

## **Cabinet**

**Date:** Wednesday, 13 July 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)

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

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

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



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## **AGENDA**

**1. Apologies**

**Purpose** - To receive apologies for absence

**2. Public questions/petitions**

**Purpose** - To receive questions and 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 meetings held on 9 March, 8 June and 28 June 2016** 7 - 20

**Purpose** - to approve the minutes of the meetings held on 9 March, 8 June and 28 June 2016.

**5. Quarter 4 2015-16 performance report** 21 - 36

**Purpose** - To report progress against the delivery of the corporate plan priorities and key performance measures for quarter 4 of 2015-16.

**6. Review of management and delivery of Push the Pedalways** 37 - 44

**Purpose** - To consider the recommendations made by the scrutiny committee on 17 March 2016.

**7. Revenue budget monitoring 2016-17 Period 2** 45 - 62

**Purpose** - To update cabinet on the provisional financial position as at 31st May 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 2015-16 Year End 2015-16** 63 - 80

**Purpose** - To update cabinet on the revenue outturn for the year 2015/16, and the consequent general fund and housing revenue account balances.

**9. Capital budget monitoring 2015-16 – Final outturn** 81 - 96

**Purpose** - To update cabinet on the final outturn position of the 2015-

16 capital programmes.

- |            |   |           |
|------------|---|-----------|
| <b>10.</b> | <b>Award of contract for housing development at Goldsmith Street</b>  | 97 - 106  |
|            | <b>Purpose</b> - To seek approval to award of a contract and funding relating to the construction of 105 houses at the Goldsmith Street site.   |           |
| <b>11.</b> | <b>Phone masts on council buildings</b>   | 107 - 118 |
|            | <b>Purpose</b> - To review the council's moratorium on the placing of phone masts on council owned land and buildings.  |           |
| <b>12.</b> | <b>Creation of a standing list of suppliers to deliver printing services to the council</b>   | 119 - 124 |
|            | <b>Purpose</b> - To seek approval to award the contract for printing services.  |           |
| <b>13.</b> | <b>Proposed Syrian refugee resettlement scheme</b>  | 125 - 134 |
|            | <b>Purpose</b> - To report progress on the development of a Norfolk wide re-settlement scheme for Syrian refugees and to seek the views of cabinet on the financial implications that may be incurred by the council. |           |
| <b>14.</b> | <b>Joint venture business plans</b>   | 135 - 178 |
|            | <b>Purpose</b> - To seek approval for the business plans for NPS Norwich Limited, Norwich Norse Building Limited and Norwich Norse Environmental Limited  |           |
| <b>15.</b> | <b>Norwich Regeneration Ltd- business plan 2016-17</b>  | 179 - 202 |
|            | <b>Purpose</b> - To consider the business plan of Norwich Regeneration Ltd  |           |
| <b>16.</b> | <b>Exclusion of the public</b>  |           |
|            | <b>Purpose</b> - 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. Norwich Regeneration Ltd- business plan 2016-17 APPENDIX**

- 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.

### **\*18. Land Development in South City Centre**

- 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.

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

- 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.

### **\*20. Lease surrender**

- 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.

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

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

**\*22. Managing assets**

- 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.

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

- 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: **Tuesday, 05 July 2016**



**CABINET****17:30 to 18:50****9 MARCH 2016**

**Present:** Councillors Waters (chair), Harris, Bremner, Driver, Kendrick, Stonard and Thomas (Va)

**Also present:** Councillors Schmierer and Wright

**1. APOLOGIES**

No apologies were received.

**2. PUBLIC QUESTIONS / PETITIONS**

No public questions or petitions were received.

**3. DECLARATIONS OF INTEREST**

Declarations of interest were received from Councillors Harris, Driver, Stonard and Thomas.

**4. MINUTES**

**RESOLVED** to agree the accuracy of the minutes of the meeting held on 3 February 2016.

**5. QUARTER 3 2015-16 PERFORMANCE REPORT**

The leader of the council presented the report.

In response to a member's question, the chief executive officer of Norwich City Council explained that the measure target for VFM5 could be refined during the coming months. She said that as more web-based forms become available via the revamped website, there would be an expectation that there would be increased traffic via this channel.

**RESOLVED** to note the quarter 3 2015-16 performance report.

## **6. REVENUE BUDGET MONITORING 2015-16 – PERIOD 10**

The cabinet member for resources and income generation presented the report.

**RESOLVED** to note the financial position as at 31 January 2016, and the forecast outturn 2015- 16.

## **7. LOCAL DEVELOPMENT SCHEME 2016-18**

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

In response to a member's question, the leader of the city council said that the business improvement district team had plans to expand the area of the district.

**RESOLVED** to:

1. approve the revised Local Development Scheme 2016-17 for publication; and,
2. give delegated authority to the executive head of services for regeneration and development, in consultation with the portfolio holder for environment and sustainable development, to make any additional minor changes necessary to the Local Development Scheme before publication and arrange for it to be published.

## **8. PROCUREMENT OF WORKS – VARIOUS KEY DECISIONS FOR EXPENDITURE ON HOUSING REPAIRS AND UPGRADES CONTRACTS**

The cabinet member for housing and wellbeing presented the report.

**RESOLVED** to:

- a) award the contract for periodic inspections and rewires to the best value supplier as determined by the direct call-off prices within the framework;
- b) approve the variations to the Eastern Procurement Ltd framework contracts as described in appendix one;
- c) approve the variations to the Norwich Norse Building Ltd contracts as described in appendix one; and,
- d) delegate authority to the interim executive head of neighbourhoods in consultation with the deputy leader and portfolio holder for housing and wellbeing, to approve awards to the best value suppliers for re-roofing, re-pointing and external wall insulation after a mini tendering exercise is complete.



**9. AWARD OF CONTRACT FOR THE DEVELOPMENT OF GOLDSMITH STREET - KEY DECISION**

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

In response to a member's question, the chief executive officer of Norwich City Council explained that it was usual procedure to deal with certain issues via the delegations detailed in the report. She said that was the most practical way to award contracts promptly, whilst stressing that essential decisions were taken by cabinet and any changes to the agreed framework would also come back to cabinet.

**RESOLVED** to delegate the decision to award the contract for the development of Goldsmith Street to executive head of service for regeneration and development, in consultation with chief finance officer and portfolio holder for Environment and sustainable development.

**10. MANAGING ASSETS – APPROPRIATION OF HOUSING REVENUE ACCOUNT LAND TO THE GENERAL FUND - KEY DECISION**

The cabinet member for resources and income generation presented the report.

**RESOLVED** to delegate authority to appropriate Pilling Park (ex-area office) from the Housing Revenue Account to the General Fund to the Executive head of regeneration and development in consultation with the Deputy leader and portfolio holder for housing and wellbeing and the Portfolio holder for resources and income generation.

**11. WRITE OFF OF NON- RECOVERABLE NATIONAL NON DOMESTIC RATE DEBT**

The cabinet member for resources and income generation presented the report.

**RESOLVED** to approve the proposed write off of £108,606 of NNDR debt.

**12. AN OVERVIEW OF EXTERNAL RELATIONSHIPS, CONTRACTS AND GRANTS 2016-17 - KEY DECISION**

The leader of the council presented the report. In response to a member's question, he explained that the success of projects is measured by monitoring the achievements of organisations in receipt of an award. Meetings also take place with key partners to review performance and use of investments.

**RESOLVED** to note the partnerships and business relationships and contracts registers, as well as the grants to be awarded for 2016-17.

### **13. PLANNING PRE-APPLICATION ADVICE – REVIEW OF CHARGES AND SERVICE STANDARDS**

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

**RESOLVED** to:

- a) agree the new charging levels and service standards as specified in Appendix 1 and 2 from 1 April 2016; and,
- b) delegate authority to the head of planning services, in consultation with the relevant cabinet member, to agree any future minor revisions or adjustments relating to charges for planning advice by other organisations.

### **14. THREE SCORE PHASE 2 DEVELOPMENT AGREEMENT - KEY DECISION**

The cabinet member for housing and wellbeing presented the report.

**RESOLVED** to:

- a) agree to enter into development agreement with Norwich Regeneration Ltd to acquire the social housing units within section 1 of phase 2 at Three Score as outlined in paragraphs 5-9 of this report and paras 2-12 of the exempt appendix; and,
- b) delegate the precise amount of funding required from the HRA, timing of payments and the detailed wording of the agreement to the interim executive head of neighbourhoods in consultation with the portfolio holder for housing and well-being.

### **15. EXCLUSION OF THE PUBLIC**

**RESOLVED** to exclude the public from the meeting during consideration items \*16 to \*18 (below) on the grounds contained in the relevant paragraphs of Schedule 12A of the Local Government Act 1972 (as amended).

### **\*16. THREE SCORE PHASE 2- DEVELOPMENT AGREEMENT APPENDICES - KEY DECISION**

The cabinet member for housing and wellbeing presented the report.

**RESOLVED** to note the exempt appendices regarding the development agreement for Three Score phase 2 and their impact on the main report.

**\*17.MANAGING ASSETS - KEY DECISION**

The cabinet member for housing and wellbeing presented the report.

**RESOLVED** to approve the disposal of the freehold interest in the assets described in the report.

**\*18.AWARD OF CONTRACT - KEY DECISION**

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

**RESOLVED** to approve the award of the multi-storey car park guarding contract to Broadland Guards.

CHAIR



**CABINET****17:30 to 18:45****8 June 2016**

**Present:** Councillors Waters (chair), Harris, Bremner, Stonard, Kendrick and Ryan

**Also present:** Councillors Graham and Wright

**1. APOLOGIES**

Apologies were received from Councillor Thomas.

**2. PUBLIC QUESTIONS / PETITIONS**

No public questions or petitions were received.

**3. DECLARATIONS OF INTEREST**

No declarations were made.

**4. MINUTES**

Due to an administrative error, the minutes of the wrong meeting had been circulated. It was agreed to bring the minutes of the meeting held on the 9 march 2016 to the next meeting.

**5. NORWICH CITY COUNCIL 'FIT FOR THE FUTURE'**

The leader of the council presented the report.

In response to a member's question, the head of city development services explained that a comprehensive strategy would be developed to take into account views of differing political groups.

The chief executive added that officers were getting to the stage where ideas for saving money were beginning to run short. She said it could get to a point where the council would not be able to deliver even statutory services to the minimum level. As such, the strategy would be reviewed to provide increased focus on influencing and collaboration work.

**RESOLVED to:**

- 1) Approve 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;
- 2) endorse the revised senior management structure shown in annex B, subject to the outcome of the formal consultation with employees impacted.

**6. REVIEW OF THE NEIGHBOURHOOD MODEL AND SERVICES**

The portfolio holder for neighbourhoods and community safety presented the report.

In response to a member's question, interim executive head of neighbourhoods said that the Early Help Hub was still in its early stages but agreed that a report would be brought to a later cabinet meeting to provide a progress update.

**RESOLVED TO:**

- 1) note progress to deliver the changes to the Council's neighbourhood model agreed by Cabinet on 7 October 2015;
- 2) grant a lease for Russell Street Community Centre to St Thomas's Church through the community asset transfer policy for a term of 5 years with the option of a further 5 years at a peppercorn rent; and,
- 3) bring an update report on the work of the Early Help Hub to a future cabinet meeting.

**7. HEALTHY NORWICH INITIATIVE – PROPOSED VOLUNTARY SMOKING BAN IN PLAY AREAS**

The portfolio holder for customer care and leisure presented the report.

Cabinet members agreed to pass on to the CCG the suggestion that the signs could include information on where to find help with smoking cessation.

**RESOLVED** to approve collaboration with Healthy Norwich partners (CCG and Norfolk County Council Public Health team) to erect signs around children's play areas that discourage smoking in their vicinity.

## **8. REVENUE BUDGET MONITORING 2015-16 PERIOD 11**

The portfolio holder for resources and business liaison presented the report.

**RESOLVED** to note the financial position as at 29 February 2016, and the forecast outturn 2015/16.

## **9. REVENUE BUDGET MONITORING 2015-16 PERIOD 12**

The portfolio holder for resources and business liaison presented the report.

**RESOLVED** to note the forecast financial position as at 31 March 2016.

## **10. CAPITAL BUDGET MONITORING 2015-16 – PROVISIONAL OUTTURN**

The portfolio holder for resources and business liaison presented the report.

**RESOLVED TO:**

- 1) note the provisional outturns of the 2015-16 housing and non-housing capital programme budgets and estimated carry-forwards to 2016-17.
- 2) delegate 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, approval of carry-forward of unspent 2015-16 capital budgets still required, to the 2016-17 capital programme.

## **11. RE-ESTABLISHMENT OF THE GREATER NORWICH DEVELOPMENT PARTNERSHIP AND UPDATE TO THE LOCAL DEVELOPMENT SCHEME**

The portfolio holder for environment and sustainable development presented the report.

A member raised concerns regarding underrepresentation of other political parties and also voiced concerns about Norwich City Council being swamped by other authorities. The leader of the council explained that the decisions and suggestions of the Greater Norwich Development Partnership would always have to come back through cabinet and also many other meetings of the council, before any decision is settled upon.

**RESOLVED** to:

- 1) endorse the re-establishment of the GNDP in accordance with the terms of reference attached at Appendix 1 to exercise political leadership for the

planning activities carried out jointly by the Greater Norwich local planning authorities, in particular in relation to the Greater Norwich Local Plan; and,

- 2) approve an updated Local Development Scheme, by substitution of the contents of Appendix 2, in place of the relevant sections of the previous Local Development Scheme, for publication under section 15 of the Planning and Compulsory Purchase Act 2004 (as amended by section 111 of the Localism Act 2011).

## **12. TECHNICAL CONSULTATION ON THE GREATER NORWICH LOCAL PLAN DRAFT SUSTAINABILITY APPRAISAL SCOPING REPORT**

The portfolio holder for environment and sustainable development presented the report.

**RESOLVED** to approve the draft Sustainability Appraisal Scoping Report for the Greater Norwich Local Plan and to publish it for technical consultation.

## **13. LANDSCAPE AND TREES SUPPLEMENTARY PLANNING DOCUMENT**

The portfolio holder for environment and sustainable development presented the report.

**RESOLVED** to adopt the Landscape and Trees Supplementary Planning Document in accordance with regulation 14 of the Town and Country Planning (Local Development) (England) Regulations 2012.

## **14. STATEMENT OF COMMUNITY INVOLVEMENT - PROPOSED REVISION**

The portfolio holder for environment and sustainable development presented the report.

**RESOLVED** to:

- 1) approve the revised draft Statement of Community Involvement for public consultation for a period of not less than six weeks; and,
- 2) authorise the executive head of regeneration and development, in consultation with the portfolio holder for environment and sustainable development, to make any minor changes necessary to the document prior to publication and to make arrangements to publish the document on the website as soon as reasonably practicable following the date of this meeting.

## **15. INSTALLATION OF 100 THERMODYNAMIC HOT WATER SYSTEMS**

The portfolio holder for council housing presented the report.

**RESOLVED** to agree to award a contract for the installation of Thermodynamic hot water systems to 100 council owned homes to Impact Renewable Energy Ltd. (Impact Renewables)



## **16. EXCLUSION OF THE PUBLIC**

**RESOLVED** to exclude the public from the meeting during consideration items \*17 to \*19 (below) on the grounds contained in the relevant paragraphs of Schedule 12A of the Local Government Act 1972 (as amended).

### **\*17. NORWICH CITY COUNCIL 'FIT FOR THE FUTURE' ANNEXES**

The leader of the council presented the report.

**RESOLVED** to note the annexes to item 5.

### **\*18. REVIEW OF THE NEIGHBOURHOOD MODEL AND SERVICES PHASE 2**

The portfolio holder for council housing presented the report.

**RESOLVED** to:

- 1) consult UNISON and affected employees on the proposed management and organisational structure changes in the Housing Service outlined in the report; and,
- 2) delegate authority to the Interim executive head of neighbourhoods, in liaison with the Deputy Leader and portfolio holder for council housing to make the necessary changes to implement the above recommendations, including the final employee structures following consultation, as part of the plan of change.

### **\*19. MANAGING ASSETS**

The portfolio holder for resources and business liaison presented the report.

**RESOLVED** to approve:

- 1) the disposal of land from the general fund account and the granting of a long lease (50 years) as described in this report.
- 2) the disposal of land from the housing revenue account as described in this report.

CHAIR





**Cabinet**

**20:45 to 20:50**

**28 June 2016**

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

Apologies: Councillor Bremner

**1. Declarations of interest**

There were no declarations of interest.

**2. The devolution of powers and resources to East Anglia (Key Decision)**

Councillors Waters, as leader of the council, introduced the report and referred to the recommendation of council earlier that evening. In reply to a question from a member of the council, he provided reassurance that, whilst constitutionally the decision was a cabinet one, the cabinet would be guided by the decision made at full council earlier that evening. All of the political groups within the council had worked on the devolution proposals together and cabinet intended that any revised government proposals would be considered at full council to enable proper debate on such weighty and substantial issues for the region.

**RESOLVED**, unanimously,

- (1) to reject the recommendation as set out in the report to endorse the signing of the Norfolk and Suffolk devolution agreement by the Leader and the associated recommendation;
- (2) not to continue to support the process leading to the establishment of an elected mayor and combined authority for the East Anglia region and authorises, through the Chief Executive the relevant changes to be made to the Deal Agreement, the Scheme and the Governance Review to reflect that Authority's non-participation.

CHAIR



|                  |   |             |
|------------------|---|-------------|
| <b>Report to</b> | Cabinet   | <b>Item</b> |
|                  | 13 July 2016  |             |
| <b>Report of</b> | Executive head of strategy, people and neighbourhoods | <b>5</b>    |
| <b>Subject</b>   | Quarter 4 2015-16 performance report                  |             |

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## **Purpose**

To report progress against the delivery of the corporate plan priorities and key performance measures for quarter 4 of 2015-16.

## **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**

Phil Shreeve, Strategy manager

01603 212356

## **Background documents**

None

## **Report**

### **Introduction**

1. This report sets out progress against the key performance measures that are designed to track delivery of the corporate plan priorities. This is the fourth quarterly performance report for the recently adopted corporate plan 2015-2020, and the final one for the year 2015-16.
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, as well as in line with good practice in reviewing performance measurement.
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. For example generally customer satisfaction rates continue to achieve target or better. 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 number of private households continue to be assisted with energy efficiency measures for their homes, bringing the annual performance to 265 against a target of 150.
  - b) Our new measure for our homelessness prevention work shows that 58% of people contacting the council as threatened with becoming homeless were actively prevented from becoming homeless through the council's actions. Our target was 50%.
  - c) Resident satisfaction with service received from the council continues above target.

- d) 97% of income owed to the Council has been collected this quarter compared with the target of 95%.
- e) Our new measure in relation to timely processing of benefits shows a score of 93.7% compared with our target of 100. This is a marked improvement on the previous quarter, and work continues to try and improve this performance.
- f) Contact with the Council that was classified as avoidable this quarter was at 54%, which continues to exceed our target of 15%.
- g) Delivery of additional affordable homes remains significantly below target. The dual impacts of national housing finance changes and the Housing and Planning Act make this a target that is likely to require review. These same changes could also impact on our future performance around council properties meeting the Norwich Standard.
- h) As per the previous quarter's report, the number of empty homes brought back into use in the quarter brought this measure back on target.
- i) The payment of national living wage by contractors and grant recipients shows the target being missed. However, the way that this measure is expressed (as a total number paying the living wage rather than as a proportion) means that, although now 98% of contractors and grant recipients pay the living wage, a reduction in the total number of contractors means that the performance is considered 'red'. Again, this is a measure that merits review as it does not adequately reflect the genuine progress made.
- j) Levels of cycling in Norwich show as remaining lower than target, though there is a considerable time-lag on this data. A more up-to-date and in depth analysis of cycling activity in the city will be published by the county council in late summer 2016



### Report author to complete

|                         |   |
|-------------------------|---|
| <b>Committee:</b>       | Cabinet   |
| <b>Committee date:</b>  | 13 July 2016  |
| <b>Head of service:</b> | Phil Shreeve  |
| <b>Report subject:</b>  | Quarter 4 performance report 2015/16  |
| <b>Date assessed:</b>   | June 2016   |
| <b>Description:</b>     | This report sets out progress against the key performance measures that are designed to track delivery of the Corporate Plan priorities for quarter 4 of 2015/16. |



|   | Impact                              |                          |                          |          |
|---|-------------------------------------|--------------------------|--------------------------|----------|
| Economic<br>(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<br>e.g. office facilities, customer<br>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<br>(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<br>(please add an 'x' as appropriate)                  | Neutral                             | Positive                 | Negative                 | Comments |
| Relations between groups<br>(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<br>(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

## Comments

This is the final performance report for 2015/16 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 have managed to reduce the general fund budget by £2.3M and in many cases continue 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 benefit service is also showing sign of improvement. 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](mailto:strategy@norwich.gov.uk)

Key to tables (following pages) :

