

Cabinet

Date: Wednesday, 14 September 2016

Time: 17:30

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

Committee members:

Councillors:

Waters (chair)
Harris (vice chair)
Bremner
Kendrick
Ryan
Stonard
Thomas (Va)

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AGENDA

1 Apologies

To receive apologies for absence

2 Public questions/petitions

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)

3 Declarations of interest

(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)

4 Minutes of the meeting held on 13 July 2016

5 - 12

Purpose - To approve the minutes of the meeting held on 13 July 2016

5 Four year financial sustainability plan

13 - 30

Purpose - To propose for approval the draft financial sustainability plan incorporating the requirements of the four year efficiency plan and flexible use of capital receipts strategy

6 Procurement Strategy 2016 - 2020

31 - 50

Purpose - To consider the Procurement strategy for the period 2016 to 2020

7 Revenue budget monitoring 2016-17 – Period 3

51 - 72

Purpose - To update cabinet on the provisional financial position as at 30 June 2016, the forecast outturn for the year 2016 - 17, and the consequent forecast of the General Fund and Housing Revenue Account balances

8 Revenue budget monitoring 2016-17 – Period 4

73 - 94

Purpose - To update cabinet on the provisional financial position as at 31 July 2016, the forecast outturn for the year 2016 - 17, and the consequent forecast of the general fund and housing revenue account balances

9	Capital budget monitoring 2016-17 – Quarter 1	95 - 116
	Purpose - To update cabinet on the financial position of the capital programmes as at 30 June 2016, the carry-forward of underspent 2015 - 16 budgets into 2016 - 17 and seek approval of capital budget virements and adjustments to the 2016 - 17 capital programme	
10	Treasury Management Full Year Review 2015-16	117 - 132
	Purpose - To recommend to council to note the treasury management performance for the year to 31 March 2016	
11	Quarter 1 2016-17 performance report	133 - 148
	Purpose - To report progress against the delivery of the corporate plan priorities and key performance measures for quarter 1 of 2016-17	
12	Smaller houses in multiple occupation Article 4 Directions	149 - 168
	Purpose - To consider a recommendation made by the sustainable development panel regarding the introduction of Article 4 Directions to bring the change of use of homes (class C3) into small houses in multiple occupation (class C4) under planning control. The Directions should apply to two specific areas of the city where the proportion of the housing stock in use as HMOs currently exceeds 30%	
13	'A' Boards policy 2016-09-14	169 - 204
	Purpose - To note the results of the consultation on - and consider approval of - the new 'A' boards policy	
14	Risk Management	205 - 226
	Purpose - To update members on the results of the review of the key risks facing the council and the associated mitigating actions recorded in the council's corporate risk register	
15	Write off of non- recoverable National Non Domestic Rate debt	227 - 232
	Purpose - To provide an update on the position as at 12 July 2016 with regard to the write off of non-recoverable National Non Domestic Rate	

(NNDR) debt and request approval for the write off of debt of £53,713 which is deemed irrecoverable

16 Exclusion of the public

Purpose - Consideration of 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.

***17 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.

Date of publication: **Wednesday, 07 September 2016**



Cabinet

17:30 to 19:20

13 July 2016

Present: Councillors Waters (chair), Harris (vice chair), Bremner, Kendrick, Stonard and Thomas

Apologies: Councillor Ryan

1. Apologies

Apologies were received from Councillor Ryan.

2. Public questions / petitions

There were no public questions or petitions.

3. Declarations of interest

Declarations of interest were received from councillors Bremner, Harris, Kendrick and Stonard.

4. Minutes of the meetings held on 9 March, 8 June and 28 June 2016

RESOLVED to agree the minutes of the meetings held on 9 March, 8 June and 28 June 2016.

5. Quarter 4 2015-16 performance report

The leader of the council presented the report.

RESOLVED to note the report.

6. Review of management and delivery of Push the Pedalways

The cabinet member for environment and sustainable development presented the report.

The chair of the scrutiny committee explained that he was keen for the scrutiny committee to keep a watching brief on the continuing pedalways works.

The head of city development services explained that pedals work was collaborative with the county council – with county taking a particular lead on implementation. The city council continued to influence design at all levels.

He highlighted the fact that pedalways work formed part of a much larger scheme of redevelopment.

The chair noted that many of the recommendations made by the scrutiny committee were already in place or had subsequently been actioned. Nonetheless, it was:

RESOLVED to:

- a) promote the vision for Transport for Norwich to gain a better understanding of what the vision is;
- b) To continue to support and facilitate the active engagement of stakeholders;
- c) In the absence of a national strategy, continue to use the London Design Standard;
- d) That all junctions would be reviewed for cycle – proofing when being worked on;
- e) To look at options around working with partners to develop a cycling education programme;
- f) To consider commissioning research into the long term health benefits of the pedalways scheme; and
- g) To bring the post implementation safety audits of any new highways projects to the relevant committee.

7. Revenue budget monitoring 2016-17 Period 2

The cabinet member for resources and business liaison presented the report.

RESOLVED to:

- a) note the financial position as at 31 May 2016 and the forecast outturn 2016/17; and,
- b) note additional unbudgeted grants awarded for 2016/17.

8. Revenue budget monitoring 2015-16 year end 2015-16

The cabinet member for resources and business liaison presented the report.

RESOLVED to note the revenue outturn 2015/16.

9. Capital budget monitoring 2015-16 – final outturn

The cabinet member for resources and business liaison presented the report.

RESOLVED to note the final outturn position of the 2015-16 housing and non-housing capital programme budgets

10. Award of contract for housing development at Goldsmith Street

The cabinet member for council housing presented the report.

RESOLVED to:

- a) award the contract for the development of 105 houses at Goldsmith Street to R G Carter, subject to council approving an increase in the overall project budget;
- b) recommend to council the increase in the non-housing capital budget as outlined in the report;
- c) delegate the decision to agree the final contract sum, subject to a maximum of the figures in the report, to the executive head of service for regeneration and development, in consultation with chief finance officer and the deputy leader and portfolio holder for council housing;
- d) approve the use of £817,233.12 of S106 commuted sums held for the purposes of providing affordable housing towards funding this project; and
- e) approve that rents for Passivhaus properties are set at 5% above formula rent to assist with the additional costs of developing such properties and reflecting the savings for tenants in energy bills.

11. Phone masts on council buildings

The leader of the council presented the report.

The head of city development services clarified that the rules limiting the placement of masts had never applied to data-carrying equipment other than that for mobile telephone signals.

RESOLVED to:

- a) Adopt a policy of allowing mobile phone masts on council land and buildings that are consistent with established precautionary measures and subject to:
 - i) 21 day public consultation to include all residents and businesses living or located within 50 metres of the proposal;
 - ii) applicants indemnifying the council and arranging independent checks and audits of their equipment;

- iii) application and checking costs to be borne by the applicant;
- iv) contracts making provision to terminate the contract if adverse health effects relating to masts are confirmed by future Government research;
- v) any consents including planning consents; and,
- b) delegate decisions on whether to allow mobile phone masts on council land and property to the executive head of regeneration and development in consultation with the portfolio holder for resources and business liaison, and local ward councillors.

12. Creation of a standing list of suppliers to deliver printing services to the council

The cabinet member for resources and business liaison presented the report.

RESOLVED to:

- a) approve the appointment of suppliers as detailed in the report to the contract standing list for a period of four years; and,
- b) approve the award of contracts to those suppliers as required for printing services for the council within agreed budgets.

13. Proposed Syrian refugee resettlement scheme

The cabinet member for council housing presented the report, explaining that work with other councils was ongoing, engaging and sharing information in a systematic fashion.

RESOLVED to:

- a) call on the Government to fully fund the Norfolk resettlement programme if it proceeds;
- b) agree, subject to further refinement of the costs, that Norwich City Council will contribute to the housing rent shortfall on an equal basis with all Norfolk's district councils up to a maximum of £30,857 over five years; and,
- c) delegate to the interim executive of neighbourhoods in consultation with the Deputy Leader and cabinet member for council housing, the final details of any scheme on the agreed basis.

14. Joint venture business plans

The leader of the council presented the report.

RESOLVED to approve the:

- a) NPS Norwich Limited business plan for 2016/17;
- b) Norwich Norse Building Limited business plan for 2016/17; and,
- c) Norwich Norse Environmental Limited business plan for 2016/17.

15. Norwich Regeneration Ltd – business plan 2016-17

The leader of the council presented the report.

RESOLVED to approve the business plan for:

- a) Norwich Regeneration Ltd. for 2016-17; and,
- b) the Norwich and Homes and Communities Agency (HCA) strategic partnership.

16. Exclusion of the public

RESOLVED to exclude the public from the meeting during consideration items *17 to *23 (below) on the grounds contained in the relevant paragraphs of Schedule 12A of the Local Government Act 1972 (as amended).

***17. Norwich Regeneration Ltd – business plan 2016-17**

The leader of the council presented the report.

The city growth and development manager clarified that 5% uplift on rents would apply to all homes built to the Passivhaus standard.

RESOLVED to note the exempt appendices regarding the business plan of Norwich Regeneration Ltd.

***18. Land development in south city centre**

The cabinet member for resources and business liaison presented the report.

RESOLVED to:

- a) not proceed with land development as proposed in the report; and,
- b) ask officers to bring back a report to a future meeting exploring further options for a way forward.

***19. Managing assets – approach to investment acquisitions**

The cabinet member for resources and business liaison presented the report. In response to a member's question, the leader of the council explained that there were criteria to be used when decisions regarding acquisitions were

made. The delegated authority would simply allow decisions to be made expeditiously meaning that the council would not miss out on strong investment opportunities.

RESOLVED to

- a) delegate authority to the executive head of service for regeneration and development, in consultation with the section 151 officer and the portfolio holder for resources, to invest in income generating assets and as informed by the criteria for selecting assets for investment outlined in the report; and,
- b) confirm that income generating assets may be purchased over a wider area than just the council's administrative area.

***20. Lease surrender**

The cabinet member for resources and business liaison presented the report.

RESOLVED to surrender the lease as detailed in the report, should due diligence prove positive.

***21. Working with the Norwich Preservation Trust**

The cabinet member for resources and business liaison presented the report.

RESOLVED to lease and transfer trusteeship of the properties identified in the report to the Norwich Preservation Trust in accordance with the terms set out subject to agreement of detailed terms.

***22. Managing assets**

The cabinet member for council housing and the cabinet member for environment and sustainable development presented the reports.

The senior development officer (enabling) explained that the sites would very much be two distinct areas which would be managed separately and have separate entrances.

RESOLVED to:

- a) approve the disposal of the freehold interest in the house described in section 22a of the report on the open market;
- b) approve the capital receipt from the disposal be reinvested in the housing capital program for improving, repairing and maintaining our housing stock or for enabling new affordable housing;

- c) approve the surrender and grant of a new long lease for the commercial property in the housing revenue account described in section 22a of the report;
- d) support the proposal for the development of a site in order to meet planning obligations as detailed in section 22b of the report;
- e) appropriate the relevant land for planning purposes; and
- f) To approve the land disposal via leasehold transfer and a new lease at Swanton Road as described within section 22b of the report.

***23. Grant of right to buy one for one receipts**

The cabinet member for resources and business liaison presented the report.

RESOLVED to agree to the award of £1,231,481 in retained right to buy one for one replacement receipts to registered providers to support the development of 52 new affordable dwellings as described in the report.

CHAIR

Report to Cabinet
14 September 2016
Report of Chief finance officer
Subject Four year financial sustainability plan

Item

5

Purpose

To propose for approval the draft financial sustainability plan incorporating the requirements of the four year efficiency plan and flexible use of capital receipts strategy.

Recommendations

To:

1. Recommend that the council pursues the offer of a four year funding settlement by publishing an efficiency plan by 14 October 2016 and sending a link thereto to the Department for Communities and Local Government; and
2. Review the draft financial sustainability plan covering the requirements of both the four year efficiency plan and flexible use of capital receipts strategy and recommend to council for approval.

Corporate and service priorities

The report helps to meet all the corporate priorities.

Financial implications

The government has offered local authorities the opportunity to achieve greater certainty and confidence in funding levels through the offer of a four year funding settlement for 2016-17 to 2019-20 subject to the submission of an “efficiency plan”. This draft financial sustainability plan sets out to meet the requirements of such an efficiency plan and includes indicative income increases, savings and anticipated cost pressures for 2017/18 to 2020/21 being addressed through the council’s transformation programme.

Ward/s: All wards

Cabinet member: Councillor Stonard – Resources and business liaison

Contact officers

Justine Hartley, chief finance officer

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Background documents

None

Report

Background

Four Year Efficiency Plan

1. The Local Government finance settlement for 2016-17 introduced the opportunity to achieve greater certainty and confidence in funding levels through the offer of a four year funding settlement for Local Authorities for 2016-17 to 2019-20 subject to the submission of an “efficiency plan”. This was followed by a letter in March 2016 to all Council leaders from Greg Clarke, Secretary of State for Communities and Local Government, setting out further details but stressing that he wanted the offer, and the production of an efficiency plan, to be as simple and straightforward as possible.
2. The offer is optional but the letter states that “Those councils that choose not to accept the offer, or do not qualify, will be subject to the existing yearly process for determining the local government finance settlement. Allocations could be subject to further reductions dependant on the fiscal climate and the need to make further savings to reduce the deficit.”
3. The Government has not issued detailed guidance on the contents of an efficiency plan but the Local Government Association have joined together with CIPFA to provide some top tips on what a plan should include.
4. The offer applies to funding from revenue support grant, transitional funding and rural services delivery grant. The council does not receive either of the latter grants but the figures set out in the finance settlement for revenue support grant are set out below.

Year	2016-17	2017-18	2018-19	2019-20
Indicative revenue support grant funding	£2,567k	£1,671k	£982k	£213k

5. Interest in accepting the offer will only be considered if a link to a published efficiency plan is received by 5pm on Friday 14th October.

Flexible use of capital receipts

6. In the Spending Review 2015, the Chancellor of the Exchequer announced that “to support local authorities to deliver more efficient and sustainable services, the government will allow local authorities to spend up to 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue cost of reform projects”. This flexibility is available for the financial years commencing 1st April 2016, 2017 and 2018.
7. For the relevant financial years local authorities are expected to prepare a flexible use of capital receipts strategy. The strategy does not need to be a separate document, and the requirement can be satisfied by including relevant documents within the annual budget documents, as part of a mid term financial plan, or as part of the efficiency plan that local authorities who sign up to the four year settlement deals are required to produce.

Draft financial sustainability plan

8. In response to these offers a draft Financial Sustainability plan has been prepared incorporating both the requirements of the four year efficiency plan and the flexible use of capital receipts strategy. This is attached as an annex to this report for cabinet to consider and recommend to council for approval.
9. The plan references:
 - a) the council's efficiency journey to date;
 - b) the council's visions, priorities and core values as set out in the corporate plan;
 - c) the medium term financial strategy and transformation programme;
 - d) the use of reserves including the council's policy to smooth the savings requirements across the four year period to implement savings in a more planned way, and the planned reduction in reserves down to a prudent minimum level to support this process;
 - e) the level of income from fees and charges generated and the increasing targets in the corporate plan to build on income generation to help to address the financial challenges faced;
 - f) the housing revenue account 30 year business plan and the challenges faced within that plan following recent changes in legislation with particular reference to the impact of the 1% reduction in social rents for 4 years and the anticipated determination to be funded by the sale of higher value properties as they become empty;
 - g) the planned use of capital receipts. Around £1.6m of capital receipts are anticipated in 2016/17, however, these are already fully committed to the capital programme. With a desire to retain income generating assets within the portfolio to maximise income levels, there is little scope for application of capital receipts to the cost of reform and so no projects are planned to be funded in this way for 2016/17; and
 - h) the council's approach to working with partners and the community.

Recommendation

10. Cabinet is asked to:
 - a) Recommend that the council pursues the offer of a four year funding settlement by publishing an efficiency plan by 14 October 2016 and sending a link thereto to the Department for Communities and Local Government; and
 - b) Review the draft financial sustainability plan covering the requirements of both the four year efficiency plan and flexible use of capital receipts strategy and recommend to council for approval.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	
Head of service:	Chief Finance Officer
Report subject:	Financial sustainability plan
Date assessed:	30/08/16
Description:	This is the integrated impact assessment for the draft four year financial sustainability plan 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 recommendations of the report will secure continuing value for money in the provision of services to council tax payers and other residents of the city
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	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"/>	Provision has been made for risk within the prudent minimum level of general fund reserves

Recommendations from impact assessment	
Positive	
None	
Negative	
None	
Neutral	
None	
Issues	
The council will need to continually monitor its anticipated future funding levels and its success in achieving cost reductions and income generation targets to ensure it can deliver to a balanced budget each year.	

Norwich City Council: Four year financial sustainability plan 2017/18 to 2020/21

Background

Norwich is an innovative, creative city with big ambition for both the place and the people who live here. The fastest growing economy in the east of England, it is home to the headquarters of 50 major companies, is in the top shopping destinations in the country and is the regional cultural capital. Norwich has been a success story for almost 1,000 years. It is a modern city with a historic heart. It is vibrant and growing fast. Its economic, social, cultural and environmental influence is out of proportion to its size, and extends far beyond its boundary. Norwich's importance to the people of Norfolk and the wider region is clear.

Yet in sharp contrast to this outward economic prosperity, Norwich has a low-wage economy and high levels of deprivation. While the city has many positive aspects, it also has many of the severe issues that urban city centres can experience, poor educational attainment, poor health, and above average crime and antisocial behaviour, although this is reducing. The city council is responsible for approximately 60% of the urban area of the city, including the historic city centre, covering a population of approximately 137,400 people. Key data for the city is summarised in the State of Norwich report available here [\[Link to be inserted\]](#).

The council faces severe financial difficulties over the next four years as reflected in its medium term financial strategy. This results from government reductions in the council's revenue support grant and increasing cost pressures. The council's housing revenue account is equally challenged as a result of the effects of the enforced 1% annual rent reduction for four years considerably reducing the rental income available to spend on housing repairs and improvements in the future. In addition, there are a range of uncertainties which are likely to affect the council's budgets in the years to come. The results of the government's consultation on new homes bonus, the determination on how the government proposes that councils with retained housing stock will cover the cost of 'Right to Buy' of registered housing providers and the impact of business rates appeals and the retention of business rates generally.

The council's efficiency journey in recent years

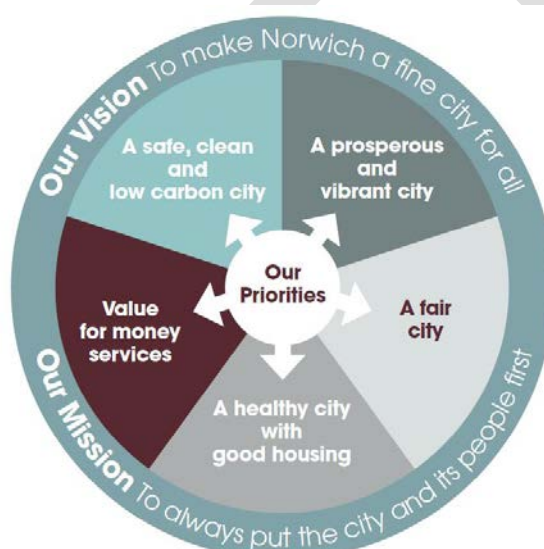
Norwich city council has been on a journey of continuous improvement in recent years delivering significant efficiency savings and winning numerous awards along the way. Measures have included lean systems reviews, smart procurement and reconfiguring services in addition to investing in new website design to make on line services easier to access and pursuing initiatives to increase income to the council such as building a new car park. Through these measures the council has delivered approximately £27m of recurring revenue savings over the last 6 years. It won the gold award for 'Council of the Year' in the Improvement and Efficiency Awards 2014 and the 'Most Improved Council Award' in the Local Government Chronicle (LGC)

awards 2014. It was also a finalist in the Municipal Journal's 'Best Achieving Council' award 2015 and in the LGC 'Council of the Year' award 2016.

However, the Council has reached the point where the potential for reconfiguration of services is increasingly limited and a redesign of the council is necessary. With the resources available to the council in future, it will not be able to meet the aspirations of the corporate plan and new priorities need to be set that can be delivered within the reduced resources available.

The Council's vision, priorities and core values

The council's current corporate plan sets out the council's vision and mission and its priorities. It also sets out the actions to be taken to meet those priorities alongside how success in achieving priorities will be measured. The corporate plan is available here [Link to be inserted] and the vision, mission and priorities are summarised below.



On 23rd Feb 2016 the leader of the council announced that a review of the corporate plan would be undertaken to consider the need to reflect any changes in national financing arrangements to both general and housing revenue funds. This was followed by agreement from cabinet on 8th June 2016 to the initiation of a process to:

- a) Work with partners in the public, private, voluntary and community sectors to develop a new city vision
- b) Develop a revised corporate plan, priorities and performance measures which reflects the council's part in supporting that vision
- c) Determine a new blue print or operating model to guide how the council works in future which reflects available resources

This work is currently underway.

The medium term financial strategy and transformation programme

The council's medium term financial strategy (MTFS) reflects the latest projections of anticipated income and spend and sets savings targets to be achieved by the council

for the next 5 years. The MTFS is published annually with the budget papers and the latest published MTFS up to 2021/22 was approved by council on 23rd Feb 2016 and is available here [Link to be inserted]. The MTFS sets a net savings requirement for the council of £2.3m pa for the next 4 years reducing to £1.1m in 2021/22.

The council's transformation programme considers the required net savings to deliver a balanced budget for the council and brings together increasing cost pressures, increases in income generation and planned savings to produce a set of proposals to meet the budget challenge. The transformation programme for 2016/17 was approved by Council on 23rd Feb 2016 as part of the budget papers. The transformation programme for 2017/18 to 2021/22 is summarised at appendix 1.

Significant uncertainty remains around a number of funding streams. In particular, we are still awaiting outcomes following the consultation on the future of the New Homes Bonus grant. And the move to the retention of 100% of business rates by local government by 2020 will bring changes to that stream of funding. Currently the council collects nearly £80m in business rates each year but only keeps around £5m of this for its own use, and whilst growth in business rates has been seen this has been eroded by appeals, moves to the central list and from properties changing use that have meant the council has not achieved its baseline funding levels from business rates in either 2015/16 or 2014/15. The transformation programme is therefore, by necessity, a flexible programme which needs to adjust to funding challenges as they arise.

The key themes from the transformation programme are set out below:

- Maximising income generation where possible whilst taking into account the ability to pay
- Maximising returns from assets, particularly the council's commercial portfolio and investing for further return
- Review of the customer contact model and service standards including moving to more digital engagement following the recent launch of the council's new website
- Review of neighbourhoods and enforcement functions including achieving efficiencies through more streamlined enforcement functions and encouraging active participation in neighbourhoods by residents
- Working with partners to maximise income and reduce costs including through shared services
- Organisational review and work styles, which has commenced with the recent review of the senior management structure
- Review of support services and overheads to minimise support costs and protect front line services wherever possible; and
- Reductions in service levels and / or stopping of services including a review of the balance between spend on statutory and discretionary services, and the priorities in the corporate plan.

Use of reserves

The council had general reserves of £12.1m at the 1st April 2016. The council has adopted a policy of using reserves to smooth the savings required across a number

of years to enable a more planned approach to the delivery of savings through the transformation programme. In line with this policy, the MTFS assumes that reserves will reduce significantly over the next 5 years to just over £5m. The council sets a prudent minimum level of reserves as part of budget setting each year which is designed to be sufficient to meet unforeseen circumstances that may arise. This prudent minimum level of reserves currently stands at £4.3m. The MTFS forecast reduction in reserves and the anticipated level of reserves compared to the prudent minimum level are shown in Appendix 2.

Government funding and the four year offer

On 10th March 2016 the secretary of state for communities and local government wrote to all council leaders offering a four year settlement subject to publication of an efficiency plan. The funding streams included within this settlement offer are revenue support grant (RSG), rural services delivery grant and transitional grant. The council does not receive either of the latter two grants but revenue support grant amounts as per the indicative 4 year allocations are set out below:

Year	2016-17	2017-18	2018-19	2019-20
Indicative RSG funding	£2,567k	£1,671k	£982k	£213k

No revenue support grant is expected beyond 2019-20.

These reductions in government funding will be very challenging to address given the level of savings already delivered in recent years, but the council welcomes the certainty of funding offered which will enable the transformation programme to progress in a more planned way over the next 4 years without having to respond to annual changes in government formula funding.

Achieving financial self sufficiency

Wherever possible the council is seeking to generate new streams of income to avoid cuts to services. Recent examples of this include a new car park which has just opened in the city, and the setup of a housing development company to provide high quality homes within the city whilst at the same time providing an income stream for the council. The council is also looking at a range of other income options and its current income streams to ensure income generation opportunities are maximised.

The council's corporate plan sets the following targets for income from fees and charges as a % of spend:

2015-16 43.2%
 2016-17 44.2%
 2017-18 45.2%

For 2015-16 the council exceeded its target with income from fees and charges representing 47.6% of spend. These income targets exclude income from council tax

and business rates and funding from grants. Total projected income, excluding funding from grants, is forecast to total £41.1m by 2020 as set out below.

Source of funding (2020)	Anticipated funding level £k
Business rates	5,610
Council tax	8,765
Fees and charges	26,791
Total	41,166

The housing revenue account (HRA)

Whilst the MTFS covers the general fund budget, the HRA has a separate business plan which covers both its revenue and capital spend over a 30 year period. The latest business plan was approved by council on 23rd February 2016 and is available here [Link to be inserted]. Following the 1% annual rent reduction for social rents for four years from 2016 set out in the Welfare Reform and Work Act 2016, and the anticipated determination required to be paid in future introduced in the Housing and Planning Act 2016 to fund right to buy sales by registered providers, the HRA is like the general fund under significant financial pressure. Some £7m per year has been removed from the HRA business plan already as a result of the 1% rent reduction, mainly through reduced costs of maintenance. Further efficiencies in spend are being sought in HRA services to prepare for the payment of the determination. The transformation programme themes therefore covers both general fund and HRA funded services.

Use of capital receipts

In the spending review 2015 the chancellor of the exchequer announced that ‘to support local authorities to deliver more efficient and sustainable services, the government will allow local authorities to spend up to 100% of their fixed asset receipts (excluding Right to Buy Receipts) on the revenue costs of reform projects.

The Council has a range of assets which it holds of which the most significant are its housing stock and investment properties. The housing stock sits within the housing revenue account (HRA) which is a ring fenced account and capital receipts from this could only be used for efficiency projects within Housing. The stock of investment properties require ongoing maintenance and investment to maintain income streams and these costs are already funded from capital receipts. Spend on essential works to other assets is also funded from capital receipts and with a desire to keep assets within the portfolio which have good revenue returns the availability of further capital receipts to fund the revenue costs of reform is limited. For 2016-17 the council is anticipating £1.6m in funding from capital receipts but these are fully committed to the capital programme. The council is not therefore planning to fund any costs of reform from capital receipts.

Working with partners

The council recognises that to achieve the best for Norwich with decreasing resources it needs to work collaboratively with public, private and voluntary sector organisations. In particular, the Council has partnered with its neighbours Broadland District Council, South Norfolk Council and Norfolk County Council to form the Greater Norwich Growth Board producing a Joint Core Strategy for the Greater Norwich area. It has set up Joint Ventures with the Norse group for the provision of property and environmental services, managing its commercial portfolio and maintaining and enhancing its housing stock. It has partnered with LGSS via Cambridgeshire and Northamptonshire County Councils for the provision of services including finance and IT. And it has partnered with other local councils across Norfolk and East Anglia on services such as legal services, building control, etc, and works with the county council, local health and police services.

Of course, it is not just the city council that is facing diminishing resources, the County council, probation service, police, clinical commissioning groups and NHS trusts are all under pressure. The same is also true for voluntary and community organisations, with whom we collaborate and from whom we commission services. It is unclear how these varying pressures will impact collectively on the people of Norwich. The approach we have taken across voluntary and statutory partners is to identify areas of common concern and where we can have a positive impact upon shared priorities, whilst recognising each organisation has its own sets of priorities.

The council's operating model, focussing particularly on the delivery of front line services, needs to continue to evolve with greater transformational change. Using and integrating the principles of the council's neighbourhood working model – reducing duplication, greater collaboration with partners, developing the role of residents, demand management and behaviour change – a number of approaches are being developed, often testing and piloting these to understand their effectiveness that will contribute to the council's financial sustainability. The following are some examples of where the council work in partnership to deliver services.

Early help

Working with Norfolk Childrens Services, Norfolk Constabulary and Norwich CCG to deliver an Early Help Hub that provides partners with a space to collaborate, consult with one another, problem solve and share information to make sure families and residents in need of help, receive the most appropriate and effective support as soon as possible. The objective is to provide help where it is required early to reduce delay and duplication and reduce the need for higher cost interventions.

Where early help fails to make a difference, issues will be escalated swiftly to the correct service or specialist team who can provide an intervention. This might include the joint council and police operational partnership team that focusses on risk based ASB interventions or the council's Families Unit that supports families with multiple and complex needs enabling them to maintain their tenancies, manage their homes and their children effectively within their communities and move towards social inclusion.

Collaboration with the voluntary sector

With Norwich facing significant deprivation issues, the corporate priority of *a fair city*, sets out to reduce the social, financial and economic inequality that occurs in some communities.

The provision of free to access advice services is an important part of the council's response to these often deep and entrenched needs. Using a needs assessment to scope the service requirements, and using the council's commissioning framework that sets out to secure value for money through better relationships with public, private and voluntary organisations, a consortium of voluntary organisations comprising Norfolk Community Law Service, Age UK Norwich, Shelter, Mancroft Advice Project (MAP), and Equal Lives, are delivering a variety of debt management, financial capability and income maximisation services specified.

Using this approach allows providers to develop the interventions based on their own expertise and knowledge of clients rather than the council prescribing activity and risk losing the innovation available in the sector as well as helping to deliver a flexible, effective and sustainable advice sector in the city.

This collaboration is being developed further with an area based approach being tested in one part of the city to reduce the issues of inequality. This project is taking a preventative approach to improving the health and wellbeing of residents in Lakenham, with a focus on those on low incomes and/or suffering the poorest health.

The programme is delivering coordinated action by the council, partners including the GP surgery, Childrens Centre, CAB, schools, Norse commercial services and the community with the aim of trialling new ways of working to join up local services and engage and build resilience within the local community

Community enabling and active communities

Norwich has a long history of community led activity and there are opportunities for the council to support and enable local residents to be more self-sufficient. This will allow the council to focus its reducing resources on those more vulnerable residents who really need help.

Working through an asset based approach and in partnership with existing voluntary and community sector organisations, the council will encourage greater self-service amongst citizens and residents to be more involved in the life of their neighbourhood dealing with local challenges by the community themselves.

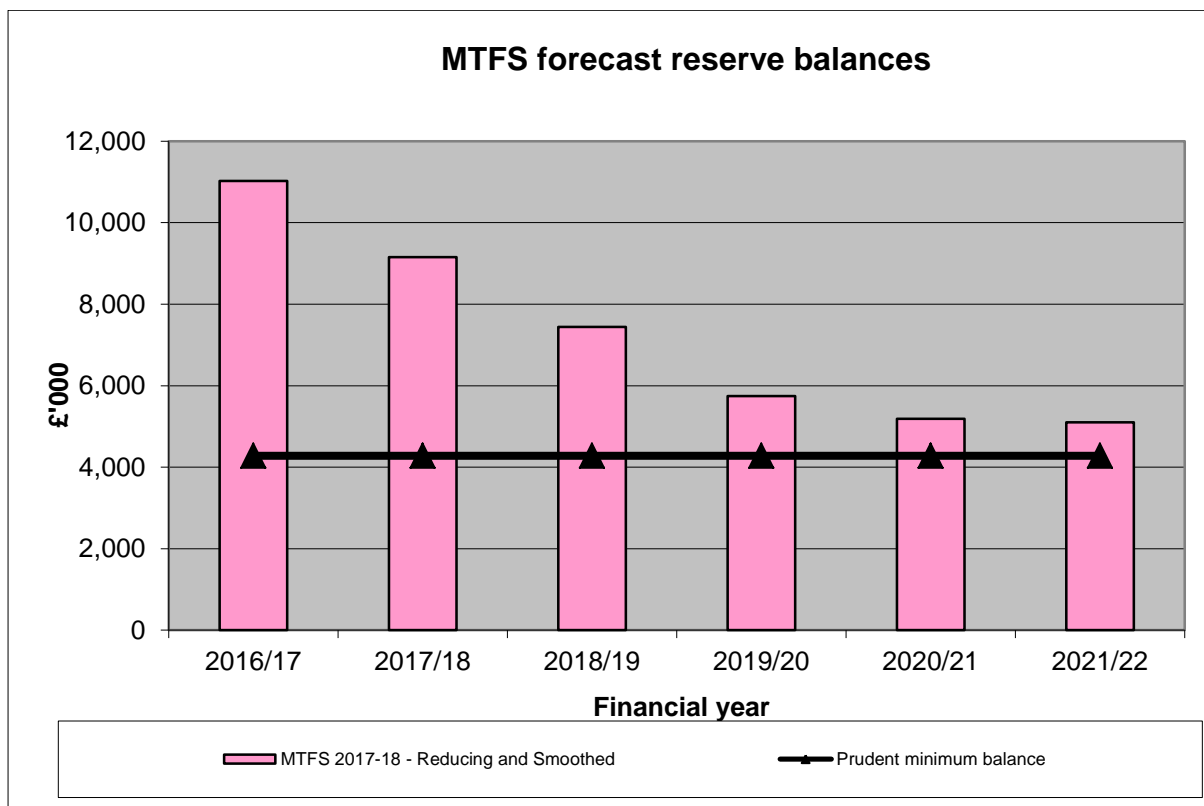
If successful and residents are more active with increased skills, confidence and aspiration, there is the potential to develop the social value of the council's procurement by stimulating social and community enterprises to deliver certain council contracts that provide local employment and value for money service delivery.

Appendix 1: Transformation programme indicative income increases, savings and cost pressures 2017/18 to 2020/21

	2017/18	2018/19	2019/20	2020/21
Income generation	£961k	£848k	£471k	£577k
Maximising returns from assets	£75k	£192k	£369k	£150k
Customer contact model and service standards	£315k	£315k	£315k	£315k
Neighbourhoods and enforcement	£200k	£440k	£226k	£200k
Working with partners and shared services	£670k	£205k	£205k	£532k
Organisational review and work styles	£98k	£48k	£85k	£50k
Review of support services and overheads	£343k	£132k	£107k	£193k
Reductions in service levels and / or stopping of services including a review of the balance between spend on statutory and discretionary services, and the priorities in the corporate plan	£297k	£885k	£1,287k	£1,048k
Less: Cost pressures	£(644)k	£(750)k	£(750)k	£(750)k
TOTAL	£2,315k	£2,315k	£2,315k	£2,315k

We will use our best endeavours to focus on income generation, efficiencies through remodelling of services, and reducing cost pressures wherever possible, but inevitably will have to consider reductions in services levels and stopping of services to meet the level of savings required. Detailed savings proposals will continue to be presented to the Council for agreement on an annual basis.

Appendix 2: MTFS forecast general reserve balances 2016/17 to 2020/21



Report to Cabinet
14 September 2016
Report of Director of business services
Subject Procurement strategy 2016 - 2020

Item

6

Purpose

To consider the *Procurement strategy* for the period 2016 to 2020

Recommendation

To approve the new procurement strategy for 2016-2020.

