)	
117,500	209,000	5176 CCAG2 St Clements Hill (entrance	152,168	(56,832)	
56,400	73,650	5177 CCAG2 Chartwell Road/St Clements	41,421	(32,229)	
47,000	47,000	5178 Co-CCAG2 North Walsham	15,877	(31,123)	
141,000	164,499	5179 Co-CCAG2 20 mph areas	56,437	(108,062)	
0	0	5180 CCAG2 Cycle Parking (Blue)	61	61	
0	37,600	5181 CCAG2 Wayfinding	0	(37,600)	
14,100	18,330	5182 CCAG2 Monitoring inf (Blue)	116	(18,214)	
47,000	129,250	5183 CCAG2 St George's St/Colegate	133,162	3,912	
0	15,000	5184 CCAG2 Opie St/Castle Meadow (on	18,605	3,605	
75,200	84,600	5185 CCAG2 City Centre Strategy for	6,206	(78,394)	
0	10,000	5187 Co-CCAG2 Magdalen Gates	6,908	(3,092)	
246,720	65,000	5186 CCAG2 Administration	68,677	3,677	
<b>4,488,000</b>	<b>4,929,380</b>	<b>Subtotal Cycle City Ambition Group 2</b>	<b>2,720,549</b>	<b>(2,208,831)</b>	<b>1,903,336</b>

Approved Budget	Current Budget		Final Outturn	Variance	Requested carry forward
0	24,733	5104 The Avenues	14,197	(10,536)	-
0	0	5107 Alexandra Road - Park Lane (via	0	0	-
0	0	5108 Park Lane - Vauxhall Street	3,381	3,381	-
0	0	5109 Vauxhall Street - Bethel Street	490	490	-
0	0	5111 Magdalen Street and Cowgate	166	166	-
0	0	5113 Tombland & Palace Street	(11,946)	(11,946)	-
0	0	5115 Heathgate - Valley Drive	15,310	15,310	-
0	0	5117 Munnings Road - Greenborough	55	55	-
0	0	5118 Salhouse Road (Hammond Way -	15,855	15,855	-
0	0	5119 20 mph areas	21,528	21,528	-
0	0	5121 Directional signage and clutter	4,140	4,140	-
0	0	5122 Automatic cycle counters	0	0	-
0	0	5123 Cycle City Ambition Project	3,222	3,222	-
<b>0</b>	<b>24,733</b>	<b>Subtotal Cycle City Ambition</b>	<b>66,398</b>	<b>41,665</b>	<b>0</b>
0	0	5314 Ass Inv - Mile Cross Depot	(5,502)	(5,502)	-
0	1,265,955	5320 Rose Lane MSCP Construction	1,304,615	38,660	-
100,000	334,613	5322 Riverside Walk (adj NCFC)	29,424	(305,189)	305,189
0	539,179	5325 Mountergate Phase 2	8,870	(530,309)	530,309
25,000	288,475	5327 Park Depots demolition	0	(288,475)	138,475
0	0	5333 Magpie Road city wall landscape	0	0	-
250,000	250,000	5490 Investment for regeneration	17,464	(232,537)	220,000
222,285	222,285	5512 NaHCASP Threescore	363,391	141,106	-
2,716,600	2,716,600	8802 New Build - Goldsmith Street	0	(2,716,600)	
5,716,847	9,011,856	8805 New Build - Threescore 2	0	(9,011,856)	8,870,751
1,098,010	2,909,484	8807 New Build - Airport	0	(2,909,484)	2,909,484
500,000	500,000	8820 Threescore phase 3	17,218	(482,782)	482,782
<b>10,628,742</b>	<b>18,038,447</b>	<b>Subtotal Regeneration</b>	<b>1,735,480</b>	<b>(16,302,968)</b>	<b>13,456,990</b>
<b>29,968,638</b>	<b>40,421,622</b>	<b>Total Non-Housing Capital Programme</b>	<b>6,663,513</b>	<b>(33,758,110)</b>	<b>22,686,797</b>