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



| Measure  | Actual       | ▲ Target | RAG Status | DoT | Actual YTD | Target YTD | RAG YTD |
|--|--------------|----------|------------|-----|------------|------------|---------|
| <b>SCL8 % of adults living in the City Council's area who cycle at least once per week</b>   | <b>16.3%</b> | 23.0%    | ▲          | ➡   | 16.3%      | 23.0%      | ▲       |
| Comments: The reported figure relates to the period mid Oct 2013 - mid Oct 14. It compares to 2012/13 = 16.6%, 2011/12 = 20.1%, 2010/11 = 17.7%. Over the four year period from 2010/11 to 13/14 it suggests that the level of cycling in Norwich has remained static or even declined slightly. The latest data was gathered before the completion of any Push the Pedalways projects. A Bicycle Account will be published in the spring by the County and City Council that contains lots of locally gathered data that will provide a much richer set of data to combine with the national information. |              |          |            |     |            |            |         |

| ▲ Measure  | Actual       | Target | RAG Status | DoT | Actual YTD | Target YTD | RAG YTD |
|--|--------------|--------|------------|-----|------------|------------|---------|
| <b>SCL01 % of streets found clean on inspection</b>  | <b>89%</b>   | 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.<br><br>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. |              |        |            |     |            |            |         |
| <b>SCL02 % of people satisfied with waste collection</b>   | <b>79%</b>   | 85%    | ●          | ➡   | 83%        | 85%        | ●       |
| Comments: Officers are continually working with Biffa to improve the standard of service provided to residents. The numbers completing the surveys are relatively small 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.   |              |        |            |     |            |            |         |
| <b>SCL06 % of residential homes on a 20mph street</b>  | <b>29.5%</b> | 30.0%  | ●          | ➡   | 29.5%      | 30.0%      | ●       |
| Comments:<br>The target of 30% of residential homes being in a 20mph hour was narrowly missed. This was due to a delay in implementing the city centre 20mph zone associated with the pink pedalway. This 20mph area is currently under construction and we are on course to exceed the target by the end of the next quarter.   |              |        |            |     |            |            |         |
| <b>SCL07 Number of accident casualties on Norwich roads</b>  | <b>434</b>   | 400    | ●          | ?   | 434        | 400        | ●       |
| Comments:<br>While it is disappointing that the total number of road casualties exceeds the target, it is comforting to see a significant reduction in the total number of accidents over the course of the year from 483 at the end of 2014/15 to 434 at the end of 2015/16. We continue to work with partners at Norfolk County Council and Norfolk Constabulary to further reduce these numbers.  |              |        |            |     |            |            |         |
| <b>SCL11 % of people satisfied with parks and open spaces</b>  | <b>74%</b>   | 75%    | ●          | ➡   | 74%        | 75%        | ●       |
| Comments: The increase in satisfaction from 70% in the previous quarter is a reflection of the on-going efforts to maintain and increase quality despite pressure on resources.  |              |        |            |     |            |            |         |





| Measure   | Actual | Target | RAG Status | DoT | Actual YTD | Target YTD | RAG YTD |
|---|--------|--------|------------|-----|------------|------------|---------|
| <b>SCL03 % of people feeling safe</b>   | 76%    | 76%    | ★          | →   | 77%        | 76%        | ★       |
| Comments: Performance remains strong for 2015-16 which is on target at year end. Opportunities for benchmarking with similar cities will take place to understand how performance compares.   |        |        |            |     |            |            |         |
| <b>SCL04 Residual household waste per household (Kg)</b>  | 104    | 105    | ★          | →   | 408        | 420        | ★       |
| Comments:<br>These comments are for Q3 2015/16 data.<br><br>Residual waste has been increasing across the county and across the country in recent years, though the evidence from these figures is that the rate of increase may be declining. Waste reduction is a key element of the 'Re-imagining Norfolk' project and future long-term reductions in residual waste will be achieved through the on-going work of the Norfolk Waste Partnership.  |        |        |            |     |            |            |         |
| <b>SCL05 % of food businesses achieving safety compliance</b>   | 94.5%  | 90.0%  | ★          | →   | 94.5%      | 90.0%      | ★       |
| Comments:<br>The levels of broad compliance continued to rise throughout the year. This result reflects the positive work of the food safety officers with the failing businesses, offering advice, enforcing where necessary and ultimately carrying out an unannounced rating visit when the business demonstrated improvement.<br><br>Food businesses can be high risk because they are failing, because they serve vulnerable people or because they use higher risk food treatments. All high risk food businesses in Norwich that were due for inspection were inspected by the end of the final quarter. |        |        |            |     |            |            |         |
| <b>SCL09 CO2 emissions for the local area</b>   | 2.5%   | 2.4%   | ★          | →   | 2.5%       | 2.4%       | ★       |
| Comments: 2013 saw carbon dioxide emissions drop across all three sectors - Industry (-3.3%), Domestic (-2.4%) and Transport (-0.62%), whereas in 2012 there had been an increase in both the Industry and Domestic sectors. The population of the city increased in 2013 to 135,900 residents from 134,300 in 2012. However, over the same period the per capita emissions decreased from 5.4 tonnes per capita to 5.2 tonnes per capita. Since recording began in 2005 emissions have dropped overall from 7 tonnes per capita.   |        |        |            |     |            |            |         |
| <b>SCL10 CO2 emissions from local authority operations</b>  | 4.2%   | 2.2%   | ★          | →   | 4.2%       | 2.2%       | ★       |
| Comments: Over the period 1 April 2014 to 31 March 2015 the council reduced its carbon dioxide emissions by 4.2%, or 342 tonnes of CO2e (342,841 kg). This brings the total reduction, against a 2007 baseline, to 30.8% and brings us closer to achieving the ambitious 40% carbon emissions reduction target set in the council's recent environmental strategy.  |        |        |            |     |            |            |         |
| <b>SCL12 Percentage of people satisfied with their local environment</b>  | 87%    | 75%    | ★          | →   | 86%        | 75%        | ★       |
| Comments: This is a new target for 2015-16 that is showing excellent performance at year end which is above target. Benchmarking will take place with similar cities to understand how performance compares   |        |        |            |     |            |            |         |



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

| Measure   | Actual | Target | RAG Status | DoT | Actual YTD | Target YTD | RAG YTD |
|---|--------|--------|------------|-----|------------|------------|---------|
| PVC4 Number of new business start ups   | 88     | 100    | ▲          | ?   | 88         | 100        | ▲       |
| Comments:<br>In 2015/16 Enterprise Norfolk (Norwich CC was a partner) ceased due to County level cuts. We have also had a slight hiatus in the support delivered at Norwich Enterprise Centre due to a delay in the New Anglia Growth Hub (which is the primary funder) securing ERDF continuation funding. |        |        |            |     |            |            |         |

| 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 put on hold until 2016/17 when funding is available. 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  | 40     | 50     | ●          | ➡   | 40         | 50         | ●       |
| Comments:<br>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 of an excellent surveyor in NPS to be dedicated to working on historic buildings; the introduction of a new protocol to secure council buildings that become vacant (e.g. Carrow Hill House); an acceptance that the council will look at broader criteria than just price when considering the future of listed buildings especially in relation to stewardship properties (e.g. Britons Arms); the provision of more thorough information about the heritage significance of buildings to people buying properties (e.g. 41 All Saints Green); and the inclusion of public realm improvements with traffic management schemes (e.g. Tombland and Westlegate). Several policies around training and awareness among staff and reviewing asset registers are behind schedule due to staffing turnover in the conservation team.<br><br>A start has been made on most of the projects. 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. A feasibility study for the Halls and roof repairs to The Halls will take place in 2016/17. The Mile Cross Gardens project has just started. The Trust for Ninham's Court (of which the Council is sole trustee) is exploring the possibility of working with the Norwich Preservation Trust to bring the building back into beneficial use. A quotation has been received for the demolition of the disused toilet on Tombland but funding has not yet been found to implement this. |        |        |            |     |            |            |         |

| Measure  | Actual     | Target     | RAG Status | DoT | Actual YTD | Target YTD | RAG YTD |
|--|------------|------------|------------|-----|------------|------------|---------|
| PVC1 Number of new jobs created/ supported by council funded activity  | 551        | 300        | ★          | ➡   | 551        | 300        | ★       |
| Comments: Total: 551 (369 Apr-Sept 2016, 182 Oct-Mar 2016)   |            |            |            |     |            |            |         |
| PVC3 Amount of funding secured by the council for regeneration activity (£ thousands)  | 842,000    | 250,000    | ★          | ➡   | 842,000    | 250,000    | ★       |
| Comments: It should be noted that we only spent £355k and the DfT have allowed the remainder to be carried forward to 2016/17  |            |            |            |     |            |            |         |
| PVC5 Provision of free wi-fi in City Centre  | 2          | 2          | ★          | ?   | 2          | 2          | ★       |
| Comments: The free Wi-Fi network was launched with 23 installed Access Points on 3rd December, in order to provide coverage in the run up to Christmas. Three more points are ready for installation pending road closure for access: Five more sites for points are under negotiation and are expected to be operating by 13th June   |            |            |            |     |            |            |         |
| PVC6 Planning service quality measure  | 93%        | 83%        | ★          | ➡   | 93%        | 83%        | ★       |
| Comments:<br>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%        | 85%        | ★          | ➡   | 95%        | 85%        | ★       |
| Comments: The data displayed is for Q3-Q4.   |            |            |            |     |            |            |         |
| PVC9 Number of visitors to the City  | 11,476,300 | 10,927,000 | ★          | ➡   | 11,476,300 | 10,927,000 | ★       |
| Comments: This is the annual year end figure. This measure is only reported once a year  |            |            |            |     |            |            |         |





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Value for money services

Corporate plan

| Measure   | Actual | Target | RAG Status | DoT | Actual YTD | Target YTD | RAG YTD |
|---|--------|--------|------------|-----|------------|------------|---------|
| <b>FAC6 % increase in contractors, providers and partner organisations paying a living wage</b> | -25%   | 10%    | ▲          | ?   | -25%       | 10%        | ▲       |

Comments:

98% of the council's contractors and delivery partners were paying a living wage at the end of 2015-16 which as a rate is an increase on 2014-15. The current indicator is calculated using absolute numbers of suppliers, but as the number of suppliers has decreased, this has led to an decrease in the number paying a living wage. Performance based on a ratio has significantly increased. It is proposed that the calculation is amended using a ratio as this will not be influenced by the actual number of suppliers.

| Measure   | Actual | Target | RAG Status | DoT | Actual YTD | Target YTD | RAG YTD |
|---|--------|--------|------------|-----|------------|------------|---------|
| <b>FAC1 Delivery of the reducing inequalities action plan</b> | 90%    | 100%   | ●          | 🔴   | 90%        | 100%       | ●       |

Comments: A small number of activities have slipped beyond the end of 2015/16 but should be delivered early in 2016/17. Conversely, some additional activities have taken place in response to new opportunities, in line with the iterative nature of this programme. There is a capacity issue in reviewing contractual arrangements which may delay this aspect a little longer, but this remains an objective for 2016/17

|   |       |        |   |   |       |        |   |
|---|-------|--------|---|---|-------|--------|---|
| <b>FAC4 Timely processing of benefits</b> | 93.7% | 100.0% | ● | 🟢 | 93.7% | 100.0% | ● |
|---|-------|--------|---|---|-------|--------|---|

Comments: Quarter 4 has seen much stronger performance however the overall year to date figure of 82.9% reflects lower performance during earlier periods. In Q4 processing speeds for new claims (22 days), change of circumstances (15 days), discretionary housing payments (3 days) and appeals (2 days) are all good resulting in performance being just outside of the 100% target. This performance looks set to continue and improve further as LGSS and the council work together to strive to reach the target.

| Measure   | Actual | Target | RAG Status | DoT | Actual YTD | Target YTD | Δ RAG YTD |
|---|--------|--------|------------|-----|------------|------------|-----------|
| <b>FAC3 Delivery of the digital inclusion action plan</b> | 25     | 25     | ★          | ?   | 25         | 25         | ★         |

Comments: Performance on this action plan is on track with initial work to identify resources and build relationships with partners progressing well. The new responsive website was launched in February and we are now in Phase 2 of the further development of that key customer channel. Volunteer recruitment and training is also gathering momentum and support to customers is being rolled out with a variety of pilot projects across a range of client groups.

|  |      |     |   |   |      |     |   |
|--|------|-----|---|---|------|-----|---|
| <b>FAC2 % of people saying debt issues had become manageable following face to face advice</b> | 100% | 84% | ★ | ➡ | 100% | 84% | ★ |
|--|------|-----|---|---|------|-----|---|

Comments:

The good performance, reflects the effectiveness of the work of council's debt services provided by 3<sup>rd</sup> sector partners and the delivery of positive outcomes.

|  |     |     |   |   |     |     |   |
|--|-----|-----|---|---|-----|-----|---|
| <b>FAC5 No of private sector homes where council activity improved energy efficiency</b> | 265 | 150 | ★ | 🟢 | 265 | 150 | ★ |
|--|-----|-----|---|---|-----|-----|---|

Comments:

In quarter 4, 27 private households were helped with energy efficiency measures for their homes. This constituted completed boiler replacements, cavity wall insulation, loft insulation, energy performance certificates and heating upgrades. Additionally, there were 50 small insulation measures given away to residents at the One Planet Norwich Festival.



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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     | 80     | ▲            | 🔴   | 25         | 80         | ▲       |
| Comments: The programme is currently at risk due to the Housing and Planning Act 2016 which is creating considerable uncertainty for the HRA business plan. The housing programme is also at risk due to reductions in social housing rents introduced through the Welfare and Reform Act 2016. |        |        |              |     |            |            |         |

| ▲ Measure  | Actual | Target | RAG Status | DoT | Actual YTD | Target YTD | RAG YTD |
|--|--------|--------|------------|-----|------------|------------|---------|
| HCH1 Delivery of the Healthy Norwich action plan   | 90%    | 100%   | ●          | 🟢   | 90%        | 100%       | ●       |
| Comments: A lot of work continues day to day with colleagues in the CCG and Public Health to support better health outcomes within the city. This project is designed to flex within with resource, opportunities and partner engagement so, by its nature, evolves over the course of the year. Though we have not delivered every aspect of the 2015-16 action plan, it has provided a strong platform to take forward the key objectives of the programme in 2016-17.   |        |        |            |     |            |            |         |
| HCH7 % of council properties meeting Norwich standard  | 91.8%  | 97.0%  | ●          | 🔴   | 91.8%      | 97.0%      | ●       |
| Comments: As we work around the city's various housing districts as part of the ongoing yearly programmes, it is inevitable that a number of properties in areas we've not yet reached will now contain individual elements not meeting the Norwich Standard. The programme for the forthcoming financial year contains these remaining properties so we are very much where we hoped we would be at the start of 2016/17. There's still a great deal of work to do this year, but we can be proud of the fact that 13,705 of Norwich City Council's housing properties meet the Norwich standard. |        |        |            |     |            |            |         |

| ▲ Measure   | Actual | Target | RAG Status | DoT | Actual YTD | Target YTD | RAG YTD |
|---|--------|--------|------------|-----|------------|------------|---------|
| HCH2 Relet times for council housing  | 16     | 16     | ★          | 🔴   | 15         | 16         | ★       |
| Comments: Improved turnaround time was sustained for the remainder of 2015/16 with an average of 15 days for the year. Turnaround time has now been under 16 days for four consecutive years. Top quartile for local authorities last year was 24 days, whilst this year's performance is due to be submitted for benchmarking for an up to date comparison with our peers. In total 975 council homes have been let this year.                                 |        |        |            |     |            |            |         |
| HCH3 No of empty homes brought back into use  | 20     | 20     | ★          | 🔴   | 20         | 20         | ★       |
| Comments:   |        |        |            |     |            |            |         |
| HCH5 Preventing homelessness  | 58%    | 50%    | ★          | 🔴   | 62%        | 50%        | ★       |
| Comments: Meeting this indicator is a significant achievement given the difficult external environment causing increased demand on housing advice and homeless services. Our ability to continue such performance relies upon maintaining our bespoke housing options model; an accessible, focused and pro-active service designed to deliver specialist advice at an early stage to prevent homelessness.   |        |        |            |     |            |            |         |
| HCH6 % of people who feel that the work of the HIA has enabled them to maintain independent living  | 91     | 90     | ★          | ?   | 91         | 90         | ★       |
| Comments:   |        |        |            |     |            |            |         |
| HCH8 % of tenants satisfied with the housing service  | 84%    | 77%    | ★          | 🟢   | 84%        | 77%        | ★       |
| Comments: Over 900 housing tenants responded to this question in 2015/16 as part of the quarterly Local area survey run by Customer contact. Satisfaction levels improved in quarter 4 increasing the rolling yearly score up to 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. |        |        |            |     |            |            |         |
| HCH9 No of private sector homes made safe   | 107    | 100    | ★          | 🔴   | 107        | 100        | ★       |
| Comments:   |        |        |            |     |            |            |         |



| Measure  | Actual | Δ Target | RAG Status | DoT | Actual YTD | Target YTD | RAG YTD |
|--|--------|----------|------------|-----|------------|------------|---------|
| ✚ VFM4 Avoidable contact levels  | 54.0%  | 15.0%    | ▲          | ➡   | 39.1%      | 15.0%      | ▲       |
| Comments: Levels remain high and continue to be analysed with targets for future years being reviewed. We will continue to work towards reducing the % throughout 16/17. |        |          |            |     |            |            |         |

| Δ Measure   | Actual    | Target    | RAG Status | DoT | Actual YTD | Target YTD | RAG YTD |
|---|-----------|-----------|------------|-----|------------|------------|---------|
| ✚ VFM1 % of residents satisfied with the service they received from the council   | 99.0%     | 93.0%     | ★          | ➡   | 97.0%      | 93.0%      | ★       |
| Comments: Satisfaction has increased each quarter. Changes to customer survey for 2016-17 will continue to monitor satisfaction whilst actively seeking customers views as to how we could improve our service for them.  |           |           |            |     |            |            |         |
| ✚ VFM2 Council achieves savings targets (£ thousands)   | 2,300,... | 2,300,... | ★          | ➡   | 2,300,...  | 2,300,...  | ★       |
| Comments: We successfully delivered a package of general fund savings of £2.3 million for 2015/16 achieving the target.   |           |           |            |     |            |            |         |
| ✚ VFM3 % of council partners satisfied with the opportunities to engage with the council  | 89.6%     | 80.0%     | ★          | ➡   | 89.6%      | 80.0%      | ★       |
| Comments:   |           |           |            |     |            |            |         |
| ✚ VFM5 Channel shift measure  | 17.6%     | 5.0%      | ★          | ➡   | 17.6%      | 5.0%       | ★       |
| Comments: This is the 4th Quarter where we have measured channel shift performance. When setting the targets, we were cautious until we understood the outturn and sustainability of those figures. Outturn has remained stable throughout the year, however, it seems targets for future years should be reviewed and made more challenging. This measure represents the percentage of contact with the Council that is carried out electronically (emails and forms) as a percentage of all contacts (in person, letters, phone, emails and forms). |           |           |            |     |            |            |         |
| ✚ VFM6 % of income owed to the council collected  | 97.0%     | 95.0%     | ★          | ➡   | 97.0%      | 95.0%      | ★       |
| Comments: Please note that an error was discovered in the data reported for sundry income from Apr 15 - Feb 16. This has been corrected for the entire 2015-16 year to reflect correctly in the Q4/year end dashboards.   |           |           |            |     |            |            |         |
| ✚ VFM7 % of income generated by the council compared to expenditure   | 47.6%     | 43.2%     | ★          | ➡   | 47.6%      | 43.2%      | ★       |
| Comments: The quarter 4 outturn general fund income for 2015/16 financial year is forecast to equate to 47.5% of expenditure which is above the target of 43.3%. These are provisional figures pending the finalisation of the accounts in June.  |           |           |            |     |            |            |         |
| ✚ VFM8 % of customers satisfied with the opportunities to engage with the council   | 60%       | 50%       | ★          | ➡   | 60%        | 50%        | ★       |
| Comments: Performance remains strong for this measure. Some benchmarking will take place with similar authorities following year end to understand how the Council's performance compares.  |           |           |            |     |            |            |         |
| ✚ VFM9 Delivery of local democracy engagement plan  | 2         | 2         | ★          | ?   | 2          | 2          | ★       |
| Comments: Complete  |           |           |            |     |            |            |         |



|                  |   |             |
|------------------|---|-------------|
| <b>Report to</b> | <b>Cabinet</b>  | <b>Item</b> |
|                  | 13 July 2016  |             |
| <b>Report of</b> | Executive head of regeneration and development          | <b>6</b>    |
| <b>Subject</b>   | Review of management and delivery of Push the Pedalways |             |

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### **Purpose**

To consider the recommendations made by the scrutiny committee on 17 March 2016

### **Recommendation**

To review the recommendations of scrutiny committee and decide what action to take against each of those recommendations

### **Corporate and service priorities**

The report helps to meet the corporate priority to provide a safe, clean and low carbon city

### **Financial implications**

None

**Ward/s:** All Wards

**Cabinet member:** Councillor Bremner – Environment and sustainable development

### **Contact officers**

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|                                |              |
|--------------------------------|--------------|
| Phil Shreeve, strategy manager | 01603 212356 |
|--------------------------------|--------------|

### **Background documents**

None



## Report

1. There was a Scrutiny Committee held on 17 March 2016 at which the Push the Pedalways programme was considered.
2. Recommendations of Scrutiny Committee would usually be considered within eight weeks. As this was the last meeting of the civic year and there was no formal sign off of the minutes it was agreed with the Chair of Scrutiny to postpone the report until this Cabinet meeting
3. Eight recommendations were made, of which seven are reported here. The other one was to request further information about a report referenced in an officer presentation to Scrutiny Committee and as such needs no approval by Cabinet.
4. The specific recommendations to be considered by Cabinet were:
  - a) To 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, to 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.
5. Many of the recommendations made by Scrutiny committee were already in place or have subsequently been actioned.
  - a) A full time communications officer has been seconded to the Transport for Norwich team to promote the work the team does
  - b) There are monthly liaison meetings with the Norwich cycling campaign and Norfolk and Norwich Association with the Blind
  - c) Designers are referencing the London Design Standards as part of scheme development
  - d) All highway improvements schemes are designed to include cycle improvements wherever possible
6. Norfolk county council, with support from the city council, were successful in securing Department for Transport revenue funding for a programme called Pushing Ahead: A to Better. This programme will run from July 2016 until March

2017. It includes several projects to educate people about cycling: travel planning, mapping, cycling events, led rides, cycle training, safety campaigns and cycle maintenance. The councils will be working with Active Norfolk, Liftshare, UEA, Bicycle Links and Activating CIC. UEA will be helping with the evaluation, which includes the health benefits of our work to promote cycling.

7. The consideration of post implementation safety audits is a matter for the highways agency committee and discussions will take place with the chair of the committee to determine whether the committee wishes to consider this.