Corporate and service priorities

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

Financial implications

None

Ward/s: All Wards

Cabinet member: Councillor Stonard - Resources and income generation

Contact officers

Tracy Woods, business relationship and procurement manager 01603 212140

Anton Bull, director of business services 01603 212326

Background documents

None

Report

1. In early 2015 the procurement team underwent a restructure which changed the management reporting line to the business relationship manager, Tracy Woods.
2. Also in that year the Public Contract Regulations 2015 came into force; these implement the 2014 EU Public Sector Procurement Directive and some reforms, recommended by Lord Young of Graffham. They aim to make public procurement more accessible to small businesses.
3. During the last twelve months all the processes and procedures that give guidance and govern the procurement of goods and services in the council have been reviewed to ensure they are comprehensive, fit for purpose and legislatively compliant.
4. The Procurement Strategy is one of the documents reviewed. See Appendix A for the full document.
5. The first Procurement Strategy was published in 2007 and was subsequently updated in 2010 and 2012, therefore was in need of being brought up-to-date; to ensure it:
 - a) aligns with our current corporate priorities;
 - b) contributes to the transformation and savings program; and,
 - c) continues to build on maximising benefits from relationships that have been established, ensuring that our partners and joint venture companies, such as NPS Norwich Ltd deliver to this strategy.
6. This strategy has been reviewed by Justine Hartley, chief finance officer, and Councillor Stonnard, portfolio holder for resources and income generation.
7. It clearly states ten key procurement objectives which cover
 - a) processes and procedures
 - a) a focus on strategic procurement
 - b) incorporating social value objectives
 - c) governance to rules and regulations
 - d) enhancing the councils reputation
 - e) achieving and evidencing value for money
 - f) developing procurement skills
 - g) utilising e-commerce to achieve efficiencies
 - h) developing procurement

- i) a focus on performance management

8. Once approved the next steps will be to:

- a) publish this strategy on our website
- b) develop an action plan to deliver on these strategic objectives, working with cross cutting service area teams where appropriate
- c) launch a revised procurement citynet page, publishing all the revised procurement documents; Procurement Strategy, Contract Procedures, Procurement Guide and Contract Management Framework
- d) communicate and train relevant officers and
- e) discuss with our partners their contribution to these objectives and revised procedures to be followed.

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:	14-9-2016
Director:	Director of business services
Report subject:	Procurement Strategy 2016 - 2020
Date assessed:	10-8-16
Description:	Procurement strategy for the period 2016 to 2020

	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"/>	Achieve and evidence value for money in all procurement arrangements, capture and record the benefits achieved, benchmark against peers. is a key objective of the strategy
Other departments and services e.g. office facilities, customer contact	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	All procured services across the directorates will be impacted by the key objectives in this corporate procurement strategy
ICT services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	All procured services across the directorates will be impacted by the key objectives in this corporate procurement strategy
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Working ethically and incorporating sustainability priorities including, local economic development, environmental, equality and diversity and other social value objectives throughout procurement activities is a key objective of the strategy
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Working ethically and incorporating sustainability priorities including, local economic development, environmental, equality and diversity and other social value objectives throughout procurement activities is a key objective of the strategy
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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Working ethically and incorporating sustainability priorities including, local economic development, environmental, equality and diversity and other social value objectives throughout procurement activities is a key objective of the strategy
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"/>	Ensure all procurement activity is governed and complies with contract procedure rules and statutory regulations is a key objective of the strategy. A robust procurement procedure mitigates risk of costly challenge and regular performance management of contracts reduces risk of standards falling.
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Recommendations from impact assessment
Positive
Strategy is an overarching corporate view of procurement of goods and services for ourselves and partners, incorporating corporate priorities for value for money, also a prosperous, vibrant and fair city
Negative
Neutral
Issues



Procurement Strategy 2016 - 2020

September 2016 v1.0

Contents

Foreword	Error! Bookmark not defined.
Executive Summary	4
1.0 Introduction	6
2.0 Procurement Strategy	6
3.0 Resources	8
4.0 Governance, compliance & accountability	8
5.0 Value for money	9
6.0 Risk management	10
7.0 Our Objectives and what we will do	10
8.0 Summary	12

Foreword by Councillor Mike Stonard

Portfolio holder for resources and business liaison



This strategy sees an incremental change to our vision for procurement as we have now established good procurement practice across the council. Systems and processes are now firmly in place to ensure that contracts are let that deliver value for money and are legislatively robust to minimise costly challenge.

The council's commissioning strategy provides the framework within which this procurement strategy sits.

The previous strategies focussed on systems, process and procedure and key principles. This strategy will continue to build on maximising benefits from relationships that have been established, ensuring that our partners and joint venture companies, such as NPS Norwich Ltd deliver to this strategy.

Service areas inform the specifications and evaluation to ensure that the suppliers will deliver the required services, involving service users where appropriate.

The council has a number of contracts and monitors performance to ensure that they deliver. The strategic aim continues to be to ensure that contract management is consistent across the council and that all social, environmental and economic factors are measured and monitored as part of contract management. Good relationships with suppliers will see continuous improvement encouraged through strong performance management and creating an environment where either party can promote changes to reduce costs and improve service delivery for the customer.

We will continue to use our procurement spend to create opportunities for employment through requiring apprenticeships. We also work with local businesses to make sure they are aware of our tenders and also how to complete the application in the best way. Our contracts require the payment of a living wage.

This procurement strategy will support the council to ensure that every pound spent on bought in goods, services or works delivers value for money and contributes towards achieving our wider social, economic and environmental objectives.

Executive Summary

1. This strategy sets out proposals for the continued development of procurement by Norwich City Council over the next four years to meet the following vision:

“To procure goods, services and works by the most efficient, transparent, ethical and sustainable means, ensuring accountability, achieving value for money and deriving maximum benefit to support the Corporate Plan”.

2. The council is aware of the continued need for improvement, particularly in terms of supporting its corporate priorities, reducing costs in line with budgetary restrictions and adding social, economic and environmental value through its procurement activities.
3. To deliver this vision we have identified ten main objectives which are set out in this strategy and these will form the basis against which all future activities will be planned.
4. We recognise opportunities to improve service provision through better commercial contracting arrangements whilst upholding the core values of the council, to support the local economy, to procure from sustainable sources and to ensure that equality and diversity are fully considered in our evaluation of options.
5. Governance arrangements and reporting structures have been well established through the revised Contract Procedures and are embedded in the day to day procurement activities of the council.
6. Monitoring of all existing ‘platinum’ and ‘gold’ contracts (as defined in the Business Relationship and Contract Management Strategy and Guide) is essential and should be used as an opportunity to discuss performance with existing suppliers and contract managers with the objective of revealing opportunities to examine the competitiveness of each agreement.
7. The existing centralised procurement resource was reviewed in 2015/2016 and re-structured. It will continue to support service areas to procure their requirements whilst applying a level of corporate governance and acting as the point of first contact for procurement related matters.
8. The council will continue to work collaboratively with other organisations to investigate shared services models, where it is more efficient and effective to do so, in line with the design principles agreed in the Changing Pace operating model. As part of this collaboration benchmarking against other organisations will be encouraged.
9. Pursuing best practice in procurement is important and we are involved in a range of initiatives that require further development to contribute to the quality of the procurement service. We will work collaboratively with others both inside and outside the organisation and actively share learning and best practice.

10. The policies and procedures for contracting have been reviewed and simplified and are being applied more consistently across the council.
11. An electronic e-tendering system has been adopted and implemented and will be further developed. Early indications are that the system adds a whole new level of transparency for procurement opportunities offered by the council whilst saving both the council and its supplier's time and resources associated with publishing and submitting tenders and quotes.
12. Procurement guidance and early involvement in projects above the competitive tendering threshold values is embedded within the council and reduces the burden of chasing compliance at a later date. Continued involvement of the council's qualified procurement staff in all the stages of letting and renewing contracts (eg market warming exercises, preparing tender documentation, advertising, evaluations, awards, debriefing etc) will help to eliminate irregular practices and minimise the risk of challenge. The procurement team will be focused on supporting services areas and providing the required level of guidance throughout the process.
13. The existing Oracle purchase to pay system provides a level of automated purchase ordering for the whole council and this is an important feature of control. However, it has limited flexibility, is relatively labour intensive and does not readily offer some of the more advanced beneficial compatibility, user friendly and intuitive features of other systems that are now available on the market. The council is reviewing a potential upgrade or change of system to improve functionality and realise the associated benefits. This will require investment along with considerable staff time, effort and training. The whole system is more comprehensive than just being a procurement tool as it is the basic platform on which all financials either run on or interface with.
14. This strategy needs to be discussed, defined and publicised and all key stakeholders will be involved in agreeing the objectives and understanding their responsibilities. Once established, progress against the strategy will be reported against an action plan (details/priorities of that plan are to be determined by the business management group). Measurement should include the assessment of savings and efficiencies, but this must be carefully positioned so that it also takes into consideration the council's corporate social responsibility and the need to provide social value through procurement.

1.0 Introduction

Definition of sustainable procurement:

‘a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment’¹

Whole life is the period from the initial definition of the business need through to the end of the useful life of the asset or service contract, including disposal where relevant. Procurement has a far wider scope than “purchasing” or “buying”. It is about securing services and products that best meet the needs of users and the local community in its widest sense.

- 1.2. The purpose of this procurement strategy is to develop and share our approach to procurement and to enhance the adoption of best practice, including the coordination and governance of the function to ensure compliance with regulations and increase levels of efficiency and value for money. Continuing to take a more strategic approach through the support for service areas will provide opportunities to further develop efficiencies and generate savings. The whole council will contribute to and benefit from the improvements obtained.
- 1.3. Increasing pressures on budgets and the search for future efficiencies makes procurement activity a vital factor in the successful delivery of services. The council recognises that it should identify and adopt best practice to maximise the benefits available from all its commercial arrangements. Improvements are expected to lead to continued cashable financial savings, operational efficiency gains and wider benefits.
- 1.4. Support for procurement projects needs to be proactive to accommodate local and national initiatives. It must be capable of dealing with continually changing markets by researching and obtaining the most favourable arrangements.
- 1.5. This Procurement Strategy will be reviewed annually in the light of council priorities, the regulatory and commercial landscape and stakeholder needs. An action plan will be developed to implement this strategy and progress will be reported to the portfolio holder.

2.0 Procurement Strategy

- 2.1 Public bodies achieve their objectives through a variety of routes, either by carrying out activities directly or by working with external parties in the public, private, voluntary and community sectors. The particular route of working with external parties is described as ‘commissioning’.

¹ *Procuring the Future – June 2006 Department for Environment, Food and Rural Affairs*

- 2.2 Commissioning is the entire cycle of assessing the needs of people in a local area, designing services to address those needs and securing a cost-effective service in order to deliver better outcomes.
- 2.3 The corporate commissioning strategy can be found in the publication Commissioning Framework 2014. The Commissioning Framework specifies procurement, along with grants, grant aid and grants in kind as methods of externally sourcing the council's requirements.
- 2.4 The framework describes procurement as buying in services through a contractual relationship, and seeking to secure specific goods, works or services from third party suppliers which will meet the council's defined outcomes without specifying available resources.
- 2.5 Strategic procurement relies on the coordination and oversight of all procurement activities being managed within a professional discipline. The council requires sufficient visibility and control of procurement to be able to take decisions based on expert advice and guidance backed by market intelligence and research. The corporate procurement team needs to be influential and proactive so that it can coordinate all procurement across the whole council.
- 2.6 Procurement strategy must be aligned with the council's vision, mission, priorities and core values, whilst also taking into consideration the recommendations of the Local Government Association [National Procurement Strategy](#) (2014). Recognising the priorities within council policies is also necessary to ensure that the strategy is relevant to local circumstances and accurately reflects the key themes of the council. All decision making processes should encourage long-term thinking and commitment to strategic procurement issues.
- 2.7 Strategic procurement must include innovative ways of securing goods, works and services that best meet the needs of users and the local community in its widest sense. Strategic procurement is concerned with the end-to-end process, not simply the transaction of buying. It involves understanding the council as an integral part of the supply chain, not just a buyer of goods and services. It involves an appraisal of all viable supply options in order to assess the best value for money for stakeholders, identifying the solution that offers the optimum combination of whole life costs and benefits to meet customer requirements and manage the performance of contractors to deliver the identified outcomes.
- 2.8 Procurement involves considering options and making informed choices. To be most effective early engagement with end users is essential so that standards and service requirements can be discussed and determined. The selection of compliant procurement routes and relevant evaluation criteria will assist in making the most of market opportunities and matching user requirements.
- 2.9 Significant projects will be progressed through business cases and review stages and input from corporate procurement is essential to guide these processes. Option appraisals should be provided for consideration/approval and supporting evidence on service definition, risk assessment, shared services opportunities

and market intelligence is also required. A compliant procurement route will be selected as part of the approval process and detailed planning and programmes will be developed.

3.0 Resources

- 3.1 The procurement team will be responsible for leading and supporting service areas conducting procurement activities, along with setting policies and standards. The scope and remit of this leadership and support can be found in the corporate 'Business relationship and democracy service plan'.
- 3.2 The procurement team will also be responsible for monitoring and supporting contract managers with the implementation and application of the Business Relationship and Contract Management Strategy.
- 3.3 Delivering strategic procurement requires skilled and experienced officers who are able to provide advice and guidance on all aspects of procurement and who have knowledge and expertise of how to apply best practice in obtaining value for money. The council has recognised this requirement and invested in training members of the procurement team to an appropriate level. If vacancies in the team occur, then replacement staff will also need to be trained to an appropriate level.
- 3.4 Due to the limited resources available for the procurement team it will need to continue to work with other organisations to share opportunities and identify best practice in order to keep costs to a minimum. These organisations include: Crown Commercial Services, ESPO, Procurement for Housing, Norfolk County Council, other district councils and the East of England LGA.

4.0 Governance, compliance & accountability

- 4.1 All procurement activities must be conducted in compliance with the council's Contract Procedures and the Public Contracts Regulations 2015. Effective application of procurement across the council will continue to be delivered through the active participation and compliance of all those who control budgets and authorise expenditure as well as those with appropriate technical expertise/service experience.
- 4.2 The activities of the procurement team will be monitored at corporate leadership team level by the Director of business services and at council member level by the portfolio holder for resources and business liaison.
- 4.3 Processes are in place for any exemptions to contract procedures to cater for exceptional circumstances to be reviewed and approved where appropriate by the business relationship and procurement manager and chief finance officer (s151 officer).

- 4.4 The nplaw legal advice team and the monitoring officer will be engaged where appropriate in cases where legal and constitutional advice is required.
- 4.5 The approval routes and scheme of delegation are specified in the corporate Financial Procedures.
- 4.6 Once contracts or other procurement arrangements are in place, the council will ensure ongoing compliance with application of the Business Relationship and Contract Management Strategy. Performance monitoring against key performance indicators (preferably on an automated system) is an essential function to ensure that value for money evidence is being captured. The ongoing working relationship between the procurement team, contract managers and suppliers is vital to ensure successful delivery and development of the contract.
- 4.7 In most circumstances the evidence required to prove value for money can be obtained through competition. The regulations surrounding procurement are intended to promote 'transparent and fair' competitions and the way in which the council is obliged to advertise its requirements and conduct procurement is prescribed by law and its own contract procedures. The council has a duty to ensure that all procurement activities are properly managed and have appropriate measures in place to meet this obligation. Advice and guidance on compliance is available from the procurement team and an appropriate level of support will be provided for all forms of expenditure.

5.0 Value for money

- 5.1 The council's drive to achieve value for money services will be linked to the government's efficiency agenda and the council's Medium Term Financial Strategy. These initiatives call for on-going cashable savings to be achieved in part through effective procurement leading to overall cost reductions. The council will analyse its expenditure and target opportunities to save money, rationalise the supplier base, increase competition and enter joint contracts with other public bodies where benefits are achievable.
- 5.2 Obtaining "value for money" means choosing the bid that offers "the optimum combination of whole life costs and benefits to meet the customer's requirement". This does not necessarily mean selecting the lowest initial price option and the evaluation of quality and the ongoing revenue/resource costs require thorough assessment as well as the initial capital investment. The term 'quality' includes social, environmental and economic benefits realised through a contract as well as the standard of the goods, works or services procured. The council needs to apply value for money principles in making all procurement decisions. Value is often confused with lowest price, however, throughout the contracting process, value for money requires a balance of quality and price to be considered. In this context price should take into account the whole life cost of the provision as far as is practicable.
- 5.3 Achieving value for money also requires challenging the need for the procurement and the way in which the service may be configured to achieve

improvements in service delivery and value. Managing demand at the initial stages is a key to reducing costs.

6.0 Risk management

Risk management is an integral part of the procurement process and is, to a varying degree, present in all procurement activity. Any risks will be identified, assessed and managed accordingly, by the service areas involved, at an early stage of the procurement process. These risks may be financial, commercial, operational, environmental, economic, social or even reputational. Where necessary risks will be shared with stakeholders and opinions sought so that all decisions relating to procurement will be taken in the light of all the details.

7.0 Our objectives and what we will do

- 7.1 Streamline processes and procedures and adopt innovative practice where appropriate to support the council's wider aims and objectives through effective use of financial resources.

- Review processes and systems
- Assess resources against requirements
- Norwich City Council to share its good practice
- Seek good practice from other organisations and share ideas

- 7.2 Provide a corporate led focus on strategic procurement, supporting service areas to achieve optimum outcomes from contracted services.

- Gather service area forward procurement plans
- Allocate resources against requirements and potential risks and plan activity

- 7.3 Work ethically and incorporate sustainability priorities including, local economic development, environmental, equality and diversity and other social value objectives throughout procurement activities.

- Identify categories of expenditure of significant risk or opportunity
- Support service areas in identifying potential for securing social value through procurement
- Ensure that where appropriate procured goods and services include sustainability criteria in their selection, eg carbon emissions, apprenticeships,
- Assess the advertising of opportunities to address any potential accessibility issues for local relevant organisations irrespective of sector.

7.4 Ensure all procurement activity is governed and complies with contract procedure rules and statutory regulations.

- Maintain up to date knowledge of legislation and be aware of upcoming changes and their impact
- Review contract procedure rules annually ensuring that they are both current and fit for purpose
- Provide guidance and updated materials as required

7.5 Enhance the reputation of the council with its partners and suppliers through professional supply chain management and communication.

- Develop and implement a local supplier engagement plan
- Undertake pre-market engagement where appropriate to gain market intelligence and 'warm' market where necessary
- Review supplier accessibility and ease of use of systems
- Ensure that requirements are bundled into lots appropriately
- Ensure that relevant requirements are cascaded through the supply chain, including prompt payment, equalities and ethical practices.

7.6 Achieve and evidence value for money in all procurement arrangements, capture and record the benefits achieved, benchmark against peers.

- Develop key procurement indicators and share with peers
- Undertake an annual review of expenditure to identify potential savings opportunities
- Embed robust mechanisms for capturing savings and other benefits
- Record and report achievements

7.7 Develop procurement skills and provide guidance, support and training for all service area staff involved in procurement activities across the council.

- Assess skills and knowledge requirements within service areas
- Review and adjust guidance to meet requirements
- Provide training as required

7.8 Utilise e-commerce to achieve transactional efficiency for all contracts and provide accurate and up to date management information.

- Collate procurement functional requirements
- Assess functionality and performance of current systems
- Plan and implement any changes required

7.9 Develop procurement collaboration with other public bodies, sharing services where appropriate and encouraging partnering arrangements.

- Ensure representation at county and regional collaborative procurement meetings
- Openly consider opportunities for sharing services and entering into collaborative arrangements

7.10 Embed appropriate contract management, ensuring a focus on the performance of contracts and delivery of intended outcomes and continuous improvement.

- Ensure procurement processes and specifications include requirements for contract management, including draft service level agreements and key performance indicators
- Support service areas to manage contracts effectively and provide guidance and templates as appropriate

8.0 Summary

The 2016-2020 Procurement Strategy will be implemented through well managed action plans and will deliver a sound structure and framework to support ongoing procurement activity. This will enable the council to maximise opportunities, minimise risks and support several of its corporate priorities through good procurement practice.

Report to	Cabinet	Item
	14 September 2016	
Report of	Chief finance officer	7
Subject	Revenue budget monitoring 2016-17 – Period 3	

Purpose

To update cabinet on the provisional financial position as at 30 June 2016, the forecast outturn for the year 2016 - 17, and the consequent forecast of the General Fund and Housing Revenue Account balances.

Recommendations

To note:

1. the financial position as at 30 June 2016 and the forecast outturn 2016 - 17; and,
2. additional unbudgeted grants awarded for 2016 - 17.

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 £0.582m. The housing revenue account budget is forecast to underspend by £2.925m.

Ward/s: All wards

Cabinet member: Councillor Stonard – Resources and income generation

Contact officers

Justine Hartley, Chief finance officer	01603 212440
Hannah Simpson, Group accountant	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 forecast outturn and year-to-date positions for the general fund and the housing revenue account:
 - [Appendix 1](#) shows the general fund by corporate leadership team responsibilities, and by subjective group
 - [Appendix 2](#) shows the housing revenue account in (near) statutory format, and by subjective group
 - [Appendix 3](#) shows budget and expenditure for the year to date in graphical format

General fund

3. Budgets reported include the resources financing the council's net budget requirement (which includes a contribution of £0.451m 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)
Total General Fund budget	0

4. The General Fund has been forecast to underspend by **£0.582m** at year end compared to a forecast underspend last month of **£0.192m**. Key forecast variances from budget are set out below:

<i>General Fund Service</i>	<i>Forecast Outturn P3 £000s</i>	<i>Commentary</i>
Business Relationship Management	(273)	Additional grant income (£177k) and movement in bad debt provision (£81k).
Finance	163	Higher than budgeted transfer to the S31 earmarked reserve due additional grant receipt of £85k (income included in line above) Reduction of £88k in forecast interest income from Housing Company as planned loan not yet made.

City Development	143	Reduced forecast income from new Rose Lane car park.
General Fund Service	Forecast Outturn P3 £000s	Commentary
Human Resources	(122)	Vacant posts and current training spend less than budgeted.
Neighbourhood Services	(171)	Current underspend is due to vacant posts and operational budgets being spent less than budgeted.

5. The general fund shows an underspend against budget to date of **£2.465m**. This underspend to date is made up of multiple debit and credit figures where various income and expenditure lines are ahead of or behind budget profile. This is particularly common at this time of the year because of amounts accrued in relation to spend in the previous financial year where invoices have not yet been received and processed. Significant overspends and underspends to date are:

General Fund Service	Variance To Date P3 £000s	Commentary
Business Relationship Management	(1,167)	LGSS contract costs not yet processed for year to date. To be cleared in P4. Government grants received ahead of profile (£115k).
Procurement and Service Improvement	(923)	LGSS contract costs not yet processed for year to date. To be cleared in P4.
Customer Contact	(287)	Timing mismatch between Transformation Challenge grant funding received and related expenditure being incurred.
Citywide Services	453	Grounds maintenance and cleaning contract costs yet to be re-allocated across cost centres.
Neighbourhood Housing	(334)	Year-end service recharge budgets to be re-profiled in P4 to match timings of transactions.

6. Since setting the 2016 - 17 budgets additional amounts of grant income have been confirmed. These grants are all related to the costs of administering the tax and benefits systems and will be applied to these areas in line with the terms of the grants. Detail of the grants are set out in the table below:

Income	Purpose	Value £000s
New Burdens	Additional New Burdens funding to meet the costs of implementing 2016 benefit cap changes	29

<i>Income</i>	<i>Purpose</i>	<i>Value £000s</i>
FERIS	Ring-fenced for fraud and error activities	28

Housing revenue account

7. 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)
Total net HRA budget	0

8. The housing revenue account has been forecast to underspend by **£2.925m** at year end compared to a forecast last month of **£0.384m**. Key forecast variances from budget are set out below:

<i>HRA Division of Service</i>	<i>Forecast Outturn P3 £000s</i>	<i>Commentary</i>
Repairs and maintenance	(2,768)	<p>Overall variance reflects a reduction in forecast responsive repairs works (in line with recent years' outturns) and savings from renegotiated contracts.</p> <p>Key individual variances include: major/minor repairs (£680k), stair lift repairs (£91k), water testing (£30k), lift and fire alarm maintenance (£41k), central heating servicing (£338k), exterior painting (£368k), asbestos removal (£150k), water mains renewal (£50k), asphalt balconies (£100k), fire prevention work (£100k), insulation (£180k), repairs estates (£115k), garage repairs (£75k) and void work (£280k).</p>
Rents, rates and other property costs	137	Anglian Water forecast expenditure based on updated supplier schedule, this will be offset by increased income under 'service charges - general'.
General Management	(176)	Staff turnover vacancies (£52k) and lower repairs and rates on area offices (£50k) due to changes in accommodation use.

Dwelling Rents	141	Variance due to higher than anticipated right to buy sales and year-to-date void rates.
Service charges - general	(244)	Higher income from water charges (£232k) offset by higher Anglian Water charges.

9. The housing revenue account shows an underspend against budget to date of **£1.963m**. This underspend to date is made up of many debit and credit figures where various income and expenditure lines are ahead of or behind budget profile. This is particularly common at this time of the year because of amounts accrued in relation to spend in the previous financial year where invoices have not yet been received and processed. Significant overspends and underspends to date are:

HRA Division of Service	Variance To Date P3 £000s	Commentary
Repairs and maintenance	(1,604)	These variances have arisen due to invoice delays which is usual for work of this nature. Also reflects overall reduced year-end forecast (see detail in previous table).
Rents, rates and other property costs	369	Insurance premium yet to be reallocated and water payments made ahead of profile.
General Management	(334)	Insurance premium yet to be reallocated (£10k), reduced rates on area offices (£30k), unmatched accrual due to be settled in P04 (£32k), government grant received ahead of profile (£38k) and staff vacancies. Remainder due to smaller profiling differences split over a number of cost centres.
Dwelling Rents	(553)	Difference due rental income running ahead of profile.

Risks

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

Key Risk Budgets	Budget £000s	Current Variance	Current Var %	Current RAG	Forecast Variance	Forecast Var %	Forecast RAG
Housing Benefit Payments & Subsidy	-30	328	-1076%	RED	-10	32%	GREEN
HRA Repairs - Tenanted Properties	11,848	-1,218	-10%	RED	-2,316	-20%	RED
HRA Repairs - Void Properties	2,639	-329	-12%	RED	-280	-11%	RED
Multi-Storey Car Parks	-1,442	266	-18%	RED	157	-11%	RED
City Hall	1,067	-64	-6%	GREEN	-66	-6%	GREEN
HRA Rents - Estate Properties	-59,223	-491	1%	GREEN	142	0%	GREEN
Corporate Management including Contingency	-2,804	-321	11%	RED	-233	8%	RED
Private Sector Leasing Costs	-286	12	-4%	GREEN	76	-27%	GREEN

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

Key Risk Budgets	Comment
Housing Benefit Payments and Subsidy	Variance to date due to timing differences between expenditure and subsidy receipts. Overall £10k year-end underspend currently forecast.
HRA Repairs - Tenanted Properties and Void Properties	In-year variance mainly due to lower than budgeted responsive repair demand to date and invoicing delays. Year-end variance reflects a reduction in forecast responsive repairs works (in line with recent years' outturns) and savings from renegotiated contracts. Further detail provided in HRA variance table (point 5).
Multi-storey car parks	Reduced forecast income from new Rose Lane car park.
Corporate Management including contingency	Due to higher grant income receipts than budgeted (£177k).

12. 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.
- 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, overspend will result. With appropriate approvals these may be mitigated through provision made in the corporate contingency, up to the level of that contingency
- Identification of further savings – work is continuing on developing proposals for additional savings to bridge the medium-term budget gap. If these proposals fall short, or are not implemented fully and in a timely manner, further budget shortfalls will result.

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

- Bad debts – budget reports show gross debt, i.e. invoices raised. While allowance has been made in the budget for non-collections, the current economic climate may have an adverse influence on our ability to collect money owed.

- Seasonal factors – if adverse weather conditions or a worsening economic climate depress levels of trade and leisure activities in the city, there may be a negative impact on parking and other income.
- Housing repairs and Improvements – the rate of spend on void properties, though closely managed, is heavily influenced by void turnaround, since transfers can create a chain of voids involving significant repair costs.

Financial planning

14. Overall levels of overspend and underspend will have an ongoing impact on the budget for following years and the size and urgency of savings requirements.
15. Net overspends and underspends will be consolidated into the General fund and housing revenue account balances carried forward to 2017 - 18. These are reflected in periodic updates to the *Medium term financial strategy* and *Housing revenue account business plan*.

Impact on balances

16. The prudent minimum level of general fund reserves has been assessed as £4.273m. The budgeted and forecast outturn's impact on the 2014 - 15 balance brought forward, is as follows:

<i>Item</i>	<i>£000s</i>
Balance at 1 April 2016 (provisional)	(12,147)
Budgeted contribution to balances 2016 - 17	(451)
Forecast outturn 2016 - 17	(582)
= Forecast balance at 31 March 2017	(13,180)

17. The general fund balance is therefore expected to continue to exceed the prudent minimum.
18. The prudent minimum level of HRA reserves has been assessed as £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 (provisional)	(26,190)
Budgeted use of balances 2016 - 17	16,281
Forecast outturn 2016 - 17	(2,925)
= Forecast balance at 31 March 2017	(12,834)

19. The housing revenue account balance is therefore expected to continue to exceed the prudent minimum.

Collection fund

20. The collection fund is made up of three accounts – council tax, the business improvement district (BID) account, and national non-domestic rates (NNDR).

- 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.

21. 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.

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

23. A summary of the collection fund is provided below:

<i>Approved Budget £000s</i>	<i>Current Budget £000s</i>	Collection Fund Summary	<i>Actual To Date £000s</i>	<i>Forecast Outturn £000s</i>	<i>Forecast Variance £000s</i>
		Council tax			
59,380	59,380	Expenditure	15,057	59,380	0
(59,380)	(59,380)	Income	0	(59,380)	0
		Business Improvement District			
656	656	Expenditure	195	707	51
(656)	(656)	Income	0	(656)	0
		National Non-Domestic Rate			
79,138	79,138	Expenditure	20,320	79,138	0
(79,138)	(79,138)	Income	775	(79,138)	0
0	0	Total Collection Fund	36,347	51	51

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

25. The council operates the BID account on behalf of the BID company, so no surplus or deficit will fall on the council's accounts.
26. Any deficit reported on the NNDR account will roll forward and be distributed in the 2017 - 18 budget cycle.
27. Additional (section 31) grant is received in the general fund to offset all or part of any shortfall in business rate income due to additional reliefs granted by government. All such grant monies received are transferred to an earmarked reserve and held to be offset against deficits in the years that they impact on the revenue accounts.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	
Head of service:	Chief Finance Officer
Report subject:	Revenue Budget Monitoring 2015 - 16
Date assessed:	12/06/16
Description:	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 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
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
Positive
None
Negative
None
Neutral
None
Issues
The council should continue to monitor its budget performance in the context of the financial risk environment within which it operates.

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>
Business Relationship Mgt and Democracy							
1,800,982	1,800,982	Business Relationship Management	(39,555)	(1,206,685)	(1,167,130)	1,527,559	(273,423)
375,183	375,183	Democratic Services	277,043	186,825	(90,218)	356,765	(18,418)
(18,720,042)	(18,720,042)	Finance	(3,849,124)	(3,632,077)	217,047	(18,556,682)	163,360
0	0	Procurement and Service Improvement	768,257	(154,291)	(922,548)	(97,293)	(97,293)
(16,543,877)	(16,543,877)	Total Business Relationship Management and Democracy	(2,843,379)	(4,806,229)	(1,962,850)	(16,769,651)	(225,774)
Chief Executive							
0	0	Chief Executive	76,962	68,737	(8,225)	(54,570)	(54,570)
0	0	Total Chief Executive	76,962	68,737	(8,225)	(54,570)	(54,570)
Customers, Comms and Culture							
2,209,128	2,209,128	Communications and Culture	653,709	524,325	(129,384)	2,157,587	(51,541)
(60,851)	(115,858)	Customer Contact	732,798	445,790	(287,008)	(115,131)	727
2,148,277	2,093,270	Total Customers, Comms and Culture	1,386,507	970,115	(416,392)	2,042,456	(50,814)
Regeneration and Growth							
(1,418,443)	(1,390,393)	City Development	(20,823)	(103,601)	(82,778)	(1,246,543)	143,850
0	0	Environmental Strategy	42,424	39,423	(3,001)	(8,963)	(8,963)
0	0	Executive Head of Regeneration and	42,545	39,975	(2,570)	(7,437)	(7,437)
1,326,678	1,340,978	Planning	204,645	155,677	(48,968)	1,365,455	24,477
258,661	258,661	Property Services	548,657	495,610	(53,047)	183,767	(74,894)
166,896	209,246	Total Regeneration and Growth	817,448	627,084	(190,364)	286,280	77,034
Strategy, People and Neighbourhoods							
9,789,981	9,789,412	Citywide Services	2,274,364	2,727,535	453,171	9,749,837	(39,575)
0	13,223	Human Resources	340,915	395,660	54,745	(108,470)	(121,693)
2,283,979	2,283,979	Neighbourhood Housing	678,857	344,620	(334,237)	2,299,263	15,284
2,154,744	2,154,744	Neighbourhood Services	653,185	577,075	(76,110)	1,983,945	(170,799)
0	0	Strategy and Programme Management	165,020	180,306	15,286	(10,934)	(10,934)
14,228,703	14,241,358	Total Strategy, People and Neighbourhoods	4,112,341	4,225,196	112,855	13,913,640	(327,718)
0	(3)	Total General Fund	3,549,879	1,084,902	(2,464,977)	(581,846)	(581,843)

Budget Monitoring Report

Year: 2016 - 17

Period: 3 (June)

HOUSING REVENUE ACCOUNT STATUTORY SUMMARY

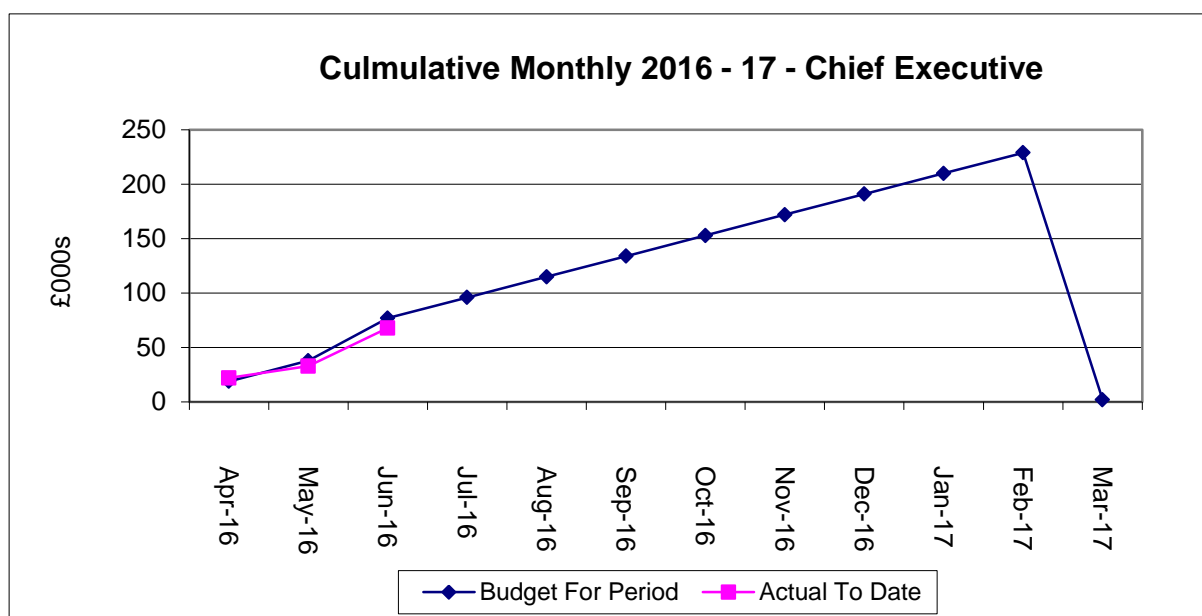
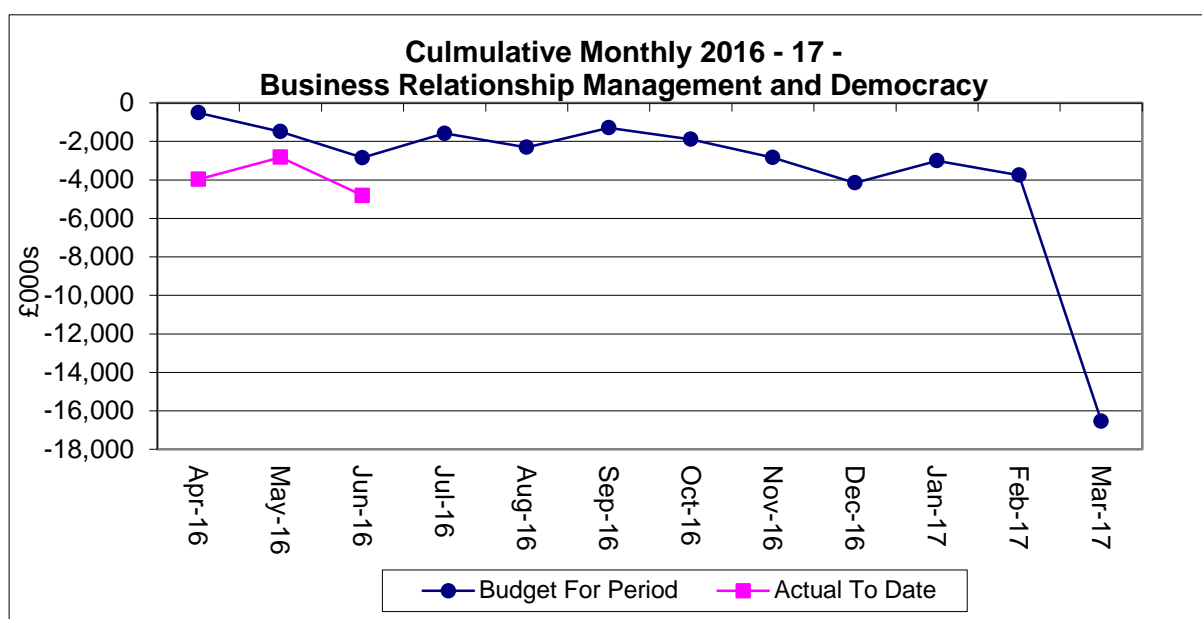
<i>Approved Budget</i>	<i>Current Budget</i>		<i>Budget To Date</i>	<i>Actual To Date</i>	<i>Variance To Date</i>	<i>Forecast Outturn</i>	<i>Forecast Variance</i>
15,499,378	15,499,378	Repairs and Maintenance	3,289,773	1,686,025	(1,603,748)	12,731,839	(2,767,539)
5,936,838	5,936,838	Rents, Rates, and Other Property Costs	5,435,650	5,804,271	368,621	6,074,332	137,494
11,392,777	11,392,776	General Management	1,921,049	1,586,872	(334,177)	11,216,573	(176,203)
5,068,935	5,068,936	Special Services	1,015,157	951,097	(64,060)	5,125,026	56,090
22,139,594	22,139,594	Depreciation and Impairment	0	0	0	22,139,594	0
334,000	334,000	Provision for Bad Debts	0	0	0	334,000	0
(58,973,202)	(58,973,202)	Dwelling Rents	(14,743,302)	(15,296,403)	(553,101)	(58,831,404)	141,798
(2,223,564)	(2,223,564)	Garage and Other Property Rents	(551,814)	(542,228)	9,586	(2,285,606)	(62,042)
(8,343,247)	(8,343,244)	Service Charges - General	(2,237,538)	(2,070,060)	167,478	(8,587,433)	(244,189)
(75,000)	(75,000)	Miscellaneous Income	(18,750)	(21,614)	(2,864)	(85,656)	(10,656)
9,966,872	9,966,872	Adjustments and Financing Items	(49,000)	0	49,000	9,967,472	600
(548,381)	(548,381)	Amenities shared by whole community	0	0	0	(548,381)	0
(175,000)	(175,000)	Interest Received	0	0	0	(175,000)	0
0	3	Total Housing Revenue Account	(5,938,775)	(7,902,041)	(1,963,266)	(2,924,644)	(2,924,647)