## Housing Capital Programme

Approved Budget	Current Budget		Final Outturn	Variance	Requested carry forward
150,000	150,274	7460 Sheltered Housing Redevelopment	98,843	(51,431)	51,431
0	368,414	7461 Sheltered Hsg redevelopment - St	320,903	(47,511)	1,346
0	715,737	7462 Sheltered Hsg redevelopment -	658,625	(57,112)	-
500,000	500,000	7930 Capital Buybacks	0	(500,000)	-
0	305,727	8800 New Build - Riley Close	267,623	(38,104)	8,375
3,562,682	9,036,801	8802 New Build - Goldsmith Street	1,104,926	(7,931,875)	7,931,875
9,500	502,824	8803 New Build - Brazengate	270,967	(231,857)	-
122,558	1,349,922	8804 New Build - Hansard Close	1,092,750	(257,172)	242,839
449,054	870,263	8805 New Build - Threescore 2	0	(870,263)	870,263
0	209,071	8807 New Build - Airport	0	(209,071)	209,071
<b>4,793,794</b>	<b>14,009,033</b>	<b>Subtotal Housing Investment</b>	<b>3,814,637</b>	<b>(10,194,396)</b>	<b>9,315,200</b>
584,019	616,946	7010 Electrical - Internal	423,479	(193,467)	-
511,490	1,312,822	7040 Whole House Improvements	876,223	(436,599)	433,489
6,137,879	5,086,881	7070 Kitchen Upgrades	4,384,059	(702,822)	702,822
6,050,414	5,218,253	7080 Bathroom Upgrades	4,334,123	(884,130)	884,130
517,628	1,185,228	7100 Boilers - Communal	267,897	(917,331)	917,331
2,557,449	2,501,620	7110 Boilers - Domestic	1,983,112	(518,508)	-
1,278,725	1,299,609	7150 Insulation	1,152,532	(147,077)	147,077
511,490	500,905	7170 Solar Thermal & Photovoltaic	380,331	(120,574)	120,574
204,596	183,023	7200 Windows - Programme	164,989	(18,034)	-
1,933,360	1,944,360	7280 Composite Doors	1,757,993	(186,367)	182,428
204,596	255,187	7300 Comm Safe - DES	18,304	(236,883)	235,525
255,745	300,133	7310 Estate Aesthetics	46,891	(253,242)	50,611
153,447	151,500	7470 Sheltered Housing Comm Facilities	95,667	(55,833)	54,333
306,894	320,000	7480 Sheltered Housing Redevelopment	159,024	(160,976)	-
1,069,525	1,188,381	7520 Planned Maint - Roofing	390,491	(797,890)	797,810
7,168,530	7,031,658	7540 Planned Maint - Structural	2,913,858	(4,117,800)	4,117,800
1,278,725	1,250,000	7570 Tower Block Regeneration	0	(1,250,000)	1,250,000
51,149	53,402	7580 Planned Maint - Lifts	0	(53,402)	-
818,384	911,815	7600 Dis Ad - Misc	772,183	(139,632)	139,632
81,838	80,000	7630 Dis Ad - Stairlifts	53,260	(26,740)	-
0	65,000	7680 Dis Ad - Comms	23,850	(41,150)	-
0	95,000	2610 Co-Cavalry Ride	46,333	(48,667)	43,667
0	110,000	2637 Primrose Place	48,866	(61,134)	56,134
153,447	229,174	7700 HRA Shops	190,200	(38,974)	38,974
50,000	142,400	7960 Demolition & Site Maintenance	95,749	(46,651)	13,000
<b>31,879,330</b>	<b>32,033,297</b>	<b>Subtotal Neighbourhood Housing</b>	<b>20,579,414</b>	<b>(11,453,883)</b>	<b>10,185,337</b>