## 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:  | 13 July 2016  |
| Head of service: | Andy Watt   |
| Report subject:  | Review of management and delivery of Push the Pedalways |
| Date assessed:   | 29/06/2016  |
| Description:     |   |



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

|   | Impact                   |                          |                          |   |
|---|--------------------------|--------------------------|--------------------------|---|
| Eliminating discrimination & harassment                     | X                        | <input type="checkbox"/> | <input type="checkbox"/> |   |
| Advancing equality of opportunity                           | X                        | <input type="checkbox"/> | <input type="checkbox"/> |   |
| <b>Environmental<br/>(please add an 'x' as appropriate)</b> | <b>Neutral</b>           | <b>Positive</b>          | <b>Negative</b>          | <b>Comments</b>   |
| Transportation  | <input type="checkbox"/> | X                        | <input type="checkbox"/> | Promoting cycling is compatible with the transport for Norwich strategy                               |
| Natural and built environment                               | <input type="checkbox"/> | X                        | <input type="checkbox"/> |   |
| Waste minimisation & resource use                           | X                        | <input type="checkbox"/> | <input type="checkbox"/> |   |
| Pollution   | <input type="checkbox"/> | X                        | <input type="checkbox"/> | Encouraging modal shift and Increasing the levels of cycling in the city should help reduce pollution |
| Sustainable procurement                                     | X                        | <input type="checkbox"/> | <input type="checkbox"/> |   |
| Energy and climate change                                   | X                        | <input type="checkbox"/> | <input type="checkbox"/> |   |
| <b>(Please add an 'x' as appropriate)</b>                   | <b>Neutral</b>           | <b>Positive</b>          | <b>Negative</b>          | <b>Comments</b>   |
| Risk management   | X                        | <input type="checkbox"/> | <input type="checkbox"/> |   |
|   |                          |                          |                          |   |

| Recommendations from impact assessment |
|--|
| Positive                               |
|  |
| Negative                               |
|  |
| Neutral                                |
|  |
| Issues                                 |
|  |



|                  |   |             |
|------------------|---|-------------|
| <b>Report to</b> | Cabinet                                     | <b>Item</b> |
|                  | 13 July 2016                                |             |
| <b>Report of</b> | Chief finance officer                       | <b>7</b>    |
| <b>Subject</b>   | Revenue budget monitoring 2016-17: Period 2 |             |

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## **Purpose**

To update cabinet on the provisional financial position as at 31<sup>st</sup> May 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 31 May 2016 and the forecast outturn 2016/17; and,
2. the additional unbudgeted grants awarded for 2016/17.

## **Corporate and service priorities**

The report helps to meet the corporate priority to provide 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 £0.192m. The Housing Revenue Account budget is forecast to underspend by £0.384m.

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

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

| <b>General Fund Service</b>      | <b>Forecast Outturn P2<br/>£000s</b> | <b>Commentary</b>                            |
|----------------------------------|--------------------------------------|--|
| Business Relationship Management | (236)                                | £288k additional grant income than budgeted. |

5. The General Fund shows an overspend against budget to date of **£0.275m**. This overspend 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:

| <b>General Fund Service</b>       | <b>Variance To Date P2 £000s</b> | <b>Commentary</b>  |
|-----------------------------------|----------------------------------|--|
| Business Relationship Management  | (966)                            | LGSS contract costs not yet processed for April and May.<br><br>Government grants received ahead of profile (£402k).   |
| Procurement & Service Improvement | (393)                            | LGSS contract costs not yet processed for April and May.   |
| Customer Contact                  | (301)                            | Timing mismatch between Transformation Challenge grant funding received and related expenditure being incurred.  |
| City Development                  | (850)                            | Variance mainly due to unmatched 15/16 accruals relating to the County Council's share of the Airport income (£500k), on-street parking surplus (£159k) and income from bus lane enforcement (£104k) which are yet to be paid over.<br><br>£62k underspend on Rose Lane multi-storey car park as rates not yet invoiced. |
| Citywide Services                 | 600                              | Grounds maintenance and cleaning contract costs yet to be re-allocated across cost centres.  |
| Human Resources                   | 2,541                            | Annual pension deficit recovery charge has been made of £2,242k. Cost yet to be reallocated to other cost centre budgets. Contribution to Airport pension costs of £238k ahead of profile.   |

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:

| <b>Income</b>  | <b>Purpose</b>  | <b>Value £000s</b> |
|--|---|--------------------|
| Additional Localised Council Tax Subsidy Admin grant | Subsidy allocation based on benefit caseload data to be applied to local authority expenditure. Total grant allocation of £323k | 87                 |
| New Burdens Welfare Reform grant                     | To meet the costs of implementing welfare reform changes in 2016/17   | 61                 |
| FERIS  | Ring-fenced for fraud and error activities  | 39                 |
| Local Authority Data Sharing Costs                   | Ring-fenced grant to cover the IT costs of required changes to the benefit processing systems                                   | 12                 |

| <b>Income</b>   | <b>Purpose</b>   | <b>Value<br/>£000s</b> |
|---|--|------------------------|
| New Burdens - Real Time Information (RTI)                           | Funding to meet costs incurred by LAs as a result of the on-going implementation of RTI Bulk Data Matching (BDM) Initiative          | 5                      |
| New Burdens - Single Fraud Investigation Service                    | Ring-fenced to meet costs relating to the Single Fraud Investigation Service Project   | 5                      |
| New Burdens - Reduction in Backdating and removal of Family premium | Ring-fenced to meet the costs of implementing benefits changes in 2016/17  | 4                      |
| New Burdens - Pension Credit Assessed Income Period Reform          | New Burdens funding to meet costs incurred by Local Authorities as a result of the removal of Pension Credit Assessed Income Periods | 1                      |
| <b>Total additional grant income</b>                                |  | <b>214</b>             |

7. In addition, Section 31 grant for 16/17 has been confirmed at £85k higher than budgeted. This grant income will be transferred into the S31 earmarked reserve to meet NDR deficits in future years. The forecast on the movements in reserves cost centre has been adjusted accordingly to ensure no impact on the 16/17 forecast net outturn.

## Housing Revenue Account

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

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

9. The Housing Revenue Account has been forecast to underspend by **£0.384m** at year end. Key forecast variances from budget are set out below:

| <b>HRA Division of Service</b> | <b>Forecast<br/>Outturn P2<br/>£000s</b> | <b>Commentary</b>   |
|--------------------------------|--|---|
| Repairs & maintenance          | (443)                                    | Lower than budgeted painting programme costs based on latest estimates from the contractor. |

10. The Housing Revenue Account shows an overspend against budget to date of **£1.349m**. This overspend 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:

| <b>HRA Division of Service</b>      | <b>Variance To Date P2<br/>£000s</b> | <b>Commentary</b>   |
|-------------------------------------|--------------------------------------|---|
| Repairs & maintenance               | (2,065)                              | Mainly due to unmatched accruals & lower than budgeted responsive repair demand.  |
| Rents, rates & other property costs | 4,820                                | Annual water invoice recognised in full in P2 but expenditure profiled monthly.   |
| General Management                  | (519)                                | Annual water commission recognised in full in P2 but income profiled monthly giving rise to in year variance (£239k). Remaining variance due to unmatched 15/16 accruals & staff vacancies. |
| Special services                    | (308)                                | Invoiced grounds maintenance and cleaning contract costs yet to be apportioned to HRA. Forecast for year is to match budget.  |
| Dwelling rents                      | (753)                                | Variance due to timing differences, forecast for year is to match budget.   |

## Risks

11. 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.

| <b>Key Risk Budgets</b>                    | <b>Budget<br/>£000s</b> | <b>Current<br/>Variance</b> | <b>Current<br/>Var %</b> | <b>Current<br/>RAG</b> | <b>Forecast<br/>Variance</b> | <b>Forecast<br/>Var %</b> | <b>Forecast<br/>RAG</b> |
|--|-------------------------|-----------------------------|--------------------------|------------------------|------------------------------|---------------------------|-------------------------|
| Housing Benefit Payments - Council tenants | 34,120                  | 493                         | 1%                       | GREEN                  | 5,728                        | 17%                       | RED                     |
| Housing Benefit Subsidy - Council tenants  | -34,071                 | -38                         | 0%                       | GREEN                  | -5,969                       | 18%                       | RED                     |
| Housing Benefit Payments - Other tenants   | 27,946                  | 10                          | 0%                       | GREEN                  | 2,019                        | 7%                        | RED                     |
| Housing Benefit Subsidy - Other tenants    | -28,025                 | -273                        | 1%                       | GREEN                  | -1,777                       | 6%                        | RED                     |
| HRA Repairs - Tenanted Properties          | 11,848                  | -1,484                      | -13%                     | RED                    | -443                         | -4%                       | AMBER                   |
| HRA Repairs - Void Properties              | 2,639                   | -540                        | -20%                     | RED                    | 0                            | 0%                        | GREEN                   |
| Multi-Storey Car Parks                     | -1,442                  | -87                         | 6%                       | GREEN                  | 0                            | 0%                        | GREEN                   |
| City Hall                                  | 1,067                   | -68                         | -6%                      | GREEN                  | 0                            | 0%                        | GREEN                   |
| HRA Rents - Estate Properties              | -59,223                 | -711                        | 1%                       | GREEN                  | 0                            | 0%                        | GREEN                   |
| Corporate Management including Contingency | -2,804                  | -480                        | 17%                      | RED                    | -153                         | 5%                        | RED                     |
| Private Sector Leasing Costs               | -286                    | -1                          | 0%                       | GREEN                  | 0                            | 0%                        | GREEN                   |

12. The red/amber status of items in the “Forecast RAG” column is explained below.

| Key Risk Budgets                                      | Comment  |
|---|--|
| Housing Benefit Payments and Subsidy                  | Although both of these areas are currently showing a red or amber RAG status, they offset one another with £nil forecast variance at this point in the year.   |
| HRA Repairs - Tenanted Properties and Void Properties | In-year variance mainly due to currently unmatched 15/16 accruals & lower than budgeted responsive repair demand to date.<br><br>Forecast outturn £433k lower than budget due to reduced costs for the painting programme based on latest estimates from the contractor. |
| Corporate Management including contingency            | £177k additional of grant income than budgeted.  |

13. 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.
14. Forecast outturns are estimates based on management assessments, formulae, and extrapolation. They may not adequately take account of variables such as:
- Bad Debts – budget reports show gross debt, i.e. invoices raised. While allowance has been made in the budget for non-collections, the current economic climate may have an adverse influence on our ability to collect money owed.
  - Seasonal Factors – if adverse weather conditions or a worsening economic climate depress levels of trade and leisure activities in the city, there may be a negative impact on parking and other income.
  - Housing Repairs & Improvements – the rate of spend on void properties, though closely managed, is heavily influenced by void turnaround, since transfers can create a chain of voids involving significant repair costs.

## Financial Planning

15. 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.
16. 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

17. 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                    | (12,149)        |
| Budgeted contribution to balances 2016/17  | (451)           |
| Forecast outturn 2016/17                   | (192)           |
| <b>= Forecast balance at 31 March 2017</b> | <b>(12,792)</b> |

18. The General Fund balance is therefore expected to continue to exceed the prudent minimum.
19. The Medium Term Financial Strategy assumes that reserves are built up in 2016/17 ahead of drawing down significant balances in future years as set out in the Budget Report to offset known and anticipated grant reductions and ensure a balanced budget.
20. The prudent minimum level of HRA reserves has been assessed as £5.968m. The budgeted and forecast outturn's impact on the 2016/17 balance brought forward, is as follows:

| <i>Item</i>                                | <i>£000s</i>    |
|--|-----------------|
| Balance at 1 April 2016                    | (26,189)        |
| Budgeted use of balances 2016/17           | 16,281          |
| Forecast outturn 2016/17                   | (384)           |
| <b>= Forecast balance at 31 March 2017</b> | <b>(10,292)</b> |

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

## Collection Fund

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

- 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.

23. 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.

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

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

| <i>Approved Budget<br/>£000s</i> | <i>Current Budget<br/>£000s</i> | <b>Collection Fund Summary</b>       | <i>Actual To Date<br/>£000s</i> | <i>Forecast Outturn<br/>£000s</i> | <i>Forecast Variance<br/>£000s</i> |
|----------------------------------|---------------------------------|--------------------------------------|---------------------------------|-----------------------------------|------------------------------------|
|                                  |                                 |                                      |                                 |                                   |                                    |
|                                  |                                 | <b>Council tax</b>                   |                                 |                                   |                                    |
| 59,380                           | 59,380                          | Expenditure                          | 9,837                           | 59,380                            | 0                                  |
| (59,380)                         | (59,380)                        | Income                               | 0                               | (59,380)                          | 0                                  |
|                                  |                                 | <b>Business Improvement District</b> |                                 |                                   |                                    |
| 656                              | 656                             | Expenditure                          | 189                             | 656                               | 0                                  |
| (656)                            | (656)                           | Income                               | 0                               | (656)                             | 0                                  |
|                                  |                                 | <b>National Non-Domestic Rate</b>    |                                 |                                   |                                    |
| 79,138                           | 79,138                          | Expenditure                          | 13,547                          | 79,138                            | 0                                  |
| (79,138)                         | (79,138)                        | Income                               | 416                             | (79,138)                          | 0                                  |
|                                  |                                 |                                      |                                 |                                   |                                    |
| <b>0</b>                         | <b>0</b>                        | <b>Total Collection Fund</b>         | <b>23,989</b>                   | <b>0</b>                          | <b>0</b>                           |

26. 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).

27. The council operates the BID account on behalf of the BID company, so no surplus or deficit will fall on the council's accounts.
28. Any deficit reported on the NNDR account will roll forward and be distributed in the 2017/18 budget cycle.
29. 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

|                         |  |
|-------------------------|--|
| <b>Committee:</b>       | Cabinet  |
| <b>Committee date:</b>  |  |
| <b>Head of service:</b> | Chief Finance Officer  |
| <b>Report subject:</b>  | Revenue Budget Monitoring 2015/16  |
| <b>Date assessed:</b>   | 12/06/16   |
| <b>Description:</b>     | This is the integrated impact assessment for the Revenue Budget Monitoring 2016/17 report to Cabinet |

|  | Impact                              |                                     |                          |   |
|--|-------------------------------------|-------------------------------------|--------------------------|---|
| Economic<br>(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<br>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<br>(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<br>(please add an 'x' as appropriate) | Neutral                             | Positive                            | Negative                 | Comments  |
| Relations between groups<br>(cohesion)                       | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| Eliminating discrimination &<br>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<br>(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<br>use                         | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| Pollution  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| Sustainable procurement                                      | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| Energy and climate change                                    | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| (Please add an 'x' as appropriate)                           | Neutral                             | Positive                            | Negative                 | Comments  |
| Risk management  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | The report demonstrates that the council is aware of and monitors risks to the achievement of its financial strategy. |



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

## Budget Monitoring Summary

Year: 2016/17

Period: 2 (May)

**GENERAL FUND SERVICE SUMMARY**

| <i>Approved<br/>Budget</i>                       | <i>Current<br/>Budget</i> |   | <i>Budget To<br/>Date</i> | <i>Actual To Date</i> | <i>Variance To<br/>Date</i> | <i>Forecast<br/>Outturn</i> | <i>Forecast<br/>Variance</i> |
|--|---------------------------|---|---------------------------|-----------------------|-----------------------------|-----------------------------|------------------------------|
| <b>Business Relationship Mgt &amp; Democracy</b> |                           |   |                           |                       |                             |                             |                              |
| 1,800,982  | 1,800,982                 | Business Relationship Management                              | (124,696)                 | (1,090,869)           | (966,173)                   | 1,565,390                   | (235,592)                    |
| 375,183  | 375,183                   | Democratic Services   | 146,284                   | 45,024                | (101,260)                   | 368,211                     | (6,972)                      |
| (18,720,042)                                     | (18,720,042)              | Finance   | (1,964,533)               | (1,833,100)           | 131,433                     | (18,633,921)                | 86,121                       |
| 0  | 0                         | Procurement & Service Improvement                             | 451,854                   | 59,112                | (392,742)                   | (35,930)                    | (35,930)                     |
| <b>(16,543,877)</b>                              | <b>(16,543,877)</b>       | <b>Total Business Relationship Management &amp; Democracy</b> | <b>(1,491,091)</b>        | <b>(2,819,834)</b>    | <b>(1,328,743)</b>          | <b>(16,736,250)</b>         | <b>(192,373)</b>             |
| <b>Chief Executive</b>                           |                           |   |                           |                       |                             |                             |                              |
| 0  | 0                         | Chief Executive   | 37,478                    | 33,259                | (4,219)                     | 0                           | 0                            |
| <b>0</b>   | <b>0</b>                  | <b>Total Chief Executive</b>                                  | <b>37,478</b>             | <b>33,259</b>         | <b>(4,219)</b>              | <b>0</b>                    | <b>0</b>                     |
| <b>Customers, Comms &amp; Culture</b>            |                           |   |                           |                       |                             |                             |                              |
| 2,209,128  | 2,209,128                 | Communications & Culture                                      | 339,427                   | 284,262               | (55,165)                    | 2,209,128                   | 0                            |
| (60,851)   | (60,851)                  | Customer Contact  | 343,055                   | 41,947                | (301,108)                   | (60,851)                    | 0                            |
| <b>2,148,277</b>                                 | <b>2,148,277</b>          | <b>Total Customers, Comms &amp; Culture</b>                   | <b>682,482</b>            | <b>326,209</b>        | <b>(356,273)</b>            | <b>2,148,277</b>            | <b>0</b>                     |
| <b>Regeneration &amp; Growth</b>                 |                           |   |                           |                       |                             |                             |                              |
| (1,418,443)                                      | (1,417,877)               | City Development  | (265,718)                 | (1,116,071)           | (850,353)                   | (1,417,877)                 | 0                            |
| 0  | 0                         | Environmental Strategy  | 19,792                    | 10,980                | (8,812)                     | 0                           | 0                            |
| 0  | 0                         | Executive Head of Regeneration &                              | 20,032                    | 17,640                | (2,392)                     | 0                           | 0                            |
| 1,326,678  | 1,326,678                 | Planning  | (36,565)                  | (81,080)              | (44,515)                    | 1,326,678                   | 0                            |
| 258,661  | 258,661                   | Property Services   | 414,795                   | 346,931               | (67,864)                    | 258,661                     | 0                            |
| <b>166,896</b>                                   | <b>167,462</b>            | <b>Total Regeneration &amp; Growth</b>                        | <b>152,336</b>            | <b>(821,601)</b>      | <b>(973,937)</b>            | <b>167,462</b>              | <b>0</b>                     |
| <b>Strategy, People &amp; Neighbourhoods</b>     |                           |   |                           |                       |                             |                             |                              |
| 9,789,981  | 9,789,412                 | Citywide Services   | 1,354,969                 | 1,955,263             | 600,294                     | 9,789,412                   | 0                            |
| 0  | 0                         | Human Resources   | 187,896                   | 2,729,375             | 2,541,479                   | 0                           | 0                            |
| 2,283,979  | 2,283,979                 | Neighbourhood Housing   | 355,578                   | 140,665               | (214,913)                   | 2,283,979                   | 0                            |
| 2,154,744  | 2,154,744                 | Neighbourhood Services  | 364,992                   | 361,350               | (3,642)                     | 2,154,744                   | 0                            |
| 0  | 0                         | Strategy & Programme Management                               | 76,836                    | 91,399                | 14,563                      | 0                           | 0                            |
| <b>14,228,703</b>                                | <b>14,228,135</b>         | <b>Total Strategy, People &amp; Neighbourhoods</b>            | <b>2,340,271</b>          | <b>5,278,053</b>      | <b>2,937,782</b>            | <b>14,228,135</b>           | <b>0</b>                     |
| <b>0</b>   | <b>(3)</b>                | <b>Total General Fund</b>                                     | <b>1,721,476</b>          | <b>1,996,087</b>      | <b>274,611</b>              | <b>(192,376)</b>            | <b>(192,373)</b>             |