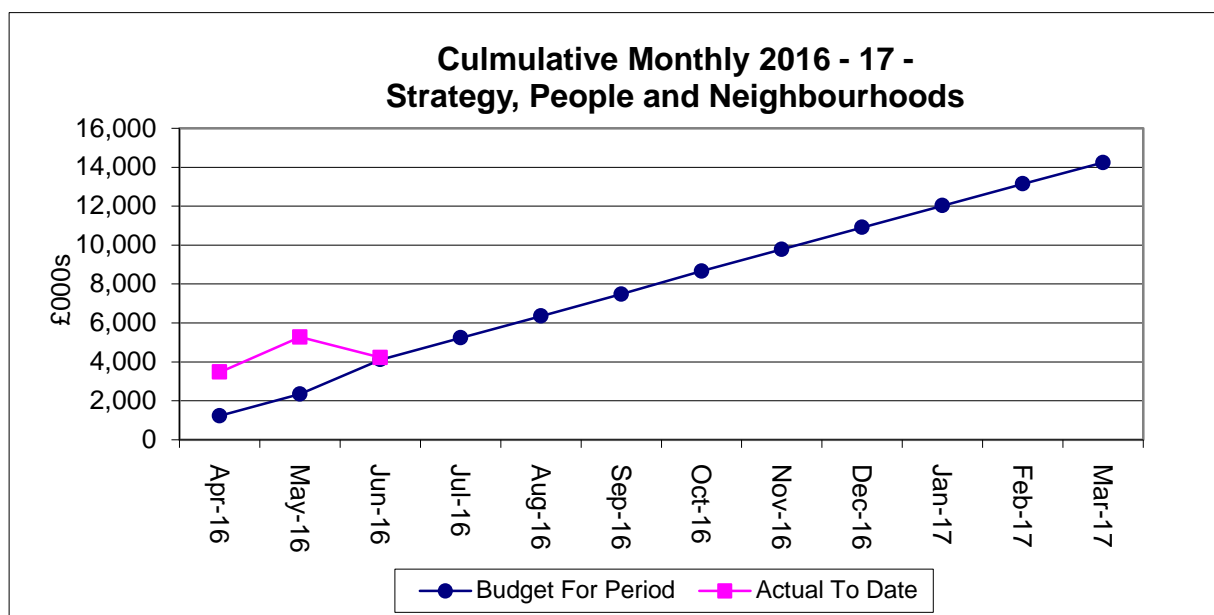
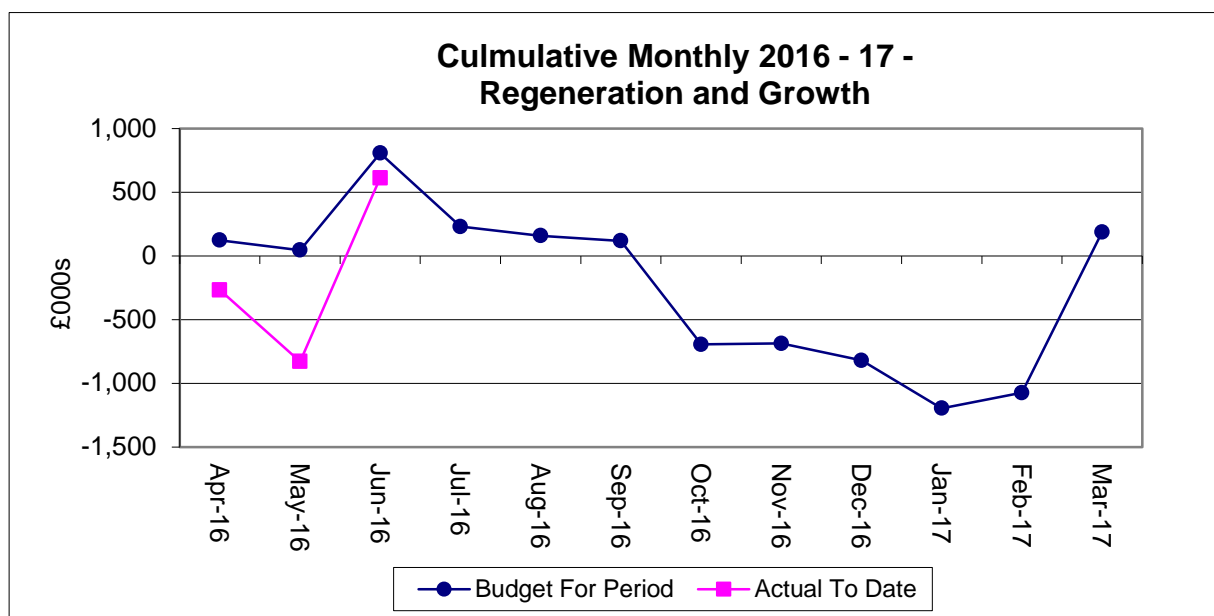
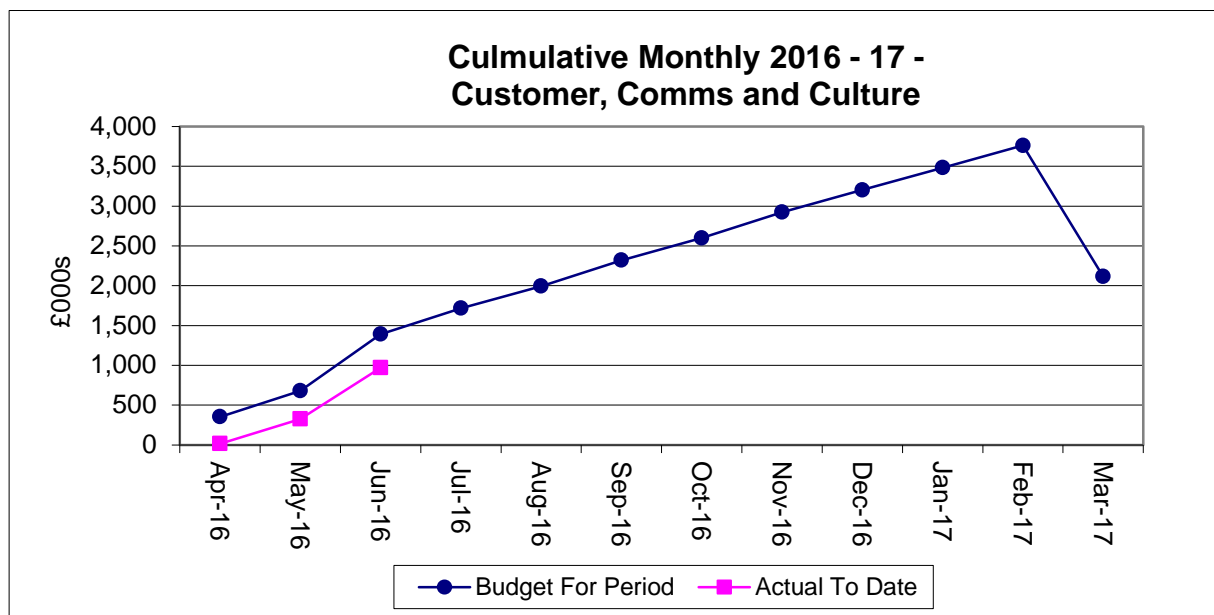
Budget and Expenditure – Monthly by Service Graphs

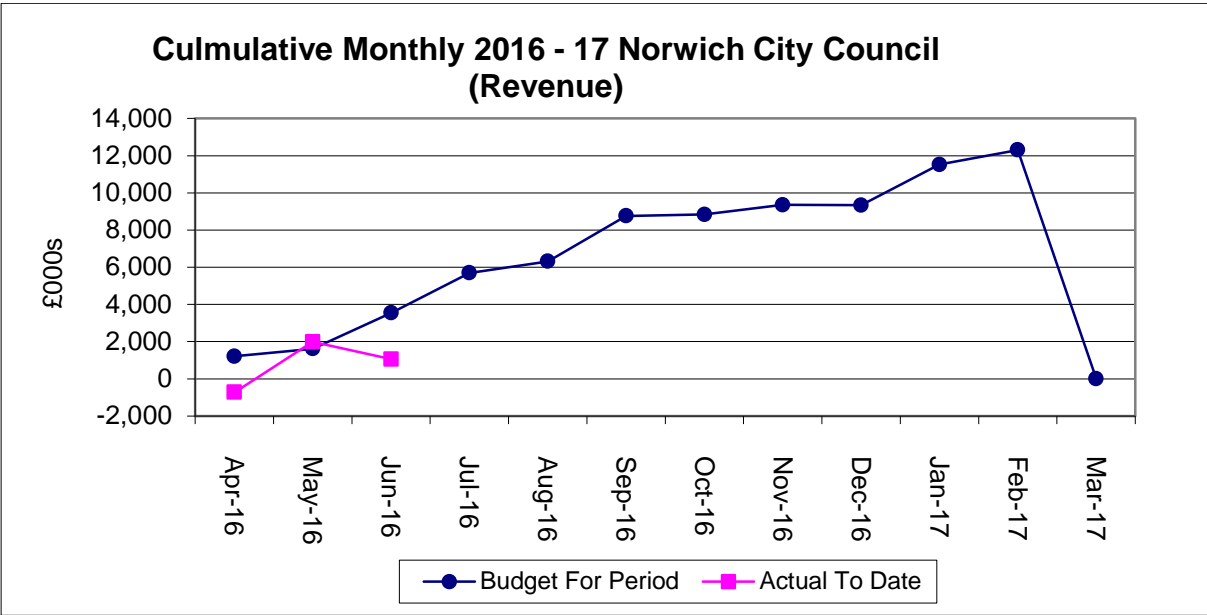
The following graphs show the monthly budget profile and income/expenditure to date for each service (both General Fund and Housing Revenue Account) for the financial year.

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

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







Report to Cabinet

Item

Report of Chief finance officer

8

Subject Revenue budget monitoring 2016 - 17 – Period 4

Purpose

To update cabinet on the provisional financial position as at 31 July 2016, the forecast outturn for the year 2016 - 17, and the consequent forecast of the general fund and housing revenue account balances.

Recommendation

To note the financial position as at 31 July 2016 and the forecast outturn 2016 - 17.

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 £0.533m. The housing revenue account budget is forecast to underspend by £3.099m.

Ward/s: All wards

Cabinet member: Councillor Stonard – Resources and income generation

Contact officers

Justine Hartley, 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 forecast outturn and year-to-date positions for the general fund and the housing revenue account:
 - [Appendix 1](#) shows the general fund by corporate leadership team responsibilities, and by subjective group
 - [Appendix 2](#) shows the housing revenue account in (near) statutory format, and by subjective group
 - [Appendix 3](#) shows budget and expenditure for the year to date in graphical format

General fund

3. Budgets reported include the resources financing the council's net budget requirement (which includes a contribution of £0.451m 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)
Total General Fund budget	0

4. The general fund has been forecast to underspend by **£0.533m** at year end compared to a forecast underspend last month of **£0.582m**. Key forecast variances from budget are set out below:

<i>Forecast Outturn P3 £000s</i>	<i>General Fund Service</i>	<i>Forecast Outturn P4 £000s</i>	<i>Commentary</i>
(274)	Business Services	(276)	Additional grant income not yet allocated related expenditure (£177k) and movement in bad debt provision (£81k).
163	Finance	164	Higher than budgeted transfer to the S31 earmarked reserve due additional grant receipt of £85k (income included in line above) Reduction of £88k in forecast interest income from Housing Company as planned loan not yet made.

144	City Development	118	This overspend has a variety of factors, some of which are: highways recharges below budget, parking income down against budget, some of this overspend is offset by extra income from bus shelter advertisement.
Forecast Outturn P3 £000s	General Fund Service	Forecast Outturn P4 £000s	Commentary
(122)	Human Resources	(137)	Vacant posts and current training spend less than budgeted.

5. The general fund shows an underspend against budget to date of **£2.351m**. This underspend to date is made up of multiple debit and credit figures where various income and expenditure lines are ahead of or behind budget profile. This is particularly common at this time of the year because of amounts accrued in relation to spend in the previous financial year where invoices have not yet been received and processed. Significant overspends and underspends to date are:

General Fund Service	Variance To Date P4 £000s	Commentary
Business Services	(887)	Additional government grants received and other grants received ahead of profile, plus other timing differences between the budget profile and actuals.
Procurement and Service Improvement	(285)	Lower IT Development Fund expenditure to date than profiled, but expected to meet full year budget.
Customer Contact	(309)	Timing mismatch between Transformation Challenge grant funding received and related expenditure being incurred.
City Development	(254)	This is mainly to do with 15/16 accrual for NPS profit share yet to be invoiced.

Housing revenue account

6. 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)
Total net HRA budget	0

7. The housing revenue account has been forecast to underspend by **£3.099m** at year end compared to a forecast underspend last month of **£2.925m**. Key forecast variances from budget are set out below:

Forecast Outturn P3 £000s	HRA Division of Service	Forecast Outturn P4 £000s	Commentary
(2,768)	Repairs and maintenance	(2,997)	<p>Overall variance reflects a reduction in forecast responsive repairs works (in line with recent years' outturns) and savings from renegotiated contracts.</p> <p>Key individual variances include:</p> <ul style="list-style-type: none"> • major/minor repairs forecast based on current activity levels (£680k); • stair lift repairs forecast reflects reduced number of repairs (£91k); • underspends on water testing (£30k) and lift and fire alarm maintenance (£41k) and water mains renewal (£50k); • central heating servicing based on activity to date (£338k); • exterior painting based on contractor estimates plus reduced timber painting (£368k); • asbestos removal estimate based on current activity (£150k); • asphalt balconies major work covered under capital projects therefore less revenue expenditure required (£100k); • fire prevention work carried out when identified rather than planned (£100k); • no insulation planned for 2016 (£180k); • estate repairs forecast based on reduced number of repairs (£115k) and reduced garage repairs (£75k) • lower current spend on void properties (£280k) due to increase in number of properties eligible for capital whole house upgrades.
137	Rents, rates and other property costs	118	Anglian Water forecast expenditure based on updated supplier schedule, this will be offset by increased income under 'service charges - general'.
(176)	General Management	(148)	Staff vacancies and absences (£83k) and lower repairs and rates on area offices (£50k) due to changes in accommodation use.
141	Dwelling Rents	124	Variance due to higher than anticipated right to buy sales and year-to-date void rates.

(244)	Service charges - general	(299)	Mainly due to higher income from water charges (£232k) offset by higher Anglian Water charges.
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8. The housing revenue account shows an underspend against budget to date of **£2.178m**. This underspend to date is made up of many debit and credit figures where various income and expenditure lines are ahead of or behind budget profile. This is particularly common at this time of the year because of amounts accrued in relation to spend in the previous financial year where invoices have not yet been received and processed. Significant overspends and underspends to date are:

HRA Division of Service	Variance To Date P4 £000s	Commentary
Repairs and maintenance	(1,966)	These variances have arisen due to invoice delays which is usual for work of this nature. Also reflects overall reduced year-end forecast (see detail in previous table).
Rents, rates and other property costs	348	Insurance premium yet to be reallocated and water payments made ahead of profile.
General Management	(388)	Insurance premium yet to be reallocated (£10k), reduced rates on area offices (£30k), government grant received ahead of profile (£38k) and staff vacancies. Remainder due to smaller profiling differences split over a number of cost centres.
Dwelling Rents	(320)	Difference due to rental income running ahead of profile.

Risks

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

Key Risk Budgets	Budget £000s	Current Variance	Current Var %	Current RAG	Forecast Variance	Forecast Var %	Forecast RAG
Housing Benefit Payments & Subsidy	-30	29	-96%	GREEN	34	-110%	GREEN
HRA Repairs - Tenanted Properties	11,848	-1,521	-13%	RED	-2,314	-20%	RED
HRA Repairs - Void Properties	2,639	-339	-13%	RED	-280	-11%	RED
Multi-Storey Car Parks	-1,442	206	-14%	RED	162	-11%	RED
City Hall	1,067	-82	-8%	GREEN	-64	-6%	GREEN
HRA Rents - Estate Properties	-59,223	-302	1%	GREEN	124	0%	GREEN
Corporate Management including Contingency	-2,804	-847	30%	RED	-233	8%	RED
Private Sector Leasing Costs	-286	78	-27%	GREEN	65	-23%	GREEN

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

Key Risk Budgets	Comment
HRA Repairs - Tenanted Properties and Void Properties	In-year variance mainly due to lower than budgeted responsive repair demand to date and invoicing delays. Year-end variance reflects a reduction in forecast responsive repairs works (in line with recent years' outturns) and savings from renegotiated contracts. Further detail provided in HRA variance table (point 7).
Multi-storey car parks	Reduced forecast income from new Rose Lane car park.
Corporate Management including contingency	Due to higher grant income receipts than budgeted (£177k). Year to date variance also due to no contingency spend up to period 4.

11. 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.
- Changes in policy – if further empowerment of local authorities is not matched by devolved resources
- Delivery of savings – the budget incorporates both savings measures already in place, and those planned for implementation during the year. If these savings are not achievable in full, overspends will result. With appropriate approvals these may be mitigated through provision made in the corporate contingency, up to the level of that contingency
- Identification of further savings – work is continuing on developing proposals for additional savings to bridge the medium-term budget gap. If these proposals fall short, or are not implemented fully and in a timely manner, further budget shortfalls will result.

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

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

Financial planning

13. Overall levels of overspend and underspend will have an ongoing impact on the budget for following years and the size and urgency of savings requirements.
14. Net overspends and underspends will be consolidated into the general fund and housing revenue account balances carried forward to 2017 - 18. These are reflected in periodic updates to the *Medium term financial strategy* and *Housing revenue account business plan*.

Impact on balances

15. The prudent minimum level of general fund reserves has been assessed as £4.273m. 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 (provisional)	(12,147)
Budgeted contribution to balances 2016 - 17	(451)
Forecast outturn 2016 - 17	(533)
= Forecast balance at 31 March 2017	(13,131)

16. The general fund balance is therefore expected to continue to exceed the prudent minimum.
17. 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 (provisional)	(26,190)
Budgeted use of balances 2016 - 17	16,281
Forecast outturn 2016 - 17	(3,099)
= Forecast balance at 31 March 2017	(13,008)

18. The housing revenue account balance is therefore expected to continue to exceed the prudent minimum.

Collection fund

19. The collection fund is made up of three accounts – council tax, the business improvement district (BID) account, and national non-domestic rates (NNDR).
 - 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.

20. 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.

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

22. A summary of the collection fund is provided below:

<i>Approved Budget £000s</i>	<i>Current Budget £000s</i>	Collection Fund Summary	<i>Actual To Date £000s</i>	<i>Forecast Outturn £000s</i>	<i>Forecast Variance £000s</i>
		Council tax			
59,380	59,380	Expenditure	20,291	59,380	0
(59,380)	(59,380)	Income	0	(59,380)	0
		Business Improvement District			
656	656	Expenditure	199	656	0
(656)	(656)	Income	0	(656)	0
		National Non-Domestic Rate			
79,138	79,138	Expenditure	27,093	79,138	0
(79,138)	(79,138)	Income	926	(79,138)	0
0	0	Total Collection Fund	48,509	0	0

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

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

25. Any deficit reported on the NNDR account will roll forward and be distributed in the 2017 - 18 budget cycle.

26. Additional (section 31) grant is received in the general fund to offset all or part of any shortfall in business rate income due to additional reliefs granted by government. All such grant monies received are transferred to an earmarked reserve and held to be offset against deficits in the years that they impact on the revenue accounts.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	
Head of service:	Chief Finance Officer
Report subject:	Revenue Budget Monitoring 2015 - 16
Date assessed:	12/06/16
Description:	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 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
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
Positive
None
Negative
None
Neutral
None
Issues
The council should continue to monitor its budget performance in the context of the financial risk environment within which it operates.

Budget Monitoring Summary

Year: 2016 - 17

Period: 4 (July)

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>
Business Services							
1,800,982	1,800,982	Business Relationship Management	21,708	(864,980)	(886,688)	1,525,372	(275,610)
375,183	375,183	Democratic Services	378,010	320,780	(57,230)	375,300	117
(18,720,042)	(18,720,042)	Finance	(2,975,189)	(3,106,121)	(130,932)	(18,556,056)	163,986
0	13,223	Human Resources	435,965	544,845	108,880	(123,527)	(136,750)
0	0	Procurement and Service Improvement	994,184	709,672	(284,512)	(71,277)	(71,277)
(16,543,877)	(16,530,654)	Total Business Services	(1,145,322)	(2,395,804)	(1,250,482)	(16,850,188)	(319,534)
Chief Executive							
0	0	Chief Executive	95,701	83,084	(12,617)	(55,406)	(55,406)
0	0	Strategy and Programme Management	203,438	203,642	204	(17,585)	(17,585)
0	0	Total Chief Executive	299,139	286,726	(12,413)	(72,991)	(72,991)
Customers, Comms and Culture							
2,209,128	2,209,128	Communications and Culture	858,494	767,239	(91,255)	2,149,320	(59,808)
(60,851)	(115,858)	Customer Contact	851,489	542,780	(308,709)	(119,581)	(3,723)
2,148,277	2,093,270	Total Customers, Comms and Culture	1,709,983	1,310,019	(399,964)	2,029,739	(63,531)
Regeneration and Growth							
(1,418,443)	(1,390,393)	City Development	(766,284)	(1,020,020)	(253,736)	(1,272,647)	117,746
0	0	Environmental Strategy	52,320	91,646	39,326	(9,959)	(9,959)
0	0	Executive Head of Regeneration and	52,561	48,781	(3,780)	(7,616)	(7,616)
1,326,678	1,340,978	Planning	268,504	223,802	(44,702)	1,384,063	43,085
258,661	258,661	Property Services	636,517	403,617	(232,900)	161,580	(97,081)
166,896	209,246	Total Regeneration and Growth	243,618	(252,174)	(495,792)	255,421	46,175
Neighbourhoods							
9,789,981	9,789,412	Citywide Services	2,939,367	2,872,949	(66,418)	9,698,757	(90,655)
2,283,979	2,283,979	Neighbourhood Housing	520,327	485,211	(35,116)	2,301,163	17,184
2,154,744	2,154,744	Neighbourhood Services	801,213	710,525	(90,688)	2,105,108	(49,636)
14,228,703	14,228,135	Total Neighbourhoods	4,260,907	4,068,685	(192,222)	14,105,027	(123,108)
0	(3)	Total General Fund	5,368,325	3,017,451	(2,350,874)	(532,992)	(532,989)

Note: The Service Summary has been amended to align with the revised structure as announced on 29th July. As a result HR and Learning sits within Business Services and Strategy and Programme Management within the Chief Executive service line.

HOUSING REVENUE ACCOUNT STATUTORY SUMMARY

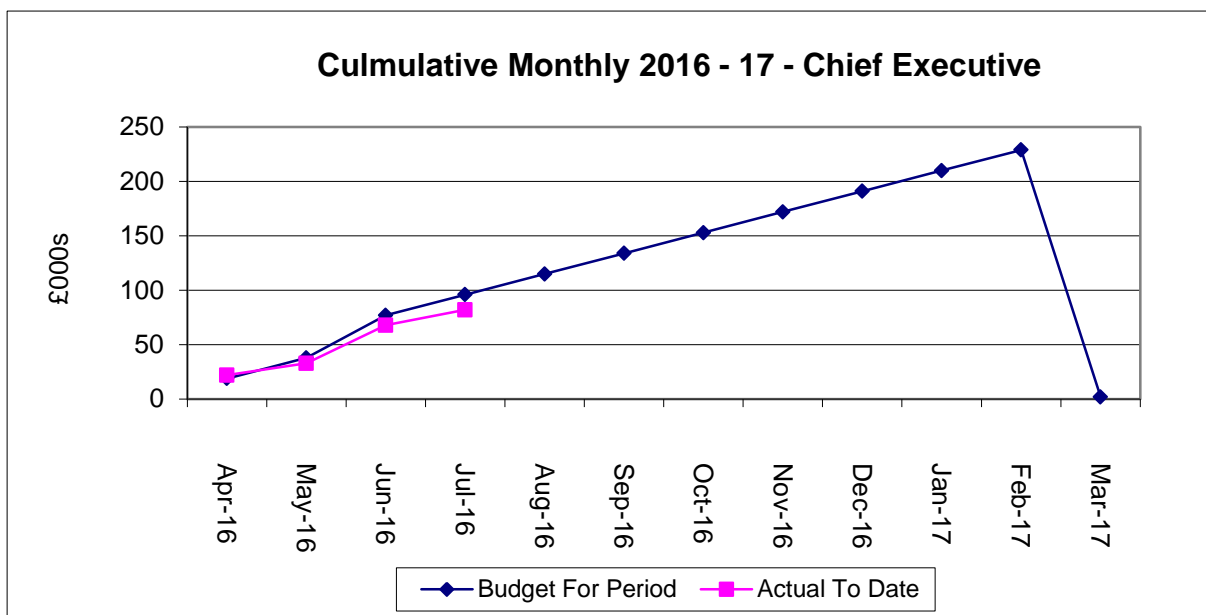
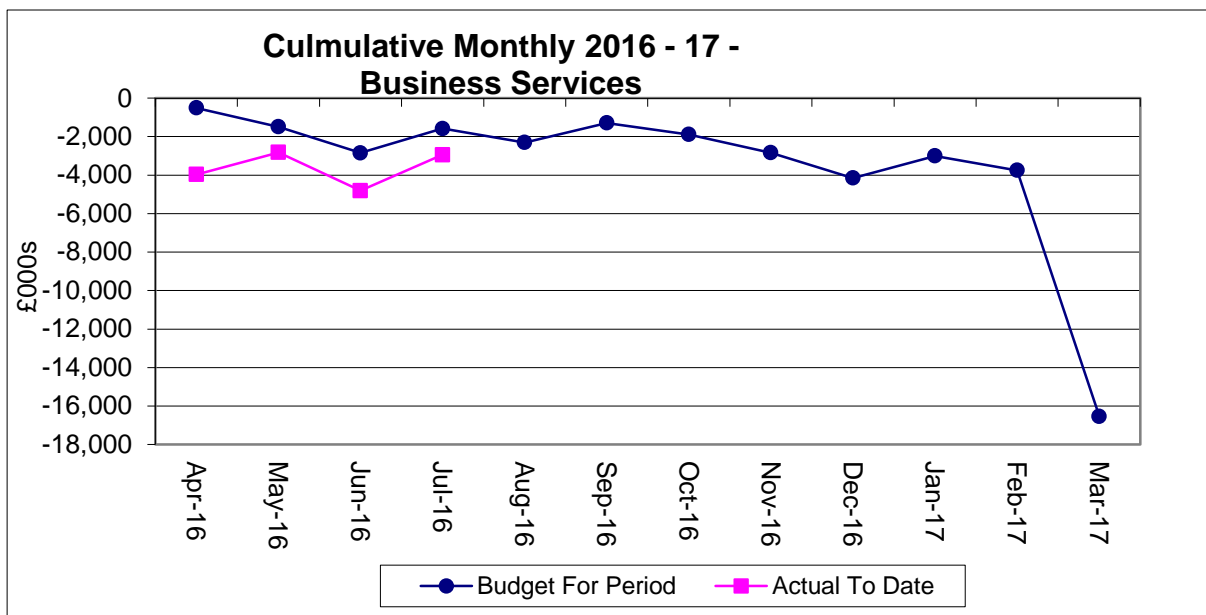
<i>Approved Budget</i>	<i>Current Budget</i>		<i>Budget To Date</i>	<i>Actual To Date</i>	<i>Variance To Date</i>	<i>Forecast Outturn</i>	<i>Forecast Variance</i>
15,499,378	15,499,378	Repairs and Maintenance	4,529,829	2,564,263	(1,965,566)	12,499,710	(2,999,668)
5,936,838	5,936,838	Rents, Rates, and Other Property Costs	5,491,340	5,839,192	347,852	6,054,727	117,889
11,392,777	11,392,776	General Management	2,429,966	2,041,564	(388,402)	11,244,634	(148,142)
5,068,935	5,068,936	Special Services	1,326,434	1,183,265	(143,169)	5,115,781	46,845
22,139,594	22,139,594	Depreciation and Impairment	0	0	0	22,139,594	0
334,000	334,000	Provision for Bad Debts	0	0	0	334,000	0
(58,973,202)	(58,973,202)	Dwelling Rents	(19,657,736)	(19,978,132)	(320,396)	(58,849,295)	123,907
(2,223,564)	(2,223,564)	Garage and Other Property Rents	(868,260)	(803,935)	64,325	(2,158,997)	64,567
(8,343,247)	(8,343,244)	Service Charges - General	(2,933,842)	(2,747,746)	186,096	(8,642,156)	(298,912)
(75,000)	(75,000)	Miscellaneous Income	(25,000)	(27,293)	(2,293)	(81,279)	(6,279)
9,966,872	9,966,872	Adjustments and Financing Items	(97,900)	(54,600)	43,300	9,967,472	600
(548,381)	(548,381)	Amenities shared by whole community	0	0	0	(548,381)	0
(175,000)	(175,000)	Interest Received	0	0	0	(175,000)	0
0	3	Total Housing Revenue Account	(9,805,169)	(11,983,421)	(2,178,252)	(3,099,192)	(3,099,195)

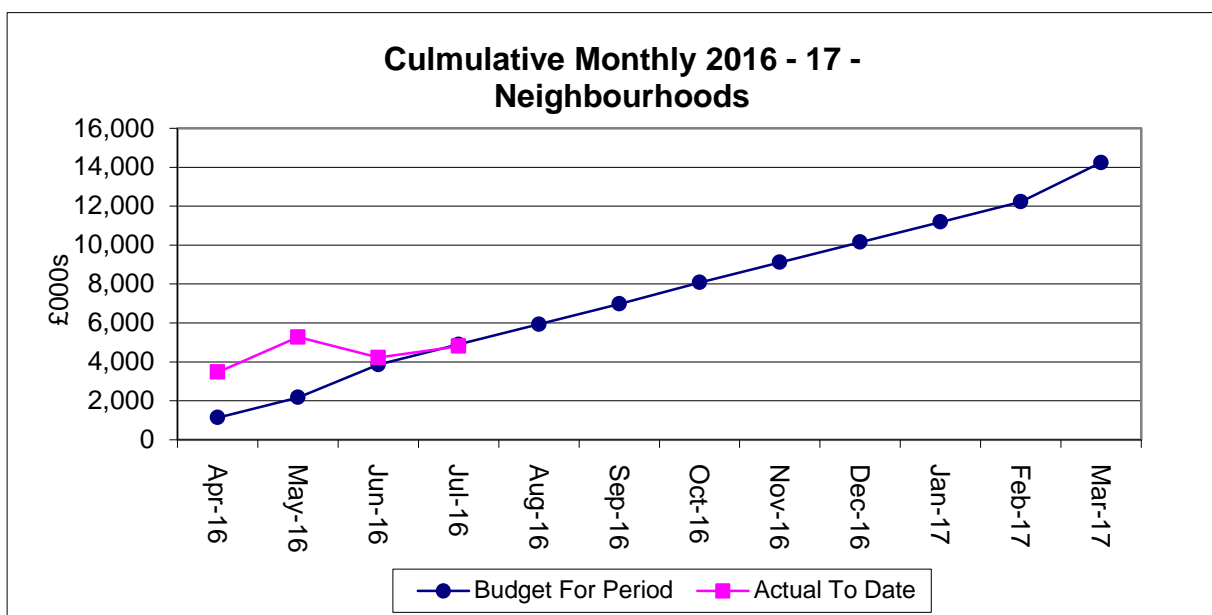
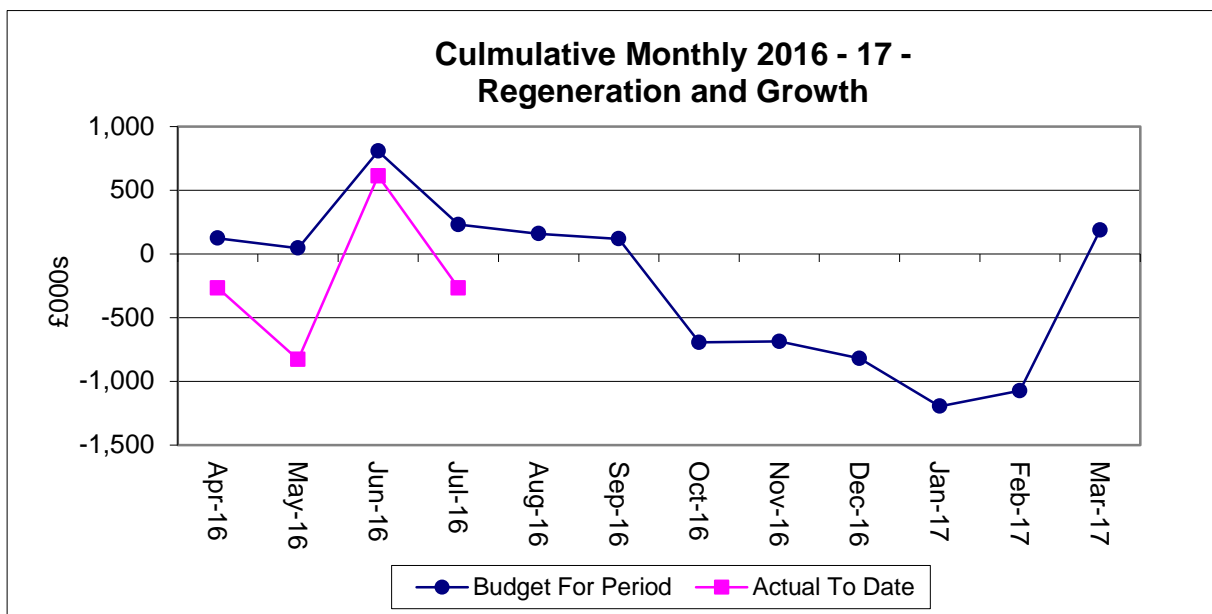
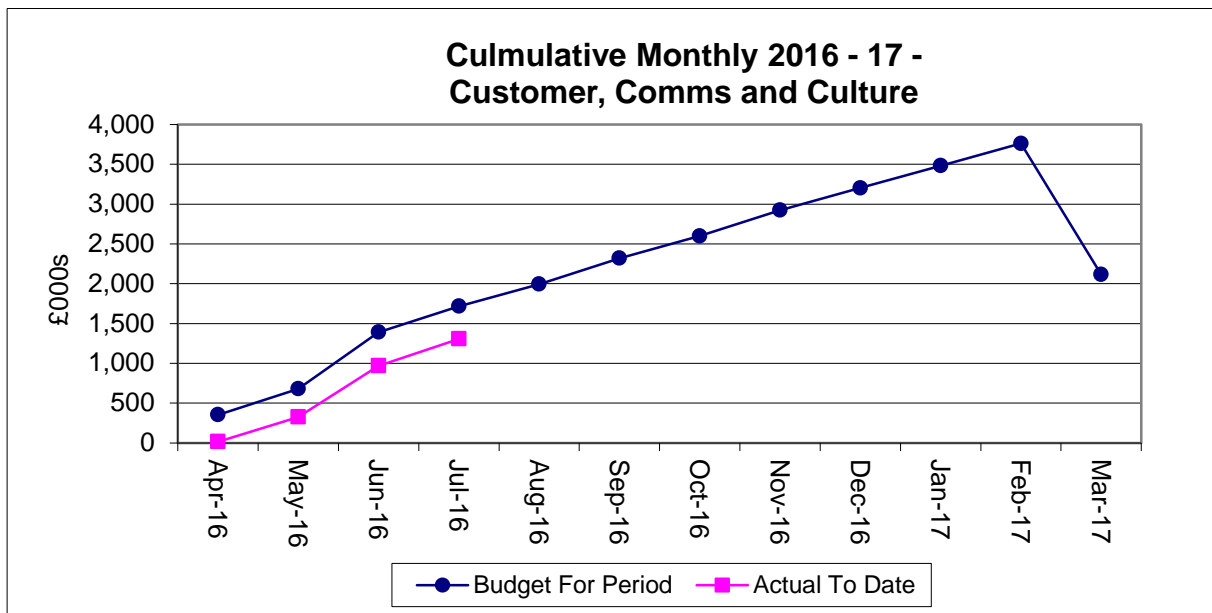
Budget and Expenditure – Monthly by Service Graphs

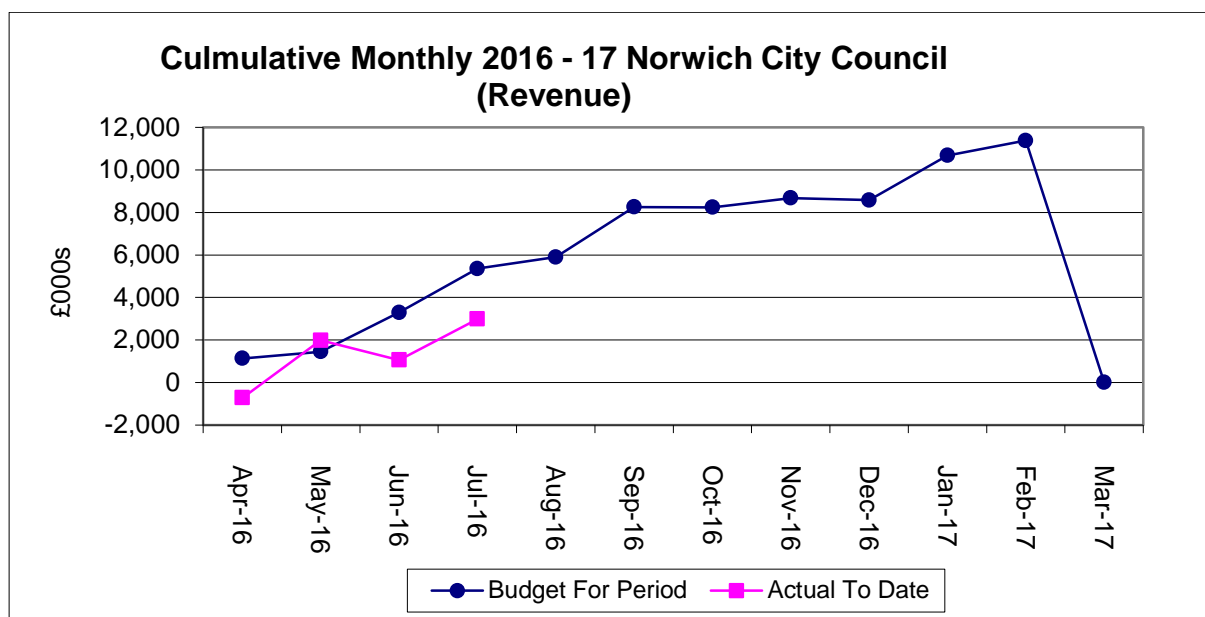
The following graphs show the monthly budget profile and income/expenditure to date for each service (both General Fund and Housing Revenue Account) for the financial year.