Approved Budget	Current Budget		Final Outturn	Variance	Requested carry forward
0	68,606	6012 Empty Homes Grant	0	(68,606)	68,606
0	0	6014 Discretionary Assistance	1	1	-
900,000	900,000	6018 Disabled Facilities Grant	820,448	(79,552)	-
1,200,000	2,876,062	6019 Capital Grants to Housing	1,829,088	(1,046,975)	-
0	0	6030 Home Improvement Loans	0	0	-
0	0	6031 Survey Costs	27,062	27,062	-
25,000	25,000	6044 Works in Default	400	(24,600)	-
25,000	25,000	6047 DFG Residents Contribution	24,470	(530)	-
0	94,899	6050 Strong & Well Project	6,790	(88,109)	-
250,000	250,000	6052 HIA - Housing Assistance	33,121	(216,879)	-
<b>2,400,000</b>	<b>4,239,567</b>	<b>Subtotal Strategic Housing</b>	<b>2,741,380</b>	<b>(1,498,188)</b>	<b>68,606</b>
<b>39,073,124</b>	<b>50,281,897</b>	<b>Total Housing Capital Programme</b>	<b>27,135,431</b>	<b>(23,146,467)</b>	<b>19,569,143</b>



<b>Report to</b>	Cabinet
<b>Report of</b>	Chief finance officer
<b>Subject</b>	Capital budget monitoring 2016/17 – Provisional outturn

---

**Purpose**

To update cabinet on the provisional financial outturns of the capital programmes for the year 2016/17.

**Recommendations**

To note the provisional outturns of the 2016/17 housing and non-housing capital programme budgets.

**Corporate and service priorities**

The report helps to meet the corporate priorities to provide value for money services and to make Norwich a healthy city with good housing.

**Financial implications**

The housing and non-housing capital programmes are being delivered within currently available resources, and forecast expenditure will remain within anticipated resources.

The detailed financial implications of this report are set out in the text.

**Ward/s:** All wards

**Cabinet member:** Councillor Kendrick – Resources

**Contact officers**

Karen Watling, chief finance officer	01603 212440
--------------------------------------	--------------

Shaun Flaxman, group accountant	01603 212805
---------------------------------	--------------

**Background documents**

None

## Report

1. The housing and non-housing capital programmes for 2016/17 were approved by cabinet and council on 3 and 23 February 2016 respectively.
2. The carry-forward of unspent 2015/16 capital budgets into the 2016/17 capital programme was approved following delegation to the director of regeneration and development, director of neighbourhoods and chief finance officer, in consultation with the portfolio holder for resources and business liaison, by cabinet on 8 June 2016.
3. This report reflects the provisional position as at the end of March 2017. The report does not include the accounting adjustments necessary to reflect the financing of the housing and non-housing capital programmes, which will be incorporated into the capital outturn and financial statements.
4. The estimated carry-forwards within this report will, if confirmed, be additional to the approved 2017/18 programmes.

## Non-housing capital programme

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

### Provisional outturn

The following table shows the provisional outturn for expenditure:

Programme Group	Original Budget £000's	Current Budget £000's	Actual to Date £000's	Provisional Outturn £000's	Provisional Variance £000's
Asset Improvement	402	666	78	78	(588)
Asset Investment	10,789	10,814	34	34	(10,781)
Asset Maintenance	1,215	1,893	728	728	(1,164)
Initiatives Funding	400	1,307	178	178	(1,130)
Regeneration	10,629	18,038	1,735	1,735	(16,303)
Community Infrastructure Levy	1,553	1,640	924	924	(717)
Greater Norwich Growth Partnership	300	374	90	90	(284)
Section 106	193	735	117	117	(618)
City Cycle Ambition (Group 1)	0	25	66	66	42
City Cycle Ambition (Group 2)	4,817	4,929	2,721	2,721	(2,209)
<b>Total Non-Housing</b>	<b>30,298</b>	<b>40,422</b>	<b>6,671</b>	<b>6,671</b>	<b>(33,751)</b>

6. The provisional out-turn as at 31 March 2017 is £6.67m, which would result in an underspend of £33.75m. The variance is largely due to the re-profiling of planned expenditure against specific significant schemes: Threescore (£9.01m), Hurricane Way (£2.9m), asset investment for income (£5m), Cycle City Ambition (CCA) (£2.17m) I.T. investment (£0.84m) & Section 106 schemes (£0.62m). In addition, the Goldsmith Street housing scheme is now fully HRA funded (£2.7m), the Strategic Asset Investment scheme has been deferred (£0.23m) and there are lower than anticipated contributions to the Community Infrastructure Levy Strategic Pool (£0.6m).