HOUSING REVENUE ACCOUNT STATUTORY SUMMARY

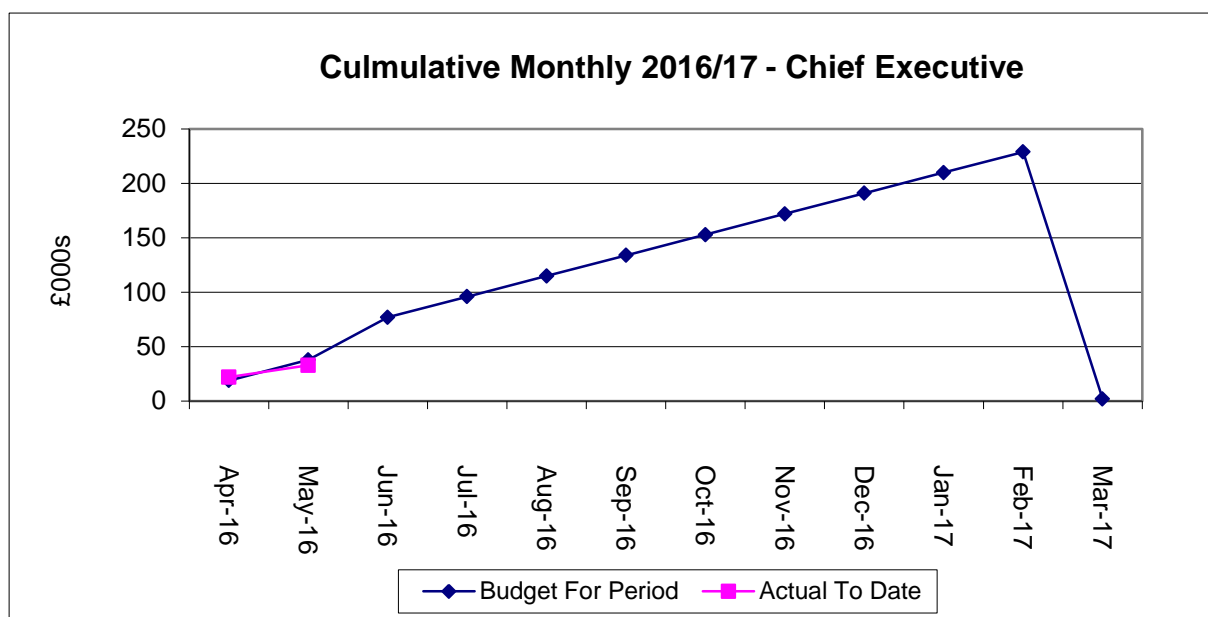
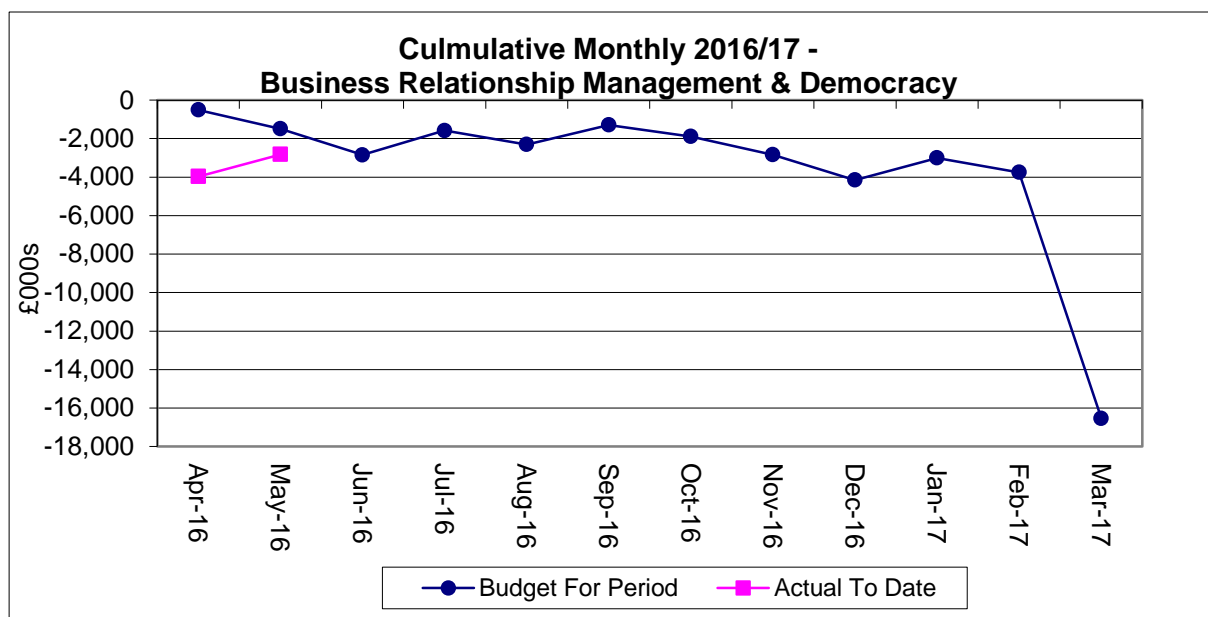
| <i>Approved<br/>Budget</i> | <i>Current<br/>Budget</i> |                                      | <i>Budget To<br/>Date</i> | <i>Actual To Date</i> | <i>Variance To<br/>Date</i> | <i>Forecast<br/>Outturn</i> | <i>Forecast<br/>Variance</i> |
|----------------------------|---------------------------|--------------------------------------|---------------------------|-----------------------|-----------------------------|-----------------------------|------------------------------|
| 15,499,378                 | 15,499,378                | Repairs & Maintenance                | 1,978,102                 | (87,319)              | (2,065,421)                 | 15,056,495                  | (442,883)                    |
| 5,936,838                  | 5,936,838                 | Rents, Rates, & Other Property Costs | 946,920                   | 5,766,658             | 4,819,738                   | 5,936,838                   | 0                            |
| 11,392,777                 | 11,392,776                | General Management                   | 1,096,572                 | 577,738               | (518,834)                   | 11,452,116                  | 59,340                       |
| 5,068,935                  | 5,068,936                 | Special Services                     | 595,175                   | 287,651               | (307,524)                   | 5,068,936                   | 0                            |
| 22,139,594                 | 22,139,594                | Depreciation & 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                       | (9,828,868)               | (10,581,533)          | (752,665)                   | (58,973,202)                | 0                            |
| (2,223,564)                | (2,223,564)               | Garage & Other Property Rents        | (434,130)                 | (418,931)             | 15,199                      | (2,223,564)                 | 0                            |
| (8,343,247)                | (8,343,244)               | Service Charges - General            | (1,541,234)               | (1,427,488)           | 113,746                     | (8,343,244)                 | 0                            |
| (75,000)                   | (75,000)                  | Miscellaneous Income                 | (12,500)                  | (16,931)              | (4,431)                     | (75,000)                    | 0                            |
| 9,966,872                  | 9,966,872                 | Adjustments & Financing Items        | (48,950)                  | 0                     | 48,950                      | 9,966,872                   | 0                            |
| (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                            |
| <b>0</b>                   | <b>3</b>                  | <b>Total Housing Revenue Account</b> | <b>(7,248,913)</b>        | <b>(5,900,155)</b>    | <b>1,348,758</b>            | <b>(383,540)</b>            | <b>(383,543)</b>             |

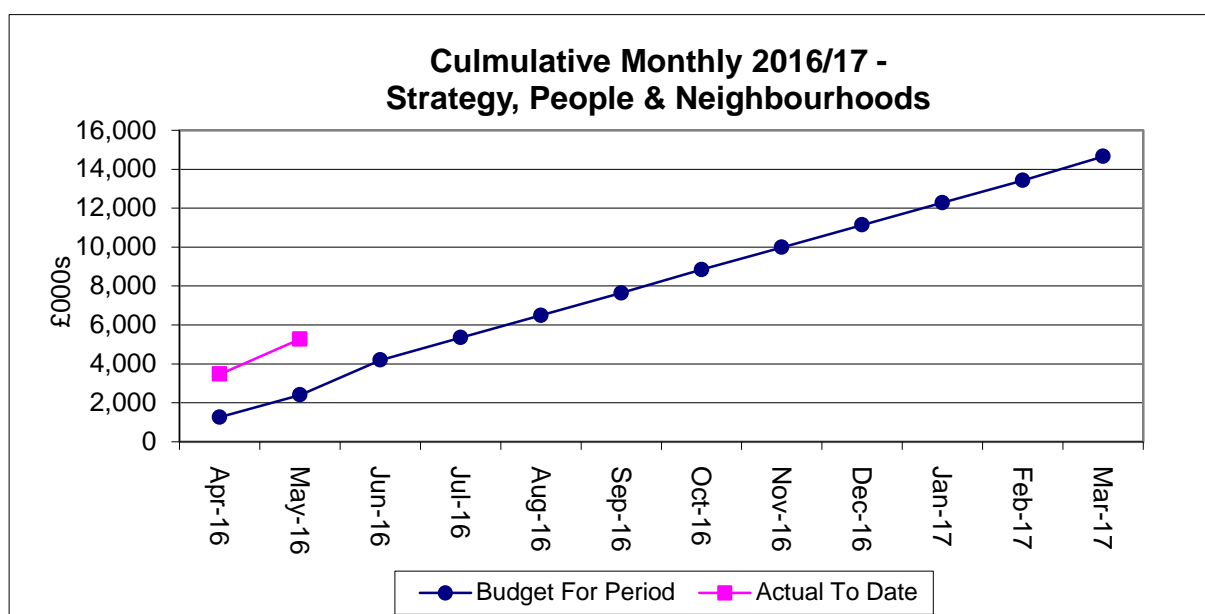
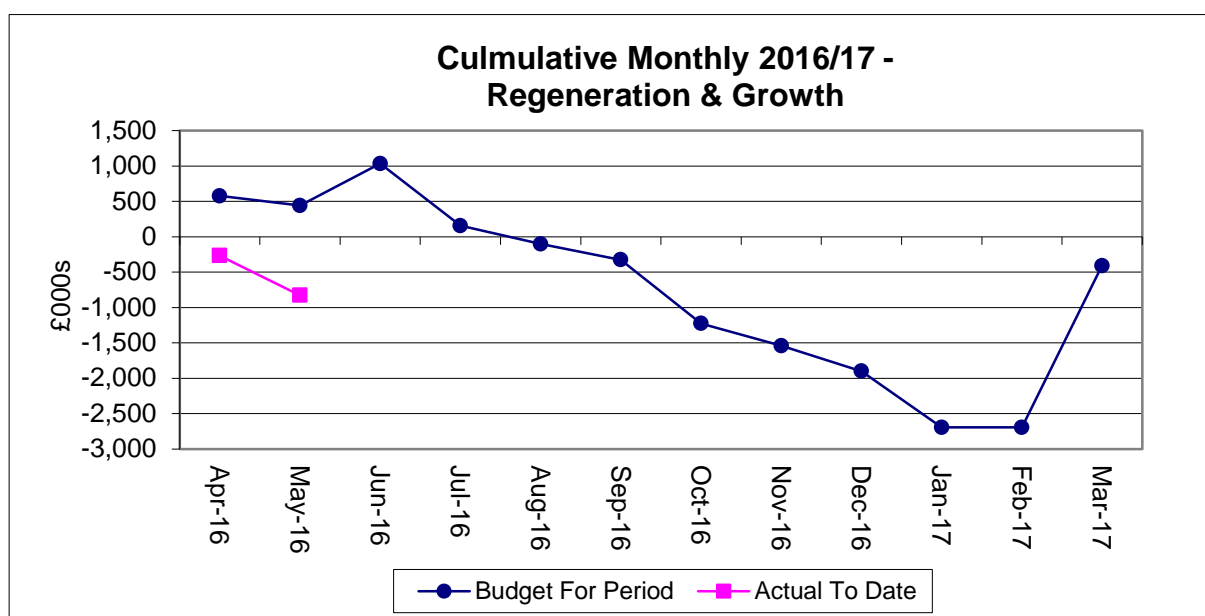
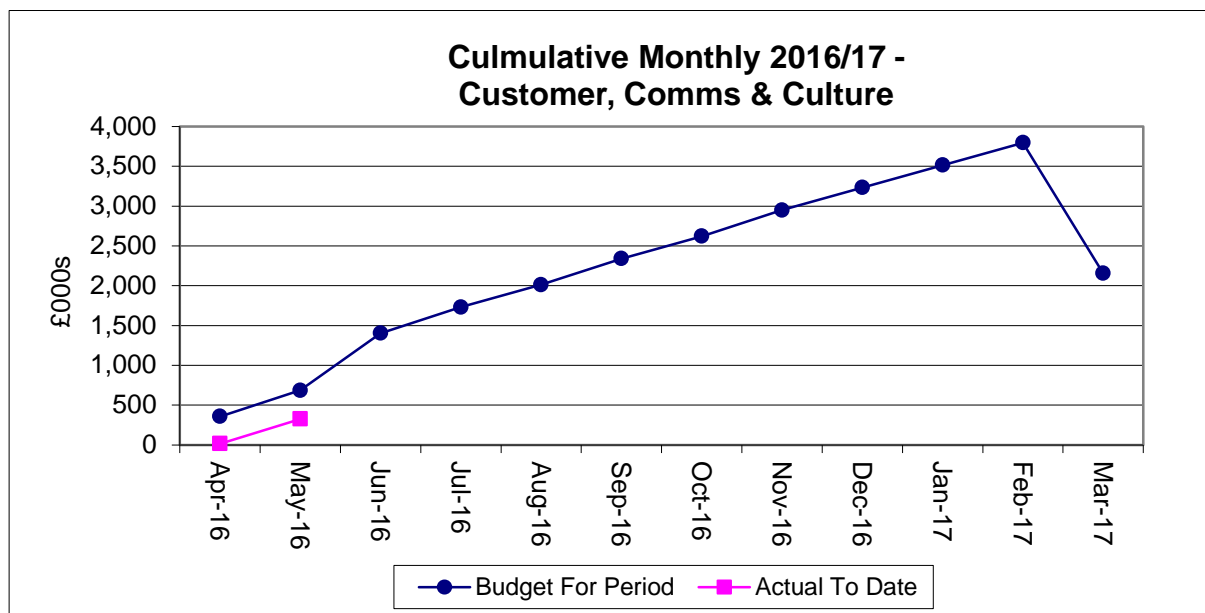
## Budget & Expenditure – Monthly by Service Graphs

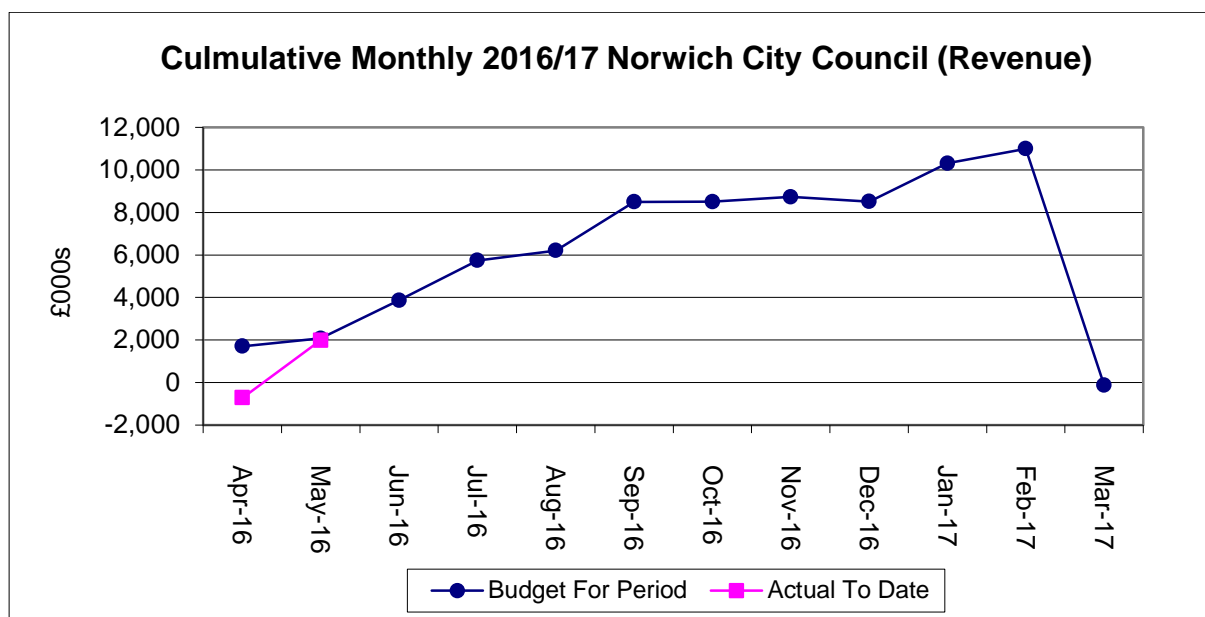
The following graphs show the monthly budget profile and income/expenditure to date for each service (both General Fund and Housing Revenue Account) for the financial year.

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

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







|                  |   |                             |
|------------------|---|-----------------------------|
| <b>Report to</b> | Cabinet   | <b>Item</b><br><br><b>8</b> |
|                  | 13 July 2016  |                             |
| <b>Report of</b> | Chief finance officer                               |                             |
| <b>Subject</b>   | Revenue budget monitoring 2015-16: Year End 2015-16 |                             |

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## **Purpose**

To update cabinet on the revenue outturn for the year 2015/16, and the consequent general fund and housing revenue account balances

## **Recommendation**

To note the revenue outturn 2015-16.

## **Corporate and service priorities**

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

## **Financial implications**

The net revenue outturn for the General Fund for the year 2015/16 is a surplus of £2.534m.

The net revenue outturn for the Housing Revenue Account for the year 2015/16 is a surplus of £6.008m. This represents a transfer to reserves of £1.901m as a result of a reduced contribution to capital in 16/17 and an underspend of £4.107m.

The total HRA Revenue Contribution to Capital outturn in 2016/17 was £9.400m. This is £15.835m lower than budgeted due to lower than anticipated capital expenditure in year. Resources will be carried forward to fund future HRA spend.

The impact in 2015/16 of deficits on the Collection Fund in respect of business rates arising in 2013/14 is £0.354m and for 2014/15 is £0.893m. To offset the deficit a transfer of £1.247m has been made from the S31 earmarked reserve.

Section 31 business rates relief grant received in 2015/16 has been transferred to the earmarked reserve to be offset against future deficits in the years that they impact on the revenue accounts. For 2015/16, a transfer of £1.188m has been made from the General Fund revenue to the earmarked reserve. The forecast underspend above takes account of these transfers.

The Collection Fund revenue outturns for the Council Tax and Non-Domestic Business Rates Collection Fund for the year 2015/16 were surpluses of £0.106m and £0.623m respectively. The impact in 2016/17 of the business rates net deficit arising in previous years is £1.149m. This will be offset by a transfer from the S31 earmarked reserve in the 2016/17 financial year.

**Ward/s:** All wards

**Cabinet member:** Councillor Stonard – resources and business liaison

**Contact officers**

Justine Hartley, chief finance officer

01603 212440

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Hannah Simpson, group accountant

**Background documents**

None



## Report

1. Council approved budgets for the 2015/16 financial year on 17 February 2015.
2. The attached appendices show the provisional forecast outturn 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 £0.383m from reserve balances as allowed for in the Medium Term Financial Strategy) so that the net budget totals zero:

| <i>Item</i>                      | <i>Approved Budget<br/>£000s</i> |
|----------------------------------|----------------------------------|
| Net Budget Requirement           | 17,056                           |
| Non-Domestic Rates               | (4,645)                          |
| Revenue Support Grant            | (4,096)                          |
| Council Tax precept              | (8,315)                          |
| <b>Total General Fund budget</b> | <b>0</b>                         |

4. The net revenue outturn for the General Fund for the year 2015/16 is a surplus of £2.534m. Key variances from budget are set out below:

| <i>General Fund Service</i>      | <i>Outturn variance<br/>£000s</i> | <i>Commentary</i>  |
|----------------------------------|-----------------------------------|--|
| Business Relationship Management | (513)                             | <p>LGSS fraud team transferred to DWP but reduced grant still received for one year resulting in a £184k underspend.</p> <p>Underspend on Council Tax and Benefits admin due to lower corporate recharges than budgeted (£319k) and additional government grant receipts (£177k).</p> <p>Total underspend reduced as the budgeted transfer in from General Fund Reserves of £383k was not required and therefore not processed.</p> <p>£205k additional income including from unbudgeted grant receipts.</p> |

| <b>General Fund Service</b> | <b>Outturn variance<br/>£000s</b> | <b>Commentary</b>   |
|-----------------------------|-----------------------------------|---|
| Finance                     | (1,099)                           | <p>Key variances include:</p> <ul style="list-style-type: none"> <li>£1,025k underspend on the Minimum Revenue Provision charge due to policy change (£795k) and correction of prior year expenditure (£230k);</li> <li>£149k overspend on financial arrangements due to lower interest receipts than budgeted;</li> <li>£323k underspend on Housing Benefit mainly due to additional subsidy received following a review of previous subsidy returns;</li> <li>£128k lower debt charge to the HRA.</li> </ul>  |
| Communication and Culture   | 323                               | <p>Key variances include:</p> <ul style="list-style-type: none"> <li>Advertising income review budget of £50k is reflected in advertising savings across the council;</li> <li>Depreciation over budget by £68k on St Andrews Hall and the Norman Centre due to a budgeting misalignment;</li> <li>Salix expenditure of £38k on Riverside offset by savings made in 2013/14;</li> <li>Overspend on Events costs of £46k covered by equal contribution to general reserves in 2014/15;</li> <li>Norman Centre overspend of £83k on NPS repairs &amp; maintenance costs.</li> </ul> |
| City Development:           | (916)                             | <p>Key variances include:</p> <ul style="list-style-type: none"> <li>Underspend of £320k on parking premises and supplies costs, associated with reduced works and salt/gritting and reduced corporate recharges;</li> <li>Parking income £103k higher than budget; following increase in parking tariffs in November;</li> <li>£282k underspend due to depreciation being lower than budgeted;</li> <li>Net £128k underspend across the property portfolio.</li> </ul>   |
| Citywide Services:          | (384)                             | <p>Key variances include:</p> <ul style="list-style-type: none"> <li>Staffing costs below budget in various teams (£118k);</li> <li>Depreciation variances from budget on Markets &amp; Green Spaces (£47k);</li> <li>CDS recharges under budget on Food Health &amp; Safety (£61k);</li> <li>Repairs &amp; maintenance costs under budget on cemeteries (£23k);</li> <li>Additional licensing income (£100k).</li> </ul>   |
| Neighbourhood Housing       | (167)                             | <p>Higher income from homelessness lettings (£70k) and lower corporate recharges for Housing Options than budgeted.</p>   |

## Housing Revenue Account

5. The budgets reported include a £13.9m use of HRA balances, so that the net budget totals zero:

| <i>Item</i>                   | <i>Approved Budget<br/>£000s</i> |
|-------------------------------|----------------------------------|
| Gross HRA Expenditure         | 85,912                           |
| Gross HRA Income              | (71,979)                         |
| Contribution from HRA Balance | (13,933)                         |
| <b>Total net HRA budget</b>   | <b>0</b>                         |

6. The net revenue outturn for the Housing Revenue Account for the year 2015/16 is a surplus of £6.008m. Key variances from budget are set out below:

| <i>HRA Division of Service</i>       | <i>Outturn variance<br/>£000s</i> | <i>Commentary</i>   |
|--------------------------------------|-----------------------------------|---|
| Repairs & Maintenance                | (3,303)                           | <p>Key variances include:</p> <ul style="list-style-type: none"> <li>• Outturn being below the anticipated requirement for the general major and minor repairs responsive budget (£1,347k)</li> <li>• Additional expenditure due to the decapitalisation of structural works totalling £523k</li> <li>• Less painting carried out than originally planned (£532k)</li> <li>• Internal wall insulation due to less projects requiring this type of work (£162k)</li> <li>• Cavity wall insulation underspend due to mid-year change in contractor (£440k)</li> <li>• Savings negotiated with contractors by NPS during the year for gas central heating repairs (£319k).</li> <li>• Other underspends on security improvements, lighting repairs and specific maintenance budgets e.g. lighting, fire alarm and lifts (£324k)</li> <li>• Lower than budgeted void repair costs (£234k)</li> <li>• Reduced requirement on the responsive garage repair budget (£131k)</li> <li>• Additional income from contributions to HRA repairs (from tenants and grants) (£254k)</li> </ul> |
| Rents, Rates, & Other Property Costs | (390)                             | <p>Underspend on Anglian Water costs (£327k), partially offset by under-recovery through water service charges. Professional advice budget underspent by £200k but offset by higher property recharges and insurance costs of £168k.</p>  |

| <b>HRA Division of Service</b> | <b>Outturn variance £000s</b> | <b>Commentary</b>  |
|--------------------------------|-------------------------------|--|
| Special Services               | (374)                         | Spend below budget on tree maintenance and rubbish clearing (£61k). Reduced fuel costs for district heating (£199k) and sheltered housing (£70k) and underspends on snow clearing and gritting due to mild winter (£42k). Additional staffing underspends due to vacant posts (£68k).  |
| General Management             | (664)                         | Key variances include: <ul style="list-style-type: none"> <li>• £195k underspend on staff costs due to vacancies;</li> <li>• Unrequired audit fee of £98k;</li> <li>• Fewer grants issued than budgeted (£53k) and less compensation paid to tenants (£21k)</li> <li>• Lower share of corporate recharges than budgeted (£50k); and</li> <li>• Less decoration allowance &amp; leave it tidy payments made on voids (£68k).</li> </ul> |
| Depreciation & Impairment      | (1,648)                       | £2,492k unbudgeted profit on sale of assets, offset by corresponding debit within "Adjustments & Financing items". Higher than budgeted depreciation costs of £690k reducing the net underspend.   |
| Provision for Bad Debts        | (405)                         | Revised provision based on arrears figures, partially offset by unbudgeted write-off costs within 'Dwelling Rents'.  |
| Dwelling Rents                 | 202                           | Overspend due to unbudgeted write off costs, partially offset by underspend against bad debt provision.  |
| Garage & Other Property Rents  | (204)                         | Mainly due to lower than anticipated garage void rate resulting in higher than budgeted income of £217k.   |
| Service Charges - General      | 788                           | Income from Anglian Water service charges lower than anticipated (£594k), this is partially offset by reduced Anglian Water expenditure against 'Rents, Rates, & Other Property Costs'<br><br>Additional reduced income due to long term voids St. James & Britannia impacting service charges.  |
| Adjustments & Financing Items  | 210                           | (£2,491k) unbudgeted profit on sale of assets, offset by corresponding credit against "Depreciation & Impairment".<br><br>£1,901k contribution to reserves as a result of a reduced contribution to fund capital expenditure in 15/16. The budgeted contribution from reserves of £13,933k not required due to the £15,835k reduction in the revenue contribution to capital resulting in a net transfer to reserves.                  |

## Financial Planning

7. 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.
8. Net overspends and underspends will be consolidated into the General Fund and Housing Revenue Account balances carried forward to 2016/17. These are reflected in periodic updates to the Medium Term Financial Strategy and Housing Revenue Account Business Plan.