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

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







Report to Cabinet
14 September 2016
Report of Chief finance officer
Subject Capital budget monitoring 2016-17 – Quarter 1

Item

9

Purpose

To update cabinet on the financial position of the capital programmes as at 30 June 2016, the carry-forward of underspent 2015 - 16 budgets into 2016 - 17 and seek approval of capital budget virements and adjustments to the 2016 - 17 capital programme.

Recommendations

To:

- a) note the carry-forward of underspent 2015 - 16 budgets into 2016 - 17;
- b) note the position of the housing and non-housing capital programmes as at 30 June 2016;
- c) note the capital budget virements approved by CLT members, set out in paragraphs 10-11 and 26-27;
- d) approve the proposed capital budget virements set out in paragraphs 20-25;
- e) approve the addition to the non-housing capital programme of spend funded by ring fenced Section 106 monies as set out in paragraph 12; and,
- f) approve the addition to the housing capital programme of retained one for one right to buy receipts to be awarded to registered providers, as set out in paragraphs 29-31.

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

Ward/s: All wards

Cabinet member: Councillor Stonard – resources and business liaison

Contact officers

Justine Hartley, 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 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.

Non-housing capital programme

Non-housing capital carry-forward

3. 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 approved the carry forward of unspent 2015 - 16 non-housing capital budgets into 2016 - 17, totalling £10,446,574. These are shown in detail in Appendix 3 and are included in the proposed budgets shown below.

2016-17 Current position

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

Programme Group	Original Budget £000's	Proposed Budget £000's	Actual to Date £000's	Forecast Outturn £000's	Forecast Variance £000's
Asset Improvement	402	666	1	147	(519)
Asset Investment	10,789	10,814	0	814	(10,000)
Asset Maintenance	1,145	1,893	143	1,160	(662)
Initiatives Funding	400	1,307	8	386	(921)
Regeneration	10,629	18,038	32	9,913	(8,125)
Community Infrastructure Levy	1,553	1,640	7	1,640	(0)
Greater Norwich Growth					
Partnership	300	374	13	374	0
Section 106	193	787	59	717	(70)
City Cycle Ambition (Group 1)	0	25	22	54	30
City Cycle Ambition (Group 2)	4,488	4,877	18	4,506	(371)
Total Non-Housing	29,899	40,422	304	19,713	(20,638)

6. As at 30 June 2016, the non-housing forecast outturn is £19.7m, which would result in an underspend of £20.64m. The variances are largely due to some major schemes being unlikely to incur significant expenditure within this financial year (asset investment £5m; replacement waste vehicle fleet £3.5m; homelessness hostel £1m; private rental pilot £0.5m), the expenditure profile of significant new build housing projects that are planned to extend into the next financial year (£7.1m) and some projects planned to be funded from capital receipts resulting from asset sales being placed on hold in accordance with the council's policy of not committing spend against forecast resources until the resources materialise (£1.8m).

It is anticipated that a request will be made to carry forward some of the significant budgets for longer term projects into 2017-18.

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

Non-housing capital resources

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

Non Housing Capital Resources	Original Approved £000s	Brought Forward £000s	Total Resources £000s	Arisen to Date (inc B/F) £000s	Forecast Outturn £000s
Section 106	(183)	(1,732)	(1,915)	(1,732)	(1,915)
Community Infrastructure Levy	(1,361)	(677)	(2,038)	(785)	(2,038)
Borrowing	(24,373)	0	(24,373)	0	(6,819)
Capital Grants	(4,465)	(2,266)	(6,731)	(6,282)	(6,731)
Greater Norwich Growth Partnership	(381)	(6)	(387)	(653)	(387)
Capital Receipts and Balances	(1,585)	(653)	(2,237)	(653)	(2,237)
Other Contributions	(210)	0	(210)	0	(210)
Total Non-Housing Capital Resources	(32,557)	(5,334)	(37,890)	(10,105)	(20,337)

9. The forecast borrowing has been reduced by £17,554,457 in line with the reduction in forecast expenditure as a result of some major schemes being unlikely to incur budgeted expenditure within this financial year.

Non-housing capital virements and requested adjustment to the non-housing capital programme

10. Cabinet is asked to note the following capital virement relating to the Lakenham area landscape project and approve the requested adjustment to the 2016 - 17 non-housing capital programme.

Scheme	Approved Budget	Virement	Requested Additional S106 Funds	Revised Budget
S106 Livestock Mkt Cycle/Walkway	84,256	(84,256)	0	0
S106 Lakenham area landscape project	0	84,256	6,411	90,667
Total	84,256	0	6,411	90,667

11. As the landscape enhancement of a project for a cycle/walkway connecting to the livestock market site is unable to proceed, the earmarked Section 106 funding has been reallocated to enable a broader landscape project in the vicinity of the Livestock market to happen. This project will cover landscape enhancement of green spaces across three sites: Lea Bridges Park, Danby Close and Tuckswood centre, with an emphasis on 'natural food growing', food foraging and biodiversity enhancements, and a contribution towards street tree planting in the area of Lakenham. The projects for all three sites are aimed at improving use of the site for the local community and complementing work on reducing inequalities in Lakenham. The executive head of regeneration and development approved the virement of £84,256 from the livestock market site project to the Lakenham area landscape project.

12. In addition, a further £6,411 is required to complete the required funding. This amount can be fully funded from existing Section 106 resources, and approval is now sought to apply these earmarked resources to this project.
13. The above adjustments have been included within the tables shown in paragraph 5 and Appendix 1.

Housing capital programme

Housing capital carry-forward

14. 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 approved the carry forward of unspent 2015-16 housing capital budgets into 2016-17, totalling £9,532,710. These are shown in detail in Appendix 4 and are included in the proposed budgets shown below.

2016-17 current position

15. The financial position of the housing capital programme is set out in detail in Appendix 2 and summarised with commentary in the following paragraphs.
16. The following table shows expenditure to date and the forecast outturn for expenditure against the approved capital budgets.

Programme Group	Original Budget £000's	Proposed Budget £000's	Actual to Date £000's	Forecast Outturn £000's	Forecast Variance £000's
Housing Investment	4,794	13,685	819	7,388	(6,297)
Neighbourhood Housing	31,879	32,357	2,792	27,697	(4,660)
Strategic Housing	2,400	4,240	116	4,173	(67)
Total Housing	39,073	50,282	3,727	39,258	(11,023)

17. As at 30 June 2016, the forecast outturn is £39.26m which would result in an underspend of £11.02m. The variance is largely due to the expenditure profile of large new build social housing projects that are planned to extend into the next financial year (£6.3m), and contract savings combined with re-profiling of planned expenditure on other schemes (bathroom upgrades £1.7m; tower block regeneration £1.3m; kitchen upgrades £0.9m). It is anticipated that a request will be made to carry forward some of these budgets into 2017-18.
18. The housing capital programme will continue to be monitored throughout the financial year to ensure that programmes deliver to budget within revised project timescales.

Housing capital resources

19. 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	Arisen to Date (inc B/F) £000s	Forecast Outturn £000s
Housing Capital Grants	(568)	(97)	(665)	(102)	(665)
HRA Major Repairs Reserve	(13,173)	0	(13,173)	0	(13,173)
HRA Borrowing from Headroom	(9,110)	0	(9,110)	0	(9,110)
HRA Revenue Contribution to Capital	(26,104)	0	(26,104)	0	(26,104)
HRA Contributions to Costs	(275)	0	(275)	0	(389)
HRA Capital Receipts and Balances	(4,101)	(5,371)	(9,472)	(6,885)	(9,472)
HRA Retained One for One Capital Receipts	(4,759)	(11,183)	(15,941)	(12,689)	(15,941)
Repayment of existing HRA Borrowing	10,750	0	10,750	0	10,750
Total Housing Capital Resources	(47,339)	(16,651)	(63,990)	(19,677)	(64,104)

Housing capital virements

20. Cabinet is asked to approve the following capital virements relating to the housing investment and neighbourhood housing elements of the housing capital programme. These adjustments have been included within the tables shown in paragraph 15 and Appendix 2.

Scheme	Approved Budget	Virement	Revised Budget
Kitchen Upgrades	6,137,879	(1,031,167)	5,106,712
Bathroom Upgrades	6,050,414	(230,000)	5,820,414
Electrical	584,019	(5,000)	579,019
Boilers - Domestic	2,557,449	(25,000)	2,532,449
Windows - Programme	204,596	(25,000)	179,596
Composite Doors	1,933,360	(5,000)	1,928,360
Community Safety - Door Entry Systems	249,596	(10,000)	239,596
Sheltered Housing Regeneration - St James House	0	359,681	359,681
Sheltered Housing Regeneration - Britannia Court	94,843	616,486	711,329
Sheltered Housing Alarms	0	60,000	60,000
Primrose Place	0	95,000	95,000
Whole Home Improvements	511,490	200,000	711,490
Total	21,308,291	0	21,308,291

21. As detailed in Appendix 2, it is forecast that due to contract renegotiations and lower than anticipated demand, both the kitchen and bathroom upgrade budgets are forecast to be substantially underspent in 2016 - 17. This provides the opportunity for these funds to be utilised in other areas where additional resources are required.
22. The sheltered housing regeneration budget included provision for substantial works to St James' House and Britannia Court. As work has progressed, a number of un-anticipated additional costs have arisen from essential works (including drainage replacement, asbestos removal, electricity meter relocation, gas and water supply renewal at St James' House and gas main renewal and heating and plumbing pipework replacement at Britannia Court). Additionally, works not included in the initial specification but that were cost-effective to undertake in conjunction with the renovation have also taken place (including re-roofing and lighting at St James' House and lighting and a building management system at Britannia Court). The

proposed virement of £976,167 from the kitchen upgrade budget will cover these additional costs.

23. A whole home improvement takes place when a property requiring multiple improvements throughout becomes void, and following assessment through the matrix it is deemed economical to retain and refurbish. This enables major upgrades to be carried out without disturbing tenants and reduces future maintenance costs. To date in 2016 - 17, the number of properties arising that are suitable for this type of work has been higher than initially anticipated. This increase is due to dwellings now being vacated by tenants who have in the past, refused upgrade work. A virement from the bathroom upgrade budget (£200k) will ensure that this work can continue without any delays to the void process.
24. The property at Primrose Place houses two tenants with full time care requirements and has been identified as requiring major upgrade works. The work to this property will be funded from the relevant individual housing capital budgets, but due to the substantial nature of the works it is proposed that they should take place concurrently under a single co-ordinated project. Virements from the windows (£25K), kitchen upgrades (£25K), boilers (£25k), door access controls (£10k), doors (£5k) and electrical (£5k) budgets will enable this to take place. In accordance with paragraph 2(d) of the Financial Procedures, this virement was approved by the executive head of neighbourhoods and reported to the corporate leadership team, but has been included within this report as it may be considered to form part of a larger overall virement from the kitchen upgrade budget.
25. Recent assessment has revealed that the warden call alarm system at Meadowsweet sheltered housing scheme requires upgrading urgently, but financial provision is not included within the 2016 - 17 housing capital programme. Virements from the kitchen upgrade (£30k) and bathroom upgrade (£30k) budgets will enable this work to be carried out immediately. In accordance with paragraph 2(d) of the Financial Procedures, this virement was approved by the executive head of neighbourhoods and reported to the corporate leadership team, but has been included within this report as it may be considered to form part of a larger overall virement from the kitchen upgrade budget.
26. Cabinet is asked to note the following capital virement relating to the housing investment and strategic housing elements of the housing capital programme. In accordance with paragraph 2(d) of the Financial Procedures, this virement was approved by the executive head of regeneration and development and reported to the corporate leadership team.

Scheme	Approved Budget	Virement	Revised Budget
Demolition and Site Maintenance	170,000	(17,480)	152,520
New Build - Hansard Close	1,322,322	17,480	1,339,802
Total	1,492,322	0	1,492,322

27. The Hansard Close development is the council's first Passivhaus scheme of ten flats. An additional cost of £17,480 has been identified to cover the cost of a Clerk of Works for the project. This virement from the demolition and site maintenance budget enables this cost to be funded.

28. All of the above adjustments have been included within the tables shown in paragraph 16 and Appendix 2.

Requested adjustment to the housing capital programme

29. On 7 October 2015, Cabinet approved that the principle to be adopted for the application of right to buy (RTB) one for one receipts would be to

- i) spend first on the council's own Housing capital programme; and
- ii) where we do not expect to be able to spend in full will seek to pass the remainder to Registered Providers to develop social rented housing as a first priority and affordable rented housing where this is not possible.

30. On 3 February 2016, Cabinet approved the award of some retained right to buy receipts to registered providers to support the development of new affordable dwellings, as detailed in that report.

31. The 2016 - 17 approved housing capital programme includes a budget for £1,200,000 for capital grants to registered providers. In order for the award of retained right to buy receipts as agreed on 3 February 2016 to take place, approval is sought for the following adjustment to the 2016 - 17 housing capital programme:

Scheme	Approved Budget	Additional One for One RTB Receipts	Revised Budget
Capital Grants to Registered Providers	1,200,000	1,676,067	2,876,067

32. RTB one for one receipts can only be used to support the development of affordable housing and must be returned to the government after 3 years if they remain unspent.

33. The above adjustment has been included within the tables shown in paragraph 16 and Appendix 2.

Capital programme risk management

34. The following table sets out a risk assessment of factors affecting the planned delivery of the 2016-17 capital programmes.

Risk	Likelihood	Impact	Rating	Mitigation
General Fund Capital Receipts not received or delayed	Possible (3)	Major (5)	(15)	Expenditure incurred only as receipts secured
Detailed schemes not brought forward to utilise agreed capital funding	Possible (3)	Moderate (3)	(9)	Active pursuit of investment opportunities; budget provisions unspent could be carried forward if necessary
Cost overruns	Possible (3)	Moderate (3)	(9)	Robust contract management and constraints

Risk	Likelihood	Impact	Rating	Mitigation
Business case for asset improvement programme not sustainable	Unlikely (2)	Moderate (3)	(6)	Advice taken from expert property specialists
Contractor failure or capacity shortfall(s) prevents/delays capital works being carried out	Unlikely (2)	Moderate (3)	(6)	Robust financial checks during procurement process and awareness of early signs of financial difficulties
Housing Capital Receipts varying significantly as a result of fluctuating RTB sales	Possible (3)	Moderate (3)	(9)	Sensitivity modelling through HRA Business Plan; Arrangements in place to contribute to housing development through RPs where RTB sales generating higher than anticipated receipts; in-year monitoring
Housing Capital Receipts not received from sale of houses beyond economic repair	Possible (3)	Minor (1)	(3)	No plans to use funding until it has been received
Level of Housing contributions from leaseholders does not match forecast	Unlikely (2)	Minor (1)	(2)	Robust charging procedures within contract to ensure amounts due are recovered

Integrated impact assessment



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:	
Head of service:	Justine Hartley, Chief Finance Officer
Report subject:	Capital Programme Monitoring 2016-17 Q1
Date assessed:	
Description:	To report the current financial position

	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			
Risk management	<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	
Positive	
None	
Negative	
None	
Neutral	
None	
Issues	
None	

Non-Housing Capital Programme

Approved Budget	Current Budget		Actual To Date	Forecast Outturn	Forecast Variance
250,000	250,000	5020 CCTV replacement	0	0	(250,000)
10,000	10,000	5030 Community asset transfer	0	10,000	0
30,000	30,000	5031 Community shop	0	0	(30,000)
0	45,775	5294 Eaton Park Tennis Development	0	0	(45,775)
0	160,000	5324 City Hall 2nd Floor	215	10,700	(149,300)
0	27,893	5332 City Hall external lighting	524	27,893	0
12,000	12,000	5337 Sloughbottom Park artificial cricket	0	7,869	(4,131)
90,232	90,232	5350 Parking Management System	0	90,232	0
10,000	10,000	5450 Energy saving lighting	0	0	(10,000)
0	29,686	5931 Eaton Park access improvements	0	0	(29,686)
402,232	665,587	Subtotal Asset Improvement	739	146,694	(518,892)
0	25,753	5312 Yacht Station Repairs	0	25,753	0
5,000,000	5,000,000	5315 Asset investment for income (not Mile Cross)	0	0	(5,000,000)
500,000	500,000	5360 Private Rental Pilot	0	0	(500,000)
3,500,000	3,500,000	5370 Replacement of waste vehicle fleet	0	0	(3,500,000)
1,000,000	1,000,000	5460 Homelessness hostel	0	0	(1,000,000)
788,667	788,667	5480 Traveller Site	0	788,667	0
10,788,667	10,814,420	Subtotal Asset Investment	0	814,420	(10,000,000)
70,000	70,000	5040 Customer centre redesign	0	8,900	(61,100)
0	0	5245 Memorial Gardens temporary works	645	645	645
150,000	221,509	5308 St Andrews MSCP repair	137,452	257,593	36,084
275,000	275,000	5340 Co-St Giles MSCP Refurb	5,012	275,000	0
260,000	260,000	5341 The Halls refurbishment project	0	80,000	(180,000)
100,000	100,000	5420 Major Repairs 2016-17 Castle	0	30,000	(70,000)
40,000	40,000	5421 Major Repairs 2016-17 Community	0	40,000	0
130,000	130,000	5422 Major Repairs 2016-17 Investment	0	0	(130,000)
40,000	40,000	5423 Major Repairs 2016-17 NAIE	0	40,000	0
75,000	75,000	5424 Major Repairs 2016-17 Market Toilets	0	75,000	0
75,000	75,000	5425 Major Repairs 2016-17 Rolling Programme	0	75,000	0
0	200,000	5937 City Hall finials	0	200,000	0
0	20,000	5910 Halls - WC works	0	20,000	0
0	0	5913 Swanton Rd - Astra TC works	133	532	532
0	10,000	5918 St Andrews MSCP CCTV	0	10,000	0
0	29,212	5933 Car Park - Westwick Street	0	29,212	0
0	0	5941 Community Centre - Norman Car	90	361	361
0	20,000	5949 St Andrews and Blackfriars Hall WC	0	20,000	0
0	210,000	5954 Waterloo Park pavilion works	0	0	(210,000)
0	35,000	5959 CC Norman Bowl Lighting	0	0	(35,000)
0	75,000	5962 Hurricane way (6-14) demolition	0	0	(75,000)
0	7,000	5963 16 St Andrews Street re-roofing works	0	7,000	0
1,145,000	1,892,721	Subtotal Asset Maintenance	143,332	1,160,343	(662,378)

Approved Budget	Current Budget		Actual To Date	Forecast Outturn	Forecast Variance
10,000	10,000	5558 Co-CIL Nhood Ketts Heights	951	10,000	0
10,000	10,000	5559 CIL Nhood 20 Acre Wood	938	10,000	0
4,000	4,000	5560 CIL Nhood Chapel Break play area	0	4,000	0
4,000	4,000	5561 CIL Nhood Eaton Green Play Area	0	4,000	0
12,000	12,000	5562 CIL Nhood Community Enabling	0	12,000	0
1,513,000	1,513,000	5580 CIL Contribution Strategic	0	1,513,000	0
0	15,119	5590 CIL neighbourhood - Britannia Rd	1,008	18,119	3,000
0	3,000	5591 CIL neighbourhood -	0	0	(3,000)
0	7,370	5592 CIL neighbourhood - Natural	0	7,370	(0)
0	6,400	5593 CIL neighbourhood - Lakenham Way	0	6,400	0
0	5,460	5594 CIL neighbourhood - City Trees	4,386	5,460	0
0	50,000	5595 CIL neighbourhood - Netherwood	0	50,000	0
1,553,000	1,640,349	Subtotal Community Infrastructure Levy	7,283	1,640,349	(0)
0	65,916	5921 Earlham Millenium Green	8,287	65,916	0
0	6,520	5922 Riverside Walk GNDP	2,737	6,520	0
0	1,500	5923 Marriotts Way GNDP	785	1,500	0
150,000	150,000	5964 GNGP Bowthorpe Crossing	860	150,000	0
150,000	150,000	5965 GNGP Heathgate Pink Pway	0	150,000	0
300,000	373,936	Subtotal GNGP	12,669	373,936	0
0	161,781	5305 Eco-Investment Fund	0	41,000	(120,781)
400,000	993,000	5317 IT Investment Fund	0	193,000	(800,000)
0	20,240	6054 DECC Green Deal Communities	7,924	20,240	0
0	132,250	6057 Norwich Preservation Trust Loan	0	132,250	0
400,000	1,307,271	Subtotal Initiatives Funding	7,924	386,490	(920,781)
0	6,317	5701 s106 Chapelfield Gardens Play	0	6,317	0
0	185,420	5705 s106 The Runnel Play Provision	4,456	185,420	0
12,194	12,194	5728 S106 Mile Cross Gardens Play	1,716	12,194	0
0	7,000	5730 S106 Midland Street Open Space	0	7,000	0
0	3,947	5731 s106 Wooded Ridge project	0	3,947	(0)
6,402	6,402	5732 s106 Wensum View Play	5,522	6,402	0
0	9,444	5733 s106 Sarah Williman Close	282	9,444	0
0	73,410	5735 s106 Castle Green Play	3,264	73,410	(0)
0	36,034	5737 S106 Heartsease Play Area	35,514	36,034	(0)
0	57,034	5740 Bowthorpe Southern park	4,286	57,034	(0)
11,774	11,774	5741 Co-s106 Eaton play Area	0	11,774	0
0	49,852	5801 s106 Hurricane Way Bus Link	0	0	(49,852)
0	22,000	5806 Threescore, Bowthorpe - sustainable	0	0	(22,000)
5,472	35,401	5813 S106 Green Infrastructure Imps	0	35,401	0
53,104	0	5821 S106 Livestock Mkt Cycle/Walkway	0	84,256	0
0	90,667	S106 Lakenham area landscape project	3,860	90,667	0
0	76,283	5823 BRT and Cycle Route Measures	0	76,283	1
0	0	5825 Sustainable Transport Car Club	405	1,621	1,621
51,600	51,600	5829 S106 UEA CPZ Extension	0	51,600	0
52,451	52,451	5834 S106 Westlegate Public Realm	0	52,450	(1)
192,997	787,230	Subtotal Section 106	59,305	716,999	(70,232)

Approved Budget	Current Budget		Actual To Date	Forecast Outturn	Forecast Variance
376,000	376,000	5126 PtP - Yellow - Lakenham/Airport	0	0	(376,000)
0	0	5127 PtP - Blue - Cringleford/Sprowston	0	0	0
0	0	5128 PtP - Yellow and Blue - City Centre	0	0	0
30,080	35,282	5141 CCAG2 Liberator Road	201	35,282	0
13,160	13,160	5144 CCAG2 Taylors Lane (Connector)	2,926	13,160	0
235,000	260,835	5145 CCAG2 Fifers Lane/Ives Rd/Heyford	(12,049)	260,835	0
0	25,495	5147 CCAG2 Bussey Rd - Ives Rd	(1,232)	25,495	0
253,800	258,097	5149 CCAG2 Woodcock Rd / Catton	(3,473)	258,097	0
0	0	5150 CCAG2 Mile Cross - Angel Rd via	0	0	0
47,000	47,000	5153 CCAG2 Edward Street north	19	47,000	0
122,200	133,336	5154 CCAG2 St Crispins (St Georges -	(698)	133,336	0
0	0	5155 CCAG2 Golden Ball	4,968	4,968	4,968
507,600	516,487	5156 CCAG2 All Saints	758	516,487	0
329,000	339,795	5157 CCAG2 Lakenham Way	310	339,795	0
168,260	172,585	5159 CCAG2 Hall Rd (Bessemer - Old	5,574	172,585	0
0	0	5160 CCAG2 Ipswich Road - Old Hall	(3,220)	0	0
61,100	61,100	5168 CCAG2 Bluebell Road (Connector)	624	61,100	0
34,780	64,115	5169 CCAG2 Eaton Centre	(492)	64,115	0
639,200	682,349	5171 CCAG2 Newmarket Rd (Unthank Rd	(5,819)	682,349	0
197,400	225,600	5175 CCAG2 Magdalen Rd	7,254	225,600	0
117,500	128,000	5176 CCAG2 St Clements Hill (entrance	4,255	128,000	0
47,000	102,213	5183 CCAG2 St George's St/Colegate	(9,922)	102,213	0
0	21,855	5184 CCAG2 Opie St/Castle Meadow (on	(309)	21,855	0
246,720	246,720	5186 CCAG2 Administration	5,469	246,720	0
16,920	16,920	5142 CCAG2 Spitfire RD Hurricane Way	0	16,920	0
79,900	79,900	5148 CCAG2 Mile Cross Lane	0	79,900	0
300,800	300,800	5151 CCAG2 Angel RD	0	300,800	0
141,000	141,000	5161 CCAG2 20 MPH areas (Yellow)	11,744	141,000	0
100,580	108,805	5162 CCAG2 Cycle Parking (Yellow)	10,562	108,805	0
28,200	28,200	5163 CCAG2 Wayfinding	0	28,200	0
14,100	18,600	5164 CCAG2 Monitoring inf (Yellow)	39	18,600	0
47,000	47,000	5166 Co-CCAG2 A11 north slip	0	47,000	0
56,400	73,650	5177 CCAG2 Chartwell Road/St Clements	(1,848)	73,650	0
47,000	47,000	5178 Co-CCAG2 North Walsham	0	47,000	0
141,000	164,500	5179 Co-CCAG2 20 mph areas	2,344	164,500	0
0	0	5180 CCAG2 Cycle Parking (Blue)	61	242	242
0	37,600	5181 CCAG2	0	37,600	0
14,100	18,330	5182 CCAG2 Monitoring inf (Blue)	39	18,330	0
75,200	84,600	5185 CCAG2 City Centre Strategy for cyclists	0	84,600	0
4,488,000	4,876,929	Subtotal Cycle City Ambition Group 2	18,085	4,506,139	(370,790)

Approved Budget	Current Budget		Actual To Date	Forecast Outturn	Forecast Variance
0	24,733	5104 The Avenues	(20,691)	4,258	(20,475)
0	0	5108 Park Lane - Vauxhall Street	(1,547)	591	591
0	0	5109 Vauxhall Street - Bethel Street	1,031	1,031	1,031
0	0	5111 Magdalen Street and Cowgate	58,816	0	0
0	0	5113 Tombland and Palace Street	(28,368)	579	579
0	0	5115 Heathgate - Valley Drive	24,285	7,116	7,116
0	0	5118 Salhouse Road (Hammond Way -	(10,012)	13,615	13,615
0	0	5119 20 mph areas	1,531	22,329	22,329
0	0	5121 Directional signage and clutter	3,211	3,211	3,211
0	0	5122 Automatic cycle counters	(4,890)	0	0
0	0	5123 Cycle City Ambition Project	(954)	1,765	1,765
0	24,733	Subtotal Cycle City Ambition	22,412	54,495	29,762
0	0	5314 Ass Inv - Mile Cross Depot	(8,142)	0	0
0	1,219,317	5320 Rose Lane MSCP Construction	117,194	1,219,317	0
100,000	334,613	5322 Riverside Walk (adj NCFC)	18,792	52,410	(282,203)
0	585,817	5325 Mountergate Phase 2	0	50,000	(535,817)
25,000	288,475	5327 Park Depots demolition	0	0	(288,475)
0	0	5333 Magpie Road city wall landscape	(1,162)	0	0
250,000	250,000	5490 Investment for regeneration	0	0	(250,000)
222,285	222,285	5512 NaHCASP Threescore	(108,686)	0	(222,285)
2,716,600	2,716,600	8802 New Build - Goldsmith Street	3,620	1,000,000	(1,716,600)
5,716,847	9,011,856	8805 New Build - Threescore 2	10,545	5,768,111	(3,243,745)
1,098,010	2,909,484	8807 New Build - Airport	0	1,811,474	(1,098,010)
500,000	500,000	8820 Threescore phase 3	0	12,000	(488,000)
10,628,742	18,038,447	Subtotal Regeneration	32,161	9,913,312	(8,125,135)
29,898,638	40,415,212	Total Non-Housing Capital Programme	333,910	19,699,765	(20,638,447)

Housing Capital Programme

Approved Budget	Current Budget		Actual To Date	Forecast Outturn	Forecast Variance
150,000	150,000	7460 Sheltered Housing Redevelopment	14,494	150,000	0
0	359,681	7461 Sheltered Hsg redevelopment - St James	296,063	359,681	0
0	711,329	7462 Sheltered Hsg redevelopment - Britannia	348,369	711,329	0
500,000	500,000	7930 Capital Buybacks	0	500,000	0
0	305,727	8800 New Build - Riley Close	23,445	305,727	0
3,562,682	8,736,801	8802 New Build - Goldsmith Street	-7,069	3,450,000	(5,286,801)
9,500	502,824	8803 New Build - Brazengate	0	502,824	0
122,558	1,339,802	8804 New Build - Hansard Close	143,107	1,199,463	(140,339)
449,054	870,263	8805 New Build - Threescore 2	347	347	(869,916)
0	209,071	8807 New Build - Airport - Housing	0	209,071	0
4,793,794	13,685,498	Subtotal Housing Investment	818,756	7,388,442	(6,297,056)
584,019	579,019	7010 Electrical - Internal	60,854	579,019	0
511,490	711,490	7040 Whole House Improvements	54,356	711,490	0
6,137,879	5,106,712	7070 Kitchen Upgrades	612,954	4,157,879	(948,833)
6,050,414	5,820,414	7080 Bathroom Upgrades	25,640	4,135,914	(1,684,500)
517,628	1,167,628	7100 Boilers - Communal	47,136	1,167,628	0
2,557,449	2,532,449	7110 Boilers - Domestic	652,933	2,532,449	0
1,278,725	1,323,531	7150 Insulation	9,313	1,258,725	(64,806)
511,490	511,490	7170 Solar Thermal and Photovoltaic	9,216	511,490	0
204,596	179,596	7200 Windows - Programme	36,026	179,596	0
1,933,360	1,928,360	7280 Composite Doors	40,582	1,928,360	0
204,596	239,596	7300 Comm Safe - DES	1,013	85,000	(154,596)
255,745	305,745	7310 Estate Aesthetics	0	120,000	(185,745)
153,447	153,447	7470 Sheltered Housing Comm Facilities	0	153,447	0
306,894	306,894	7480 Sheltered Housing Redevelopment	0	356,894	50,000
1,069,525	1,203,718	7520 Planned Maint - Roofing	68,919	974,025	(229,693)
0	0	7530 Boundary Walls and Access Gates	299	299	299
7,168,530	7,518,530	7540 Planned Maint - Structural	1,041,553	7,518,530	0
0	0	7550 Vehicle Hardstanding	1,541	6,165	6,165
1,278,725	1,278,725	7570 Tower Block Regeneration	0	0	(1,278,725)
51,149	51,149	7580 Planned Maint - Lifts	0	51,149	0
818,384	818,384	7600 Dis Ad - Misc	39,061	648,384	(170,000)
81,838	81,838	7630 Dis Ad - Stairlifts	8,435	81,838	0
0	60,000	7680 Sheltered Housing Alarms	0	60,000	0
0	95,000	2637 Primrose Place	0	95,000	0
153,447	230,597	7700 HRA Shops	71,661	230,597	0
0	0	7950 Other - Communal Bin Stores	720	720	720
50,000	152,520	7960 Demolition and Site Maintenance	9,772	152,520	0
31,879,330	32,356,832	Subtotal Neighbourhood Housing	2,791,984	27,697,118	(4,659,714)