Also, the following schemes are not currently planned to proceed: Replacement of waste vehicle fleet (£3.5m), homelessness hostel (£1m) and Private rental pilot (£0.5m).

7. Asset Improvement covers reconfiguration and major repairs to City Hall as part of the delivery of the office accommodation strategy and investment in existing assets.
8. Asset maintenance expenditure covers provision for major repairs and upgrades (including works to St Giles car park) and investment to reduce asset liabilities.
9. Initiative funds cover the community capital fund and the eco-investment fund, as well as the IT investment fund.
10. Regeneration and growth covers the Threescore site development and enabling, together with a development fund for vacant buildings and sites.
11. Further detail regarding non-housing capital expenditure is shown in appendix 1

### Non housing capital resources

12. The following table shows the approved sources and application of non-housing capital resources, and receipts along with its intended use to fund capital expenditure in 2016/17.

Non Housing Capital Resources	Original Approved £000s	Brought Forward £000s	Total Resources £000s	Provisional Outturn £000s
Section 106	(183)	(1,732)	(1,915)	(2,866)
Community Infrastructure Levy	(1,361)	(677)	(2,038)	(1,355)
Borrowing	(24,373)	0	(24,373)	0
Capital Grants	(4,465)	(2,266)	(6,731)	(6,630)
Greater Norwich Growth Partnership	(381)	(6)	(387)	(94)
Capital Receipts and Balances	(1,585)	(653)	(2,237)	(2,754)
Other Contributions	(210)	0	(210)	0
<b>Total Non-Housing Capital Resources</b>	<b>(32,557)</b>	<b>(5,334)</b>	<b>(37,890)</b>	<b>(13,700)</b>

### Housing capital programme

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

### Provisional outturn

14. The following table shows the provisional outturn for expenditure:

Programme Group	Original Budget £000's	Current Budget £000's	Actual to Date £000's	Provisional Outturn £000's	Provisional Variance £000's
Housing Investment	4,794	14,009	3,815	3,815	(10,194)
Neighbourhood Housing	31,879	32,033	20,595	20,595	(11,438)
Strategic Housing	2,400	4,240	2,741	2,741	(1,498)
<b>Total Housing</b>	<b>39,073</b>	<b>50,282</b>	<b>27,151</b>	<b>27,151</b>	<b>(23,131)</b>

15. The provisional out-turn as at 31 March 2017 is £27.15m, which would result in an underspend of £23.13m. The variance is largely due to the re-profiling of planned expenditure against specific new build schemes: Goldsmith Street (£7.9m) & Threescore (£0.87m). There are also significant underspends within the housing upgrade programme relating to structural works (£4.4m), replacement of boilers (£1.4m), tower block regeneration (£1.3m) kitchen (£0.7m) and bathroom (£0.88m) upgrades and roofing works (£0.8m).
16. Based on the provisional outturn of £27.15m, budget managers are expected to request a total of £18.08m in carry forwards.

### Housing capital resources

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

Housing Capital Resources	Original Approved £000s	Brought Forward £000s	Total Resources £000s	Provisional Outturn £000s
Housing Capital Grants	(568)	(97)	(665)	(947)
HRA Major Repairs Reserve	(13,173)	0	(13,173)	(13,553)
HRA Borrowing from Headroom	(9,110)	0	(9,110)	0
HRA Revenue Contribution to Capital	(26,104)	0	(26,104)	(9,546)
HRA Contributions to Costs	(275)	0	(275)	(504)
Housing Capital Receipts and Balances	(4,101)	(5,371)	(9,472)	(10,190)
HRA Retained One for One Capital Receipts	(4,759)	(11,183)	(15,941)	(16,772)
Repayment of existing HRA Borrowing	10,750	0	10,750	10,750
<b>Total Housing Capital Resources</b>	<b>(47,339)</b>	<b>(16,651)</b>	<b>(63,990)</b>	<b>(40,762)</b>

**Report to** Cabinet  
21 June 2017  
**Report of** Director of business services  
**Subject** Telecom line rental and call charge services

**Item**

9

---

### **Purpose**

To seek approval from cabinet to award a contract for future provision of telecom line rental and call charge services.