### Impact on Balances

9. The prudent minimum level of General Fund reserves has been assessed as £4.474m. 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 2015           | (9,615)         |
| Outturn 2015/16                   | (2,534)         |
| <b>= Balance at 31 March 2016</b> | <b>(12,149)</b> |

10. The General Fund balance is therefore expected to continue to exceed the prudent minimum.
11. The Medium Term Financial Strategy will be updated to reflect the increase in reserves and assess the impact on the savings profile. The strategy already assumes that reserves are further built up in 2016/17 ahead of drawing significant balances down in future years as set out in the 2016/17 General Fund Revenue Budget report to Council (23 February 2016) to offset known and anticipated grant reductions and ensure a balanced budget.
12. The prudent minimum level of HRA reserves has been assessed as £3.111m. 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 2015           | (20,181)        |
| Outturn 2015/16                   | (6,008)         |
| <b>= Balance at 31 March 2016</b> | <b>(26,189)</b> |

13. The Housing Revenue Account balance therefore continues to exceed the prudent minimum.

### Collection Fund

14. 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.

15. 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.

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

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

| <b>Collection Fund Summary</b>       |                                |                              |                        |                          |
|--------------------------------------|--------------------------------|------------------------------|------------------------|--------------------------|
| <b>Approved Budget</b><br>£000s      | <b>Current Budget</b><br>£000s |                              | <b>Actual</b><br>£000s | <b>Variance</b><br>£000s |
|                                      |                                |                              |                        |                          |
| <b>Council tax</b>                   |                                |                              |                        |                          |
| 53,797                               | 53,797                         | Expenditure                  | 57,393                 | 3,596                    |
| (53,797)                             | (53,797)                       | Income                       | (57,561)               | (3,764)                  |
| <b>Business Improvement District</b> |                                |                              |                        |                          |
| 656                                  | 656                            | Expenditure                  | 528                    | (128)                    |
| (656)                                | (656)                          | Income                       | (652)                  | 4                        |
| <b>National Non-Domestic Rate</b>    |                                |                              |                        |                          |
| 77,698                               | 77,698                         | Expenditure                  | 81,195                 | 3,497                    |
| (77,698)                             | (77,698)                       | Income                       | (81,818)               | (4,120)                  |
|                                      |                                |                              |                        |                          |
| <b>0</b>                             | <b>0</b>                       | <b>Total Collection Fund</b> | <b>(915)</b>           | <b>(915)</b>             |

18. 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).

19. The council operates the BID account on behalf of the BID company, so no surplus or deficit will fall on the council's accounts.
20. Any surplus or deficit reported on the NNDR account will roll forward and be distributed in the 2016/17 budget cycle. The forecast impact on the council in 2015/16 of deficits arising in 2013/14 and 2014/15 is £1.247m. The impact in 2016/17 of deficits arising in 2014/15 and 2015/16 is £1.149m. This will be offset by a transfer from the S31 earmarked reserve in the 2016/17 financial year.
21. Additional (section 31) grant has been received in the General Fund to offset all or part of any shortfall in business rate income due to additional reliefs granted by government. On 17th February 2015, Council approved the creation of an earmarked reserve for this section 31 business rate relief grant, and that all grant monies received from 2013/14 and going forwards be transferred to this earmarked reserve to be offset against deficits in the years that they impact on the revenue accounts.
22. To offset the deficit impact in 2015-16 a transfer of £1.247m has been made from the S31 earmarked reserve.
23. Section 31 business rates relief grant received in 15/16 has been transferred to the earmarked reserve to be offset against future deficits in the years that they impact on the revenue accounts. For 2015/16, a transfer of £1.188m has been made from the General Fund revenue to the earmarked reserve. After these movements, the closing balance on the Section 31 Earmarked Reserve is £1.467m.
24. The associated transfer from revenue to the earmarked reserve for monies received in 2015/16, and from general fund reserve to the earmarked reserve for monies received in 2014/15 but not applied against deficits to date, is included in the reserve forecasts set out at para 14 above.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

|                         |  |
|-------------------------|--|
| <b>Committee:</b>       | Cabinet  |
| <b>Committee date:</b>  |  |
| <b>Head of service:</b> | Chief Finance Officer  |
| <b>Report subject:</b>  | Revenue Budget Monitoring 2014/15  |
| <b>Date assessed:</b>   | 12/06/15   |
| <b>Description:</b>     | This is the integrated impact assessment for the Revenue Budget Monitoring 2014/15 report to cabinet |



|  | Impact                              |                                     |                          |   |
|--|-------------------------------------|-------------------------------------|--------------------------|---|
| Economic<br>(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<br>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<br>(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<br>(please add an 'x' as appropriate) | Neutral                             | Positive                            | Negative                 | Comments  |
| Relations between groups<br>(cohesion)                       | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| Eliminating discrimination &<br>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<br>(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<br>use                         | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| Pollution  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| Sustainable procurement                                      | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| Energy and climate change                                    | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| (Please add an 'x' as appropriate)                           | Neutral                             | Positive                            | Negative                 | Comments  |
| Risk management  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | The report demonstrates that the council is aware of and monitors risks to the achievement of its financial strategy. |

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

## Budget Monitoring Summary

Year: 2015/16

Outturn Period: 13 (EOY)

## GENERAL FUND SERVICE SUMMARY

| <i>Approved Budget</i>                                  | <i>Final Budget</i> |   | <i>Budget</i>       | <i>Actual</i>       | <i>Removal of Unbudgeted Accounting adjustments*</i> | <i>Revised Actual</i> | <i>Revised Variance</i> |
|---|---------------------|---|---------------------|---------------------|--|-----------------------|-------------------------|
| <b>Business Relationship Management &amp; Democracy</b> |                     |   |                     |                     |  |                       |                         |
| 1,537,574   | 86,343              | Business Relationship Management                              | 86,343              | 39,209              | -465,694   | (426,484)             | (512,827)               |
| 292,745   | 292,328             | Democratic Services   | 292,328             | 304,002             | 26,519   | 330,521               | 38,193                  |
| (19,263,443)  | (18,099,941)        | Finance   | (18,099,941)        | (13,274,901)        | -5,924,327   | (19,199,227)          | (1,099,286)             |
| 0   | (35,251)            | Procurement & Service Improvement                             | (35,251)            | 11                  | 35,262   | 51,107                | 86,358                  |
| <b>(17,433,124)</b>                                     | <b>(17,756,521)</b> | <b>Total Business Relationship Management &amp; Democracy</b> | <b>(17,756,521)</b> | <b>(12,931,678)</b> | <b>-6,312,406</b>                                    | <b>(19,244,083)</b>   | <b>(1,487,562)</b>      |
| <b>Chief Executive</b>                                  |                     |   |                     |                     |  |                       |                         |
| 0   | 0                   | Chief Executive   | 0                   | (1)                 | 11679  | 11,678                | 11,678                  |
| <b>0</b>  | <b>0</b>            | <b>Total Chief Executive</b>                                  | <b>0</b>            | <b>(1)</b>          | <b>11679</b>   | <b>11,678</b>         | <b>11,678</b>           |
| <b>Customers, Comms &amp; Culture</b>                   |                     |   |                     |                     |  |                       |                         |
| 2,124,719   | 2,156,322           | Communications & Culture                                      | 2,156,322           | 2,374,441           | 104,673  | 2,479,114             | 322,792                 |
| (105,756)   | (93,389)            | Customer Contact  | (93,389)            | (305,351)           | 236,632  | (68,719)              | 24,670                  |
| <b>2,018,963</b>  | <b>2,062,933</b>    | <b>Total Customers, Comms &amp; Culture</b>                   | <b>2,062,933</b>    | <b>2,069,090</b>    | <b>341,306</b>                                       | <b>2,410,396</b>      | <b>347,463</b>          |
| <b>Regeneration &amp; Growth</b>                        |                     |   |                     |                     |  |                       |                         |
| (1,101,624)   | (1,213,353)         | City Development  | (1,213,353)         | (7,986,784)         | 5,857,634  | (2,129,150)           | (915,797)               |
| 0   | 0                   | Environmental Strategy  | 0                   | 1,020               | 6,248  | 7,268                 | 7,268                   |
| 0   | 0                   | Executive Head of Regeneration &                              | 0                   | (1)                 | 6035   | 6,034                 | 6,034                   |
| 1,447,674   | 1,447,502           | Planning  | 1,447,502           | 1,345,226           | 95,267   | 1,440,493             | (7,009)                 |
| 262,834   | 262,195             | Property Services   | 262,195             | 867,700             | -603,133   | 264,567               | 2,372                   |
| <b>608,884</b>  | <b>496,344</b>      | <b>Total Regeneration &amp; Growth</b>                        | <b>496,344</b>      | <b>(5,772,838)</b>  | <b>5,362,051</b>                                     | <b>(410,787)</b>      | <b>(907,131)</b>        |
| <b>Strategy, People &amp; Neighbourhoods</b>            |                     |   |                     |                     |  |                       |                         |
| 10,069,543  | 10,127,416          | Citywide Services   | 10,127,416          | 9,356,475           | 387,346  | 9,743,821             | (383,595)               |
| 0   | (1,172)             | Human Resources   | (1,172)             | 0                   | 31463  | 31,463                | 32,635                  |
| 2,315,862   | 2,433,505           | Neighbourhood Housing   | 2,433,505           | 2,198,504           | 67,693   | 2,266,197             | (167,308)               |
| 2,419,872   | 2,619,747           | Neighbourhood Services  | 2,619,747           | 2,546,350           | 85,703   | 2,632,053             | 12,306                  |
| 0   | 17,747              | Strategy & Programme Management                               | 17,747              | (123)               | 25164  | 25,041                | 7,294                   |
| <b>14,805,277</b>                                       | <b>15,197,243</b>   | <b>Total Strategy, People &amp; Neighbourhoods</b>            | <b>15,197,243</b>   | <b>14,101,205</b>   | <b>597,370</b>                                       | <b>14,698,575</b>     | <b>(498,668)</b>        |
| <b>0</b>  | <b>(1)</b>          | <b>Total General Fund</b>                                     | <b>(1)</b>          | <b>(2,534,222)</b>  | <b>0</b>   | <b>(2,534,222)</b>    | <b>(2,534,221)</b>      |

## GENERAL FUND SUBJECTIVE SUMMARY

| <i>Approved Budget</i> | <i>Final Budget</i> |                           | <i>Budget</i> | <i>Actual</i>      | <i>Removal of Unbudgeted Accounting adjustments*</i> | <i>Revised Actual</i> | <i>Revised Variance</i> |
|------------------------|---------------------|---------------------------|---------------|--------------------|--|-----------------------|-------------------------|
| 17,380,959             | 17,640,766          | Employees                 | 17,640,766    | 16,720,308         | 898,759  | 17,619,067            | (21,699)                |
| 10,487,504             | 9,177,286           | Premises                  | 9,177,286     | 8,740,334          | 0  | 8,740,334             | (436,952)               |
| 271,926                | 271,926             | Transport                 | 271,926       | 257,618            | 0  | 257,618               | (14,308)                |
| 15,313,363             | 15,269,874          | Supplies & Services       | 15,269,874    | 15,092,171         | (208,833)  | 14,883,338            | (386,536)               |
| 7,530,604              | 7,398,948           | Third Party Payments      | 7,398,948     | 7,113,987          | 0  | 7,113,987             | (284,961)               |
| 94,772,700             | 94,772,700          | Transfer Payments         | 94,772,700    | 92,687,556         | 0  | 92,687,556            | (2,085,144)             |
| 2,426,386              | 2,186,386           | Capital Financing         | 2,186,386     | 2,619,418          | (901,872)  | 1,717,546             | (468,840)               |
| (24,100,589)           | (23,201,043)        | Receipts                  | (23,201,043)  | (24,860,112)       | 211,945  | (24,648,167)          | (1,447,124)             |
| (116,926,173)          | (116,560,238)       | Government Grants         | (116,560,238) | (114,549,286)      | 0  | (114,549,286)         | 2,010,952               |
| 1,075,019              | 1,075,019           | Centrally Managed         | 1,075,019     | 1,068,199          | 0  | 1,068,199             | (6,820)                 |
| 16,924,953             | 17,079,866          | Recharge Expenditure      | 17,079,866    | 16,438,126         | 0  | 16,438,126            | (641,740)               |
| (25,156,652)           | (25,111,491)        | Recharge Income           | (25,111,491)  | (23,862,540)       | 0  | (23,862,540)          | 1,248,951               |
| <b>0</b>               | <b>(1)</b>          | <b>Total General Fund</b> | <b>(1)</b>    | <b>(2,534,222)</b> | <b>0</b>   | <b>(2,534,222)</b>    | <b>(2,534,221)</b>      |

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

## Budget Monitoring Report

Year: 2015/16 Outturn Period: 13 (EOY)

## HOUSING REVENUE ACCOUNT STATUTORY SUMMARY

| <i>Approved Budget</i> | <i>Final Budget</i> |                                      | <i>Budget</i> | <i>Actual</i>      | <i>Removal of Unbudgeted Accounting adjustments*</i> | <i>Revised Actual</i> | <i>Revised Variance</i> |
|------------------------|---------------------|--------------------------------------|---------------|--------------------|--|-----------------------|-------------------------|
| 16,069,344             | 16,069,344          | Repairs & Maintenance                | 16,069,344    | 12,684,338         | 82,050   | 12,766,388            | (3,302,956)             |
| 6,436,719              | 6,436,719           | Rents, Rates, & Other Property Costs | 6,436,719     | 6,046,594          | 0  | 6,046,594             | (390,125)               |
| 11,016,261             | 10,836,180          | General Management                   | 10,836,180    | 9,908,468          | 263,913  | 10,172,381            | (663,799)               |
| 5,086,385              | 5,266,474           | Special Services                     | 5,266,474     | 4,808,089          | 83,915   | 4,892,004             | (374,470)               |
| 21,430,943             | 21,430,943          | Depreciation & Impairment            | 21,430,943    | (30,761,393)       | 50,543,967   | 19,782,574            | (1,648,369)             |
| 584,000                | 584,000             | Provision for Bad Debts              | 584,000       | 178,534            | 0  | 178,534               | (405,466)               |
| (60,143,678)           | (60,143,678)        | Dwelling Rents                       | (60,143,678)  | (59,942,006)       | 0  | (59,942,006)          | 201,672                 |
| (1,980,123)            | (1,980,124)         | Garage & Other Property Rents        | (1,980,124)   | (2,184,203)        | 0  | (2,184,203)           | (204,079)               |
| (9,144,884)            | (9,144,884)         | Service Charges - General            | (9,144,884)   | (8,356,596)        | 0  | (8,356,596)           | 788,288                 |
| 0                      | 0                   | Miscellaneous Income                 | 0             | (86,857)           | 0  | (86,857)              | (86,857)                |
| 11,355,513             | 11,355,513          | Adjustments & Financing Items        | 11,355,513    | 62,539,742         | (50,973,845)   | 11,565,897            | 210,384                 |
| (560,480)              | (560,480)           | Amenities shared by whole community  | (560,480)     | (652,660)          | 0  | (652,660)             | (92,180)                |
| (150,000)              | (150,000)           | Interest Received                    | (150,000)     | (189,760)          | 0  | (189,760)             | (39,760)                |
| <b>0</b>               | <b>7</b>            | <b>Total Housing Revenue Account</b> | <b>7</b>      | <b>(6,007,709)</b> | <b>0</b>   | <b>(6,007,709)</b>    | <b>(6,007,716)</b>      |

## HOUSING REVENUE ACCOUNT SUBJECTIVE SUMMARY

| <i>Approved Budget</i> | <i>Final Budget</i> |                                      | <i>Budget</i> | <i>Actual</i>      | <i>Removal of Unbudgeted Accounting adjustments*</i> | <i>Revised Actual</i> | <i>Revised Variance</i> |
|------------------------|---------------------|--------------------------------------|---------------|--------------------|--|-----------------------|-------------------------|
| 6,465,622              | 6,566,922           | Employees                            | 6,566,922     | 7,135,112          | (873,803)  | 6,261,309             | (305,613)               |
| 24,417,209             | 24,462,209          | Premises                             | 24,462,209    | 20,915,259         | 0  | 20,915,259            | (3,546,950)             |
| 144,964                | 144,964             | Transport                            | 144,964       | 136,860            | 0  | 136,860               | (8,104)                 |
| 3,736,358              | 3,590,066           | Supplies & Services                  | 3,590,066     | 2,345,323          | 0  | 2,345,323             | (1,244,743)             |
| 351,727                | 351,727             | Third Party Payments                 | 351,727       | 309,535            | 0  | 309,535               | (42,192)                |
| 5,848,850              | 5,848,850           | Recharge Expenditure                 | 5,848,850     | 5,740,440          | 0  | 5,740,440             | (108,410)               |
| (5,091,704)            | (5,091,704)         | Capital Financing                    | (5,091,704)   | 8,013,811          | 873,803  | 8,887,614             | 13,979,318              |
| (72,665,149)           | (72,665,150)        | Receipts                             | (72,665,150)  | (72,055,804)       | 0  | (72,055,804)          | 609,346                 |
| (150,500)              | (150,500)           | Government Grants                    | (150,500)     | (150,500)          | 0  | (150,500)             | 0                       |
| (881,537)              | (881,537)           | Recharge Income                      | (881,537)     | (947,973)          | 0  | (947,973)             | (66,436)                |
| 25,235,490             | 25,235,490          | Rev Contribs to Capital              | 25,235,490    | 9,400,043          | 0  | 9,400,043             | (15,835,447)            |
| 12,588,670             | 12,588,670          | Capital Financing                    | 12,588,670    | 13,150,185         | 0  | 13,150,185            | 561,515                 |
| <b>0</b>               | <b>7</b>            | <b>Total Housing Revenue Account</b> | <b>7</b>      | <b>(6,007,709)</b> | <b>0</b>   | <b>(6,007,709)</b>    | <b>(6,007,716)</b>      |