Approved Budget	Current Budget		Actual To Date	Forecast Outturn	Forecast Variance
0	68,606	6012 Empty Homes Grant	0	0	(68,606)
0	0	6014 Discretionary Assistance	0	0	0
900,000	900,000	6018 Disabled Facilities Grant	113,878	900,000	0
1,200,000	2,876,067	6019 Capital Grants to Housing	0	2,876,067	0
0	0	6030 Home Improvement Loans	927	1,927	1,927
25,000	25,000	6044 Works in Default	0	25,000	0
25,000	25,000	6047 DFG Residents Contribution	743	25,000	0
0	94,899	6050 Strong and Well Project	654	94,899	0
250,000	250,000	6052 HIA - Housing Assistance	0	250,000	0
2,400,000	4,239,572	Subtotal Strategic Housing	116,202	4,172,893	(66,679)
39,073,124	50,281,901	Total Housing Capital Programme	3,726,942	39,258,453	(11,023,449)

Non-Housing Capital Carry Forward Budgets

Projects Funded from Grants	
Detail	Carried forward budget (£)
5104 The Avenues	24,733
5126 PtP - Yellow - Lakenham/Airport	98,731
5127 PtP - Blue - Cringleford/Sprowston	221,923
5128 PtP - Yellow and Blue - City Centre	68,275
5322 Riverside Walk (adj NCFC)	234,613
5590 CIL neighbourhood - Britannia Rd	15,119
5591 CIL neighbourhood - Bignold Road	3,000
5592 CIL neighbourhood - Natural	7,370
5593 CIL neighbourhood - Lakenham Way	6,400
5594 CIL neighbourhood - City Trees	5,460
5595 CIL neighbourhood - Netherwood	50,000
5701 s106 Chapelfield Gardens Play	6,317
5705 s106 The Runnel Play Provision	185,420
5730 S106 Midland Street Open Space	7,000
5731 s106 Wooded Ridge project	3,947
5733 s106 Sarah Williman Close	9,444
5735 s106 Castle Green Play	73,410
5737 S106 Heartsease Play Area	36,034
5740 Bowthorpe Southern park	57,034
5801 s106 Hurricane Way Bus Link	49,852
5806 Threescore, Bowthorpe - sustainable	22,000
5813 S106 Green Infrastructure Imps	29,929
5821 S106 Livestock Mkt Cycle/Walkway	31,152
5823 BRT and Cycle Route Measures	76,283
5921 Earlham Millenium Green	65,916
5922 Riverside Walk GNDP	6,520
5923 Marriotts Way GNDP	1,500
6054 DECC Green Deal Communities	20,240
5317 IT Investment Fund	400,000
Total Funded from Grants	1,817,622

Projects Funded from Borrowing	
Detail	Carried forward budget (£)
5320 Rose Lane MSCP Construction	1,219,317
5325 Mountergate Phase 2	585,817
6057 Third Party Loan	132,250
8805 New Build - Threescore 2 - NH	3,295,009
8807 New Build - Airport - NH	1,811,474
Total Funded from Borrowing	7,043,867
Projects Funded from Capital Receipts Arising From Asset Sales	
Detail	Carried forward budget (£)
5937 City Hall finials	200,000
5317 IT Investment Fund	193,000
5294 Eaton Park Tennis Development	45,775
5305 Eco-Investment Fund	161,781
5324 City Hall 2nd Floor	160,000
5327 Park Depots demolition	263,475
5931 Eaton Park access improvements	29,686
5954 Waterloo Park pavillion works	210,000
5959 CC Norman Bowl Lighting	35,000
5962 Hurricane way (6-14) demolition	75,000
5308 St Andrews MSCP repair	71,509
5312 Yacht Station Repairs	25,753
5332 City Hall external lighting	27,893
5910 Halls - WC works	20,000
5918 St Andrews MSCP CCTV	10,000
5933 Car Park - Westwick Street	29,212
5949 St Andrews and Blackfriars Hall WC	20,000
5963 16 St Andrews Street re-roofing works	7,000
Total funded from Asset Sales	1,585,085
Total Non-Housing Capital Budget Carried Forward	10,446,574

Housing Capital Carry Forward Budgets

Projects Funded from Grants	
Detail	Carried forward budget (£)
6012 Empty Homes Grant	68,606
6050 Strong and Well Project	94,899
Total Funded from Grants	163,505
Projects Funded from Borrowing	
Detail	Carried forward budget (£)
8805 New Build - Threescore 2 - Housing	421,209
8800 New Build - Riley Close	305,727
8802 New Build - Goldsmith Street	5,174,119
8803 New Build - Brazengate	493,324
8804 New Build - Hansard Close	1,199,764
8807 New Build - Airport - Housing	209,071
Total Funded from Borrowing	7,803,214
Projects Funded from the HRA	
Detail	Carried forward budget (£)
7462 Sheltered Hsg redevelopment -	94,843
7100 Boilers - Communal	650,000
7150 Insulation	44,806
7300 Comm Safe - DES	45,000
7310 Estate Aesthetics	50,000
7520 Planned Maint - Roofing	134,193
7540 Planned Maint - Structural	350,000
7700 HRA Shops	77,150
7960 Demolition and Site Maintenance	120,000
Total Funded from the HRA	1,565,992
Total Housing Capital Budget Carried Forward	9,532,710

Report to Cabinet
14 September 2016
Report of Chief finance officer
Subject Treasury management full year review 2015 - 16

Item

10

Purpose

To recommend to council to note the treasury management performance for the year to 31 March 2016

Recommendation

To recommend that council note the report and the treasury activity for the year to 31 March 2016

Financial implications

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

Ward/s: All Wards

Cabinet member: Councillor Stonard– Resources and business liaison

Contact officers

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Background documents

None

Report

Background

1. The council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering maximising investment return. Counterparty risk is the term for the potential risks taken by an investor that the bank, building society, local authority or investment counterparty will be unable to repay the money invested.
2. The second main function of the treasury management service is the funding of the council's capital plans. These capital plans provide a guide to the borrowing need of the council, essentially the longer term cash flow planning to ensure the council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet council risk or cost objectives.
3. As a consequence treasury management is defined as:

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

Introduction

4. The council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2015-16. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
5. During 2015-16 the minimum reporting requirements were that the council should receive the following reports:
 - a) an annual treasury strategy in advance of the year (Council 17/02/2015)
 - b) a mid year (minimum) treasury update report (Cabinet 09/12/2015)
 - c) an annual review following the end of the year describing the activity compared to the strategy (this report)
6. The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is therefore important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the council's policies previously approved by members.
7. This council also confirms that it has complied with the requirement under the Code to give prior scrutiny to treasury management reports by the cabinet before they were reported to the full council. Member training on treasury management issues was undertaken during June 2015 in order to support members' scrutiny role.

8. This report summarises the following:-

- a) Capital activity during the year (section 3)
- b) Impact of this activity on the council's underlying indebtedness (the Capital Financing Requirement) (section 4)
- c) The actual prudential and treasury indicators (section 4)
- d) Overall treasury position identifying how the council has borrowed in relation to this indebtedness, and the impact on investment balances (section 5)
- e) Review of treasury strategy and economic factors (sections 6 & 7)
- f) Borrowing rates and detailed debt activity (sections 8 & 9)
- g) Investment rates and detailed investment activity (sections 10 & 11)

The council's capital expenditure and financing 2015-16

9. The council undertakes capital expenditure on long-term assets. These activities may either be:

- a) Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- b) If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need, which will be satisfied by either external or internal borrowing.

10. The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

		2015/16	
	2014/15	Mid-Year	2015/16
£m General Fund	Actual	Estimate	Actual
Capital expenditure	8.3	21.6	15.5
Financed in year	7.2	9.5	9.3
(Over) / unfinanced capital expenditure	1.1	12.1	6.3
		2015/16	
£m HRA	2014/15	Mid-Year	2015/16
	Actual	Estimate	Actual
Capital expenditure	30.5	42.9	36.6
Financed in year	32.0	42.9	37.0
(Over) / unfinanced capital expenditure	(1.5)	-	(0.5)

The council's overall borrowing need

11. The council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the council's debt position. The CFR results from the capital activity of the council and what resources have been used to pay for the capital spend. It represents the 2015-16 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.
12. Part of the council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLb] or the money markets), or utilising temporary cash resources within the council.

Reducing the CFR

13. The council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset.
14. The council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.
15. The total CFR can also be reduced by:
 - a) the application of additional capital financing resources (such as unapplied capital receipts); or
 - b) charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).
16. The council's CFR for the year is shown below, and represents a key prudential indicator. It includes PFI and leasing schemes on the balance sheet, which increase the council's borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract.

		2015/16	
	2014/15	Mid-Year	2015/16
£m General Fund	Actual	Estimate	Actual
Opening balance	25.9	26.0	26.0
Add: Unfinanced capital expenditure (as above)	1.1	12.1	6.3
Less: MRP	(1.0)	(1.0)	-
Closing balance	26.0	37.1	32.3
		2015/16	
	2014/15	Mid-Year	2015/16
£m HRA	Actual	Estimate	Actual
Opening balance	208.8	207.3	207.3
Add: Unfinanced capital expenditure (as above)	(1.5)	(0.7)	(0.5)
Less: Finance lease repayments	(0.0)	0.0	(0.0)
Closing balance	207.3	206.6	206.8

17. Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.

Gross borrowing and the CFR

18. In order to ensure that borrowing levels are prudent over the medium term the council's external borrowing, must only be for a capital purpose. This essentially means that the council is not borrowing to support revenue expenditure.

19. Gross borrowing should not therefore, except in the short term, have exceeded the CFR for 2015-16 plus the expected changes to the CFR over 2015-16 and 2016-17 from financing the capital programme. This indicator allows the council some flexibility to borrow in advance of its immediate capital needs in 2015-16. The table below highlights the council's gross borrowing position against the CFR. The council has complied with this prudential indicator.

		2015/16	
	2014/15	Mid-Year	2015/16
£m	Actual	Estimate	Actual
Gross borrowing	224.2	224.5	224.2
CFR	233.3	243.7	239.1

The authorised limit

20. The authorised limit is the "affordable borrowing limit" required by s3 of the Local Government Act 2003. The council does not have the power to borrow above this level. The table below demonstrates that during 2015 - 16 the council has maintained gross borrowing within its authorised limit.

The operational boundary

21. The operational boundary is the expected borrowing position of the council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream

22. This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

£m	2015/16
Authorised Limit	274.5
Maximum gross borrowing position	234.5
Operational boundary	234.5
Average gross borrowing position	221.6
Financing costs as a proportion of net revenue stream	5.12%

Treasury position as at 31 March 2016

23. The council's debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities.
24. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the council's Treasury Management Practices.
25. At the beginning and the end of 2015-16 the council's treasury (excluding borrowing by PFI and finance leases) position was as follows:

	31- Mar-16	Rate / £m Return	Average Life years	31- Mar-15	Rate / £m Return	Average Life years
Fixed Rate Funding						
- PWLB	215.0	4.37%	9.5	218.9	4.42%	10.3
- Market	5.4	4.80%	38.04	5.0	4.80%	39.04
- Other	0.5	3.00%	Perpetually irredeemable	0.5	3.00%	Perpetually irredeemable
Total debt	220.9			224.4		
CFR	239.1			233.3		
Over /(under) borrowing	(18.2)			(8.9)		
Investments	58.3	0.82%	0.4	67.3	0.83%	0.5
Net Debt	162.6			157.2		

26. The maturity structure of the debt portfolio was as follows:

	31-Mar-2016	31-Mar-2015
Maturity structure of fixed rate borrowing	£m	£m
under 12 months	10.75	6.36
12 months and within 24 months	2.00	5.75
24 months and within 5 years	7.00	14.00
5 years and within 10 years	113.16	59.96
10 years and within 20 years	76.83	132.18
20 years and within 30 years	4.12	1.97
30 years and within 40 years	5.29	5.29
Total	219.15	225.51

27. The difference between the amounts in the table above and the total debt disclosed in the previous table is the current repayable debt of £1.9m, of which £1.4m relates to accrued interest on the PWLB & Barclays loans and £0.5m is perpetually irredeemable 3% loan stock.

28. The following table shows the movement in investments in the year.

Investments	Actual 31 March 2015	Movement			Actual 31 March 2016
£'000		Invested	Matured	Transferred to Short Term	
Long Term					
Banks	3,000,000	-	-	-	3,000,000
Short term					
Banks	15,000,000	11,000,000	(16,000,000)	-	10,000,000
Building Societies	30,000,000	37,700,000	(42,700,000)		25,000,000
Local Authorities	5,000,000	-	(5,000,000)		-
Cash Equivalents					
Banks	10,000,000	130,511,219	(130,511,219)		10,000,000
Building Societies	4,250,000	331,485,423	(333,435,423)		2,300,000
Local Authorities	-	8,000,000	-		8,000,000
Total	67,250,000	518,696,642	(527,646,642)	-	58,300,000

29. The maturity structure of the investment portfolio was as follows:

£'000	31-Mar-16	31-Mar-15
Longer than 1 year	3,000	3,000
Under 1 year	55,300	64,250
	58,300	67,250

The strategy for 2015-16

30. The expectation for interest rates within the treasury management strategy for 2015 - 16 anticipated low but rising Bank Rate, (starting in quarter 1 of 2016), and gradual rises in medium and longer term fixed borrowing rates during 2016/17. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.
31. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.
32. In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk.
33. The actual movement in gilt yields meant that the general trend in PWLB rates during 2015 - 16 was an increase in rates during the first quarter followed by marked bouts of sharp volatility since July 2015 but with an overall dominant trend for rates to fall to historically low levels by the end of the year.

The economy and interest rates

34. Market expectations for the first increase in bank rate moved considerably during 2015 - 16, starting at quarter 3 2015 but soon moving back to quarter 1 2016. However, by the end of the year, market expectations had moved back radically to quarter 2 2018 due to many fears including concerns that China's economic growth could be heading towards a hard landing; the potential destabilisation of some emerging market countries particularly exposed to the Chinese economic slowdown; and the continuation of the collapse in oil prices during 2015 together with continuing Eurozone growth uncertainties.
35. These concerns have caused sharp market volatility in equity prices during the year with corresponding impacts on bond prices and bond yields due to safe haven flows. The Bank Rate, therefore, remained unchanged at 0.5% for the seventh successive year. Economic growth (GDP) in the UK surged strongly during both 2013/14 and 2014/15 to make the UK the top performing advanced economy in 2014. However, 2015 has been disappointing with growth falling steadily from an annual rate of 2.9% in quarter 1 2015 to 2.1% in quarter 4.
36. The *Funding for lending scheme*, announced in July 2012, resulted in a flood of cheap credit being made available to banks which then resulted in money market investment rates falling materially. These rates continued at very low levels during 2015 - 16.
37. The sharp volatility in equity markets during the year was reflected in sharp volatility in bond yields. However, the overall dominant trend in bond yields since July 2015 has been for yields to fall to historically low levels as forecasts for inflation have repeatedly been revised downwards and expectations of increases in central rates have been pushed back.
38. In addition, a notable trend in the year was that several central banks introduced negative interest rates as a measure to stimulate the creation of credit and hence economic growth.
39. The ECB had announced in January 2015 that it would undertake a full blown quantitative easing programme of purchases of Eurozone government and other bonds starting in March at €60bn per month. This put downward pressure on Eurozone bond yields.
40. There was a further increase in this programme of QE in December 2015. The anti-austerity government in Greece, elected in January 2015 eventually agreed to implement an acceptable programme of cuts to meet EU demands after causing major fears of a

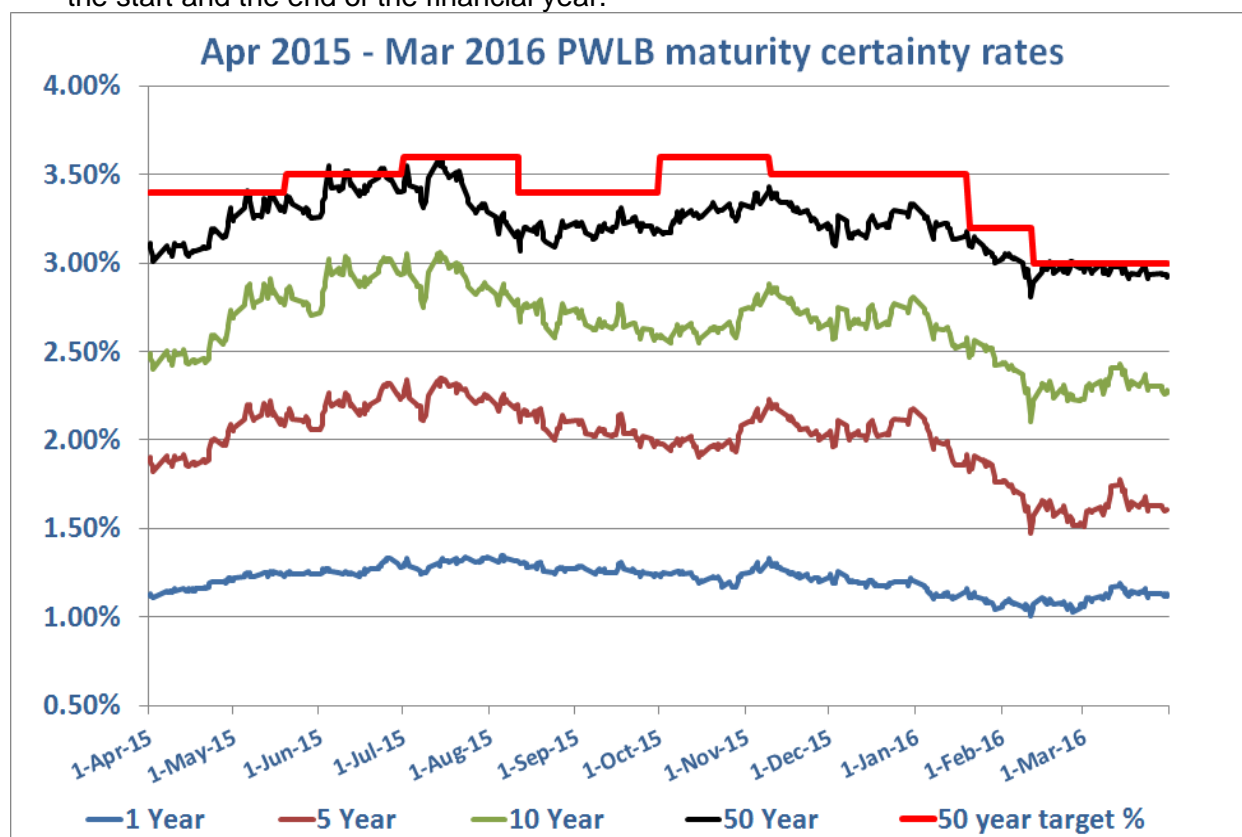
breakup of the Eurozone. Nevertheless, there are continuing concerns that a Greek exit has only been delayed.

41. As for America, the economy has continued to grow healthily on the back of resilient consumer demand. The first increase in the central rate occurred in December 2015 since when there has been a return to caution as to the speed of further increases due to concerns around the risks to world growth.
42. On the international scene, concerns have increased about the slowing of the Chinese economy and also its potential vulnerability to both the bursting of a property bubble and major exposure of its banking system to bad debts.
43. The Japanese economy has also suffered disappointing growth in this financial year despite a huge programme of quantitative easing, while two of the major emerging market economies, Russia and Brazil, are in recession. The situations in Ukraine, and in the Middle East with ISIS, have also contributed to volatility.
44. The UK elected a majority Conservative government in May 2015, removing one potential concern but introducing another due to the promise of a referendum on the UK remaining part of the EU. The government maintained its tight fiscal policy stance but the more recent downturn in expectations for economic growth has made it more difficult to return the public sector net borrowing to a balanced annual position within the period of this parliament.

Borrowing rates in 2015-16

PWLB borrowing rates

45. The graphs and table for PWLB maturity rates below show for a selection of maturity periods, the high and low points in rates, the average rates, spreads and individual rates at the start and the end of the financial year.



Borrowing Outturn for 2015-16

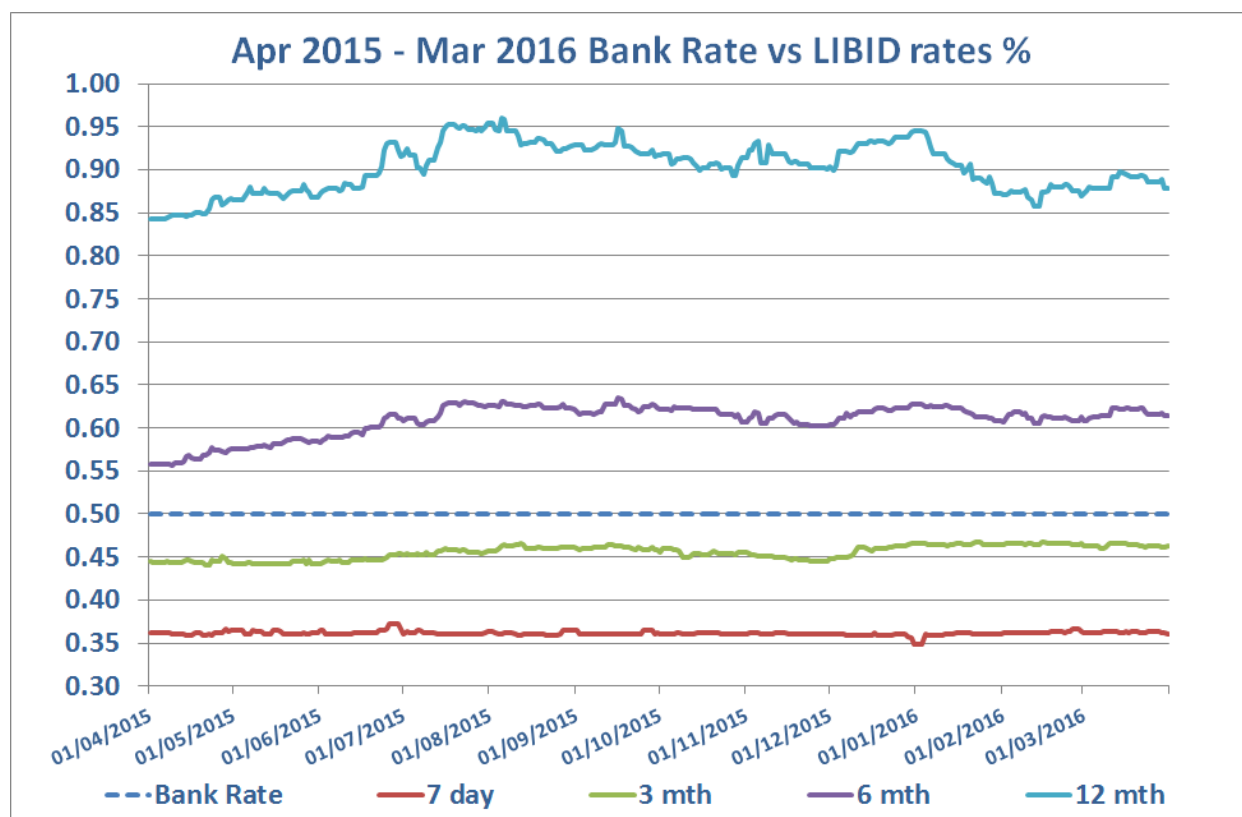
46. Due to investment concerns, both counterparty risk and low investment returns, no borrowing was undertaken during the year. However during 2015-16 £5.06m of PWLB debt was repaid.

Borrowings by the Council

47. During 2015-16 the council paid £9.78m in interest cost, this compares to a budget assumption of £9.70m

Investment Rates in 2015-16

48. Bank rate remained at its historic low of 0.5% throughout the year; it has now remained unchanged for seven years. Market expectations as to the timing of the start of monetary tightening started the year at quarter 1 2016 but then moved back to around quarter 2 2018 by the end of the year.
49. Deposit rates remained depressed during the whole of the year, primarily due to the effects of the *Funding for lending scheme* and due to the continuing weak expectations as to when bank rate would start rising.



Investment Outturn for 2015-16

Investment Policy

50. The council's investment policy is governed by CLG guidance, which was implemented in the annual investment strategy approved by the council on 17 February 2015. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional

market data (such as rating outlooks, credit default swaps [a financial swap agreement that the seller of the CDS will compensate the buyer in the event of a loan default or other credit event]., bank share prices etc.).

51. The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Resources

52. The council's cash balances comprise revenue and capital resources and cash flow monies. The council's core cash resources comprised as follows:

£m Balance Sheet Resources	31-Mar-16	31-Mar-15
Balances	38.3	29.8
Earmarked Reserves	3.9	4.1
Useable Capital receipts	17.3	24.9
Capital grants Unapplied	3.2	5.1
Total	62.7	63.9

Investments held by the council

53. The council maintained an average balance of £74.6m of internally managed funds. The internally managed funds earned an average rate of return of 0.82%. The comparable performance indicator is the average 7-day LIBID rate, which was 0.361%. This compares with a budget assumption of £77.6m investment balances earning an average rate of 1.0%. The average of the population of 206 local authorities was 0.70% and that of 87 non-met authorities was 0.72%.
54. The council's investment return for 2015-16 is £1,027,445 which is £427,445 above the amount budgeted for the year of £600,000. The variance is due to having a higher average balance to invest.
55. The council is part of a benchmarking group across Norfolk, Suffolk & Cambridgeshire, the table below shows the performance of the council's investments compared to the other councils (who have been made anonymous). This shows that the rate of return achieved by investments held at the year-end by the council as being the 5th highest and with the 6th highest risk when compared to the rest of the benchmarking group.

56.

Council	WARoR		WA Risk		WAM		WA Tot. time	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Norwich	0.85%	0.83%	5.2	4.7	126	173	274	329
A	1.07%	0.90%	3.2	2.9	240	216	503	419
B	0.60%	0.51%	3.4	2.6	205	51	326	80
C	0.90%	0.75%	5.5	3.5	84	27	232	218
D	0.92%	0.78%	5.7	3.9	169	114	301	217
E	0.84%	0.68%	5.7	3.5	179	136	267	204
F	0.84%	0.75%	5.7	4.0	116	92	275	172
G	0.81%	0.79%	4.1	3.2	205	201	326	281
H	0.98%	0.89%	5.4	4.3	41	54	261	216

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

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

- 1 Up to 5 years
- 2 Up to 2 years
- 3 Up to 1 year
- 4 Up to 6 months
- 5 Up to 3 months
- 6 0 months

A number of 4.7 means between 3 to 6 months

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

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

Integrated impact assessment



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:	14 September 2016
Head of service:	Justine Hartley
Report subject:	Full Year Treasury Management Report
Date assessed:	31 August 2016
Description:	This is the integrated impact assessment for the Full Year Treasury Management Report to cabinet and council for 2015-16

	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 has no direct financial consequences however it does report on the performance of the council in managing its borrowing and investment resources
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment
Positive
Negative
Neutral
Issues

Report to Cabinet
14 September 2016
Report of Strategy Manager
Subject Quarter 1 2016-17 performance report

Item

11

Purpose

To report progress against the delivery of the corporate plan priorities and key performance measures for quarter 1 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, Strategy Manager

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.
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. At Council on 23 February 2016 it was recognised that later this year some of these measures and targets may need to be reassessed in the light of more detail around financial and legislative change. Work continues on this with cabinet members
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 good picture with all of the council's overall priorities showing as green. There are some areas where the council is performing well and exceeding its targets. 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) A range of service satisfaction and neighbourhood satisfaction levels continue to exceed target
 - b) Supply of housing through quick re-let times continues to match a tough target and private sector homes continue to be brought back into use
 - c) However the supply of new affordable homes is below target. This is an area which is likely to be reviewed as part of the review of the corporate plan in the context of both changes to the Housing and Planning Act and national restrictions on housing income and expenditure
 - d) Although still slightly below very stretching targets the performance of the benefits' service has shown significant improvement
 - e) Other measures dependent upon capital expenditure are generally running below target and reflect difficulties in the capital programme.
 - f) Contact with the Council which was classified as avoidable this quarter continues outside of our target of 15%.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	14 September 2016
Head of service:	Adam Clark
Report subject:	Quarter 1 performance report 2016/17
Date assessed:	September 2016
Description:	This report sets out progress against the key performance measures that are designed to track delivery of the Corporate Plan priorities for quarter 1 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	
Positive	
Negative	
Neutral	
Issues	



Safe, clean and low carbon city

Prosperous and vibrant city

Fair city

Healthy city with good housing

Value for money services

Corporate plan

Safe, clean and
low carbon city

Prosperous and
vibrant city

Fair city

Healthy city with
good housing

Value for money
services

Comments

This is the first performance report for 2016/17 and as usual there are a mixture of results. Overall delivery against all five Corporate Plan priorities is broadly on target. As in previous quarters we continue to operate within challenging financial and regulatory pressures. We will have to reduce the general fund budget by £2.3M again this year and strive to deliver high quality services. The years from 2016/17 onwards will be even more challenging as we look to save similar amounts of money each year and at the same time see the Housing Revenue Account come under extreme pressure from legislative changes. The Corporate Plan and what is deliverable within these challenges will be reviewed over summer with cabinet.

It is particularly good to see that services for the most vulnerable people such as homelessness prevention and quick reletting of empty council homes to meet high demand are meeting targets. Delivery of the benefits service has shown signs of significant improvement this quarter. We do face increasing challenges to deliver affordable housing given not only the impending changes to our own finances but also changes in national policy toward the delivery of reduced cost home ownership instead of affordable rented housing. This is an area we need to consider as part of the review of the Corporate Plan

Despite these challenges we are not complacent about services which are not meeting targets and staff will continue to work with elected members to get a good balance of performance and cost reduction.

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

Key to tables (following pages) :

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

Measure	Actual	▲ Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
SCL8 % of adults living in the City Council's area who cycle at least once per week	21.5%	25.0%	▲	🟢	21.5%	25.0%	▲

Comments:

We have seen an increase from 17.7% in 2010/11 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 council's 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.




SCL02 % of people satisfied with waste collection	56%	85%	▲	▲	56%	85%	▲
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Comments: Officers are continually working with Biffa to improve the standard of service provided to residents. The numbers completing the surveys are relatively small (24 this quarter) and therefore individual issues can cause large swings in the %age rates. Such issues are investigated and wherever there are wider lessons to be learned these will be applied - in other parts of the city and with other collection crews as appropriate. We are looking at options which may help increase participation in the survey.

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
SCL01 % of streets found clean on inspection	89%	94%	●	🚧	91%	94%	●

Comments: In all 306 sites across the city were surveyed in March 2016. With regard to littering five streets were graded D (Plumstead Road, Vancouver Road alley, Marryat Road alley, Hooker Road alley and Redfern Road alley) eleven sites were graded C, and three sites 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, two were graded at D, these were both alleyways, one off Marryat Road and one off Redfern Road. Nine sites were graded at C and four graded at C-. Five roads graded C or C- for detritus are due for a deep clean within the next 18 months alongside the regular street cleans.

The alleyways in question all had their latest regular street clean towards the end of April, meaning they were at that stage back up to grade A standard. The issue with litter on shopping parades has been discussed with Norwich Norse management and cascaded to the supervisors, and the teams will ensure they are cleaning 50 metres either side of the parades in both directions on a daily basis Monday to Friday.

SCL06 % of residential homes on a 20mph street	29.5%	32.0%			29.5%	32.0%	
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Comments:
The implementation of the city centre 20mph was delayed, but construction work is now well underway and the the 20mph restriction is to be brought into effect in September bringing a significant number of additional homes into a 20mph area

+ SCL07 Number of accident casualties on Norwich roads	414	400			414	400	
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Comments:
The total number of road casualties has continued to reduce and work continuing with our partners at Norfolk County Council and Norfolk Constabulary is expected to reduce these further.

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
SCL03 % of people feeling safe	81%	77%	★	🟢	81%	77%	★
Comments: Performance for the % of people feeling safe remains high and has increased over the past 12 months. Work is in progress to benchmark the council's performance with similar authorities to understand how it compares.							
SCL04 Residual household waste per household (Kg)	105	105	★	➡	105	105	★
Comments: Due to the processing required this measure reports 3 months behind (q4 2015/16). The residual waste is within target for the year 2015/16. We are continuing to work to reduce residual waste in line with the target for 2016/17.							
SCL05 % of food businesses achieving safety compliance	95.3%	90.0%	★	🟢	95.3%	90.0%	★
Comments: The hygiene standard of food premises in the City is continuing to improve. This broad compliance figure includes the 24 businesses that have been rated and had improved.							
SCL09 CO2 emissions for the local area	13.5%	2.4%	★	🟢	13.5%	2.4%	★
Comments: Due to a lag in data collection, reported figures relate to the year 2014.							
SCL10 CO2 emissions from local authority operations	8.7%	2.2%	★	🟢	8.7%	2.2%	★
Comments:							
SCL11 % of people satisfied with parks & open spaces	94%	75%	★	🟢	94%	75%	★
Comments: This quarter we have collected the satisfaction data via the Local area survey to increase the sample size. This has resulted in a large increase in the number of responses and level of satisfaction recorded.							
SCL12 Percentage of people satisfied with their local environment	86%	78%	★	🔴	86%	78%	★
Comments: Residents satisfaction with their local environment remains high and on target. Work is in progress to benchmark the council's performance with similar authorities to understand how it compares.							



	Safe, clean and low carbon city	Prosperous and vibrant city	Fair city	Healthy city with good housing	Value for money services	Corporate plan
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Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
PVC2 Delivery of the council's capital programme	70%	80%	●	➡	70%	80%	●
Comments: A number of projects are amber as they have been delayed until 2016/17. Other red or amber projects have this status due to budget issues, which are being resolved or a lack of take-up of grants							
PVC7 Delivery of the heritage investment strategy action plan	45%	55%	●	➡	45%	55%	●
Comments: The Strategy contains a commitment to implement eighteen policies and ten projects. The majority of these have been either completely or partly implemented. Successes include the establishment of a group of officers to implement the strategy, including the identification. Several policies around training and awareness among staff and reviewing asset registers are behind schedule due to staffing turnover in the conservation team. Chapelfield Gardens and Memorial Gardens undercroft have been completed. Construction work on the landscape project for the Magpie Printers has been completed. Heathland restoration on Mousehold is ongoing. Funding has been allocated and feasibility work has begun on Castle Gardens for which a successful public realm workshop with stakeholder organisations has been held. A feasibility study for the Halls and roof repairs to The Halls will take place in 2016/17. The Mile Cross Gardens projects has just started. The Trust for Ninham Court (of which the council is the sole trustee) is working with the Norwich Preservation Trust to investigate ways to bring buildings back into beneficial use. A quotation has been received for the demolition of the disused toiled at Tombland buy funding has not yet been found to implement this.							

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
PVC3 Amount of funding secured by the council for regeneration activity (£ thousands)	4,166	250	★	➡	4,166	250	★
Comments: This is forecast to be £4.166M in total for 2016/7. Funding is from DfT through the Cycle City Ambition Grant. This funding has already been received. (June 2016). There is the Local Growth Funding allocated to the Westlegate/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.							
PVC5 Provision of free wi-fi in City Centre	100%	100%	★	➡	100%	100%	★
Comments:							
PVC6 Planning service quality measure	94%	83%	★	➡	94%	83%	★
Comments: The system to monitor planning service quality that has been developed by PAS (Planning Advisory Service) has been tested and is now available for use. Measurement will commence in quarter 1, 2016-17 and this will enable a wider range of factors to be captured, other than speed. We aim to be able to report on the planning service quality measure by the end of Q2 16/17. 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 future quarters outputs 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							
PVC8 % of people satisfied with leisure and cultural facilities	95%	90%	★	➡	95%	90%	★
Comments: The data displayed is for Q3-Q4 15/16.							