### **Recommendation**

To award the contract for the provision of telecom line rental and call charge services to Adept Telecom Plc for one year with an option to extend for up to two years (one year at a time).

### **Corporate and service priorities**

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

### **Financial implications**

The financial consequence of this report is an approximate spend of £280,000 from existing budgets over a three year period.

**Ward/s:** All Wards

**Cabinet member:** Councillor Kendrick - Resources

### **Contact officers**

Jane Allen, service improvement manager 01603 212497

Steve Day, head of IT 01603 212698

### **Background documents**

None

# **Report**

## **Background**

1. The Council currently spends approximately £76,000 per annum on telecom line rental services (including call, business broadband, alarms and CCTV), and approximately £16,500 per annum on call charges.
2. The framework to provide telecom services is due to expire 30 June 2017. The Council has been with the existing service provider (Adept Telecom) for three years. A good service has been delivered, but there is no capacity to extend this contract under the current framework.

## **Options considered**

3. The current ESPO framework has expired and no replacement is available.
4. LGSS intend to tender for telecom provision in July 2017, but this is too late to meet our immediate requirements. We will however look to review this option once the provision is in place to identify whether any benefits can be achieved for Norwich.
5. Our existing service provider (Adept Telecom) is on the Crown Commercial Services framework which offers a direct award solution. Adept has agreed to set up a new contract for one year under this framework and continue to offer the same pricing schedule and service levels as current. This would mean continued good service, no equipment replacement or disturbance to systems due to a change in supplier, and no billing changes.

## **Appraisal result**

6. To provide a good value for money service with no staffing resource impact, the best option is to award to Adept Telecom under the CCS framework for one year on the current charge plan with an option to extend for up to two years (one year at a time).
7. An assessment will be carried out over the next year to compare Adept with alternative providers so that we can see if there is a good case to switch or take up the extension option at the end of the first year.

## 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>	21 <sup>st</sup> June 2017
<b>Director / Head of service</b>	Anton Bull
<b>Report subject:</b>	Telecom line rental and call charge services
<b>Date assessed:</b>	12 April 2017
<b>Description:</b>	Future provision of telecom line rental and call charge services

	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"/>	Retain existing service provider at same pricing schedule and service levels.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Retain existing service provider with continued good service and no disturbance to systems due to a change in supplier.
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Retain existing service provider and equipment
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	No disturbance to systems due to a change of supplier

Recommendations from impact assessment
<b>Positive</b>
<b>Negative</b>
<b>Neutral</b>
No impact
<b>Issues</b>

**Report to** Cabinet

**Item**

21 June 2017

**Report of** Director of neighbourhoods

**10**

**Subject** The renewal of the contract for the collection of water rates on behalf of Anglian Water

## **KEY DECISION**

---

### **Purpose**

To seek approval for the renewal of the contract to collect water rates from council tenants on behalf of Anglia Water.

### **Recommendation**

To renew the contract to collect water rates from council tenants on behalf of Anglia Water.

### **Corporate and service priorities**

The report helps to meet the corporate priority a healthy city with good housing and delivering value for money services.

### **Financial implications**

The contract provides a net income accruing to the Council of £101,000 per annum.