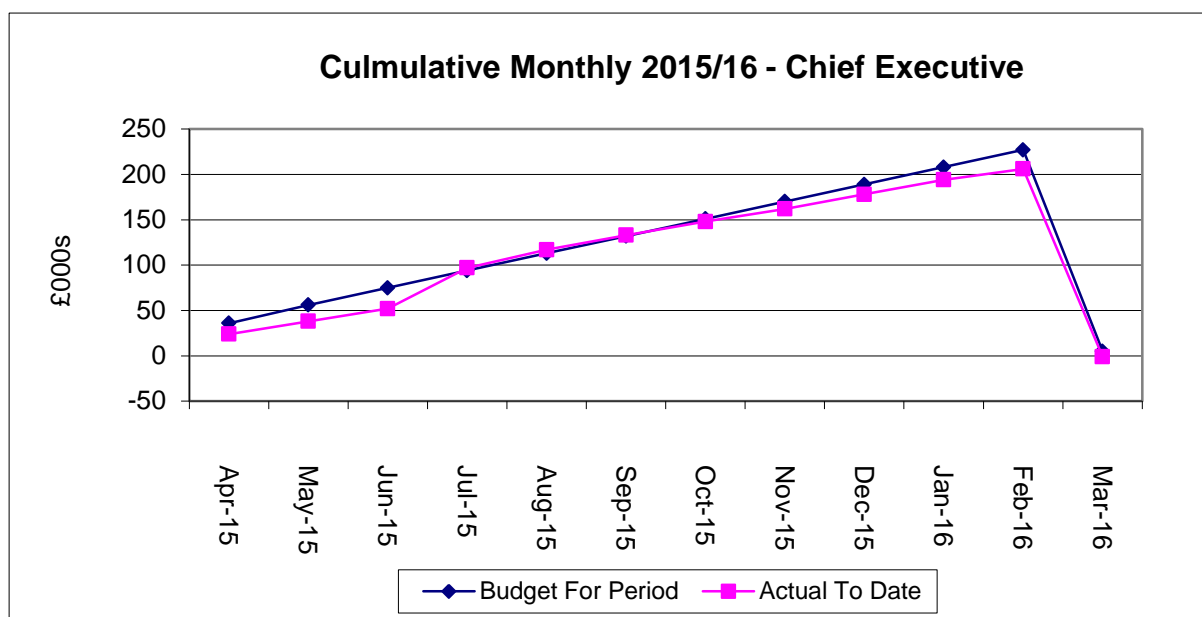
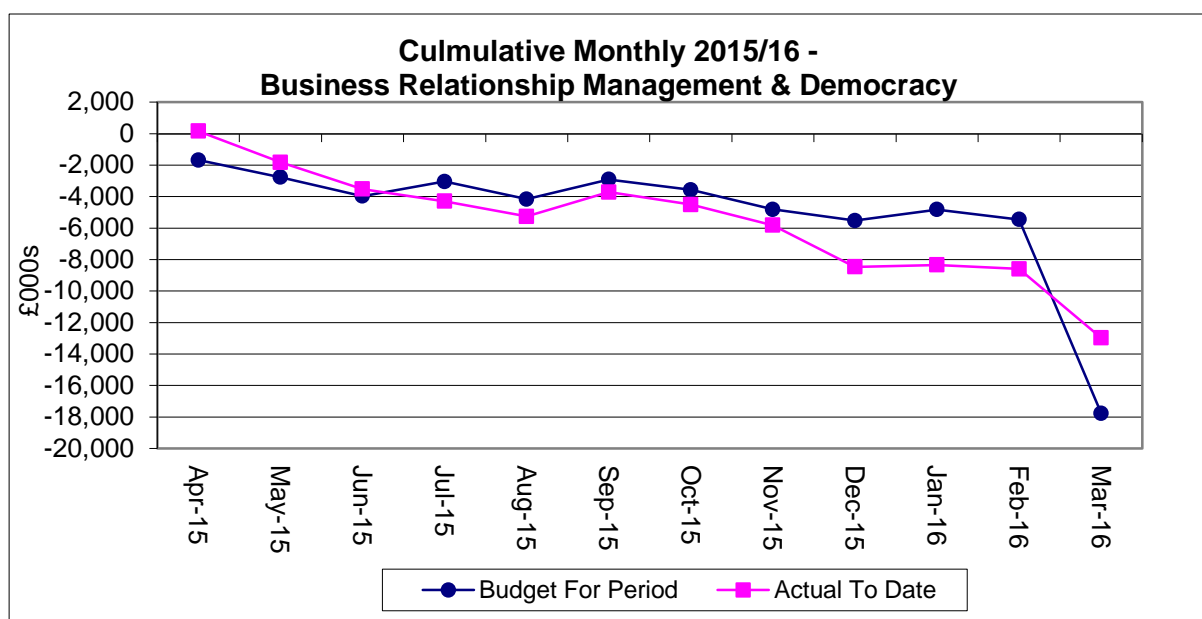
\*At year end a number of accounting adjustments are put through as part of preparing the council's annual accounts. A large number of these are not budgeted for and net to zero across the cost centres. Actual outturn figures including year end adjustments are reported above but in addition revised variances,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

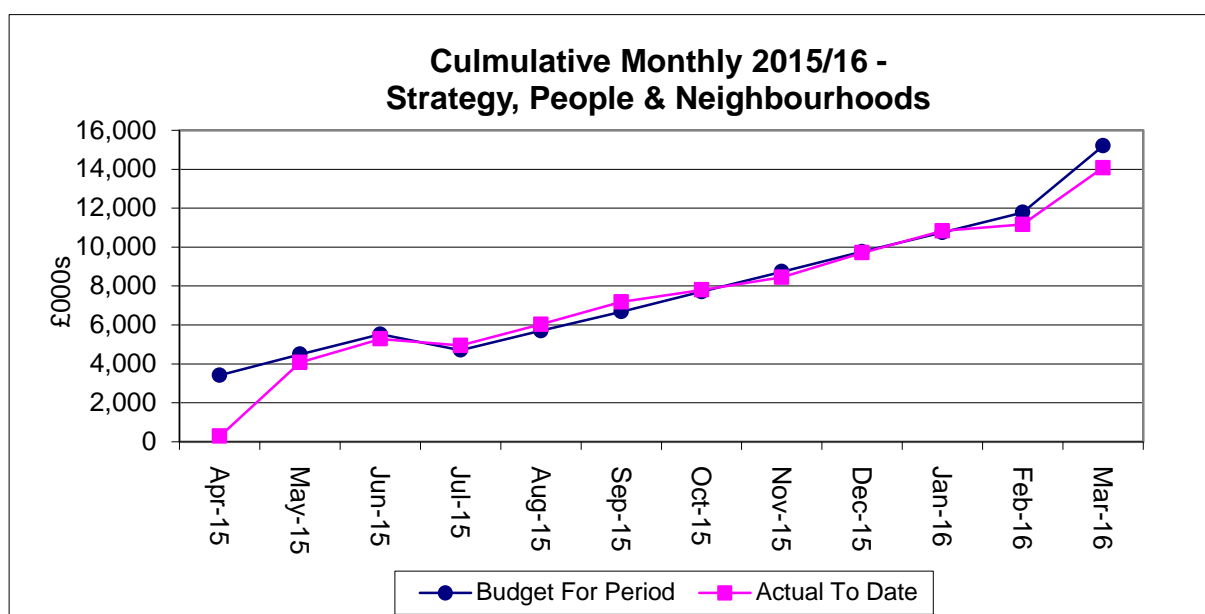
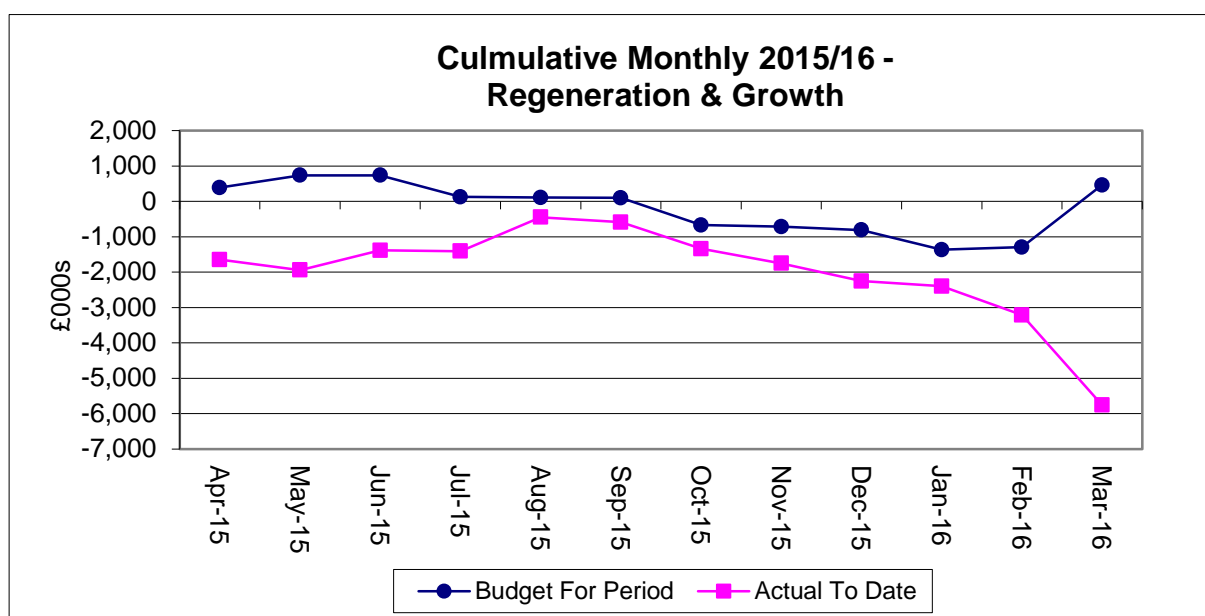
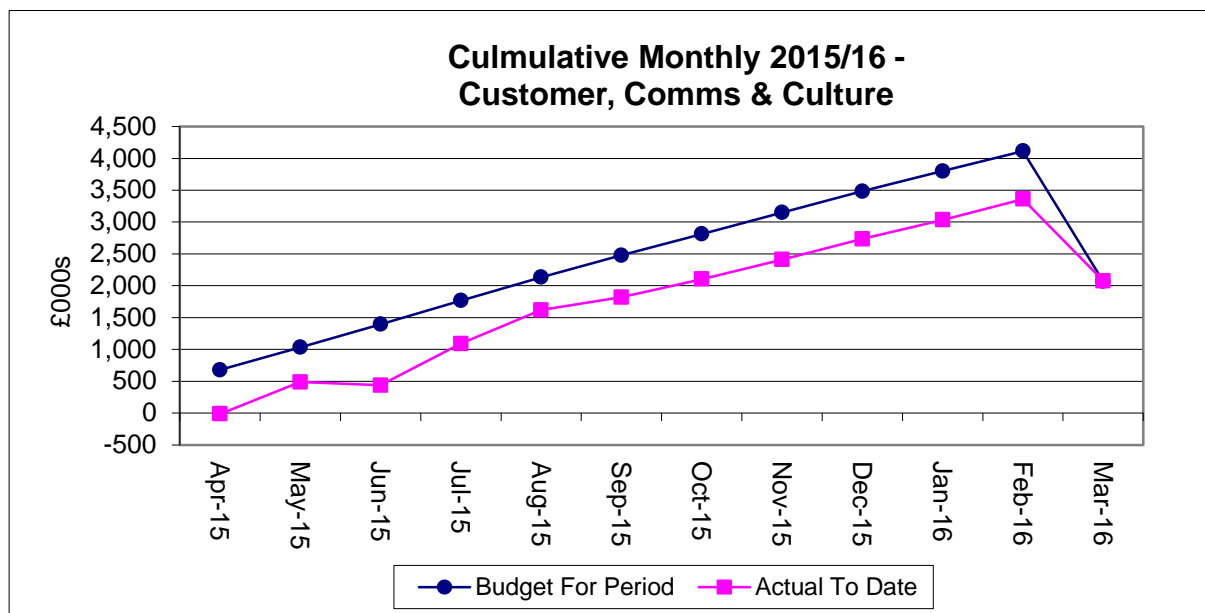
## Budget & Expenditure – Monthly by Service Graphs

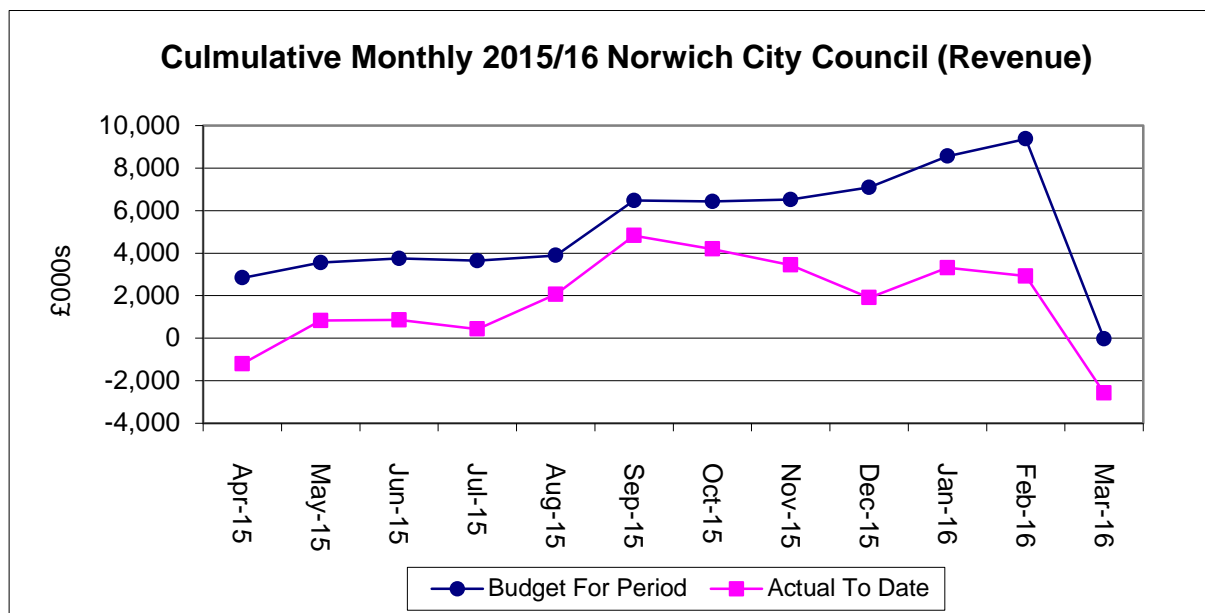
The following graphs show the monthly budget profile and income/expenditure to date for each service (both General Fund and Housing Revenue Account) for the financial year.

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

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









**Report to** Cabinet  
13 July 2016  
**Report of** Chief finance officer  
**Subject** Capital budget monitoring 2015-16 – Final outturn

**Item**

9

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**Purpose**

To update cabinet on the final outturn position of the 2015-16 capital programmes.

**Recommendations**

To note the final outturn position of the 2015-16 housing and non-housing capital programme budgets.

**Corporate and service priorities**

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

**Financial implications**

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

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

**Ward/s:** All wards

**Cabinet member:** Councillor 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 2015-16 were approved by cabinet and council on 4 and 17 February 2015 respectively.
2. The carry-forward of unspent 2014-15 capital budgets to the 2015-16 capital programme was approved following delegation the executive head of regeneration and development, executive head of strategy, people and neighbourhoods and chief finance officer, in consultation with the portfolio holder for resources and income generation, by cabinet on 10 June 2015.
3. This report reflects the final outturn position as at the end of March 2016.

## Non-housing capital programme

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

### Final outturn

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

| Programme Group                    | Original Budget<br>£s | Current Budget<br>£s | Final Outturn<br>£s | Variance<br>£s      |
|------------------------------------|-----------------------|----------------------|---------------------|---------------------|
| Asset Improvement                  | 30,000                | 381,894              | 131,662             | (250,232)           |
| Asset Investment                   | 1,000,000             | 727,503              | (913)               | (728,416)           |
| Asset Maintenance                  | 1,233,000             | 2,465,423            | 1,593,827           | (871,596)           |
| Initiatives Funding                | 500,000               | 1,904,462            | 961,266             | (943,196)           |
| Regeneration                       | 6,843,000             | 15,836,014           | 8,242,899           | (7,593,115)         |
| Community Infrastructure Levy      | 1,150,000             | 1,150,000            | 394,580             | (755,420)           |
| Greater Norwich Growth Partnership | 378,000               | 401,047              | 313,486             | (87,561)            |
| Section 106                        | 292,000               | 925,750              | 173,851             | (751,899)           |
| City Cycle Ambition (Group 1)      | 22,000                | 2,913,543            | 2,735,727           | (177,816)           |
| City Cycle Ambition (Group 2)      | 720,000               | 720,000              | 331,075             | (388,925)           |
| <b>Total Non-Housing</b>           | <b>12,168,000</b>     | <b>27,425,636</b>    | <b>14,877,460</b>   | <b>(12,548,176)</b> |

6. The final outturn as at 31 March 2016 is £14.88m, which results in an underspend of £12.55m. The significant variance is largely due to the re-profiling of planned expenditure against specific significant schemes: New build housing (£5.7m), Rose Lane MSCP construction (£1.2m), Section 106 schemes (£0.75m), IT investment (£0.61m), Cycle City Ambition (CCA) (£0.57m), lower contributions to the CIL Strategic Pool (£0.67m) and the deferment of the Strategic Asset Investment scheme (£0.7m).
7. Asset improvement covers reconfiguration and major repairs to City Hall as part of the delivery of the office accommodation strategy and investment in existing assets.
8. Asset investment covers the acquisition of new investment property as part of the delivery of the asset management plan. Opportunities are identified and assessed with the support of the council's advisers, NPS Norwich Ltd.

9. Asset maintenance expenditure covers provision for major repairs and upgrades (including works to St Andrews car park) and investment to reduce asset liabilities.
10. Initiative funds cover the community capital fund and the eco-investment fund, as well as the IT investment fund.
11. Regeneration covers the Norwich and Homes and Communities Agency Strategic Partnership (NaHCASP) funded Bowthorpe/Threescore site development and enabling, together with a development fund for vacant buildings and sites. The balance of NaHCASP resources (including approval for additional borrowing by the council) will be carried forward for continued investment.
12. Further detail regarding non-housing capital expenditure is shown in appendix 1.

### **Non housing capital resources**

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

| <b>Non-Housing Capital Resources</b>       | <b>Original Approved £000s</b> | <b>Brought Forward £000s</b> | <b>Total Planned Resources £000s</b> | <b>Final Outturn £000s</b> | <b>Used to Fund 2015/16 Expenditure £000s</b> |
|--|--------------------------------|------------------------------|--------------------------------------|----------------------------|---|
| Section 106                                | (447)                          | (1,657)                      | (2,104)                              | (2,140)                    | 430   |
| Community Infrastructure Levy              | (1,207)                        | (94)                         | (1,301)                              | (880)                      | 332   |
| CIL Neighbourhood                          | (150)                          | (44)                         | (194)                                | (191)                      | 62  |
| Internal Borrowing                         | (12,101)                       | 0                            | (12,101)                             | (6,317)                    | 6,317   |
| Capital Grants                             | (1,324)                        | (6,566)                      | (7,890)                              | (8,021)                    | 5,153   |
| Greater Norwich Growth Partnership         | (346)                          | (39)                         | (385)                                | (438)                      | 438   |
| Capital Receipts and Balances              | (1,250)                        | (1,692)                      | (2,942)                              | (2,142)                    | 1,962   |
| Other Contributions                        | 0                              | 0                            | 0                                    | (183)                      | 183   |
| <b>Total Non-Housing Capital Resources</b> | <b>(16,825)</b>                | <b>(10,092)</b>              | <b>(26,917)</b>                      | <b>(20,311)</b>            | <b>14,877</b>                                 |

### **Housing capital programme**

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

#### **Final outturn**

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

| Programme Group       | Original Budget<br>£s | Current Budget<br>£s | Final Outturn<br>£s | Variance<br>£s      |
|-----------------------|-----------------------|----------------------|---------------------|---------------------|
| Housing Investment    | 9,497,687             | 15,847,709           | 7,459,911           | (8,398,398)         |
| Neighbourhood Housing | 33,327,100            | 35,833,780           | 29,359,716          | (6,943,464)         |
| Strategic Housing     | 1,501,200             | 1,799,806            | 762,039             | (557,767)           |
| <b>Total Housing</b>  | <b>44,325,987</b>     | <b>53,481,295</b>    | <b>37,581,666</b>   | <b>(15,899,629)</b> |

16. The final out-turn as at 31 March 2016 is £37.58m which results in an underspend of £15.9m. The variance is largely due to delays in the completion of home upgrades (£2.08m), boiler replacements (£1.88m), structural projects (£1.7m), tower block regeneration (£1.26m), the re-profiling of planned expenditure on new build social housing (£7.8m), and lower than anticipated demand for private sector grants (£0.49m).

### Housing capital resources

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

| Housing Capital Resources                   | Original Approved<br>£000s | Brought Forward<br>£000s | Total Resources<br>£000s | Final Outturn<br>£000s | Used to Fund<br>2015/16<br>Expenditure<br>£000s |
|---|----------------------------|--------------------------|--------------------------|------------------------|---|
| Housing Capital Grants                      | (504)                      | (16)                     | (520)                    | (571)                  | 474   |
| HRA Major Repairs Reserve                   | (12,118)                   | 0                        | (12,118)                 | (12,691)               | 12,691  |
| HRA Borrowing from Headroom                 | (2,845)                    | 0                        | (2,845)                  | 0                      | 0   |
| HRA Revenue Contribution to Capital         | (25,235)                   | 0                        | (25,235)                 | (9,400)                | 9,400   |
| HRA Leaseholder Contribution to Major Works | (200)                      | 0                        | (200)                    | (334)                  | 334   |
| HRA Capital Receipts and Balances           | (3,423)                    | (16,032)                 | (19,455)                 | (20,418)               | 13,458  |
| HRA Retained One for One Capital Receipts   | 0                          | (6,565)                  | (6,565)                  | (10,740)               | 1,146   |
| HGF Other Contributions                     | 0                          | 0                        | 0                        | (79)                   | 79  |
| <b>Total Housing Capital Resources</b>      | <b>(44,325)</b>            | <b>(22,613)</b>          | <b>(66,938)</b>          | <b>(54,233)</b>        | <b>37,582</b>                                   |

### Carry forwards

18. The carrying forward of capital budget approvals from one year to the next allows for the continuation of schemes across the year-end without the need to seek re-approval of capital budgets through the new year's capital programme. This facility caters for schemes starting later than planned, schemes where the expenditure profile is different from that originally envisaged, and packaged schemes of small capital projects.
19. On 8 June 2016, cabinet approved the delegation of approval of carry-forward of unspent 2015-16 capital budgets still required, to the 2016-17 capital programme 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.