Performance measures not contributing to the performance score for the Objective this quarter

Measure
CPlan15-20 Prosperous and vibrant city : PVC1 Number of new jobs created/ supported by council funded activity
Comments: This measure is reported in Q2.
CPlan15-20 Prosperous and vibrant city : PVC4 Number of new business start ups
Comments: This measure is reported on an annual basis in Q4.
CPlan15-20 Prosperous and vibrant city : PVC9 Number of visitors to the City
Comments: Data is provided via an external report and will be available by the end of quarter 2



	Safe, clean and low carbon city	Prosperous and vibrant city	Fair city	Healthy city with good housing	Value for money services	Corporate plan
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Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
FAC1 Delivery of the reducing inequalities action plan	27%	30%	●	➡	27%	30%	●
Comments: We have continued to build on the approach to Reducing Inequalities that we commenced in 2015-16, with a particular locality focus in Lakenham, where we have cemented partnerships and working relationships which mean new opportunities for local residents to access support, advice and information. Our wider proposed work to leverage council assets and activities to tackle long-standing pockets of deprivation continues to progress, although this is tempered by national drivers such as welfare reform and changes to local government funding, resulting in slippage in some of our work around delivering social value.							
FAC4 Timely processing of benefits	99.4%	100.0%	●	➡	99.4%	100.0%	●
Comments: Processing of benefits continues to see strong improvement in performance only narrowly falling short of the tough target we have set. Performance breaks down as new claims 20.2 days (target 21), change of circumstances 13.2 days (target 13), appeals 1.7 days (target 14), discretionary housing payments 5.8 days. The indicator is amber because the change of circumstances performance is 0.2 days outside the 13 day target							

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	Δ RAG YTD
FAC3 Delivery of the digital inclusion action plan	30%	30%	★	➡	30%	30%	★
Comments: Performance on this action plan is on track, with on-going work to identify resources and build relationships progressing very well. Volunteer recruitment and training is going excellently, and regular drop-in sessions have been established in the community, as well as pilot events rolling out to a range of client groups and partner organisations.							
FAC2 % of people saying debt issues had become manageable following face to face advice	100%	86%	★	➡	100%	86%	★
Comments: The good performance, reflects the effectiveness of the work of council's debt services provided by 3 rd sector partners and the delivery of positive outcomes.							
FAC5 No of private sector homes where council activity improved energy efficiency	192	30	★	➡	192	30	★
Comments: In quarter 4, private households were helped with energy efficiency measures for their homes. This constituted completed boiler replacements, cavity wall insulation, loft insulation, energy performance certificates, boiler repairs and small insulation measures. In addition to, installing 87 solar panels across the city due to the success of the Solar Together Scheme.							

Performance measures not contributing to the performance score for the Objective this quarter

Measure
CPlan15-20 Fair city : FAC6 % increase in contractors, providers and partner organisations paying a living wage
Comments: This measure is reported on an annual basis in Q4.



	Safe, clean and low carbon city	Prosperous and vibrant city	Fair city	Healthy city with good housing	Value for money services	Corporate plan
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Measure	Actual	Target	▲ RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
HCH4 Number of new affordable homes developed on council land or purchased from developers	25	105	▲	▲	25	105	▲
Comments: Persimmon has delayed hand-over of the phase 2 properties from Brazengate. This is outside of our control. The other sites are progressing well but the whole programme has been delayed because of uncertainties around funding.							

▲ Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
HCH9 No of private sector homes made safe	19	25	●	▲	19	25	●
Comments: This is below target for the first quarter but the nature of the work does mean that it fluctuates. The team is currently dealing with a higher than usual number of complex cases and prosecutions. However, I am confident that this ground will be made up later in the year.							

▲ Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
✚ HCH03 No of empty homes brought back into use	29	20	★	✚	29	20	★
Comments:							
✚ HCH1 Delivery of the Healthy Norwich action plan	25%	25%	★	✚	25%	25%	★
Comments: Building on last year's partnership work, the Healthy Norwich programme is making good progress to deliver some key projects to improve the health of residents, including introducing a voluntary ban on smoking in play areas, working more closely with public health colleagues and delivering health-related grants to the VCSE sector							
✚ HCH2 Relet times for council housing	16	16	★	▲	16	16	★
Comments:							
Just over 300 homes were let in the first quarter. Whilst tenancy turnover dropped last year, it is back up again in quarter 1, 30% higher compared to the same period last year. Average re-let time remains on target despite increased demand on the service. 35 homes were successfully let in May at the refurbished and remodelled St James House sheltered housing scheme.							
✚ HCH5 Preventing homelessness	64.5%	55.0%	★	✚	64.5%	55.0%	★
Comments:							
High demand on our services continues and it is noticeable that we are seeing more clients with complex and multiple needs, whose housing issues can be more difficult to resolve. In such circumstances, our performance in preventing homelessness is relatively steady and we are optimistic that over the course of the year the target will continue to be met.							
✚ HCH7 % of council properties meeting Norwich standard	100.0%	100.0%	★	✚	100.0%	100.0%	★
Comments:							
The proxy measure monitors the number of upgrades completed quarterly compared to projections for the following programmes: kitchens, bathrooms, heating, rewires, and composite doors. Contracts are output based, and contractors are responsible for delivering programmes by end of the financial year. Half of the annual heating upgrades programme has been delivered in the first quarter, as the contractor aimed to get more work completed before the winter months. A new electrical contract is shortly due to commence. All programmes are on track for completion by end-of-year.							
HCH8 % of tenants satisfied with the housing service	84%	77%	★	➡	84%	77%	★
Comments:							
Over 1,000 housing tenants have responded in the last 12 months to this quarterly local area survey run by Customer contact. Satisfaction levels remained constant in quarter 1 with the rolling yearly score at 84%. The most recent STAR survey was conducted at the end of 2014/15 with a result of 82%, an increase of 11 percentage points on the previous survey. The STAR survey is a representative survey carried out every two years.							

Performance measures not contributing to the performance score for the Objective this quarter

▲ Measure
HCH6 % of people who feel that the work of the HIA has enabled them to maintain independent living
Comments: Currently unknown. Work is underway to automatically generate and send out a survey form after 6 months. In the meantime we have had to send the survey forms out as a batch and that work was delayed. 88 surveys have now been posted out and we expect to have responses within 14 days (although we can't of course, guarantee a response in every case.)



Measure	Actual	Δ Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
✚ VFM4 Avoidable contact levels	30.3%	15.0%	▲	✚	30.3%	15.0%	▲

Comments:

Following the review of how data is being captured for avoidable contact, training has been provided across the teams to ensure that the definition of what constitutes avoidable contact is clearly understood and as a result the data now being captured accurately reflects the actual customer experience. This means that we now need to identify a realistic target for the coming year.

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
✚ VFM1 % of residents satisfied with the service they received from the council	99.2%	93.0%	★	✚	99.2%	93.0%	★
Comments:							
VFM2 Council achieves savings targets	2,300,...	2,300,...	★	➡	2,300,...	2,300,...	★
Comments: We successfully delivered a package of general fund savings of £2.3 million for 2016/17 achieving the target.							
✚ VFM5 Channel shift measure	11.6%	6.0%	★	✚	11.6%	6.0%	★
Comments: We continue to promote and develop online contact including use of customer accounts through our new website.							
✚ VFM6 % of income owed to the council collected	95.7%	95.0%	★	✚	95.7%	95.0%	★
Comments:							
✚ VFM7 % of income generated by the council compared to expenditure	48.9%	44.2%	★	✚	48.9%	44.2%	★
Comments: The quarter 1 outturn general fund income for 2016/17 financial year is forecast to equate to 48.9% of expenditure which is above the target of 44.2%.							
VFM8 % of customers satisfied with the opportunities to engage with the council	60%	52%	★	✚	60%	52%	★

Comments: Residents satisfaction with the opportunities to engage with the council remain above target in Q1. Work is in progress to benchmark the council's performance with similar authorities to understand how it compares.

Performance measures not contributing to the performance score for the Objective this quarter

Measure
VFM3 % of council partners satisfied with the opportunities to engage with the council
Comments: This measure is reported on an annual basis in Q4
VFM9 Delivery of local democracy engagement plan
Comments: This measure is reported in Q2.

Report to Cabinet
14 September 2016
Report of Head of Planning Services
Subject Smaller houses in multiple occupation : Article 4 Directions

Item

12

Purpose

To consider a recommendation made by the sustainable development panel regarding the introduction of Article 4 Directions to bring the change of use of homes (class C3) into small houses in multiple occupation (class C4) under planning control.

The Directions should apply to two specific areas of the city where the proportion of the housing stock in use as HMOs currently exceeds 30%.

Recommendations

To :

1. commence consultation on the designation of non-immediate Article 4 Directions in the two areas illustrated on map 2 of the appendices, removing permitted development rights without first obtaining planning permission;
2. report the results of the consultation back to cabinet; and,
3. if Cabinet is minded to confirm the Directions at this stage, commence procedures to confirm the Directions.

Corporate and service priorities

The report helps to meet the corporate priority “A Healthy City with Good Housing”.

Financial implications

See paragraph 39 of the report.

Wards: Town Close, Nelson and Wensum

Cabinet member: Councillor Bremner – Environment and sustainable development

Contact officers

Lara Emerson, Planner (Policy) 01603 212500

Graham Nelson, Head of Planning Services 01603 212530

Background documents

None.

Report

Introduction

1. This report has been prepared following Sustainable Development Panel's consideration of the implications of the growth of houses in multiple occupation (HMOs) on the City and how this may best be regulated.
2. HMOs play an important role in meeting people's housing needs by providing shared accommodation that is affordable. HMOs generally provide accommodation for a range of people such as young professionals, students and temporary workers, amongst others. Without HMOs, many people would not be able to afford to live in Norwich.
3. The number of HMOs in Norwich has been growing steadily over a number of decades. This is partly due to an increase in house prices and rents making other accommodation options less affordable, and partly due to a growth in student numbers at the city's further and higher education establishments.
4. In planning terms a House in Multiple Occupation (HMO) is a residential dwelling occupied by 3 or more unrelated residents who typically share kitchens, bathrooms and living spaces. HMOs fall into two use classes:
 - An HMO with 3 to 6 residents is classed as a small HMO (use class C4)
 - An HMO with more than 6 residents is a large HMO (sui generis)
5. Government legislation states that planning permission is not required to change a residential dwelling (use class C3) to a small HMO with 3 to 6 residents (use class C4) and vice versa. However, planning permission is required to change a dwelling (C3) or a small HMO (C4) to a large HMO with more than 6 residents (sui generis).
6. Locally, through the use of Article 4 Directions, it is possible to restrict these permitted development rights so that planning permission can be required to change the use of a dwelling into a small HMO.

Summary of Sustainable Development Panel's consideration of the issue

7. At its meeting of 24th September 2014 Sustainable Development Panel considered a paper which presented the evidence relating to the growth of HMOs in Norwich and indicated which planning policy measures could be taken to address the issues around HMOs.
8. Subsequently, in November to December 2014 a consultation was held in which a range of options were presented:
 - Blanket restriction on additional HMOs in the city as a whole
 - Restrict additional HMOs in areas of over- concentration through percentage threshold e.g. maximum 20% HMOs in any street (potentially combined with option c below)
 - Drive up standards and management of new HMOs and ensure HMOs are only created in appropriate types of housing
 - Limit the concentration of HMOs through a blanket ban on additional HMOs in one particular area, with no threshold

- Promote development of accommodation types to slow HMO conversion rate through planning and assess licensing options (this was described as option 4 in the consultation document).
9. At its meeting of 25th March 2015, Sustainable Development Panel considered the 39 responses to the consultation and resolved to:
 - (1) note that:
 - (a) consultation option 4, promoting the development of accommodation types to reduce demand for conversion of existing housing to HMOs will be taken forward, allowing time to assess housing accreditation and licensing options;
 - (b) progress will be monitored and assessed in 2017, when the need for policy restrictions on new HMOs in wards and areas with high HMO concentrations through an Article 4 Direction and a threshold will be considered;
 - (2) ask the head of planning services to provide an interim report on the progress of 1 (a) and (b) above to the panel in March 2016.
 10. The interim update report which was presented to Sustainable Development Panel at its meeting of 23rd March 2016 discussed the progress which had been made since March 2015, with a recommendation to continue with the existing approach and reconsider the matter in March 2017. However, the paper prompted members to consider it worth reexamining the options available. Sustainable Development Panel resolved:

“to ask the head of planning services to provide a detailed report to the panel’s meeting on 25 May 2016, setting out the different options available to the council to regulate houses in multiple occupation and the full implications of issuing Article 4 Directions, and recommend a course of action to cabinet for consideration at the first meeting of the civic year.”
 11. At its meeting of the 29th June 2016, Sustainable Development Panel considered various options for the implementation of an Article 4 Direction.
 12. Firstly, members considered on what basis to introduce Article 4 Directions:
 - A) To restrict the number of new HMOs established within the area covered by the Article 4 Directions to protect the amenity or character of a particular part of Norwich that is adversely affected by the number of HMOs in it; or
 - B) To enable the operation of a policy designed to direct new HMO provision into properties and/or areas that are considered to be suitable for the use but not to restrict overall supply. Such a policy could incorporate elements of option A insofar as it may seek to restrict numbers of new HMOs established in particular areas but it may also include criteria than any HMO would need to comply with.
 13. Secondly, members considered over which areas to introduce Article 4 Directions. Three maps were put to members showing areas of the city where the percentage of HMOs exceeded 20%, 30% or 40%. A wider area was also discussed (i.e. 10% or city-wide).
 14. Further details about each of the options above, and their advantages and disadvantages, can be found in the report presented to Sustainable Development Panel on 29th June 2016.

15. Members considered all of the options put before them and resolved to recommend to Cabinet the introduction of Article 4 Directions on the basis of Option A, above, to remove permitted development rights for properties in the area indicated on the 30% map (see Map 1 in the appendices) to change from C3 (dwellinghouses) to C4 (small HMOs). This proposal is discussed in further detail below.

Work done subsequently to the Panel recommendation

16. The members of Sustainable Development Panel considered information that was based on work done for the Council by BRE in 2014. This presented information based on census output areas which are statistical constructs and owe little to meaningful boundaries on the ground.

17. In order to serve Article 4 Directions, the council will need to be clear on which properties the Directions apply to. Therefore, officers have sought to best fit the area agreed by Sustainable Development Panel to logical boundaries on the ground to enable the appropriate notices to be served effectively. These revised boundaries are shown on Map 2 of the appendices. The specified areas contain 4,540 properties, approximately 3,617 of which are residential. This accounts for 6% of the city's total housing stock of 64,479.

18. Map 2 illustrates the two areas over which the Article 4 Directions are proposed to apply. The two areas are:

- An area either side of Unthank Road between Clarendon Road and Glebe Road; and
- An area around Dereham Road near its junction with Bowthorpe Road.

19. Combined, the areas contain approximately 3,617 residential properties, 30% of which are already in use as houses in multiple occupation. Thus, the permitted development rights would be withdrawn from approximately 2,531 properties which are currently in use as C3 dwellinghouses

20. Both the areas contain a number of buildings currently in use for other purposes. It should be noted that the Directions apply to a particular area and not just buildings in a particular use. As such, a shop within the area may benefit from permitted developments rights that enable it to be converted to C3 dwelling without the need for planning permission. At present should this be done the converted property would also benefit from rights allowing it to change to C4 use, however this right would be withdrawn by the Directions. In this manner the Article 4 Directions may also effectively restrict the range of permitted development rights available to buildings that are not currently in residential use.

21. In addition to refining the area to which the potential Directions would apply, officers also researched the procedure that would need to be followed in order to introduce the Directions.

22. In order to avoid exposing the council to potentially very high levels of compensation liability, officers strongly recommend implementing non-immediate Article 4 Directions. Under section 108 of the Town and Country Planning Act a claim for compensation can be made to the local planning authority if planning permission is

refused or granted subject to conditions other than those conditions imposed by the General Permitted Development Order 2015. This can include the difference in the value of the land if its use had been changed to an HMO compared to its value in its current state, as well as the cost of preparing the plans for the works (s107 TCPA 1990).

23. Such claims can be avoided provided at least 12 months' notice is given of the intention to introduce the order. As such, there will be some considerable delay before the Directions can take effect. The estimated timetable for the implementation of the Directions would be as set out within the table below. It is important to note that these dates are approximate and may need to be adjusted throughout the process.

Stage	Procedure	Estimated date
1	<p>The council advertises notices of Directions</p> <ul style="list-style-type: none"> • The notice must specify a date on which it is intended for the Directions to come into force (s108 of the TCPA specifies that this must be at least 12 months from the date notice is first served to avoid the council being liable to pay compensation - see paragraphs 22 and 23 for more detail). • Site notices erected around the two specified areas for 6 weeks. • Notice advertised on the council's website. • Publication of the notices of Directions in a local newspaper. • Formal consultation for six weeks (note the statutory requirement is for only 21 days but following discussion with the portfolio holder 6 weeks is proposed to allow for more full consultation) with general members of the public and the owners and occupiers of every part of the land within the area to which the Direction relates. The intention would be to complete the consultation prior to 16th December 2016. The council would write to all properties within the specified areas with: <ul style="list-style-type: none"> ○ Notice of the Direction; ○ An information sheet; ○ A map of the specified areas; and ○ A letter asking tenants of rented properties to inform their landlord of the Notice of the Direction (the regulations state that the council need not serve notice in accordance with para 1(c) of GPDO 2015 where service of notice is impracticable due to identity or number of owners - this is considered to be the case due to the large number of properties affected). 	November 2016

Stage	Procedure	Estimated date
	Notice of making of Article 4 Directions entered onto land charges register Prospective buyers will see the notice of Direction on their local search.	November 2016
	Notify Secretary of State of the Direction The Secretary of State (SoS) must be notified on the same day that notice is served, above. The SoS has wide powers to modify or cancel a Direction as it sees fit.	November 2016
2	Consultation responses collated Officers collate consultation responses and prepare a report for Cabinet.	December 2016 - January 2017
	Cabinet consider responses to consultation Cabinet consider the report presented to them about consultation responses and decide whether to proceed to confirming the Directions.	January 2017
3	The council confirms the Direction If Cabinet decide to proceed, notice of confirmation must be served in the same way the notices of Directions were served at stage 1, above.	February 2017
	Confirmed Direction entered onto land charges register Prospective buyers will see the Article 4 Directions on their local search.	February 2017
4	The Directions come into force On the date specified on the original notice and subsequent confirmation, the Directions will come into force. Any property within the specified areas which has a lawful use as a dwellinghouse (use class C3) on the day before the Directions come into force would need the benefit of planning consent in order to become a small HMO (use class C4). Applications would be decided on a case-by-case basis and would rely on the existing Development Management Policies (2014).	November 2017
	Notify Secretary of State again	November 2017

24. The Notice of Direction would state that permitted development rights would be removed to change the use of a property from a dwellinghouse (use class C3) to a small house in multiple occupation (use class C4). It is worth noting that the permitted development right to change a property from a small HMO to a dwellinghouse would be unaffected by the Directions.

The impacts of the Article 4 Directions

25. The direct impact of the introduction the Article 4 Directions in the areas proposed would be that permitted development rights allowing the change of use of class C3 dwellings to class C4 small HMOs would be withdrawn. The permitted development rights of HMOs currently within the areas would be unaffected by the Directions.
26. It should be noted that the Directions would have the effect of requiring planning consent to first be sought and obtained before a property could be converted to a C4 small house in multiple occupation. At present no change in the policy framework is proposed so that any planning application that was submitted would still need to be considered on a case by case basis on its merits and if applicants were not content with the outcome they would have the right of appeal to the Planning Inspectorate.
27. Therefore, the introduction of Article 4 Directions may not result in a blanket ban on the creation of further small HMOs within the areas that they cover. Although the level of concentration of HMOs in the area and the desire to see the maintenance of mixed and socially balanced communities are material planning considerations and could both be taken into account in reaching a planning decision, it is possible that if planning applications are submitted they may be approved.
28. However, the introduction of the Directions would create a considerable uncertainty for prospective landlords. The acceptability of the creation of a small HMO in the area would be uncertain and the process may also add to costs (if an agent is used to prepare the application) and delays as the planning application is prepared and considered. As the Directions are only proposed to apply to relatively limited areas of the city it is anticipated that the main effect will be to act as a significant deterrent for HMO landlords to invest in the area compared to other parts of the city.
29. Therefore it is anticipated that the consequences of introducing the Directions would be:
 - To restrict investment in properties in the areas currently in used as C3 housing from HMO landlords thus tending to restrict the growth of HMOs in the area seeking to affected thus limiting the growth of HMOs in the areas and maintaining a relatively mixed and balanced communities in areas;
 - Overtime this may prevent further exacerbation of other problems associated with concentrations of HMOs. Residents have reported that HMOs have negative impacts such as noise disturbance, untidiness and parking problems. However, it should be noted that the Article 4 Directions will give no additional powers to control existing HMOs in the area; and
 - It will give residents a chance to have their say on any proposals to convert housing to HMOs in the area and give scope for elected members on the Planning Applications Committee to take decisions on these applications.
30. Employing Article 4 Directions to restrict the conversion of C3 Dwellinghouses to C4 Houses in Multiple Occupation could also have various other consequences which are discussed in turn below. Given that the specified areas are relatively limited in size (affecting 6% of the city's housing stock), the impacts discussed below may be minimal.

31. Houses in multiple occupation offer the most affordable housing option to students. The University of East Anglia (UEA) has ambitious plans to grow student numbers and Norwich University of the Arts also has modest expansion plans. While some of these students may be able to be accommodated in the existing and emerging purpose-built student accommodation blocks, there will inevitably be some additional pressure on the city's housing stock. As prospective landlords seek out properties which are easiest to convert to HMOs, the areas of the city outside the two specified Article 4 areas may experience a higher number of conversions to HMOs. This may be especially noticeable in the streets which are immediately adjacent to the two specified areas: Edinburgh Road; Connaught Road; Winter Road; and Wellington Road.
32. In principle, Article 4 Directions can increase landlords' costs and limit the supply of HMOs while demand continues to rise. This can lead to an increase in rents and a reduction in the quality of accommodation.
33. Article 4 Directions can also distort the housing offer by decreasing the total number of HMOs available to tenants. HMOs form a valuable part of Norwich's housing market and many students and young professionals rely on them as their only accommodation option. HMOs are especially important in this time of welfare reform and changes to affordable housing requirements.
34. If the Article 4 Directions were introduced, properties which are currently let as HMOs in these areas would be able to continue to be let as such. The permitted development right to change the use of a property from small HMO (use class C4) to dwellinghouse (use class C3) would still exist so a landlord of an HMO could choose to let the house as a dwellinghouse without the need for planning consent. By doing this, though, the property's lawful use class would have been changed from C4 to C3 and therefore planning permission would be required to change the property back to an HMO. This situation would discourage landlords from switching between the two use classes, and there is therefore a risk that in an attempt to retain a property's C4 use class a landlord may opt to keep a property vacant for a period of time rather than let it as a C3 dwellinghouse. In practice a landlord is unlikely to struggle to let a C4 HMO given the pressures on the housing stock in Norwich, but nevertheless this is a point worth considering.
35. It is worth considering why there is such a clear concentration of HMOs in this area of Norwich. It is evident that students and young professionals on modest incomes which do not allow them to live in more expensive forms of accommodation choose to live in the areas off Unthank Road and Dereham Road. The area is located on key transport routes between the Norfolk & Norwich University Hospital (NNUH), the UEA, and the city. Many of the properties in the area are relatively small in size and offer little in the way of outside space, thereby not necessarily meeting the needs of families.
36. Implementing Article 4 Directions could also have an impact on house prices in the specified areas. While this is not a material planning consideration, it is certainly worth the council considering the full impacts at this stage since we are not considering whether planning permission should or should not be granted only whether such proposals should be brought under planning control. There are two potential impacts on house prices:

- Landlords are discouraged from investing in the affected areas due to the restrictions on conversions to HMOs. When a house is put on the market, the number of potential buyers is lower and so house prices rise at a slower rate than they would have done if no Article 4 Directions were introduced.
- The character of the area is better protected and so owner-occupiers are attracted to the specified areas. When a house is put on the market, owner-occupiers are willing to pay a higher price than they would have done without the introduction of Article 4 Directions.

37. While it is difficult to predict which, if either, of these outcomes is more likely, officers are more confident that there will be a reduction in house prices as compared to that which would exist without the Direction because landlords will be deterred from investing in the area.

38. It is also important to note that the proposed Article 4 Directions would simply control the concentration of HMOs and would have no impact on the ongoing management or condition of existing or new HMOs.

39. A decision to implement the Article 4 Directions would also have some resource implications:

- There would be implications due to the administration, consultation and reporting work needed to serve the Directions. This would divert staff from other tasks and may involve the reprioritisation of work within the planning service. It would also create additional costs in terms of advertising in the press, printing and erecting site notices, printing and sending letters to 3,617 properties etc. However, these costs are expected to be able to be met from within existing budgets.
- Once in place, any planning applications which are received as a result of the Directions would create additional work as these applications would need to be determined. Because the council has actively taken away permitted development rights, these applications cannot attract a fee as set out in Section 5 of the Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) Regulations 2012 so there would be no income to offset these costs. The level of additional cost incurred is hard to predict as it will depend on the number of applications received and whether they are reported to Planning Applications Committee. However, it is not anticipated that there will be a substantial number of these applications because of the ability of landlords to invest in other parts of the city. More significant costs may be incurred however, in defending the council's decisions at planning appeal or through investigating allegations of unauthorised conversion and pursuing enforcement action that may follow. The scale of the additional burden that could be created through the new regulatory measure is hard to predict at this stage although is expected to be small in relation to existing budgets.

Recommendation

40. To consider the recommendation of Sustainable Development Panel and, if minded to accept it, resolve:

- a) to commence the required consultation on the designation of non-immediate Article 4 Directions in the two areas illustrated on Map 2 of the appendices,

removing permitted development rights which would otherwise allow dwellinghouses to be used as small houses in multiple occupation without first obtaining planning permission; and

- b) that the results of the consultation be reported to a future meeting of Cabinet; and, if Cabinet is minded to confirm the Directions at this stage,
- c) to commence subsequent procedures to confirm the Directions.



Report author to complete

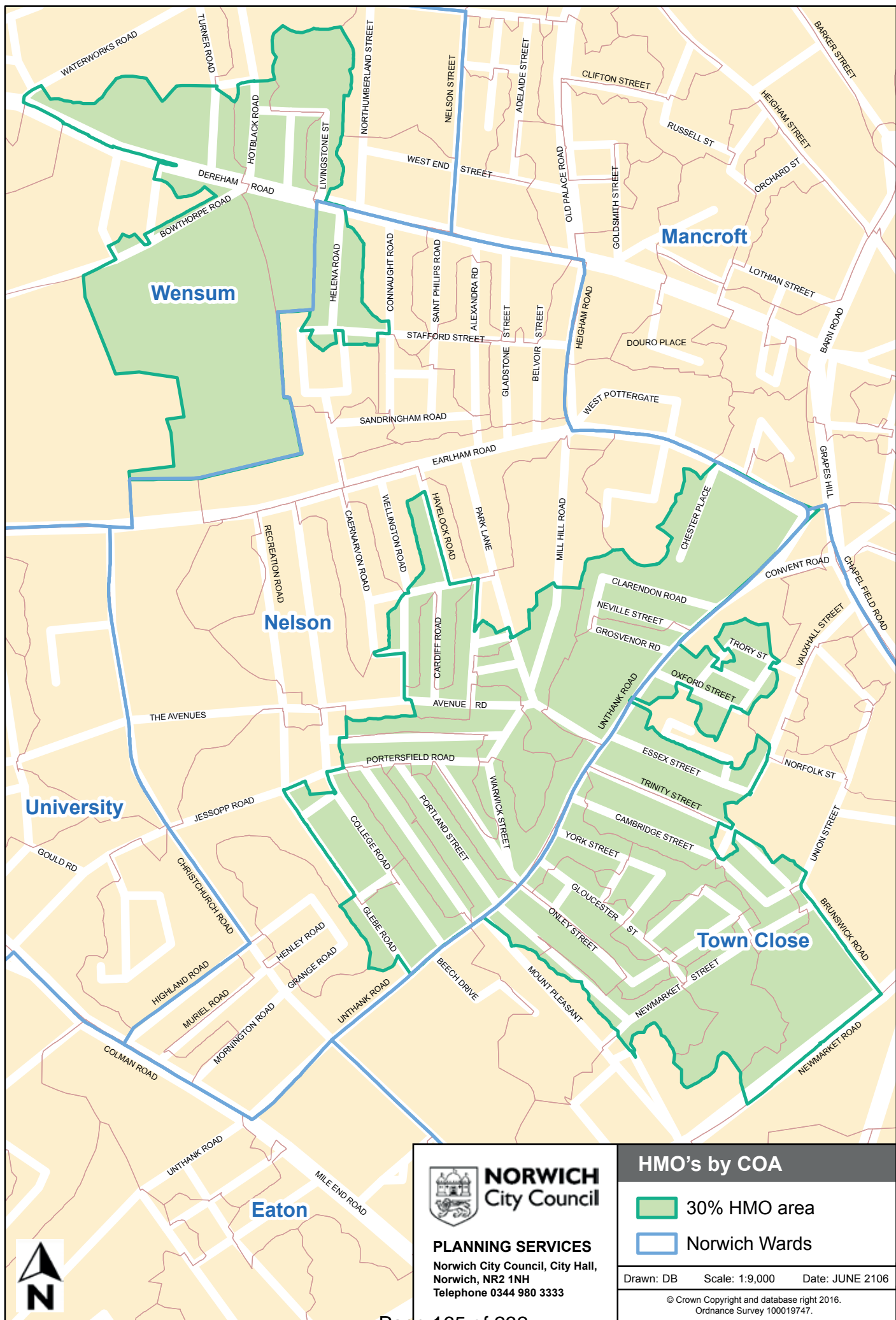
Committee:	Cabinet
Committee date:	13 th July 2016
Head of service:	Head of Planning Services
Report subject:	Possible introduction of Article 4 Directions to seek to bring the change of use of homes into small houses in multiple occupation under planning control
Date assessed:	4 th July 2016
Description:	Integrated Impact Assessment for a possible introduction of Article 4 Directions to seek to bring the change of use of homes into small houses in multiple occupation under planning control

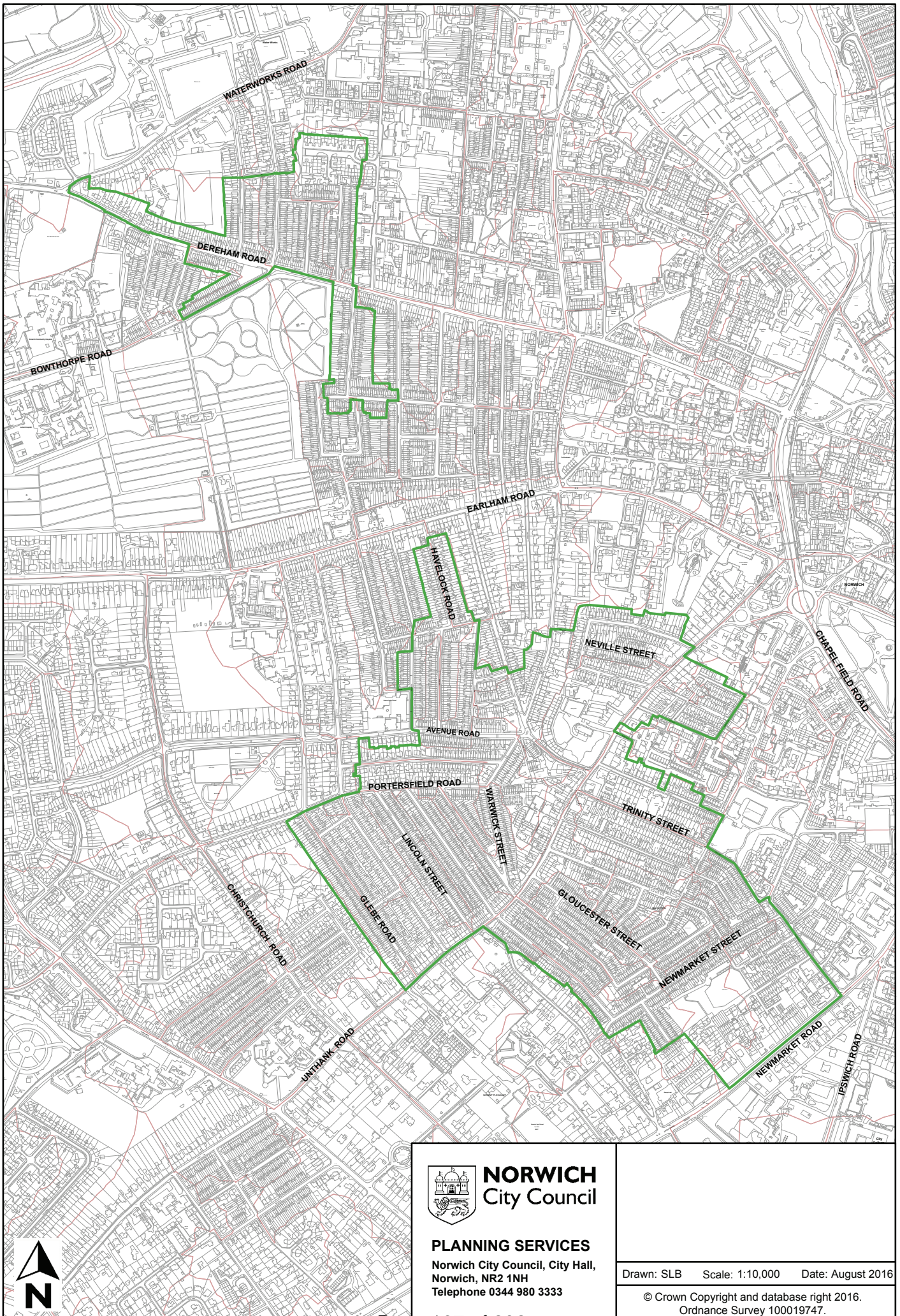
	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There will be some resource implications for the council's Planning department. See paragraph 39 of the report for more detail.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact
Financial inclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There could be some negative effects on rents within the specified areas. See paragraph 32 of the report for more detail.
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"/>	No significant impact
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	An Article 4 Direction could protect the character of the specified areas and protect the health & well-being of residents from the negative impacts associated with a high concentration of HMOs. See paragraph 29 of the report for more detail.

	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"/>	<p>There may be both positive and negative impacts.</p> <p>Community cohesion could be enhanced within the specified areas as the negative impacts associated with a high concentration of HMOs are alleviated and the existing social balance of the areas are maintained..</p> <p>However, community cohesion could be damaged by the distrust that the Article 4 Directions signify. There is the potential for a Article 4 Directions to create animosity between dwellinghouse residents and HMO residents. There is also a potential for some resentment being created in areas immediately outside the Article 4 Directions if there is particular increase in HMO investment in these areas.</p>
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact
Advancing equality of opportunity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There could be a negative impact on the supply and quality of HMOs within the city and a rise in rents. See paragraph 32 of the report for more detail.
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact

	Impact			
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact

Recommendations from impact assessment
Positive
The benefits of the proposal are discussed in detail in paragraph 29 of the report.
Negative
The negative impacts of the proposal are discussed in detail in paragraphs 30 to 39 of the report.
Neutral
Issues





Report to Cabinet
14 September 2016
Report of Director of regeneration and development
Subject 'A' boards consultation

Item

13

KEY DECISION

Purpose

To note the results of the consultation on - and consider approval of - the new 'A' boards policy.

Recommendations

To approve the new 'A' boards policy as amended following consultation.

Corporate and service priorities

The report helps to meet the corporate priority a prosperous and vibrant city

Financial implications: None

Ward/s: Multiple

Cabinet member: Councillor Bremner – Environment and sustainable development

Contact officers

Andy Watt	Head of city development services	01603 212691
Joanne Deverick	Transportation & Network Manager	01603 212461
Bruce Bentley	Principal transportation planner	01603 212445

Background documents

None

Report

Background

1. The proliferation of 'A' boards across the city has long been a bone of contention among city users with some seeing them as a nuisance and an obstruction particularly to those with mobility problems, which others think they are valuable advertising tools for business and add to the vibrancy of the city. It should be noted that the term 'A' board is being used to described any advertising feature used by a business outside their premises and so, for example, the national lottery sign that is widely seen across the city would be covered by this policy
2. 'A' boards would usually come under the control of the highway authority which is Norfolk County Council; however in 2013 the county delegated their powers under s143 and s149 of the Highways Act to the local district councils to allow them to manage the issues in their respective areas.
3. In order to try and address these concerns officers considered a number of options for dealing with 'A' boards and developed the following policy framework.
 - a) Each business will only be permitted one 'A' board in order to minimise the obstruction to pedestrians and other highway users.
 - b) All 'A' boards must directly adjoin the premises.
 - c) 'A' boards must not exceed a stated size.
 - d) The council may require the immediate removal of any sign, board, display etc. if required by a police officer/ police community support officer or with other reasonable cause, including the need for access to maintain the highway or if it is deemed and obstruction.
 - e) Businesses that put out 'A' boards must have public liability insurance of a minimum of £5 million.
 - f) The 'A' board must be removed when the business is closed.
 - g) The signs or displays must be robust and self-weighted. The use of sand bags to stabilise signs will not be permitted.
 - h) 'A' boards will not be permitted to be tied, chained or in any way attached to other street furniture (lamp posts, trees etc.).
 - i) The 'A' board must be removed when the property is closed or when street cleansing/street works are being carried out.
 - j) All 'A' boards must be temporary in nature and cannot be fixed into or on the highway and no excavation will be permitted to install or remove the item.
 - k) 'A' boards must not obstruct the sight lines of vehicle drivers.