**Wards** All

**Cabinet member** Councillor Harris – Deputy Leader and Social housing

### **Contact officers**

Lee Robson, Head of Neighbourhood Housing Services 01603 212939

Grant Lockett, Tenancy Services and Income Manager 01603 212810

### **Background documents**

None

## **Report**

### **Background**

1. In 2013 the council agreed a five year contract to collect water rates from tenants on behalf of Anglian Water. The commission figure was calculated annually by Anglian Water and based on a fixed sum per property. This equated to £241,124 for 2015-16.
2. The contract is due for renewal in April 2018. However, should the council want to terminate the contract, Anglian Water would need to be notified of this intention by October 2017.
3. The Council collects water rates as part of rent collection activity so effectively there is little marginal cost to the activity. However, the estimated annual cost based on staffing and overhead costs of collecting the water rates arrears due from tenants where no rent is collected, as they are on full housing benefit and whose only liability is water rates, is £113,000.
4. The transaction cost for pay zone or post offices for these cases was £17,900 for the year 15-16.
5. A further cost relates to rent and water tenants who pay by telephone or by the internet. There is no accurate means of estimating this, but the best estimate is approximately £9,000 per annum.
6. This gives total collection costs to the council of £140,000. When balanced against the income of £241,000 this represents a net surplus accruing to the Council of £101,000 per annum.
7. If agreed the final terms of the contract would be negotiated by the Director of Neighbourhoods and the Head of Housing with Anglian water.

### **Implications**

8. Future options are either that the Council continues with the current arrangements and seeks a renewal of the contract or to cease the collection of water charges.
9. On the basis of the income achieved, it is recommended that the Council renews the contract as it provides an income to the Housing Revenue Account.
10. In considering its decision, Cabinet needs to be mindful of the consequences of a number of changes that will mean more tenants becoming rent plus water tenancies thereby increasing savings on marginal costs. These are:
  - a. The effects of continuing benefit reform particularly Universal Credit
  - b. The new build of council housing stock
  - c. Tenants choosing to have water meters installed are likely to accelerate growth of rent plus water tenancies

11. Some tenants however, may cease to be liable for the actual payment of rent i.e. changing to full housing benefit and with no liability for 'bedroom tax'. These tenants could become water-only tenants.
12. Similarly, some tenants may choose to have a water meter installed which will decrease income to the Council. However, not all properties, such as flats, are suited to having a meter installed.
13. Under the Water Industry Act, a water company can refuse to install a meter in one of two circumstances:
  - a) Where meter installation is unreasonably expensive or
  - b) Where it is impractical to do so.

### **Consultation**

14. The Council is not required to consult with tenants should the decision be to continue with the contract.
15. However if the decision were to recommend to cease collecting water rates, tenants would need to be individually consulted about the recommendation. This would be a significant piece of work requiring notices of intention to vary rent arrangements being served followed by variation notices after considering representations.



## Integrated impact assessment



**NORWICH**  
City Council

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

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

### Report author to complete

Committee:	Cabinet
Committee date:	21 June 2017
Director / Head of service	Bob Cronk/Lee Robson
Report subject:	Potential payment of an annual commission for the council collecting water rates on behalf of Anglian Water from tenants.
Date assessed:	18 May 2017
Description:	

	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"/>	Continuing with the current contract will produce a surplus in terms of finance
Other departments and services e.g. office facilities, customer contact	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The collection of water rates and the overall impact it will creat will assist in creating and maintaining "healthy tenancies"
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No impact
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	To continue with the contract will ensure that people can manage their finances appropriately and will therefore, be more likely to stay in the local area and contribute to the local economy
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As above
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	To continue with the contract will help to avoid tenants getting into debt with water bills resulting in disconnection which would present a health hazard to tenants and their neighbours. Water company recovery policies now exclude disconnection for domestic consumers. It assists tenants with budgeting and payment management.
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No impact
Human Rights Act 1998	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This will assist in enabling someone to live in a home of their choice



	<b>Impact</b>			
<b>Health and well being</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As above
<b>Equality and diversity (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
<b>Relations between groups (cohesion)</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Eliminating discrimination &amp; harassment</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Advancing equality of opportunity</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Environmental (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
<b>Transportation</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Natural and built environment</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Waste minimisation &amp; resource use</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Pollution</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Sustainable procurement</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Energy and climate change</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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

<b>Recommendations from impact assessment</b>	
<b>Positive</b>	
<b>Negative</b>	
<b>Neutral</b>	
<b>Issues</b>	