20. The final approved carry-forwards will be reported to cabinet within the capital budget monitoring report 2016-17 quarter 1, on 14 September 2016.

## Integrated impact assessment



**NORWICH**  
City Council

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

### Report author to complete

|                         |   |
|-------------------------|---|
| <b>Committee:</b>       | Cabinet   |
| <b>Committee date:</b>  |   |
| <b>Head of service:</b> | Justine Hartley, Chief Finance Officer  |
| <b>Report subject:</b>  | Capital budget monitoring 2015-16 – Final outturn                                 |
| <b>Date assessed:</b>   |   |
| <b>Description:</b>     | To update cabinet on the final outturn position of the 2015-16 capital programme. |

|  | Impact                              |                                     |                          |  |
|--|-------------------------------------|-------------------------------------|--------------------------|--|
| Economic<br>(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<br>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<br>(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<br>(please add an 'x' as appropriate) | Neutral                             | Positive                 | Negative                 | Comments |
| Relations between groups<br>(cohesion)                       | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| Eliminating discrimination and<br>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<br>(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<br>use                       | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| Pollution  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| Sustainable procurement                                      | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| Energy and climate change                                    | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| (Please add an 'x' as appropriate)                           | Neutral                             | Positive                 | Negative                 | Comments |



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

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

## Non-Housing Capital Programme

| Original Budget  | Current Budget |   | Final Outturn  | Variance         |
|------------------|----------------|---|----------------|------------------|
| 0                | 45,775         | 5294 Eaton Park Tennis Development        | 0              | (45,775)         |
| 0                | 183,830        | 5324 City Hall 2nd Floor                  | 0              | (183,830)        |
| 0                | 97,289         | 5326 Earlham Park access imps             | 80,939         | (16,350)         |
| 30,000           | 30,000         | 5332 City Hall external lighting          | 2,107          | (27,893)         |
| 0                | 25,000         | 5335 St Andrew's Hall Sound System        | 24,592         | (408)            |
| 0                | 0              | 5338 Co-Riverside LC LED Cha              | 24,024         | 24,024           |
| <b>30,000</b>    | <b>381,894</b> | <b>Subtotal Asset Improvement</b>         | <b>131,662</b> | <b>(250,232)</b> |
| 0                | 0              | 5310 22 Hurricane way - asbestos          | 2,087          | 2,087            |
| 0                | 25,753         | 5312 Yacht Station Repairs                | 0              | (25,753)         |
| 1,000,000        | 701,750        | 5315 Asset investment for income (other   | 0              | (701,750)        |
| 0                | 0              | 5925 Replacement of P&D Payment           | (3,000)        | (3,000)          |
| <b>1,000,000</b> | <b>727,503</b> | <b>Subtotal Asset Investment</b>          | <b>(913)</b>   | <b>(728,416)</b> |
| 0                | 0              | 5245 Memorial Gardens temporary works     | 0              | 0                |
| 10,000           | 10,000         | 5293 Millar Hall - Norman Centre          | 8,566          | (1,434)          |
| 0                | 1,183,756      | 5308 St Andrews MSCP repair               | 1,112,247      | (71,509)         |
| 0                | 0              | 5900 Bedford St 19/21 fire alarm          | 0              | 0                |
| 0                | 0              | 5901 Castle Museum 12/12A roof            | 44,045         | 44,045           |
| 30,000           | 30,000         | 5902 Castle Museum 18A roof               | 0              | (30,000)         |
| 0                | 0              | 5906 Hurricane Way 6-12 enabling works    | 0              | 0                |
| 0                | 20,000         | 5910 Halls - WC works                     | 0              | (20,000)         |
| 4,000            | 0              | 5912 St Edmunds churchyard works          | 0              | 0                |
| 0                | 96,667         | 5913 Swanton Rd - Astra TC works          | 60,745         | (35,922)         |
| 50,000           | 50,000         | 5915 District Lighting upgrade            | 8,726          | (41,274)         |
| 0                | 29,000         | 5917 Riverside Leisure Centre works       | 35,271         | 6,271            |
| 70,000           | 70,000         | 5918 St Andrews MSCP CCTV                 | 0              | (70,000)         |
| 30,000           | 30,000         | 5931 Eaton Park access improvements       | 0              | (30,000)         |
| 15,000           | 15,000         | 5932 Bridewell Museum Re-roofing works    | 10,218         | (4,782)          |
| 30,000           | 30,000         | 5933 Car Park - Westwick Street           | 788            | (29,212)         |
| 80,000           | 0              | 5934 Castle Gate Houses Refurb            | 0              | 0                |
| 3,500            | 3,500          | 5935 Charing Cross Re-roofing works       | 0              | (3,500)          |
| 10,000           | 5,000          | 5936 City Bridges                         | 0              | (5,000)          |
| 100,000          | 200,000        | 5937 City Hall finials                    | 0              | (200,000)        |
| 6,000            | 6,000          | 5938 Community Centre - Cadge Rd          | 759            | (5,241)          |
| 15,000           | 0              | 5939 Community Centre - Cadge Rd          | 18,050         | 18,050           |
| 25,000           | 15,000         | 5940 Community Centre - Catton Grove      | 0              | (15,000)         |
| 35,000           | 47,600         | 5941 Community Centre - Norman Car        | 51,856         | 4,256            |
| 35,000           | 11,400         | 5942 Community Centre - Norman            | 0              | (11,400)         |
| 6,000            | 6,000          | 5943 Elm Hill 28 Helifixing               | 3,418          | (2,582)          |
| 50,000           | 50,000         | 5944 Investment Portfolio - Refurbishment | 42,907         | (7,093)          |
| 10,000           | 10,000         | 5945 Market - Livestock New Watermain     | 0              | (10,000)         |
| 10,000           | 10,000         | 5946 Riverside - Pontoons and Ramps       | 7,115          | (2,885)          |
| 3,000            | 3,000          | 5947 Riverside - Footpath                 | 0              | (3,000)          |
| 5,000            | 7,500          | 5948 St Andrews & Blackfriars Halls       | 4,615          | (2,885)          |

| Original Budget  | Current Budget   |   | Final Outturn    | Variance         |
|------------------|------------------|---|------------------|------------------|
| 20,000           | 20,000           | 5949 St Andrews & Blackfriars Hall WC         | 0                | (20,000)         |
| 50,000           | 15,000           | 5950 Yacht Station Footpath upgrade           | 41,228           | 26,228           |
| 60,000           | 40,000           | 5951 Yacht Station Main Building upgrade      | 19,559           | (20,441)         |
| 150,000          | 0                | 5952 Provision Market Toilets Upgrade         | 0                | 0                |
| 97,000           | 0                | 5953 Park depot redevelopment                 | 0                | 0                |
| 210,000          | 210,000          | 5954 Waterloo Park pavillion works            | 0                | (210,000)        |
| 10,000           | 10,000           | 5955 Riverside - Footpath Pedestrian          | 1,679            | (8,321)          |
| 3,500            | 3,500            | 5956 Riverside - Footpath drainage            | 15,413           | 11,913           |
| 0                | 35,000           | 5959 CC Norman Bowl Lighting                  | 0                | (35,000)         |
| 0                | 25,000           | 5960 CC Norman Gym re-roofing                 | 26,122           | 1,122            |
| 0                | 85,000           | 5961 Hurricane way (Office block)             | 80,500           | (4,500)          |
| 0                | 75,000           | 5962 Hurricane way (6-14) demolition          | 0                | (75,000)         |
| 0                | 7,500            | 5963 16 St Andrews Street re roofing works    | 0                | (7,500)          |
| <b>1,233,000</b> | <b>2,465,423</b> | <b>Subtotal Asset Maintenance</b>             | <b>1,593,827</b> | <b>(871,596)</b> |
| 1,000,000        | 1,000,000        | 5580 CIL Contribution Strategic               | 332,441          | (667,559)        |
| 10,000           | 10,000           | 5589 CIL neighbourhood - Community            | 9,488            | (512)            |
| 20,000           | 20,000           | 5590 CIL neighbourhood - Britannia Rd         | 4,881            | (15,119)         |
| 3,000            | 3,000            | 5591 CIL neighbourhood -                      | 0                | (3,000)          |
| 10,000           | 10,000           | 5592 CIL neighbourhood - Natural              | 2,630            | (7,370)          |
| 7,000            | 7,000            | 5593 CIL neighbourhood - Lakenham Way         | 600              | (6,400)          |
| 50,000           | 50,000           | 5594 CIL neighbourhood - City Trees           | 44,540           | (5,460)          |
| 50,000           | 50,000           | 5595 CIL neighbourhood - Netherwood           | 0                | (50,000)         |
| <b>1,150,000</b> | <b>1,150,000</b> | <b>Subtotal Community Infrastructure Levy</b> | <b>394,580</b>   | <b>(755,420)</b> |
| 0                | 0                | 5102 North Park Avenue - UEA zebra            | 765              | 765              |
| 0                | 636,527          | 5104 The Avenues                              | 611,794          | (24,733)         |
| 0                | 135              | 5107 Alexandra Road - Park Lane (via          | 135              | 0                |
| 0                | 148,720          | 5108 Park Lane - Vauxhall Street              | 151,287          | 2,567            |
| 0                | 0                | 5109 Vauxhall Street - Bethel Street          | 1,184            | 1,184            |
| 0                | 14,274           | 5110 Market hub                               | 0                | (14,274)         |
| 0                | 161,000          | 5111 Magdalen Street and Cowgate              | 125,980          | (35,020)         |
| 0                | 887,000          | 5113 Tombland & Palace Street                 | 1,018,264        | 131,264          |
| 0                | 0                | 5114 Gilders Way - Cannell Green              | 52               | 52               |
| 0                | 386,904          | 5115 Heathgate - Valley Drive                 | 358,531          | (28,373)         |
| 0                | 577              | 5117 Munnings Road - Greenborough             | 5,648            | 5,071            |
| 0                | 197,000          | 5118 Salhouse Road (Hammond Way -             | 134,499          | (62,501)         |
| 0                | 370,915          | 5119 20 mph areas                             | 129,342          | (241,573)        |
| 0                | 32,000           | 5121 Directional signage and clutter          | 32,234           | 234              |
| 0                | 23,491           | 5122 Automatic cycle counters                 | 24,658           | 1,167            |
| 22,000           | 55,000           | 5123 Cycle City Ambition Project              | 141,354          | 86,354           |
| <b>22,000</b>    | <b>2,913,543</b> | <b>Subtotal Cycle City Ambition</b>           | <b>2,735,727</b> | <b>(177,816)</b> |

| Original Budget | Current Budget |   | Final Outturn  | Variance         |
|-----------------|----------------|---|----------------|------------------|
| 306,000         | 306,000        | 5126 PtP - Yellow - Lakenham/Airport        | 0              | (306,000)        |
| 304,000         | 304,000        | 5127 PtP - Blue - Cringleford/Sprowston     | 0              | (304,000)        |
| 110,000         | 110,000        | 5128 PtP - Yellow & Blue - City Centre      | 0              | (110,000)        |
| 0               | 0              | 5141 CCAG2 Liberator Road                   | 2,318          | 2,318            |
| 0               | 0              | 5142 CCAG2 Spitfire RD Hurricane Way        | 171            | 171              |
| 0               | 0              | 5143 CCAG2 Hurricane Way - Heyford Rd       | 148            | 148              |
| 0               | 0              | 5144 CCAG2 Taylors Lane (Connector)         | 141            | 141              |
| 0               | 0              | 5145 CCAG2 Fifers Lane/Ives Rd/Heyford      | 21,165         | 21,165           |
| 0               | 0              | 5146 CCAG2 Ives Rd - Weston Rd Ind est.     | 496            | 496              |
| 0               | 0              | 5147 CCAG2 Bussey Rd - Ives Rd              | 2,705          | 2,705            |
| 0               | 0              | 5148 CCAG2 Mile Cross Lane                  | 1,375          | 1,375            |
| 0               | 0              | 5149 CCAG2 Woodcock Rd / Catton             | 23,903         | 23,903           |
| 0               | 0              | 5150 CCAG2 Mile Cross - Angel Rd via        | 49,281         | 49,281           |
| 0               | 0              | 5151 CCAG2 Angel RD                         | 531            | 531              |
| 0               | 0              | 5152 CCAG2 Shipstone Rd/Waterloo Rd         | 981            | 981              |
| 0               | 0              | 5153 CCAG2 Edward Street north              | 217            | 217              |
| 0               | 0              | 5154 CCAG2 St Crispins (St Georges -        | 7,664          | 7,664            |
| 0               | 0              | 5155 CCAG2 Golden Ball                      | 19,982         | 19,982           |
| 0               | 0              | 5156 CCAG2 All Saints                       | 513            | 513              |
| 0               | 0              | 5157 CCAG2 Lakenham Way                     | 11,568         | 11,568           |
| 0               | 0              | 5158 CCAG2 Sandy Lane(Bessemer -            | 279            | 279              |
| 0               | 0              | 5159 CCAG2 Hall Rd (Bessemer - Old          | 22,027         | 22,027           |
| 0               | 0              | 5160 CCAG2 Ipswich Road - Old Hall          | 4,668          | 4,668            |
| 0               | 0              | 5161 CCAG2 20 MPH areas (Yellow)            | 35,621         | 35,621           |
| 0               | 0              | 5162 CCAG2 Cycle Parking (Yellow)           | 1,284          | 1,284            |
| 0               | 0              | 5163 CCAG2 Wayfinding                       | 41             | 41               |
| 0               | 0              | 5164 CCAG2 Monitoring inf (Yellow)          | 193            | 193              |
| 0               | 0              | 5167 CCAG2 Centre of Cringleford            | 80             | 80               |
| 0               | 0              | 5168 CCAG2 Bluebell Road (Connector)        | 14,040         | 14,040           |
| 0               | 0              | 5169 CCAG2 Eaton Centre                     | 25,065         | 25,065           |
| 0               | 0              | 5170 CCAG2 Eaton - Newmarket Rd south       | 40             | 40               |
| 0               | 0              | 5171 CCAG2 Newmarket Rd (Unthank Rd         | 11,704         | 11,704           |
| 0               | 0              | 5172 CCAG2 Newmarket Rd / ORR &             | 805            | 805              |
| 0               | 0              | 5173 CCAG2 Newmarket Rd (ORR -              | 742            | 742              |
| 0               | 0              | 5174 CCAG2 Wessex Street approach to        | 444            | 444              |
| 0               | 0              | 5175 CCAG2 Magdalen Rd                      | 9,402          | 9,402            |
| 0               | 0              | 5176 CCAG2 St Clements Hill (entrance       | 12,896         | 12,896           |
| 0               | 0              | 5177 CCAG2 Chartwell Road/St Clements       | 6,188          | 6,188            |
| 0               | 0              | 5180 CCAG2 Cycle Parking (Blue)             | 503            | 503              |
| 0               | 0              | 5182 CCAG2 Monitoring inf (Blue)            | 169            | 169              |
| 0               | 0              | 5183 CCAG2 St George's St/Colegate          | 15,287         | 15,287           |
| 0               | 0              | 5184 CCAG2 Opie St/Castle Meadow (on        | 1,748          | 1,748            |
| 0               | 0              | 5185 CCAG2 City Centre Strategy for         | 1,171          | 1,171            |
| 0               | 0              | 5186 CCAG2 Administration                   | 23,519         | 23,519           |
| <b>720,000</b>  | <b>720,000</b> | <b>Subtotal Cycle City Ambition Group 2</b> | <b>331,075</b> | <b>(388,925)</b> |

| Original Budget   | Current Budget    |  | Final Outturn     | Variance            |
|-------------------|-------------------|--|-------------------|---------------------|
| 0                 | 0                 | 5919 Danby Wood GNDP                       | 525               | 525                 |
| 0                 | 0                 | 5920 Marston Marsh GNGP                    | 640               | 640                 |
| 66,000            | 77,840            | 5921 Earlham Millenium Green               | 11,924            | (65,916)            |
| 62,000            | 65,639            | 5922 Riverside Walk GNDP                   | 56,377            | (9,262)             |
| 250,000           | 257,568           | 5923 Marriotts Way GNDP                    | 244,020           | (13,548)            |
| <b>378,000</b>    | <b>401,047</b>    | <b>Subtotal GNGP</b>                       | <b>313,486</b>    | <b>(87,561)</b>     |
| 50,000            | 191,781           | 5305 Eco-Investment Fund                   | 20,081            | (171,700)           |
| 400,000           | 1,094,452         | 5317 IT Investment Fund                    | 486,281           | (608,171)           |
| 0                 | 20,202            | 5328 Citizen Gateway Permits               | 9,515             | (10,687)            |
| 50,000            | 50,000            | 6049 Investment in UK Management           | 50,000            | 0                   |
| 0                 | 415,777           | 6054 DECC Green Deal Communities           | 395,389           | (20,388)            |
| 0                 | 132,250           | 6057 Third Party Loan                      | 0                 | (132,250)           |
| <b>500,000</b>    | <b>1,904,462</b>  | <b>Subtotal Initiatives Funding</b>        | <b>961,266</b>    | <b>(943,196)</b>    |
| 0                 | 0                 | 5300 Norwich Connect 2                     | 0                 | 0                   |
| 0                 | 231,255           | 5314 Ass Inv - Mile Cross Depot            | 71,507            | (159,748)           |
| 0                 | 0                 | 5319 Riverside Path Work                   | 0                 | 0                   |
| 0                 | 6,499,814         | 5320 Rose Lane MSCP Construction           | 5,280,497         | (1,219,317)         |
| 0                 | 260,000           | 5322 Riverside Walk (adj NCFC)             | 25,387            | (234,613)           |
| 587,000           | 587,000           | 5325 Mountergate Phase 2                   | 1,183             | (585,817)           |
| 0                 | 265,000           | 5327 Park Depots demolition                | 0                 | (265,000)           |
| 39,000            | 39,000            | 5333 Magpie Road city wall landscape       | 39,492            | 492                 |
| 0                 | 2,471,139         | 5512 NaHCASP Threescore                    | 2,471,139         | 0                   |
| 4,333,000         | 3,598,806         | 8805 New Build - Threescore 2              | 281,168           | (3,317,638)         |
| 1,884,000         | 1,884,000         | 8807 New Build - Airport                   | 72,526            | (1,811,474)         |
| <b>6,843,000</b>  | <b>15,836,014</b> | <b>Subtotal Regeneration</b>               | <b>8,242,899</b>  | <b>(7,593,115)</b>  |
| 0                 | 6,019             | 5701 s106 Chapelfield Gardens Play         | 0                 | (6,019)             |
| 0                 | 0                 | 5704 s106 Stylman Road Play Provision      | 1,103             | 1,103               |
| 99,000            | 188,000           | 5705 s106 The Runnel Play Provision        | 2,580             | (185,420)           |
| 0                 | 0                 | 5717 s106 Wensum Comm Centre Play          | 6,043             | 6,043               |
| 19,000            | 37,485            | 5723 Pointers Field Playbuilder Capital    | 1,218             | (36,267)            |
| 0                 | 7,000             | 5730 S106 Midland Street Open Space        | 0                 | (7,000)             |
| 0                 | 9,853             | 5731 s106 Wooded Ridge project             | 5,906             | (3,947)             |
| 17,000            | 30,000            | 5732 s106 Wensum View Play                 | 30,000            | 0                   |
| 0                 | 42,838            | 5733 s106 Sarah Williman Close             | 33,394            | (9,444)             |
| 9,000             | 90,000            | 5735 s106 Castle Green Play                | 16,590            | (73,410)            |
| 0                 | 40,367            | 5737 S106 Heartsease Play Area             | 4,333             | (36,034)            |
| 66,000            | 66,000            | 5740 Bowthorpe Southern park               | 8,966             | (57,034)            |
| 0                 | 50,000            | 5801 s106 Hurricane Way Bus Link           | 0                 | (50,000)            |
| 0                 | 22,000            | 5806 Threescore, Bowthorpe - sustainable   | 0                 | (22,000)            |
| 0                 | 29,929            | 5813 S106 Green Infrastructure Imps        | 0                 | (29,929)            |
| 44,000            | 163,000           | 5821 S106 Livestock Mkt Cycle/Walkway      | 0                 | (163,000)           |
| 0                 | 87,000            | 5823 BRT & Cycle Route Measures            | 10,718            | (76,282)            |
| 38,000            | 53,000            | 5825 Sustainable Transport Car Club        | 53,000            | 0                   |
| 0                 | 3,259             | 5826 Goals Soccer Centre Ped Refuse        | 0                 | (3,259)             |
| <b>292,000</b>    | <b>925,750</b>    | <b>Subtotal Section 106</b>                | <b>173,851</b>    | <b>(751,899)</b>    |
| <b>12,168,000</b> | <b>27,425,636</b> | <b>Total Non-Housing Capital Programme</b> | <b>14,877,460</b> | <b>(12,548,176)</b> |