Consultation responses

4. A public consultation was held on the proposed new 'A' board policy in February and March (closed 18 March 2016). A summary of the 20 consultation responses received from the general public is attached as Appendix 1.
5. The public consultation followed from a programme of active stakeholder engagement with various representative groups – stakeholder groups' responses from Norwich BID, Norwich Society, Norfolk & Norwich Association for the Blind (NNAB) and the royal national institute for the blind (RNIB) and Guide Dogs UK are included as appendix 2a-e .
6. In total 20 responses were received during the consultation from members of the public and 5 stakeholders responded;
7. Of the responses received from stakeholders the overarching view is that they support the policy as it stands. There was a general view that the policy was not exactly what any particular stakeholder wanted in its entirety but that it was a reasonable compromise, although the RNIB did call for a complete ban.
8. One issue that was raised was that of the level of insurance cover with some respondents arguing that a requirement for public liability insurance of £5 million was too high. Whilst the council is sympathetic to the idea that this seems high, it is based on best practice and, following conversations with insurance experts, in awareness that this is the level of cover that is reasonable given the level of claim that a business would potentially be liable for.
9. An issue that was raised by several of the responses was the issue of 'A' boards in relation to the market. It is easy to see how market stalls, especially those located in the centre of the market may feel the need to advertise their businesses. This policy only applies to the highway so market stall holders would still be able to place 'A' boards on market land. There is a row of brass studs in Gentleman's Walk which shows the edge of the highway.
10. An issue with the limit to the size of A boards was mentioned and was emphasised that the limit should be one based on a easily available 'A' boards. This is a sensible suggestion and the limit should be set at 600mm wide and 1200mm high. There is a large selection of A1 poster boards within this size range.

'A' board policy to be adopted

11. Having considered the responses to the consultation it is suggested that minor amendments are made to the policy and therefore the proposed policy for adoption is as follows
 - a) Each business premise will only be permitted one 'A' board per frontage. Businesses that front more than one street will be allowed one 'A' board per frontage
 - b) All 'A' boards must directly adjoin the building.
 - c) 'A' boards must not exceed 600mm wide x 1200mm high.

- d) An adequate width for pedestrians must be available past the 'A' board. In streets where there are low pedestrian flows the absolute minimum is 1.2m, this space will proportionally increase in areas with higher footfall
- e) The council may require the immediate removal of any sign, board, display etc. if it is deemed to be a dangerous obstruction or if it blocks reasonable access to the highway.
- f) Businesses that put out 'A' boards must have public liability insurance of a minimum of £5 million.
- g) The 'A' board must be removed when the business or property is closed.
- h) The signs or displays must be static, robust and self-weighted. Rotating signs or the use of sand bags to stabilise signs will not be permitted.
- i) 'A' boards will not be permitted to be tied, chained or in any way attached to other street furniture (lamp posts, trees etc.).
- j) The 'A' board must be removed when street cleansing/street works are being carried out.
- k) All 'A' boards must be temporary in nature and cannot be fixed into or on the highway and no excavation will be permitted to install or remove the item.
- l) 'A' boards must not obstruct the sight lines of vehicle drivers.

Enforcement

12. The success of any 'A' board policy will be in how it is enforced. It is proposed that there will be a dual enforcement mechanism
 - a) Mobile highways officers will monitor A boards as part of their day to day duties and report any that do not conform to the policy to the street works team
 - b) Complaints about 'A' boards breaching the new regulations will be investigated by the street works team.
13. Businesses that break the new policy will receive a written warning that their 'A' boards are in breach of the regulations and they will be given 2 working days to rectify the problem. If that A board is observed after the 48 hour period it will be removed and stored and the business will be charged. Any signs remaining unclaimed for 28 days will be disposed of.
14. If an A board is deemed to be dangerous the business will be given the opportunity to remove it immediately. If they fail to do so it will be removed at the owner's expense and stored for 28 days as above and then disposed of.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	
Head of service:	Andy Watt
Report subject:	'A' boards consultation
Date assessed:	22/04/2016
Description:	

	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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Some disabled people find that the proliferation of A boards makes them less able to go into the city and take advantage of shops and services – limiting the number and spread of A boards will make it easier for disabled people to use the city.
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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Tackling the difficulties caused by A boards will enhance opportunities for disabled people to access good and services.
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The spread and number of A boards is seen by many as something that decreases the visual aesthetic of the city and that by enacting this policy we will improve the built environment
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Regulating A boards should decrease the risk of serious accident resulting from somebody, for example, tripping over one – the insurance requirement will also protect businesses should they be sued.

Recommendations from impact assessment	
Positive	
The proposal will make life dramatically easier for a range of groups – including the disabled, elderly and buggy users as well as other pedestrians.	
Negative	
Some businesses believe that A boards are a vital source of advertising and that their businesses will suffer if these are limited. There is very little evidence supporting or negating this idea.	
Neutral	
Issues	
None	

Ref	Summary	Officer comments
1	Generally supportive of the proposal but made one suggestion; 'A' boards should be specifically banned from being placed on cycle lanes.	The requirement that 'A' boards should adjoin the business will mean that 'A' boards will not be left in cycle lanes.
2	Supports the policy	Support noted
3	Supports the policy but is disappointed this has not been done before	Support noted
4	Supports the policy but would like to make one addition; thinks 'A' boards should only be permitted where a business is not located directly on the street.	Support noted. The suggestion would likely be difficult to enforce and would generate significant hostility from local businesses.
5	<p>Believes that some 'A' boards can be intrusive, obstructive, some of them don't seem to have any relation to anything nearby.</p> <p>Argues they can make the city look very tatty - and even worse are the shocking yellow signs all over Norwich and beyond advertising a Flea Market or something that seem to pop up overnight and then stay there for weeks after the event has finished. Believes that this makes the place look very tatty and down at heel. Norwich is such a beautiful city - we should keep it that way.</p>	Supports doing something to limit 'A' boards – makes the specific point that many of them seem to refer to shops that are not nearby.

Ref	Summary	Officer comments
6	Considers that the proposal will have an adverse impact on their business as it is down a small side alley. Also considers that 'A' boards on Gentleman's Walk that their shop put out do not cause an obstruction.	This business is a successful one and it seems unlikely that this success is down to the existence of an 'A' board. Furthermore, businesses choose premises down alleyways/ Also, preventing the spread of 'a' boards over the city and away from businesses to which they are advertising was one of the key aims.
7	Respondent said that tackling 'A' boards is a waste of time.	
8	Is keen to see the number of 'A' boards reduced - ideally banned completely but accepts that this is unlikely. Had some questions about whether the council received income from 'A' boards and whether the law around A boards had changed Also emphasised the importance of enforcement.	The council does not receive any revenue from 'A' boards. There has been no change in law where 'A' boards were previously not permitted but now are.
9	Business owner who argues that as his business is mobile it should be exempt from the restrictions.	This would be difficult to enforce and would lead to a situation where some businesses were able to put A boards wherever they want.

Ref	Summary	Officer comments
10	<p>Believes 'A' boards are ugly, unsightly and unnecessary. Respondent made the point that one of the reasons for the increase in 'A' board number is that once one shop gets one the others do and that this continues.</p> <p>Suggested that businesses should be given special dispensation for 50 days a year to have an 'A' board (for special offers etc.) and the rest of the time would not be allowed one.</p> <p>Respondent did say that regardless of whether their suggestion was added to the policy that they were pleased the council is doing something about 'A' boards.</p>	<p>Agree with the respondent that competition for advertising between shops is one of the factors that drive up the number – the proposed limit of one per businesses will prevent this.</p> <p>Regarding the idea of banning them and then giving permits for a specified number of days – the likelihood is that this would be a huge and costly administrative burden on the council. Furthermore, it is possible that if we did this businesses might all put 'A' boards out at certain times of the year (e.g. January sales) creating a massive and sudden increase at certain times of the year.</p>
11	<p>Objects to the proposal as 'A' boards are part of the shopping experience and that doing something about it is pandering to a few people.</p>	<p>'A' boards do present a genuine obstacle for many people and the council is proposing an approach that balances the needs of multiple groups. We are not banning 'A' boards completely.</p>

Ref	Summary	Officer comments
12	<p>Explains that they adhere to the entire policy with the exception of the number of boards explaining that they normally have three Boards abutting their building and believes they OPEN should receive an exemption on the following grounds:</p> <ol style="list-style-type: none">1. With a Grade II Listing we are unable to attach signs to the building explaining what we do2. Unlike retailers, OPEN does not have a shop window so we need hanging frames to inform passers-by of what happens within OPEN3. We rely on those hanging frames for the sustainability of the OPEN Youth Trust charity4. We are effectively three organisations in one – a music and event venue, conference and meeting rooms and a youth charity - therefore we should be entitled to three boards5. We are at Bank Plain, with a fairly light footfall compared to London Street	<p>The policy will likely be unsuccessful if individual businesses/ charities are offered exemptions Several of these criteria could be applied to many other organisations or businesses in the city and they would then all likely feel they should be allowed an exemption.</p>

Ref	Summary	Officer comments
13	<p>Detailed objections to the policy including several legal points.</p> <p>Respondent does not feel that there is any need for 'A' boards and that the council should implement a licensing system and only issue licenses where <i>"it is in the public interest to be authorised to place the structure on the highway"</i>.</p> <p>The respondent also believes the council's proposed policy is illegal and may lead to an increase in the number of 'A' boards.</p>	<p>Licensing is not the preferred solution for a number of reasons – the cost of setting up and administering a system of licensing 'A' boards would likely be relatively high.</p> <p>Enforcement of a licensing system would also be unnecessarily complex.</p> <p>Coming up with a policy that was a compromise between various stakeholders was one of the important parts of this project – compliance is likely to be higher where every interested party feels they have at least been given a say.</p> <p>This policy was designed to be one that reduced the number of 'A' boards, improve accessibility by preventing the spread of 'a' boards and also allow businesses to retain the ability to advertise. There is no evidence that limiting businesses to one each is likely to increase the number of 'A' boards – if a business does not have an 'A' board now they are unlikely to choose to have one after the policy is implemented.</p>
14	<p>Believes A boards to be a 'menace' also mentions doing something about banners on railings.</p>	<p>The policy will reduce the number of A boards considerably – banners are not part of this project.</p>

Ref	Summary	Officer comments
15	Explains that as the partner of a wheelchair user he feels that we should not allow A board use on flat pavements in roads that are otherwise cobbled. Appreciates that the boards cannot be on the cobbles as delivery vans etc use them but for wheelchair users it is very difficult to move on the cobbles.	Whilst the council does understand this point it is not really feasible to provide exemptions like this as there is a risk that this would be seen as unfairly advantaging some shops over others. It is worth pointing out that if a an officer deems a specific 'A' board to be an obstruction (or the council receives and verifies a complaint about a specific A board) then a board can be removed.
16	Generally supportive of the proposal although is concerned that the policy does not mention bikes used for advertising.	A reasonable point but as this policy does apply to advertising structures on the highway there is some flexibility in its enforcement. From a legal perspective bikes are a little more complicated but it is possible that the council could remove them (often they are tied to things such as street furniture which isn't allowed regardless so can still be removed).
17	Is pleased that 'A' boards will have to adjoin buildings but is disappointed the policy does not go further.	The policy aims to balance the needs to shopkeepers and highway users and is aimed at creating a workable compromise – any further would have involved banning 'A' boards which would be strongly opposed by business owners.
18	Would like to see the council do something about charity fundraisers working on streets.	This issue is separate from 'A' boards.

Ref	Summary	Officer comments
19	<p>Generally supportive but with certain amendments – public liability insurance requirement should be dropped from £5 million to £2 million, opposes the requirement to adjoin to buildings (especially at the market), the maximum size requirement should be based on easily available ‘A’ boards</p> <p>Also supports tackling pavement parking.</p>	<p>The intention is to use available ‘A’ board sizes as the maximum.</p> <p>The requirement to adjoin to the premises is key to preventing the spread of ‘A’ boards – however, the point about this affecting the market is noted.</p> <p>The figure of £5 million was selected for a number of reasons; best practice from other authorities, standard Norwich city council practice, and to ensure that businesses are covered against more claims.</p>
20	<p>Thinks there should be a requirement to enable sufficient space for a wheelchair</p>	<p>Minimum pavement width was considered but it was decided that allowing a more flexible approach – where the council could remove a board if it was an obstruction covered this issue whilst still allowing an element of flexibility as well as meaning that officers did not have to measure pavement widths.</p>
21	<p>Feels A boards should be banned – feels that they don’t serve any real advertising purpose</p>	<p>Whilst banning A boards would be possible the aim has been to create a solution that brings people together.</p>

Ref	Summary	Officer comments
22	Doesn't feel adjoin is adequately defined or that the policy does anything to prevent 'A' boards being placed away from shops. Thinks it is strange that the policy says that the view of drivers should not be blocked but doesn't say anything about obstructing pedestrians. Doesn't understand how council officers will enforce the system given they have allowed the proliferation of 'A' boards.	By saying that 'A' boards must adjoin to the premises the council has made it against the rules to place 'A' boards away from shops – they must adjoin to the building. Preventing the blocking of line of sight of drivers is a safety precaution predominantly applied at junctions. One of the primary aims of the policy has been to limit obstruction to pedestrians. As the council does not currently have a coherent policy on 'A' boards it has been hard for officers to know what to look for – this policy addresses that.
23	Suggested that shops share an 'A' board – one board between two shops	This would obviously reduce the number more than a limit of one per shops. However, it is highly unlikely that this would be useful for shops as neighbouring shops often have different requirements.
24	Respondent was disappointed that we are not proposing banning 'A' boards completely.	The aim of this policy is to come to a workable compromise – a complete ban was considered unworkable and undesirable.
25	Generally supportive with exceptions - £5 million public liability is too high; 'A' boards should not be placed on pedestrian footpaths; consideration should be made for partially sighted persons.	The figure of £5 million was selected for a number of reasons; best practice from other authorities, standard Norwich city council practice, and to ensure that businesses are covered against more claims.
26	Generally supportive but believes shops that are more than one premises (e.g. their shop which is two premises) should be allowed more than one	This idea would add confusion and undermine the policy. A shop that takes up two shops still only seems as one shop and, therefore, the one 'A' board limit would still apply.

Ref	Summary	Officer comments
27	Supports limiting A boards but favours a complete ban.	The aim of this policy is to come to a workable compromise – a complete ban was considered unworkable and undesirable.
28	Believes one 'A' board per business is fine. Mentions issues with A boards at Earlham House	Support noted

Jonathan,

Please find response, also sent to transport email.

1. Each business will only be permitted one A-board in order to minimise the obstruction to pedestrians and other highway users.
 - We believe that this should be altered to reflect the wide term “business”. For example Windsor Bishop is technically 1 business, but pays 2 business rates and 2 BID levies and is classed as 2 separate hereditaments. Does this get 1 A-Board or 2?
 - How does this reflect a larger business with multiple entry points – M&S, John Lewis, Jarrolds? These are technically only 1 business and therefore only 1 A-Board, but have multiple entrances on multiple different streets?
2. All A-boards must directly adjoin the premises.
 - Agreed, as per national legislation
3. A-boards must not exceed a stated size.
 - Agreed, as per national legislation. Though this will need to be clarified and communicated. For this consultation it would be wise to state this from the outset, therefore allowing all interested parties to support/object based on full information. The statement does not provide clarity or transparency; especially if you later state that the stated size is 1 foot square.
4. The council may require the immediate removal of any sign, board, display etc. if required by a police officer/ police community support officer or with other reasonable cause, including the need for access to maintain the highway or if it is deemed an obstruction.
 - I think that there needs to be a common sense approach to this stating removal within a reasonable time frame. Eg if the business owner is on their own and will therefore have to close the business or leave it unattended to comply with this request. A more logical approach would be at the end of trading, unless it is of a clear and present danger to others.
 - We believe there should be some specification set as to what is an “obstruction”, not just that a PCSO decides it is an obstruction, what training or guidance do they have to make that subjective or judgement decision. Need to provide clarity so that there is confidence in the methodology and therefore no perceived prejudice or inconsistency of application.
5. Businesses that put out A-boards must have public liability insurance of a minimum of £5 million.
 - Agreed, this would provide security for injury
6. The A-board must be removed when the business is closed.
 - Agreed, this should be for actively trading businesses
7. The signs or displays must be robust and self-weighted. The use of sand bags to stabilise signs will not be permitted.
 - Agreed, this will provide assurance that damage or injury should not occur. Though there may be extreme weather conditions that may still knock over appropriately weighted boards and a business should not be held accountable as failing to meet your guidance in these circumstances.

8. A-boards will not be permitted to be tied/chained or in anyway attached to other street furniture (lamp posts, trees etc.).
 - Agreed, this does not look appropriate and has a negative impact on the street scene.
9. The A-board must be removed when the property is closed or when street cleansing/street works are being carried out.
 - When closed should be removed, but do not see how a business can be made to bring in/out as per street cleaning. How will this be communicated to the business community to make them aware of every cleaning schedule for every street or changes to schedule. This is impracticable and unreasonable for a business to close or be left unmanned while a sign is moved or stored. A single business may not have a space to store on site while the cleaning is completed. Feel this is impractical and difficult to enforce.
10. All A-boards must be temporary in nature and cannot be fixed into or on the highway and no excavation will be permitted to install or remove the item.
 - Agree, these must be temporary or they are not a-board and would need planning consent.
11. A-boards must not obstruct the sight lines of vehicle drivers.
 - Relevance of this stipulation? Do not see what scenario that this is ensuring does not occur? If they are limited by size, then this would ensure no sight hazard. Clarity needs to be provided on this.

Enforcement

Enforcement of the new rules on A-boards will be a dual enforcement mechanism:

1. Highways officers will monitor A-boards as part of their current duties monitoring the highway.
2. Reactive – we will respond to complaints about A-boards breaching the new regulations. Shops that break the new policy will receive a written warning that their A-boards are in breach of the regulations and on a second occasion the sign will be taken away and the business will be charged – if the business does not want the sign back, we will dispose of it.
 - How will this process be moderated to ensure that there is transparency and effectiveness? If there is only one written notice, how will this be ensured it is received, as post is not the most effective means of communication (lost mail?). A scenario where a letter is sent and never received and then the first interaction would be the business having it's a-board removed and charged. I feel this is not appropriate and will lead to confusion and resentment. There should be a more considered approach, either a call or email as well as a letter to notify the business or that the post is sent signed for?

Stefan Gurney

Executive Director

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Response to Proposed 'A' Board regulations.

1. Allowing 'A' Boards at all is in contradiction of the Council's own *Streetscape Design Manual* of 2006 and the Highways Act 1980, section 137 which says it is an offence to "in any way wilfully obstruct the free passage along the highways"; this should be acknowledged.

The proposed allowance is being made across the city making no distinction between central areas of congestion, heavy footfall and very narrow pavements and, say, Ber Street or St Stephen's – or indeed outer areas. One-size-fits-all does not seem appropriate; why not 2 zones: (1) the City Centre: e.g. the Lanes, Exchange Street, London Street and Gentleman's Walk areas (2) all other areas?

2. That 'A' Boards need to 'directly adjoin' the premises needs to be very specifically defined since they can easily be knocked about, moved or blown in high winds. However, in our view it is these 'A' Boards close to the premises which are the least justifiable in that you are already close to the shop when you see them so that, unless they advertise a special offer or event, they are redundant.

Recommendations and guidelines should be made to encourage first floor hanging signs which are decorative and attractive (see Elm Hill and pubs for examples) – this could be a special Norwich feature. A totem pole (or similar) signage needs to be installed at the Swan Lane junction with London Street and the Market Plan needs to be made obvious.

3. 'A' Boards must not exceed a stated size. The measurements must be included in the consultation and we suggest a standard or a selection of standard designs.

4. Enforcement. How will transgressions be communicated to the owner? Monitoring - PCSOs were cited but how often do they patrol? Could City Hosts be involved? Which City departments will be responsible for administration, fines and removals?

5. How will businesses be checked for annual public liability insurance? (We believe that insurance for public liability off the owner's premises may not be included in standard policies.) And will their sign be removed if they do not comply?

6. OK

7. OK

General remarks

There are no proposals for the content and style of the 'A' Boards and no mention of aesthetics which are so important – and were recognized as important in the City's *Streetscape Design Manual*. Not so long ago the City was bidding to be a city of culture. We recommend a review after 12 months and if it isn't working that a ban be imposed. *End.*

VM

March 16 2016

Contact: admin@thenorwichsociety.org.uk



Patron: Her Majesty the Queen

CEO: Mr M.C. Talbot
Registered Charity No. 207060

The Norfolk and Norwich Association for the Blind

Please support the local Charity for Blind and Partially Sighted People in Norfolk
Magpie Road
Norwich
Norfolk
NR3 1JH

T: 01603 629 558
F: 01603 766 682
E: office@nnab.org.uk
www.nnab.org.uk

Date

A-Boards Policy Consultation

The Norfolk & Norwich Association for the Blind, (NNAB) met with Jonny Hughes, Transportation Planner, on 10 September 2015 regarding A-Boards. We are aware that an official A-boards policy has now been drafted and is being consulted upon. The NNAB wish to submit this response to the draft policy.

Key to Abbreviations used in the report:

VIPs = Visually Impaired Person(s)

NNAB = The Norfolk & Norwich Association for the Blind

Introduction

A-boards, as with any temporary and unexpected obstruction on the highway, can cause difficulties for the visually impaired and as representatives of one of the disabled groups most affected by the issue we have considered the matter in some depth.

The NNAB is not in favour of a complete ban and consider that regulation is the way forward. We consider that a ban would have a detrimental effect on the life of the City and that the visually impaired would suffer from this as much as any other section of society.

We believe a third way compromise is possible providing certain details on positioning and the style of boards is addressed within the policy. We have read the Consultation Document and note the procedural issues raised but here we are considering how A-Boards effect the visually impaired using the city.

In an ideal world A-Boards would be:

1. In a predictable & consistent place.
2. Of a consistent shape.
3. A consistent colour.
4. Of consistent materials.

In a Predictable & Consistent Place

Not all A-Boards cause a problem with their positioning. A consistently placed A-Board very quickly becomes a navigation point for VIPs and this fact can be used to advantage in many situations.

We are aware of the outcome of discussions with Jonny Hughes and Guide Dogs. We further reviewed our thoughts on the positioning of the A-boards and we are satisfied that enforcing business owners to position their A-boards directly onto their premises would be the best compromise for the visually impaired and would hopefully work for the majority. However, we would also ask that the policy expands slightly further on this and request that it is also positioned in same place each time it is put out as much as possible.

Also at:

3 North Lynn Business Village, Bergen Way, King's Lynn, Norfolk. PE30 2JG T: 01553 660 808
14/15 Willmet House, Victoria Arcade, Row 70, Royal Street, Great Yarmouth, Norfolk. NR10 1RR T: 01493 745 973



Patron: Her Majesty the Queen

CEO: Mr M.C. Talbot
Registered Charity No. 207060

The Norfolk and Norwich Association for the Blind

Please support the local Charity for Blind and Partially Sighted People in Norfolk

Magpie Road
Norwich
Norfolk
NR3 1JH

T: 01603 629 558
F: 01603 766 682
E: office@nnab.org.uk
www.nnab.org.uk

We are also happy to endorse that the policy states that businesses are only permitted one A-Board.

Consistent Shape, Colour and Material

Standardising the shape, colour and materials will assist those with some residual sight and for those that use a mobility cane to be able to easily recognise and identify A-Boards.

We would like all A-boards to:

- Have solid base that is 'closed'.
- Be a minimum height of 1 metre.
- Framed in a defined colour range and, vitally, have good colour contrast.

It might be possible to offer some colour variations to businesses to allow for differentiation between them. There would obviously be content flexibility for each business to individualise their A-board but we would request that very specific guidelines are given within the policy which must be adhered to.

Educating Business Owners

When launching the policy city wide we would also suggest that the Council consider a way of educating the business owners as to why this new policy is being enforced and why positioning, shape, colour and material are so important to pedestrians with a sight loss.

Conclusion

A-Boards are an important part of the life of businesses and the city and we do not consider that they represent an insurmountable difficulty. The draft policy goes some way to cover a middle ground between the needs of the visually impaired and the needs of local businesses. However, for us to fully support the policy it is important that guidelines on style and design of the A-boards be expanded upon. We are happy to provide consultation in any design process.

We would like to thank the Council for finally tackling the issue of A-boards, which has for a many years been a known problem for the visually impaired of Norwich, and that we are all working together towards a solution.

Yours sincerely

Edward Bates

Equipment & Information Centres Adviser
The Norfolk & Norwich Association for the Blind
edbates@nnab.org.uk

Also at:

3 North Lynn Business Village, Bergen Way, King's Lynn, Norfolk. PE30 2JG T: 01553 660 808
14/15 Willmet House, Victoria Arcade, Row 70, Royal Street, Great Yarmouth, Norfolk. NR10 1RR T: 01493 745 973

Submission to Norwich City Council: A-board policy consultation March 2016

Submission made by Emily Papaleo, RNIB Regional Campaigns Officer, East of England.

Royal National Institute of Blind People (RNIB) is the largest organisation of blind and partially sighted people in the UK and the UK's leading charity providing information, advice and support to almost two million people with sight loss. RNIB (Royal National Institute of Blind People) is a membership organisation with over 24,000 members throughout the UK and 80 per cent of our Trustees and Assembly members are blind or partially sighted.

There are an estimated 32,110 people living with sight loss in Norfolk. Of this total, 3,970 are living with severe sight loss (blindness). By 2020 the number of people living with sight loss in Norfolk is projected to have increased to 39,840; and the number of people with severe sight loss will have increased to 5,040.ⁱ

RNIB is privileged to have officers based in each of the England regions, who are in the unique position to work with blind and partially sighted people locally, to challenge a range of issues; from street obstacles and social care, to transport and support at the time of diagnosis.

RNIB is pleased to have the opportunity to respond to this consultation.

emily.papaleo@rnib.org.uk

01603 455676

A-board policy consultation

RNIB welcomes Norwich City Council addressing the proliferation of Advertising boards or A-boards in Norwich. A-boards physically obstruct the pavement, block routes and present trip and collision hazards, particularly for people who cannot see them. The temporary and mobile nature of these boards generally makes the street look untidy and makes pedestrian areas difficult to use and potentially dangerous. A-boards often restrict the space available to people with mobility needs to negotiate an area, and create places that disabled people avoid.

We also welcome the Council clarifying the powers it will exercise in removing all signs, boards, displays etc that provide an obstruction to the highway.

RNIB is, however, concerned that Norwich City Council is proposing to allow businesses to continue to use A-boards, albeit restricted to one per business. While this will be an improvement on the current free for all, it will still result in a significant number of A-boards on every street, and will not remove the problem people with sight loss have navigating the city centre.

We urge the Council to go further than the proposed policy and ban A-boards altogether. They are an illegal obstruction of the highway and dangerous to visually impaired and other pedestrians. We encourage the Council to look at other Councils that have banned A-boards, and to work with businesses to develop alternative forms of advertising, in order to keep the streets of Norwich clear.

The difficulties A-boards cause

It is essential for many people including blind and partially sighted people to have a clear route along a pavement. The proliferation of A-boards can make it difficult for blind and partially sighted people to negotiate the path. This can result in people walking into A-boards and injuring themselves, or inadvertently walking into the road whilst attempting to avoid an A-board.

Swinging or rotating A-boards are particularly hazardous when windy, while A-frame boards or those without a firm base can easily be missed by someone using a cane, creating both trip and collision hazards. A-boards which are not weighted fall over easily, creating an addition hazard.

Research by RNIB showed 95% of blind and partially sighted people had collided with an obstacle in their local neighbourhood, with A boards one of the most common obstacles (49%)ⁱⁱ. Nearly a third of people who responded had been injured. One said “I could show you the bottom of my legs. I have a fair amount of bruising, cut, and old scars from walking into advertising boards.” Some even said they were so intimidated by the risks outside they ended up staying at home and becoming isolated.

Falling over an A-board can be painful, and can adversely affect a person's confidence and mobility. RNIB campaigns for a complete ban on the use of A-boards as we consider that this is the only realistic way to prevent the proliferation of A-boards enabling blind and partially sighted people to walk along their local streets without fear of injury.

Other cities, such as Chelmsford and Hull, have a zero tolerance policy on A-boards without reporting a negative impact on businesses. Indeed, Chelmsford is currently looking at extending the ban. We encourage the Council to look at what other Councils are doing and to work with businesses to find alternative forms of advertising, such as using overhead signs on shop walls, to ensure the city centre works for everyone who uses it.

The law in relation to the use of A-boards

We have briefly set out the legal provisions below.

The Highways Act 1980

The Highways Act places certain obligations on highways authorities to prevent obstruction to the highway in particular:-

- Section 130(3) states that it is the duty of a council who is a highway authority to prevent, as far as possible, the stopping up or obstruction of the highway

Much of the case law around obstruction focuses on whether the obstruction in question was a reasonable use of the highway, however, case law has determined that a permanent obstruction (i.e. one that is not **purely** temporary in nature) to the highway is never a reasonable use of the highway. 'De minimus' obstructions are not considered to be obstructions and some obstructions may be considered reasonable.

In RNIB's view it is highly likely that the majority of A-boards placed on the highway would be considered unlawful obstructions for the following reasons:-

- The obstruction caused by the A-board is not purely temporary in nature
- There is no element of necessity in its deployment (as with, say, scaffolding),

- The obstruction caused would not be considered 'de minimus' (as their 'footprint' is not insubstantial) and
- They are nothing to do with the use of a highway as a means of transit (rather they are there to attract customers to the premises).

If an A-board constitutes an obstruction, the Council has a duty to remove it.

Advertisement Control

The Town and Country Planning (Control of Advertisements) (England) Regulations 2007 regulate the placement of outdoor advertisements. The regulations set out a number of categories of deemed consent but these categories will not generally apply to A-board advertising. Any advert not benefitting from deemed consent will require the express consent of the relevant local planning authority provided via an application for planning permission. Displaying an A-board without consent is a criminal offence and prosecution can result in a fine of up to £2,500. If an A-board is placed on the highway without consent then it will not be considered a reasonable use of the highway and will therefore constitute an obstruction in breach of the Highways Act (Westminster City Council v. Moran 1999 77 P & CR 294).

The Equality Act

Under the provisions of the Equality Act 2010 it is unlawful for a public authority to discriminate in the exercise of its public functions. This includes highways functions.

Section 19 of the Act makes it unlawful to indirectly discriminate against disabled people. Indirect discrimination may occur when a service provider applies an apparently neutral provision, criterion or practice which puts disabled people at a particular disadvantage.

Section 20 (3) requires that where a provision criterion or practice puts a disabled person at a substantial disadvantage in comparison to a person who is not disabled, an Authority must take such steps as is reasonable to avoid the disadvantage

Section 20(4) requires that where a physical feature puts a disabled person at a substantial disadvantage in comparison to a person who is not disabled, an Authority is required to take such steps as is reasonable to have to take to avoid the disadvantage.

Local Authorities, and highways and planning authorities in particular, are also subject to the Public Sector Equality Duty (PSED) and are required to have "due regard" to equality outcomes in everything they do. Councils are required to ensure that they eliminate discrimination, advance equality of opportunity and foster good relations between, amongst others, disabled and non-disabled people.

A Highways Authority that has a policy of allowing the use of A-boards and/or a practice of not taking action against those which obstruct the pavement may be considered to be indirectly discriminating against blind and partially sighted people.

A Planning Authority which has a practice of not taking action against A-boards placed without consent may be considered to be indirectly discriminating against blind and partially sighted people.

The duty to change practices, policies and procedure is likely to extend to changing policies which unreasonably prevent advertising on walls forcing advertising onto the streets in the form of A-boards which disadvantages blind and partially sighted people.

A-boards are likely to constitute physical features under the Equality Act and so the Highways Authority will need to take action to ensure that these boards do not place blind and partially sighted people at a substantial disadvantage.

Similarly Authorities which have a policy of allowing A-board obstructions etc will need to impact assess these arrangements to ensure that they meet the requirements of the PSED. It is likely that this will require local authorities to specifically consult with blind and partially sighted people. Where negative impacts are identified, the local authority will need to consider changes to the policies/practices in order to eliminate discrimination and better promote equality of opportunity and good relations between disabled people and non-disabled people (including traders). Simply stating that having an agreed standard approach to use the use of A-boards "would go some way" to mitigating their impact is unlikely to be sufficient.

Summary of the legal position

In summary, it is clearly unlawful to place an A-board on the street without explicit advertisement consent from the local planning authority.

If an A-board is placed without the necessary advertising consent it is unlawful and would therefore be considered to be an unreasonable obstruction to the pavement requiring the highways authority to take action.

Whilst a planning authority has the power to grant advertisement consent to an A-board, in deciding whether to grant permission they will need to give consideration to safety issues which arise for vulnerable pedestrians.

In addition advertisers would need to obtain the consent of the local highways authority as 'owners' of the land on which the A-board is placed as part of the application process. In determining whether to grant consent, the highways authority will need to consider whether any obstruction caused is 'de minimus'. If it was not considered 'de minimus' the highways authority would then need to consider whether the obstruction was reasonable in any event. They will also need to consider their duties under the Equality Act and in relation to the PSED.

A local authority which fails to take action against unlawful advertisements or obstructions to the pavements leaves itself open to Judicial Review action to enforce the requirements of the Highways Act and/or the Town and Country Planning (Control of Advertisements) (England) Regulations 2007 and /or the Public Sector Equality Duty. They will also leave themselves open to a County Court action for breach of the Equality Act. Where a person is injured following a collision with an A-board the Council is also potentially liable for any personal injury claim.

The policies of other local authorities

RNIB considers that the approach of Councils who have no policy (effectively allowing A- boards without any restriction), have informal guidelines or operate a licensing regime is unlawful and increasingly places these Councils at serious risk of litigation.

Surrey County Council have adopted an informal approach and they are currently facing legal action from a blind man who fell over an A-board injuring himself. The legal action is brought on the basis of breach of the Equality Act (in particular a failure to enforce the requirements of the guidelines) and a personal injury claim.

If a Council adopts a similar (guidelines) approach to that adopted by Surrey County Council and a blind or partially sighted resident is injured

falling over an A-board it is likely that the Council will face similar action. While Norwich City Council is proposing that businesses with A-boards must have public liability insurance of a minimum of £5 million, if a business complies with the Council's A-board policy it is likely that the Council will be liable should someone get injured.

Hull City Council has a zero tolerance policy towards A-boards, as does Chelmsford City Council.

Possible way forward

RNIB campaigns for a zero tolerance approach to A-boards. However, we have also suggested a compromise position which we think will address the needs of blind and partially sighted people and other vulnerable pedestrians and the needs of small business who believe they are likely to be adversely affected by a complete ban. Crucially, we consider that the proposal outlined below is also within the law.

Councils could adopt a general policy of zero tolerance of A-boards. However, the policy should make clear that in exceptional circumstances a trader may still make an application to the local planning authority for advertisement consent (as the law requires) for an A-board where they can demonstrate that their business would suffer a significant detriment by not having an A-board.

The application would need to demonstrate to the satisfaction of the highways team (as owners of the land) that the placement of the board would not constitute an (unreasonable) obstruction and would not place vulnerable pedestrians at risk. They would also need to demonstrate that they have explored alternative forms of advertising but that these are not feasible. In determining the application for advertisement consent the planning authority should consult blind and partially sighted people in accordance with section 175A of the Highways Act.

As part of the duty to make reasonable adjustments, the planning team would also need to give serious consideration to any alternative forms of advertising suggested and the Council's policy would make clear that alternative forms of advertising would be considered.

We believe the above approach would serve to limit the number of A-boards on the streets to those small businesses who could demonstrate that it was imperative for their business to have one and there was no other way of meeting their advertising needs. In Norwich this might include the stall holders of the covered market, though we would

encourage the Council to work with them to find an alternative way to advertise. This approach would also ensure that both the Council and blind and partially sighted people are aware of the locations of approved A-boards. This should make any enforcement easier and assist blind and partially sighted people in navigating the streets.

Conclusion

While RNIB welcomes Norwich City Council addressing the current proliferation of A-boards in the city, we urge the Council to go further than the proposed policy and ban them altogether. They are an illegal obstruction of the highway and dangerous to visually impaired and other pedestrians. We encourage the Council to look at other Councils that have banned A-boards, and to work with businesses to develop alternative forms of advertising, in order to keep the streets of Norwich clear.

ⁱ RNIB Sight Loss Data Tool, <http://www.rnib.org.uk/knowledge-and-research-hub-key-information-and-statistics/sight-loss-data-tool>

ⁱⁱ RNIB, *"Who put that there!" – The barriers to blind and partially sighted people getting out and about* (2015)

Response from Guide Dogs for the blind

Comments I would make are:

You have outlined a good policy and thank you for doing this. It is excellent that you have put a restriction of one A-Board, and size however, you do not outline the size? Have you got a size?

It would be excellent if at all possible there could be something in the policy regarding "good use of colour contrast". One of the problem with people who are partially sighted, is that they may be able to outline an object if they have good colour contrast.

The other point which maybe worth noting for addition or thought would be to have a minimum pavement size for an A-Board to be placed. This would then restrict any A-Boards being placed on a narrow pavement which restricts the pavement even more.

Once again many thanks

Kind Regards

Helen Sismore

Office: 08453727425 (3p charge) or 0118 983 8741

Report to Cabinet
14 September 2016
Report of Chief finance officer
Subject Risk management

Item

14

Purpose

To update members on the results of the review of the key risks facing the council and the associated mitigating actions recorded in the council's corporate risk register.

Recommendations

To:

1. note the updated corporate risks and the key controls in place and further actions planned to mitigate risks; and.
2. approve the risk score of 20 for risk A8 (Housing investment strategy) which exceeds the threshold for the council's appetite for risk.

Corporate and service priorities

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

Financial implications

None

Ward/s: All wards

Cabinet member: Councillor Stonard – Resources and business liaison

Contact officers

Justine Hartley, chief finance officer 01603 212440

Jonathan Tully, principal audit manager 01603 212575

Background documents

None

Report

Background

1. Risk management is a fundamental aspect of the council's business practices. Cabinet has an executive role in the management of risks across the council as a key element in ensuring the delivery of the council's priorities.
2. Audit committee provides independent assurance of the adequacy of the council's risk management framework and the associated control environment.
3. Cabinet approved the council's updated risk management policy on 13 January 2016.
4. The corporate risk register was also previously reported to cabinet on 13 January 2016.

Review of corporate risks

5. Corporate leadership team (CLT) carried out a review of corporate risks on 08 June 2016 and updated the corporate risk register accordingly.
6. The updated risk register was reported to audit committee on 28 June 2016, where it was resolved to note the corporate risks and the key controls in place and further actions planned to mitigate the risks.

Corporate risk register

7. The updated risk register, with tracked changes since the version previously reported to cabinet, is attached at **appendix 1**.
8. The template for risk registers includes scoring for **inherent** risks (before any mitigating controls are considered) and **residual** risk (after taking account of key controls, which are listed). Any planned actions to further mitigate risks are also shown.
9. The Council has a risk appetite which illustrates the level of risk it is willing to take. In exceptional circumstances it may not be possible, or proportionate, to implement controls that reduce the residual risk score within this appetite. In this instance the risk would be managed, and the aim would be to reduce this below the risk appetite. The maximum risk appetite score is set at 15, as a multiple of residual likelihood and residual impact. The risk management policy states that "in exceptional circumstances cabinet can approve a residual risk in excess of the risk appetite if it is agreed that it is impractical or impossible to reduce the risk level below 16."
10. The residual risk score for risk B1, public sector funding, is 20 and remains above the council's risk appetite. This was approved by cabinet on 8 July 2015, and given the uncertainties around future grant and business rates income it is CLT's view that this should remain as a 'red' risk. Further details of these risks were included in the reports presented to the budget meeting of the Council on 23 February 2016.
11. Following discussion at audit committee and further consideration by CLT, the residual risk score of risk A8, housing investment strategy, has been increased from 15 to 20, reflecting the potential impact of legislative change and financial

challenges. Consequently it exceeds the council's risk appetite, and cabinet should approve this new risk score. The risk was considered as part of the overall Housing Revenue Account budget, which was presented and approved by Cabinet on 3 February 2016.

12. Significant changes to the risk register are as follows:

Risk	Description
Risk A2, delivery of the corporate plan	<p>The balance between the corporate plan and resources available is anticipated to shift over the coming years bringing significant challenges for the Council. As a result the register now reflects Cabinet's approval of a process to:</p> <ul style="list-style-type: none"> a) work with partners in the public, private, voluntary and community sectors to develop a new city vision; b) develop a revised corporate plan, priorities and performance measures which reflect the council's part in supporting that vision; c) determine a new blueprint or operating model to guide how the council works in future, reflecting available resources.
Risk A8, housing investment strategy	<p>The risk description, causes and effects have been amended to reflect recent developments in welfare and housing legislation. The 1% social rent reduction for 4 years introduced in the Welfare Reform and Work Act 2016 has reduced anticipated income within the Housing Revenue Account business plan by approximately £300m over 30 years. Savings have been planned to accommodate this reduction. However, the introduction in the Housing and Planning Act 2016 of the expectation of having to pay an annual determination to fund the extension of right to buy to tenants of registered providers will further impact significantly on the levels of funding available for stock investment and improvement. We await further details of how much this annual payment is likely to be but the expectation is that stock holding authorities will sell their higher value properties when they become vacant to fund the payment.</p> <p>To reflect these changes and the uncertainty around the potentially very significant level of the determination, the residual impact has increased from 3 to 4, and the total risk score has increased to 20. This is beyond the council's risk appetite and requires cabinet approval.</p>
Risk B2, income generation	<p>This reflects the completion of independent work to identify new or increased sources of income, and the merging of these ideas into the draft transformation programme to 2020.</p>

Corporate residual risk map

13. An updated risk map is included at **appendix 2** which shows the residual risk level for each of the risks. This gives a quick view of where each risk sits in relation to the council's risk appetite, i.e. there should be no risks with a residual score greater than 15, unless specifically approved by cabinet.
14. The residual risk score for B1 (public sector funding) and A8 (housing investment strategy) are above the council's level for risk appetite, and are red. All other residual risk scores are amber.

Conclusion

15. Risk management review processes are well embedded within the council, and members can be assured that the corporate risk register is up to date following review by CLT of the key risks to achieving the council's objectives.
16. Each risk shows the owner and the key controls, both in place or planned, designed to minimise any impact on the council and its provision of services to stakeholders.
17. The risk management strategy requires managers to keep all risks under review, and the corporate risk register will be regularly updated accordingly.

Integrated impact assessment



NORWICH
City Council

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

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

Report author to complete

Committee:	Cabinet
Committee date:	14 September 2016
Head of service:	Chief finance officer
Report subject:	Risk management report
Date assessed:	
Description:	This report presents an update to the council's corporate risk register and risk management policy

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Effective risk identification and management across all aspects of the council's business (eg policy setting; projects; partnerships) helps to minimise extra costs that may arise from unexpected events
Other departments and services e.g. office facilities, customer contact	<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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Specifically referred to in the corporate risk register
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input 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"/>	<p>The report provides assurance that the current corporate risk register and risk management policy are up to date and based on best practice.</p> <p>In practice, risk management has a positive impact on many of the above categories by contributing to the identification and mitigation of risks and the meeting of objectives</p>
Recommendations from impact assessment				
Positive				
<p>The application of effective risk management, in line with the updated policy, will contribute to the achievement of corporate and service objectives</p>				
Negative				
Neutral				
Issues				

CORPORATE RISK REGISTER

Version Date: **Sept 2016**

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
CUSTOMER PERSPECTIVE																	
A1	Customer demand	1. Customer demand exceeds our capacity to deliver services as they are currently configured 2. Transfer of demand arising from service delivery changes or budget cuts by other public agencies 3. Excessive customer demand in key areas, particularly in relation to the need to cut services, or changes to policies eg council tax reduction scheme; universal credit	1. Unable to cope with demand 2. Complaints 3. Reputation damage 4. Increased homelessness risk to housing	EH-CC&C	All	4	4	16 (R)	1. Proactive research on customer profile, forward planning, eg anticipating future events that will generate higher demand and use of data held to map and channel shift. 2. Data capture, consultation, survey and service planning. 3. Being robust about the role and responsibilities of Norwich City Council 4. Custmer centre redesign 5. New 'self-serve' website including responsive forms, housing repairs diagnostics, customer portal, and full functionality on mobile devices	3	2	6 (A)	1. Customer service improvement plan for F2F service - Phase 1	Head of customer services	March 2016	?	G
A2	Delivery of the corporate plan and key supporting policies and strategies within the council's strategic framework	Corporate priorities are not on target to be delivered. The council has a clear set of corporate priorities within its corporate plan. Within the council's wider strategic framework, there are a number of key corporate strategies and policies which must be delivered across the organisation to realise the council's priorities e.g. environmental strategy, housing strategy etc Policy from the new government will be further changing the framework for local government and put new requirements on the council that must be met in a number of different areas. When this is combined with the very significant savings the council will need to make to meet the government funding reductions, there is a risk that these changes will reduce the capacity of the council to deliver on its key corporate priorities.	1. Key priorities for the city are not delivered 2. Adverse public opinion 3. Projects / work completed to a lower quality 4. Negative impact on outcomes for citizens 5. Negative performance ratings for the council 6. Continual over-stretching of capacity	CEO	All	4	4	16 (R)	1. Regular review of corporate plan, medium term financial strategy and other key policies and strategies. 2. Effective performance and programme management 3. Corporate planning and service planning aligned with budget setting to ensure resources are in place to deliver priorities. 4. Effective preparation for changes in government policy. 5. Effective transformation programme to ensure savings are delivered. The balance between the corporate plan and resources available is anticipated to shift over the coming years bringing significant challenges for the Council. As a result the Council's Cabinet approved on June 8 2016 the initiation of a process to: a) Work with partners in the public, private, voluntary and community sectors to develop a new city vision b) Develop a revised corporate plan, priorities and performance measures which reflects the council's part in supporting that vision c) Determine a new blue print or operating model to guide how the council works in future which reflects available resources	3	4	12 (A)	a) Work with partners in the public, private, voluntary and community sectors to develop a new city vision b) Develop a revised corporate plan, priorities and performance measures which reflects the council's part in supporting that vision c) Determine a new blue print or operating model to guide how the council works in future which reflects available resources	CEO	Oct-16		G

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions					
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG	
A3	<p>Relationship management with key service delivery partners and the management of contracts.</p> <p>The council has a number of key partnerships with LGSS, NPS Norwich, and NP Law. There is also a highways agency agreement with Norfolk County Council. This approach to service delivery requires a different managerial approach by the city council. The council also has a number of key contracts and partnerships which require strong, consistent procurement and client management.</p>	<p>1. Partnerships not managed effectively and key service outcomes not achieved.</p> <p>2. Contracts not managed effectively, and key service outcomes not achieved.</p>	<p>1. The council doesn't get value for money</p> <p>2. Benefits of partner and contract arrangements not realised</p> <p>3. Constant negotiation around the service delivery agreement</p> <p>4. Specification not adhered to</p> <p>5. Services not provided at an acceptable level</p> <p>6. Customer and staff complaints</p>	EH-BRM&D	5	3	4	12 (A)	<p>1. Governance structure is in place to manage the individual partnership agreements (eg NPS Norwich Board, LGSS liaison group, NP Law Board, all major contracts have strategic and operational governance arrangements with officer and member representation.</p> <p>2. In response to the council operating model training requirements have been reviewed and staffing structures refreshed to reflect this change.</p> <p>3. A contract and business relationship management toolkit has been deployed. This aims to create consistency of management of both financial and performance objectives and monitoring and management of all economic, social and environmental issues associated with the service.</p> <p>4. Internal audit has reviewed arrangements to ensure that robust governance by client managers is in place for LGSS, nplaw, NPS Norwich, Norwich Norse (Environmental) and Norse Envoronmental Waste Service. Reported to CLT in April 2015 - result was 'substantial' assurance opinion.</p> <p>5. Regular reviews of joint ventures</p>	2	4	8 (A)						

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
A4	Safeguarding children, vulnerable adults and equalities duties	1. Safeguarding and equalities duties and responsibilities not embedded throughout the council and its contractors/ commissioned services/ partners. 2. Continued change in council service delivery model with an increase in the number of partnership arrangements is likely to require new arrangements for the delivery of safeguarding and equalities duties. 3. Impact of cuts on care services and benefit funding. 4. Critical incident 5. Change in contractor/ commissioned service/partner 6. Reduced service provision 7. Not being able to attract staff with diverse abilities and backgrounds 8. Reviews of safeguarding at Norfolk County Council found a number of significant issues, which increases the risks for partner organisations	1. Vulnerable adults and children at greater risk of exclusion or harm 2. Individuals from a community of identity dealt with inappropriately and at risk of exclusion 3. Risk of judicial review on accessibility of services 4. Risk of damage to reputation if an employee discrimination claim is made based on equalities legislation 5. NCC's reliance on systems at Norfolk and impact on Norwich City Council if these are inadequate	EH-N	All	3	4	12 (A)	1. Safeguarding children policy and procedures in place and reviewed annually through safeguarding group. 2. Safeguarding adult policy and procedures in place and reviewed annually. 2. Safeguarding duties included in new contracts to ensure duties are embedded with new contractors. Where appropriate, joint training/awareness sessions are held. 3. Equalities duties overseen by BMG 4. A contract and business relationship management toolkit has been deployed. This aims to create consistency of management of both financial and performance objectives and monitoring and management of all economic, social and environmental issues associated with the service and particularly in relation to safeguarding 5. Equality training undertaken for all staff and managers 6. Managing Mental health awareness training provided for employees managers 7. Safeguarding training provided to all staff. 8. Safeguarding guidance provided to all councillors 9. External review of the council's approach through the annual self-assessment against Sec.11 of Children Act 2014, then challenge session with chair of Norfolk Safeguarding Children Board (NSCB). Confirmed that NCC is playing its part in the NSCB and is alert to its duties and responsibilities. 12. NCC plays full part in Norfolk Public Protection Forum 13. NCC chief executive chairs Community Safety Partnership linking to domestic abuse across the county 14. Constantly monitoring outcomes from serious case reviews (children adult and domestic abuse) and ensure any recommendations are actioned.	2	4	8 (A)	1. Work is progressing continuing with contract managers to ensure monitoring and annual reporting of cross cutting themes including safeguarding and equalities is undertaken consistently with contractors. 2. Refresher workshop style training developed and provided for all relevant staff ; 3. New e-learning module developed for all staff to being reviewed to ensure learning is learn and development is relevant to job roles and reflects emerging safeguarding issues and improvement against Sec 11 of the Children Act 2014 progress will be reported to a future cabinet Head of local neighbourhood services Head of local neighbourhood services Head of local neighbourhood services	From 'Jul-14 			

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
A6	Delivery of Joint Core Strategy (JCS). The council, through the Greater Norwich Growth Board, is seeking to promote delivery of the JCS. If delivered, JCS will see more than 30,000 homes built in the greater Norwich area, and 35,000+ jobs created over next 15 years	Delivery of the JCS may be jeopardised by: 1. Markets failing to deliver on preferred development sites identified for housing 2. Changing approaches to calculating housing land supply to require all the backlog in housing supply that has arisen since 2008 to be met in the next five-year period rather than over the remainder of the plan period of the JCS (ie up to 2026). 3. Failure to deliver the infrastructure required to support development 4. The council increasingly relies on income from NNDR (business rates). This may be at risk if other councils allow commercial developments on the edge of the city but outside the boundary or the number of commercial premises in the City reduce.	1. Reputation damage 2. Significant likelihood that the overall development strategy for the Greater Norwich area will not be delivered	EH-R&D	2 & 4	3	4	12 (A)	1. Ensuring that strategies being prepared with GNGB colleagues are as robust as possible and firmly grounded in reliable evidence. 2. Inter-authority working based on consensus decision-making ensures all parties are in agreement with the agreed policy framework. 3. All policy work is supported by comprehensive and up-to-date evidence in accordance with government guidelines. 4. Greater Norwich Growth Board responsible for ensuring funding is available for investment in infrastructure to support growth.	3	3	9 (A)					

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
A8	Housing Investment Strategy As part of the reform of the HRA the council has taken on a substantial debt to replace the former negative housing subsidy system. This debt is currently planned to be repaid over a period not exceeding 30 years. In addition to debt repayments the council has adopted a new standard for investment in the housing stock and a commitment to fund a new build programme. However, recent developments in welfare and housing legislation require rent reductions and the prospect of paying an annual determination which will impact significantly on the levels of funding available for stock investment and improvement.	1. Reduction in rental income arising from: • compulsory 1% reduction in social housing rent for next four years wef April 2016 • higher level of council house sales due to improved incentives • increasing debt or other factors 2. Impact of determination to fund RTB for Registered Providers 3. Significant increase in the cost of delivering improvement works 4. Failure to deliver by contractors	1. Failure to deliver the Norwich Standard within the expected timescale 2. Lack of resources to be able to maintain the Norwich Standard. 3. Lack of resources to support a new build programme. 4. Requirement to sell off stock to fund determination 5. Reduced tenant satisfaction 6. Need to reprogramme the housing investment plan	EH-N	4	5	5	25 (R)	1. Regular review of HRA business plan and housing investment plan to reflect financial position of the HRA. In particular we await indicative figures for the annual determination which is likely to require further reworking of the HRA business plan and changes to planned levels of spend. 2. The main control will be the timescale for delivering the Norwich Standard to all properties and the level of spend on the routine maintenance / replacement programme together with the delivery of any agreed new build programme. 3. Regular review of key projects. 4. Effective contract management 5. Work with Registered Providers to maximise use of retained Right to Buy receipts for the development of new social housing where spend by the Council is not possible.	5	4	20 (R)	Review housing investment plan	EH-N CFO	Feb-16	Nov-16	G
FINANCE AND RESOURCES																	
B1	Public sector funding	1. Further economic decline. 2. Change in national government policy as a result of the economic position 3. New policies and regulations place a major financial burden on the council 4. Effects of funding cuts on major partners despite increased referrals, eg health and social care, may result in increased costs for the council 5. Uncertainties over central government financing, eg new homes bonus; changes to housing finance within the Housing and Planning Bill	1. Major reduction in public sector funding, including consequences of changes in funding arrangements for other bodies. 2. Impact on balancing the budget – significant change and financial savings required. 3. Unable to make saving within the required timescales 4. Requirement to sell off housing stock to fund determination. 5. Erosion of reserves 6. Major financial problems 7. Reputation damage 8. Possible industrial action 9. Changes become “knee jerk” 10. Govt intervention 11. Council loses critical mass in key areas 12. Service failures 13. Potential disproportionate impact on the poorest and most vulnerable members of society	CFO	All	5	5	25 (R)	1. Comprehensive 5-year transformation programme based on minimum resource allocation and robust benefit realisation. 2. Medium Term Financial Strategy incl. reserves policy, financial reporting to BMG & cabinet, transformation projects regularly monitored, MTFS is regularly reviewed and updated. 3. HRA business plan. 4. Weekly review by CLT of government announcements to assess implications and response required. 5. Keep service design under review 6. Continual review of financial position by the council and major partners	5	4	20 (R)					

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
B2	Income generation	1. Further economic decline. 2. Under-utilisation of assets 3. CIL (community infrastructure levy) income is below expectations. 4. Collapse in world markets leading to loss of income 5. Low economic growth or recession reduces income 6. Other triggers: a) Bethel St Police Station – market value payment b) Triennial pensions review. c) VAT partial exemption. d) Variable energy prices. e) Increasing voids due to market and economy factors. f) Loss of major tenant. g) GNGP board decision or cabinet decision on CIL investment arrangements. h) The council increasingly relies on income from NNDR (business rates). This is a volatile income stream and may be at risk from changes to Government policy around planning and if other councils allow commercial developments on the edge of the city but outside the boundary. i) Lack of experience in some services for generating income	1. Inability to raise capital receipts 2. Impact on balancing the budget – significant change and financial savings required. 3. Decline in income streams (eg rents from investment properties) – insufficient funds to maintain current service levels 4. Unable to make saving within the required timescales 5. Erosion of reserves 6. Major financial problems 7. Reputation damage 8. Govt intervention 9. Council loses critical mass in key areas 10. Service failures 11. Potential disproportionate impact on the poorest and most vulnerable members of society 12. Damage/costs across void portfolio 13. Essential infrastructure to deliver growth in the GNGP area is delayed.	CFO	All	5	4	20 (R)	1. Comprehensive 5-year transformation programme based on minimum resource allocation, maximisation of income generation and robust benefit realisation. 2. Medium Term Financial Strategy incl. reserves policy, capital and revenue financial reporting to BMG & cabinet, transformation projects regularly monitored, MTFS is regularly reviewed and updated. 3. HRA business plan kept under review. 4. GNGP have an agreed investment plan for the Greater Norwich area and have appointed consultants to advise on the use of CIL to help deliver this programme. 5. Clear strategy for investment 6. Commercial skills training provided to all Heads of Service 7. Element of CIL programme controlled by Norwich prioritised and caution taken to ensure spend not incurred until monies certain to be received. 8. Independent review of income generation opportunities completed Spring 2016 and options built in to the transformation programme.	4	3	12 (A)	Independent review of income generating opportunities	CFO	42401		G
B3	Level of reserves The council has a legal duty to ensure it has a prudent level of reserves to conduct its business	1. Government policy. 2. Economic climate 3. Reserves fall below acceptable levels	1. Inadequate levels of reserves publicly reported by external auditors 2. Government intervention 3. Impact on reputation of the council	CFO	All	3	4	12 (A)	1. Medium term financial strategy (MTFS). 2. Development of the 5-year corporate plan and transformation programme in conjunction with the MTFS. 3. HRA Business Plan. 4. Planning and delivery of transformation (savings and income generation) programme. 5. Contract and business relationship management to identify and respond to business delivery risks. 6. Budget development, in-year monitoring and control	2	3	6 (A)					

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
B4	Capital developments	1. Housing / other developments may take longer to proceed than planned. 2. Housing / other developments may cost more than planned . 3. Interest rates on debt may rise beyond projections. 4. Developments may not generate planned levels of income. 5. Asset sales may not be sufficient to fund major repairs	1. Delay in income streams may put pressure on revenue budgets. 2. Reduced net revenue contribution from developments. 3. May put pressure on revenue budgets / reserves to service debts 4. Pressure on capital budgets	CFO	All	5	4	20 (R)	1. Medium Term Financial Strategy incl. reserves policy, capital and revenue financial reporting to BMG & cabinet, transformation projects regularly monitored, MTFS is regularly reviewed and updated. 2. HRA business plan. 3. Capital Management Group set up and reporting quarterly to CLT 4. Business cases for individual investments and continual review of investments 5. Balanced risk profile 6. Business plan for new housing development company approved by cabinet. 7. Housing company's own risk register 8. Continuing policy to only commit spend once resources are available.	3	4	12(A)					

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions					
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG	
PROCESSES AND SYSTEMS																		
C1	<p>Emergency planning and business continuity</p> <p>(The council delivers a range of complex services to vulnerable elements of the community. Organisations generally are experiencing significant continuity events once every five years on average)</p>	<p>Occurrence of a significant event:</p> <ul style="list-style-type: none">• Loss of City Hall• ICT failure• Contractor collapse• Severe weather events – storms, heatwaves, strong winds• Flooding• Sea level rise• Fuel shortages• Communications failure• Pandemic• Loss of power <p>The council, businesses and members of the public in the city will also be at risk from the local effects of climate change in the medium to long term.</p>	<p>1. Service disruption and inability to deliver services</p> <p>2. Disruption of the delivery of goods and services to the council</p> <p>3. Increased requests for council resources and services</p> <p>4. Health and safety impact on staff and vulnerable residents</p> <p>5. Damage to council property and impact on tenants</p> <p>6. Reputation damage</p> <p>7. Years to recover</p>	EH-BRM&D	All	4	4	16 (R)	<p>1. The council is a member of the Norfolk Resilience Forum, which has produced a Norfolk Community Risk Register</p> <p>2. Business continuity team with access to resources; action plans have been used to deal with actual total City Hall IT failure; alternative site for customer contact team; disaster recovery plan and the use of Blackberries for communications.</p> <p>3. The council has a major emergency management strategy and emergency planning room established at City Hall. Approach has also been used to test business continuity in the event of the main works contractor changing.</p> <p>4. Flu pandemic plan.</p> <p>5. Adaptations to protect the council from the local effects of climate change and address the causes are covered by corporate strategies such as the environmental strategy, together with service plans.</p> <p>6. A new business continuity management policy and framework was approved by cabinet 25 June 2014.</p> <p>7. A business impact analysis for each service is signed off by the head of service and executive head of service.</p> <p>8. Business continuity steering group chaired by the EH-BRM&D.</p> <p>9. Overall business continuity plan reviewed by CLT.</p>	4	3	12 (A)	<p>The emergency planning manager will presented a report on business continuity to CLT on 2 March 2016.</p> <p>If agreed, there will be further actions arising from the report</p>	EH-BRM&D				G
C2	<p>ICT strategy.</p> <p>The council has transferred its ICT service to LGSS. The ICT Programme Board works alongside LGSS to keep up to date the ICT strategy for the council</p>	<p>ICT strategy fails to support the organisation moving forward and the blueprint for a new council</p>	<p>1. Incoherent approach to ICT systems</p> <p>2. Systems not customer friendly</p> <p>3. Systems are not integrated with one another</p> <p>4. Drain on resources as staff work around the systems</p> <p>5. Lack of accuracy in key data</p> <p>6. Data are unreliable</p> <p>7. Key information not trusted</p> <p>8. Hinders management and service improvements</p> <p>9. Failure to deliver council priorities</p>	EH-BRM&D	All	3	4	12 (A)	<p>1. NCC has developed an ICT strategic direction document detailing the key areas where ICT is required to support business objectives and change.</p> <p>2. Management of the LGSS relationship will seek to ensure that NCC requirements are delivered.</p> <p>3. The council has an ICT Programme Board, attended by LGSS IT.</p>	2	4	8 (A)						

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
C3	Information security	1. Sensitive and/or personal data is sent to the incorrect recipient or not kept securely, or is lost 2. Data is emailed to insecure email addresses. 3. Lap top or memory stick containing data is lost or stolen. 4. Information is sent to incorrect addresses. 5. External malicious attack (hacking) 6. Hard copy data is lost or stolen	1. Fine up to £0.5 million 2. Potential harm to data subjects through loss, release or corruption of personal data 3. Reputational risk	EH-BRM&D	5	5	4	20 (R)	1. Regularly remind all managers, employees and members of their responsibilities for the use of and security of data. 2. Prohibit using mobile devices to store or process sensitive or personal data unless device is encrypted. 3. Encrypt lap tops and data sticks when they are used to store or process sensitive or personal data. 4. Proper disposal of confidential waste. 5. Updated IT User Security policy issued April 2015 to all staff and other people who access the councils systems (e.g. partners, contractors etc.) 6. The council has achieved public sector network (PSN) & payment card industry (PCI) compliance 7. The council has an ICT programme board, attended by LGSS IT. 8. Corporate information assurance group 9. Annual security report from LGSS IT 10. Information risk policy and risk assessment 11. Business continuity and disaster recovery arrangements 12. Incident response plan and lessons learned	3	4	12 (A)					

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
C4	Failure of major contractor or legal challenge following an unsuccessful tender bid	1. The council has a number of key contractors who may be vulnerable to market and economy factors. 2. In addition the number of legal challenges (and therefore injunctions preventing a contract award) is increasing due to the financial pressures and reducing workload 3. Key contractor goes into administration or an injunction is issued preventing the award of a new contract	1. Customer and staff complaints 2. Services not delivered 3. Contingency plans have to be invoked 4. Cost and time to retender contract 5. Cost and time to defend legal challenge 6. Additional unforeseen costs impact delivery of balanced outturn and reserve levels	EH-BRM&D	5	4	3	12 (A)	1. Monitor major contractors for warning signs and make any necessary contingency plans. Recently put into practice and contingency plans tested. 2. Ensure a robust procurement process is followed in accordance with the appropriate procurement regulations, NCC processes and best practice. 3. NPS JV extended to include works division. This arrangement enables the JV to carry out work that was previously contracted to private sector. This approach is in line with the Council's operating model. This provides enhanced security over the supplier and increased direct control by the council. 4. Contingency budget and allowance for failures within the calculation of prudent minimum balance of reserves 5. More use of shared services reduces size and scope of contracts with private sector providers (eg ICT) 6. Increased use of framework contracts increases resilience against contractor failure.	3	3	9 (A)					
C5	Fraud and corruption	1. Poor internal controls lead to fraudulent acts against the council, resulting in losses. 2. Bribery Act 2010 came into force 1 July 2011 – lack of guidance or policies - council fails to prevent bribery 3. Failure in internal control. 4. Discovery of fraudulent acts. 5. Allegations received. 6. Member of staff or councillor breaks the law.	1. Loss of income or assets 2. Adverse public opinion 3. Effect on use of resources 4. Increased costs of external audit 5. Cost of investigation and rectifying weaknesses 6. Prison	CFO	5	3	3	9 (A)	1. Internal audit 2. Anti-fraud and corruption policy, 3. Payment Card Industry security assessment to protect card payments, 4. National Fraud Initiative, 5. Whistleblowing policy 6. Review and update as necessary policies and procedures. 7. Assess risk of bribery, train staff and monitor and review procedures. 8. Robust procurement procedures, e-tendering portal and governance by the procurement team 9. Delegation procedures	2	3	6 (A)	Review needed of anti-fraud, whistleblowing and anti-bribery policies,	Chief finance officer	Sep-15	Mar-16	G

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

Council Priorities 2015-2020:

- 1. To make Norwich a safe, clean and low-carbon city
- 2. To make Norwich a prosperous and vibrant city
- 3. To make Norwich a fair city
- 4. To make Norwich a healthy city with good housing
- 5. To provide value for money services

Key to risk owners (above):	
CEO	Chief executive officer
EH-N	Interim executive head of neighbourhoods
EH-BRM&D	Executive head of business relationship management & democracy
EH-CC&C	Executive head of customers, communications & culture
EH-R&D	Executive head of regeneration & development
CFO	Chief finance officer (s151)

RISK SCORING MATRIX

VERY HIGH (V)	5	10	15	20	25
HIGH (H)	4	8	12	16	20
MEDIUM (M)	3	6	9	12	15
LOW (L)	2	4	6	8	10
NEGLECTIBLE	1	2	3	4	5
IMPACT LIKELIHOOD	VERY RARE	UNLIKELY	POSSIBLE	LIKELY	VERY LIKELY

Red scores – in excess of the council's risk appetite (risk score 16 to 25) – action needed to redress, quarterly monitoring.

In exceptional circumstances cabinet can approve a residual risk in excess of the risk appetite if it is agreed that it is impractical or impossible to reduce the risk level below 16. Such risks should be escalated through the management reporting line to CLT and cabinet (see section 3.8 of the strategy).

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

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

Descriptors to assist in the scoring of risk impact are on the following page

Likelihood scoring is left to the discretion of managers as it is very subjective, but should be based on their experience of the risk

As a guide, the following may be useful:

Very rare - highly unlikely, but it may occur in exceptional circumstances. It could happen, but probably never will

Unlikely - not expected, but there's a slight possibility it may occur at some time

Possible - the event might occur at some time as there is a history of occasional occurrence at the council

Likely - there is a strong possibility the event will occur as there is a history of frequent occurrence at the council

Very likely - the event is expected to occur in most circumstances as there is a history of regular occurrence at the council

IMPACT DESCRIPTORS

The following descriptors are designed to assist the scoring of the impact of a risk:

	Negligible (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Legal and Regulatory	Minor civil litigation or regulatory criticism	Minor regulatory enforcement	Major civil litigation and/or local public enquiry	Major civil litigation setting precedent and/or national public enquiry	Section 151 or government intervention or criminal charges
Financial	<£25k	<£50k	<£100k	<£500k	>£500k
Service provision	Insignificant disruption to service delivery	Minor disruption to service delivery	Moderate direct effect on service delivery	Major disruption to service delivery	Critical long term disruption to service delivery
People and Safeguarding	Slight injury or illness	Low level of minor injuries	Significant level of minor injuries of employees and/or instances of mistreatment or abuse of individuals for whom the council has a responsibility	Serious injury of an employee and/or serious mistreatment or abuse of an individual for whom the council has a responsibility	Death of an employee or individual for whom the council has a responsibility or serious mistreatment or abuse resulting in criminal charges
Reputation	No reputational impact	Minimal negative local media reporting	Significant negative front page reports/ editorial comment in the local media	Sustained negative coverage in local media or negative reporting in the national media	Significant and sustained local opposition to the council's policies and/or sustained negative media reporting in national media
Project	Minimal effect on budget or overrun	Project overruns or over budget	Project overruns or over budget affecting service delivery	Project significantly overruns or over budget	Project failure
Sustainability/ Environment	Minimal or no impact on the city's environment or sustainability targets	Minor impact on the city's environment or sustainability targets	Moderate impact on the city's environment or sustainability targets	Serious impact on the city's environment or sustainability targets	Very serious impact on the city's environment or sustainability targets

Norwich City Council

Summary of Residual Scores for Corporate Risks

September 2016

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

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

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

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

Report to Cabinet
14 September 2016
Report of Chief finance officer
Subject Write off of non- recoverable National Non Domestic Rate
debt

Item

15

Purpose

To provide an update on the position as at 12 July 2016 with regard to the write off of non-recoverable National Non Domestic Rate (NNDR) debt and request approval for the write off of debt of £53,713 which is deemed irrecoverable.

Recommendations

To:

1. review the level of NNDR debt which has been written off in the year to date; and,
2. approve the proposed write off of £54k of NNDR debt which is now believed to be irrecoverable.

Corporate and service priorities

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

Financial implications

The cost to the collection fund of write offs is shared as follows: Central Government 50%, Norwich City Council 40% and Norfolk County Council 10%. The cost of write offs of NNDR debts to Norwich City Council for the year to date, plus those recommended in this report, is £74k. However, provision against bad debts is made in the Collection Fund accounts for each year and these debts are written off against the provision.

Ward/s: All wards

Cabinet member: Councillor Stonard – Resources and business liaison

Contact officers

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

Background documents

None

Report

National Non Domestic Rates

1. National Non Domestic Rate income for 2016/17 is forecast to total £77m. Significant work is undertaken by the Revenues and Benefits team to pursue all outstanding debt, sometimes over a number of years. However, there are debts where, despite these attempts, the debt is believed to be irrecoverable, often because the company owing the money is now insolvent. In the year to 12 July 2016 £131k of NNDR debt has been written off which is equivalent to 0.17% of NNDR annual income.
2. One further amount of £53,713 requires Cabinet approval for write-off because of its value. The debt relates to Creative Restaurant Ltd who have gone into liquidation with no prospect of distribution to creditors. In addition, the chief finance officer has approved the write off of related council tax debt of £1,674 and Business Improvement District levy of £533.
3. The cost to the collection fund of write offs is shared as follows: Central Government 50%, Norwich City Council 40% and Norfolk County Council 10%. The cost to the collection fund of write offs to date and the ones proposed in this report is £185k which is equivalent to 0.24% of NNDR annual income. Of this, the cost to Norwich City Council is £74k.
4. Each year an assessment of debt is undertaken to set a bad debt provision within the collection fund. This write off will be charged against that provision.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	
Head of service:	Chief Finance Officer
Report subject:	Write off of non- recoverable National Non Domestic Rate debt
Date assessed:	30/08/16
Description:	This is the integrated impact assessment for the Write off of non-recoverable National Non Domestic Rate debt report to cabinet

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The report shows that the council monitors its debt levels and pursues debt wherever there is a reasonable chance of recovery resulting in a low level of debt write off.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input 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 collection of its income.

Recommendations from impact assessment
Positive
None
Negative
None
Neutral

None
Issues
The council should continue to monitor its levels of debt and take action to recover where possible and cost effective to do so.