## Housing Capital Programme

| Original Budget   | Current Budget    |  | Final Outturn     | Variance           |
|-------------------|-------------------|--|-------------------|--------------------|
| 92,900            | 170,000           | 7460 Sheltered Housing Redevelopment   | 192,382           | 22,382             |
| 0                 | 1,817,135         | 7461 Sheltered Hsg redevelopment - St  | 2,458,830         | 641,695            |
| 0                 | 1,748,392         | 7462 Sheltered Hsg redevelopment -     | 989,473           | (758,919)          |
| 500,000           | 500,000           | 7930 Capital Buybacks                  | 0                 | (500,000)          |
| 355,000           | 390,000           | 8800 New Build - Riley Close           | 84,273            | (305,727)          |
| 11,000            | 13,000            | 8801 New Build - Pointers Field        | 12,658            | (342)              |
| 5,000,000         | 6,139,718         | 8802 New Build - Goldsmith Street      | 965,599           | (5,174,119)        |
| 850,000           | 1,788,037         | 8803 New Build - Brazengate            | 1,294,713         | (493,324)          |
| 925,000           | 1,283,230         | 8804 New Build - Hansard Close         | 83,466            | (1,199,764)        |
| 1,763,787         | 1,763,787         | 8805 New Build - Threescore 2          | 1,342,578         | (421,209)          |
| 0                 | 245,010           | 8807 New Build - Airport               | 35,939            | (209,071)          |
| <b>9,497,687</b>  | <b>15,847,709</b> | <b>Subtotal Housing Investment</b>     | <b>7,459,911</b>  | <b>(8,398,398)</b> |
| 1,422,900         | 1,449,334         | 7010 Electrical - Internal             | 1,411,785         | (37,549)           |
| 521,450           | 678,450           | 7040 Whole House Improvements          | 870,697           | 192,247            |
| 8,324,350         | 8,324,350         | 7070 Kitchen Upgrades                  | 8,326,526         | 2,176              |
| 4,015,750         | 4,615,750         | 7080 Bathroom Upgrades                 | 4,339,237         | (276,513)          |
| 614,300           | 1,409,300         | 7100 Boilers - Communal                | 517,014           | (892,286)          |
| 4,180,050         | 4,355,050         | 7110 Boilers - Domestic                | 3,363,819         | (991,231)          |
| 957,150           | 1,027,150         | 7150 Insulation                        | 982,344           | (44,806)           |
| 507,150           | 507,150           | 7170 Solar Thermal & Photovoltaic      | 529,168           | 22,018             |
| 228,600           | 561,563           | 7200 Windows - Programme               | 401,341           | (160,222)          |
| 1,624,300         | 1,624,300         | 7280 Composite Doors                   | 1,576,838         | (47,462)           |
| 64,300            | 64,300            | 7300 Comm Safe - DES                   | 0                 | (64,300)           |
| 514,300           | 514,300           | 7310 Estate Aesthetics                 | 283,664           | (230,636)          |
| 289,300           | 309,300           | 7470 Sheltered Housing Comm Facilities | 0                 | (309,300)          |
| 514,300           | 514,300           | 7480 Sheltered Housing Redevelopment   | 458,081           | (56,219)           |
| 714,300           | 939,300           | 7520 Planned Maint - Roofing           | 803,800           | (135,500)          |
| 0                 | 65,000            | 7530 Boundary Walls & Access Gates     | 0                 | (65,000)           |
| 6,114,450         | 6,114,450         | 7540 Planned Maint - Structural        | 4,394,305         | (1,720,145)        |
| 1,264,300         | 1,264,300         | 7570 Tower Block Regeneration          | 0                 | (1,264,300)        |
| 64,300            | 64,300            | 7580 Planned Maint - Lifts             | 7,443             | (56,857)           |
| 907,250           | 907,250           | 7600 Dis Ad - Misc                     | 881,822           | (25,428)           |
| 207,150           | 207,150           | 7630 Dis Ad - Stairlifts               | 65,861            | (141,289)          |
| 277,150           | 277,150           | 7700 HRA Shops                         | 81,947            | (195,203)          |
| 0                 | 40,283            | 7950 Other - Communal Bin Stores       | 58,482            | 18,199             |
| 250,000           | 469,400           | 7960 Demolition & Site Maintenance     | 5,542             | (463,858)          |
| <b>33,327,100</b> | <b>35,833,780</b> | <b>Subtotal Neighbourhood Housing</b>  | <b>29,359,716</b> | <b>(6,943,464)</b> |

| Original Budget   | Current Budget    |  | Final Outturn     | Variance            |
|-------------------|-------------------|--|-------------------|---------------------|
| 0                 | 0                 | 6011 Minor Works Grant                 | 1,090             | 1,090               |
| 0                 | 68,606            | 6012 Empty Homes Grant                 | 0                 | (68,606)            |
| 0                 | 0                 | 6014 Discretionary Assistance          | 1,595             | 1,595               |
| 800,000           | 800,000           | 6018 Disabled Facilities Grant         | 689,664           | (110,336)           |
| 0                 | 0                 | 6019 Capital Grants to Housing         | 0                 | 0                   |
| 0                 | 0                 | 6029 Small Adaptation Grants           | 3,664             | 3,664               |
| 0                 | 0                 | 6031 Survey Costs                      | 0                 | 0                   |
| 50,000            | 50,000            | 6044 Works in Default                  | 3,284             | (46,716)            |
| 23,000            | 23,000            | 6047 DFG Residents Contribution        | 61,641            | 38,641              |
| 96,000            | 96,000            | 6050 Strong & Well Project             | 1,101             | (94,899)            |
| 282,200           | 282,200           | 6052 HIA - Housing Assistance          | 0                 | (282,200)           |
| <b>1,501,200</b>  | <b>1,799,806</b>  | <b>Subtotal Strategic Housing</b>      | <b>762,039</b>    | <b>(557,767)</b>    |
| <b>44,325,987</b> | <b>53,481,295</b> | <b>Total Housing Capital Programme</b> | <b>37,581,666</b> | <b>(15,899,629)</b> |





|                  |   |             |
|------------------|---|-------------|
| <b>Report to</b> | Cabinet<br>13 July 2016                                       | <b>Item</b> |
| <b>Report of</b> | Executive head of regeneration and development                | <b>10</b>   |
| <b>Subject</b>   | Award of contract for housing development at Goldsmith Street |             |

## KEY DECISION

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### Purpose

To seek approval to award of a contract and funding relating to the construction of 105 houses at the Goldsmith Street site.

### Recommendations

1. To 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;
2. To recommend to council the increase in the non housing capital budget as outlined in this report;
3. To delegate the decision to agree the final contract sum, subject to a maximum of the figures in this 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;
4. To approve the use of £817,233.12 of S106 commuted sums held for the purposes of providing affordable housing towards funding this project; and
5. To 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.

### Corporate and service priorities

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

### Financial implications

The Goldsmith Street development has a current approved total budget of £15million for design and construction, split on the basis of 79 dwellings in the HRA and 26 dwellings in the non-housing capital programme.

The construction cost will be a maximum of £14,982,848.23.

With all professional fees for design and project management the total project budget will be a maximum of £17million. The budget for 2016/17 does not need to be increased due to the delay in starting on site, however council approval is sought to increase the overall project budget.

**Ward/s:** Mancroft

**Cabinet member:** Councillor Stonard - Resources and business liaison  
Councillor Harris – Deputy leader and council housing

**Contact officers**

|                 |              |
|-----------------|--------------|
| Andrew Turnbull | 01603 212778 |
| Andy Watt       | 01603 212691 |

**Background documents**

None

# Report

## Background

1. In 2013, cabinet took the decision to develop Goldsmith Street for new housing. The council appointed NPS (Norwich) to act as development agent for the site and planning permission was granted in October 2015.
2. The 105 properties have been designed to achieve the full Passivhaus standard. Delivering to the Passivhaus standard brings benefits both to the environment and also to tenants, who will be able to enjoy health benefits and significant cost savings on energy bills.

## Procurement Process

3. NPS (Norwich) - acting as the council's development agent for the project has undertaken a tender process to procure a contractor. All contractors that are members of the council's 'Fabric First' Framework in Lot 2 were invited to tender for the contract.
4. The framework contractors were selected on the basis of 70% Quality and 30% Price. As we had already weighted heavily towards quality to select framework partners it was agreed that the tenders for this particular project would be scored more heavily on price with a weighting of 70% cost and 30% quality. Two developers have responded to the tender.
5. After the initial period of evaluation in January 2016 it was found that both tendered prices were considerably above the available budget. Therefore a period of value engineering clarification was undertaken during which both suppliers were asked to come up with:
  - a) A tender sum which was compliant to the agreed amended version of the original tender specification.
  - b) Any alternative priced tenders.
6. Following this process revised tenders were received:

### Compliant Bids

| Company        | Cost           |
|----------------|----------------|
| R G Carter Ltd | £15,833,523.05 |
| Developer B    | £17,114,622.31 |

7. As the compliant tenders were still above budget it was agreed to consider the alternative tenders:

| Company        | Cost           | Cost Score | Quality score | Total Score |
|----------------|----------------|------------|---------------|-------------|
| R G Carter Ltd | £14,982,848.23 | 70.00      | 17.46         | 87.46       |
| Developer B    | £17,114,622.31 | 61.64      | 25.56         | 87.20       |

8. On receipt, the quantity surveyor has clarified items with the contractors and confirmed that all items have now been fully priced with no arithmetical errors.
9. Work is underway with R G Carter to clarify detailed costings and understand additional savings that can be achieved. On the basis of the tenders received we have issued an 'intention to award contract' notice, subject to cabinet approval, to R G Carter on 9 June 2016, with a 10 day stand still period.
10. The contract will be awarded subject to these being satisfactory and approval of the final contract sum as per the recommended delegation.
11. The current proposal for the development is a split of 79 dwellings for social rent and 26 private dwellings, either for market sale or private rent. The table below shows the current approved budget:

|  | 2014/15         | 2015/16         | 2016/17            | 2017/18           | 2018/19         | Total              |
|--|-----------------|-----------------|--------------------|-------------------|-----------------|--------------------|
| <b>HRA - borrowing</b>                           | £256,900        | £653,100        | £6,140,680         | £1,276,660        | £62,296         | £8,389,636         |
| <b>HRA – RTB Receipts</b>                        | £110,100        | £279,900        | £2,631,720         | £547,140          | £26,699         | £3,595,559         |
| <b>HRA - Total</b>                               | £367,000        | £933,000        | £8,772,400         | £1,823,800        | £88,995         | £11,985,195        |
| <b>Non-housing capital programme - borrowing</b> |                 |                 | £2,716,600         | £217,200          | £29,500         | £3,017,300         |
| <b>Current Total Budget</b>                      | <b>£367,000</b> | <b>£933,000</b> | <b>£11,489,000</b> | <b>£2,095,000</b> | <b>£118,495</b> | <b>£15,002,495</b> |

12. The total budget required for the project is made up of the construction cost as per the tenders received (including contingency), survey works, professional fees for the design of the dwellings, demolition and site clearance works, planning fees and on-going project management and quantity surveying services.
13. Following the assessment of the tenders received the budget required for the same tenure split is:

|  | 2014/15         | 2015/16         | 2016/17           | 2017/18            | 2018/19         | Total              |
|--|-----------------|-----------------|-------------------|--------------------|-----------------|--------------------|
| <b>HRA - borrowing</b>                           | £256,900        | £653,100        | £2,415,000        | £4,922,767         | £238,000        | £8,485,767         |
| <b>HRA - RTB Receipts</b>                        | £110,100        | £279,900        | £1,035,000        | £2,460,000         | £102,000        | £3,987,000         |
| <b>HRA – S106 commuted sum</b>                   | £0              | £0              | £0                | £817,233           | £0              | £817,233           |
| <b>HRA - Total</b>                               | £367,000        | £933,000        | £3,450,000        | £8,200,000         | £340,000        | £13,290,000        |
| <b>Non-housing capital programme - borrowing</b> |                 |                 | £1,000,000        | £2,600,000         | £110,000        | £3,710,000         |
| <b>Required Total Budget</b>                     | <b>£367,000</b> | <b>£933,000</b> | <b>£4,450,000</b> | <b>£10,800,000</b> | <b>£450,000</b> | <b>£17,000,000</b> |

14. The increase in budget to the HRA of £1,304,805 is offset by the increased use of RTB one for one receipts (£391,441), which mitigates the risk of having to pay these monies back with interest, and the use of £817,233 of S106 commuted sum monies. This means the increase in HRA borrowing is £96,131. It is anticipated that this can be covered by a virement within 2016/17 from underspends elsewhere in the Housing Revenue Account planned capital spend so that no overall increase in planned HRA funding is required.
15. The increase required in the non-housing capital programme is £696,700. There is sufficient budget allocated in the 2016/17 budget due to the delay in starting on site, however full council approval will be sought to increase the overall project budget.
16. The current split of the development between 79 dwellings for social rent and 26 private dwellings is an indicative allocation between the HRA and non-housing capital programme based upon the share of properties funded by each budget; however the final split will be subject to the actual properties that are identified as the most suitable for private development. We are currently assessing the business case for private development, based upon market advice on sales and rental values for the area.
17. Once the final contract sum is known and the costs of the individual properties allocated we can finalise the business case for the private development and offer the dwellings to Norwich Regeneration Ltd.

### **Alternative Options**

18. Should the business case for private development not stack up for Norwich Regeneration Ltd we have considered other options and the budget implications of these.

### **Disposing of 26 dwellings to a registered provider of affordable housing.**

19. This option would be subject to discussion with local registered providers:

|                                | 2014/15         | 2015/16         | 2016/17           | 2017/18           | 2018/19         | Total              |
|--------------------------------|-----------------|-----------------|-------------------|-------------------|-----------------|--------------------|
| <b>HRA - borrowing</b>         | £256,900        | £653,100        | £2,415,000        | £4,922,767        | £238,000        | £8,485,767         |
| <b>HRA - RTB Receipts</b>      | £110,100        | £279,900        | £1,035,000        | £2,460,000        | £102,000        | £3,987,000         |
| <b>HRA – S106 commuted sum</b> | £0              | £0              | £0                | £817,233          | £0              | £817,233           |
| <b>HRA - Total</b>             | <b>£367,000</b> | <b>£933,000</b> | <b>£3,450,000</b> | <b>£8,200,000</b> | <b>£340,000</b> | <b>£13,290,000</b> |
| <b>RP</b>                      |                 |                 | £1,000,000        | £2,600,000        | £110,000        | £3,710,000         |

20. Subject to cabinet approval, the council could grant fund the registered provider with 30% RTB one for one replacement receipts, amounting to £1,113,000 which should make this a viable option for a registered provider. This would maximise the use of RTB receipts to a total of £5,100,000 and mitigate the risk of the council having to return these along with associated interest payments.

## Developing the whole site for council housing at social rents

21. The table below shows the maximum required total budget if the whole development was to be developed by the council for social rent:

|                                | 2014/15         | 2015/16         | 2016/17           | 2017/18            | 2018/19         | Total              |
|--------------------------------|-----------------|-----------------|-------------------|--------------------|-----------------|--------------------|
| <b>HRA - borrowing</b>         | £256,900        | £653,100        | £3,115,000        | £6,742,767         | £315,000        | £11,082,767        |
| <b>HRA – RTB Receipts</b>      | £110,100        | £279,900        | £1,335,000        | £3,240,000         | £135,000        | £5,100,000         |
| <b>HRA – S106 commuted sum</b> |                 |                 |                   | £817,233           |                 | £817,233           |
| <b>Total HRA Budget</b>        | <b>£367,000</b> | <b>£933,000</b> | <b>£4,450,000</b> | <b>£10,800,000</b> | <b>£450,000</b> | <b>£17,000,000</b> |

22. This option requires an additional £2,693,131 of HRA borrowing. The HRA is currently anticipating underspend from other budgets for which a virement could be granted to cover this additional budget requirement. This option would also allow for the maximum use of RTB receipts. However, because further information is awaited on the level and timing of the high value void determination payment the council will be required to make to fund right to buy sales by registered providers other options for the 26 planned private dwellings continue to be pursued.

23. It should also be noted that in the DCLG guidance on rent setting for local authorities there is flexibility to set rents at up to 5% above formula rent for individual properties. It is recommended that we take advantage of this flexibility for this development (equivalent to an average £4 per week additional rent) and other Passivhaus developments, to assist with offsetting the additional development cost, particularly as the evidence shows that residents would make significant savings on fuel bills.

### Recommendation

24. To 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;

25. To recommend to council the increase in the non housing capital budget of £696,700 as outlined in this report;

26. To delegate the decision to agree the final contract sum, subject to a maximum of the figures in this 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;

27. To approve the use of £817,233.12 of S106 commuted sums held for the purposes of providing affordable housing towards funding this project; and

28. To 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.

## Integrated impact assessment



**NORWICH**  
City Council

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

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

### Report author to complete

|                         |   |
|-------------------------|---|
| <b>Committee:</b>       | Cabinet   |
| <b>Committee date:</b>  | 13 July 2016  |
| <b>Head of service:</b> | Andy Watt   |
| <b>Report subject:</b>  | Award of contract for housing development at Goldsmith Street   |
| <b>Date assessed:</b>   | 21 June 2016  |
| <b>Description:</b>     | To confirm the award of a contract and funding relating to the construction of 105 houses at the Goldsmith Street site. |

|  | Impact                              |                                     |                          |   |
|--|-------------------------------------|-------------------------------------|--------------------------|---|
| Economic<br>(please add an 'x' as appropriate)                             | Neutral                             | Positive                            | Negative                 | Comments  |
| Finance (value for money)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Provision of more council homes will improve overall affordability of the housing stock. This represents a prudent use of financial resources to meet corporate priorities  |
| Other departments and services<br>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 type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | This project will provide employment opportunities, opportunities for local contractors and businesses and will generate local spending for the benefit of the wider economy. Providing more housing is important in supporting sustainable economic growth and prosperity. |
| Financial inclusion  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Providing additional social rented housing will advance financial inclusion by helping to improve housing affordability   |
| Social<br>(please add an 'x' as appropriate)                               | Neutral                             | Positive                            | Negative                 | Comments  |
| Safeguarding children and adults   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Building more council homes to meet changing needs will help provide accommodation for vulnerable adults and children.  |
| <u>S17 crime and disorder act 1998</u>                                     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| Human Rights Act 1998  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| Health and well being  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | The provision of sufficient and decent quality housing is essential to ensuring decent levels of health and well being  |



|  | Impact                              |                                     |                          |  |
|--|-------------------------------------|-------------------------------------|--------------------------|--|
| Equality and diversity<br>(please add an 'x' as appropriate) | Neutral                             | Positive                            | Negative                 | Comments   |
| Relations between groups<br>(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<br>(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"/> | Provision of high quality new homes will enhance the built environment of this area. In addition works are being undertaken to improve the green space adjacent to the site.   |
| Waste minimisation & resource use                            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |  |
| Pollution  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |  |
| Sustainable procurement                                      | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |  |
| Energy and climate change                                    | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | The new homes have been designed and will be built to a higher environmental standard than building regulations, which will bring benefits to both the environment and tenants, when compared with standard build types. |

|                                    | Impact                   |                          |                                     |   |
|------------------------------------|--------------------------|--------------------------|-------------------------------------|---|
| (Please add an 'x' as appropriate) | Neutral                  | Positive                 | Negative                            | Comments  |
| Risk management                    | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | The new homes will be subject to the Right to Buy which represents a risk to the council. |

| Recommendations from impact assessment   |
|--|
| <b>Positive</b>  |
| <p>Overall the project will provide more council homes which will improve overall affordability of the housing stock. The investment priorities represent a prudent use of financial resources to meet corporate priorities and will provide local employment opportunities.</p> |
| <b>Negative</b>  |
| <p>The Right to Buy risk is mitigated as the 'cost floor' means that any monies spent on developing or maintaining these properties for 15 years can be deducted from any discount.</p>  |
| <b>Neutral</b>   |
|  |
| <b>Issues</b>  |
|  |

**Report to** Cabinet  
13 July 2016  
**Report of** Executive head of regeneration and development  
**Subject** Phone masts on council buildings

**Item**

**11**

## **KEY DECISION**

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### **Purpose**

To review the council's moratorium on the placing of phone masts on council owned land and buildings.

### **Recommendations**

To adopt a policy of allowing mobile phone masts on council land and buildings that are consistent with established precautionary measures and subject to:

- a. 21 day public consultation to include all residents and businesses living or located within 50 metres of the proposal;
- b. Applicants indemnifying the council and arranging independent checks and audits of their equipment;
- c. Application and checking costs to be born by the applicant;
- d. Contracts making provision to terminate the contract if adverse health effects relating to masts are confirmed by future Government research;
- e. Any consents including planning consents

### **Corporate and service priorities**

The report helps to meet the corporate priority of a prosperous and vibrant city and the service plan priority to deliver the council's asset management strategy.

### **Financial implications**

Whilst the review itself does not have any direct financial consequences, there is an income generation opportunity from the positioning of masts on Council owned land or buildings. Existing aerals generate £78,681 p.a.

**Ward/s:** All wards

**Cabinet member:** Councillor Stonard - Resources and income generation

**Contact officers**

Andy Watt

01603 212691

John Reid, NPS Norwich Ltd

01603 227969

**Background documents**

None

## Report

1. The executive reviewed the council's policy as landowner in respect of applications to site mobile phone masts (more properly described as mobile phone base stations) on council land and buildings in September 2002. It confirmed the council's previously informal practice of resisting proposals to locate such masts on council property on health grounds.
2. Prior to 1999 when such practice emerged the council had made agreements for eight mobile phone masts. These masts are still in place and provide income of £78,681p.a. (see table below). Rent reviews are shortly to be concluded which will increase the rental income £89,181.

| ASSET ADDRESS    | TENANT  | CURRENT RENT   |
|------------------|---|----------------|
| ASHBOURNE TOWER  | EVERYTHING EVERYWHERE LIMITED (T-MOBILE (UK) LTD) | £13,500        |
| AYLMER TOWER     | TELEFONICA UK LTD                                 | £9,000         |
| GERTRUDE ROAD    | ARQIVA LTD  | £6,500         |
| NORMANDIE TOWER  | EVERYTHING EVERYWHERE LIMITED (T-MOBILE (UK) LTD) | £17,299        |
| SEAMAN TOWER     | ARQIVA LTD  | £17,299        |
| WINCHESTER TOWER | ORANGE PERSONAL COMMUNICATIONS LTD                | £8,000         |
| ANSON ROAD       | ORANGE PERSONAL COMMUNICATIONS LTD                | £7,082         |
|                  |   | <b>£78,681</b> |

3. During 2011 the planning committee twice considered proposals for a mobile phone mast on Bowers Avenue. On both occasions the original proposal and subsequent amended proposal were refused on grounds of visual impact. In coming to this conclusion, members of the committee observed that there were potentially preferable sites on council owned land and given technological advances since implementation of the present policy.
4. The council, or its non-housing tenants, are from time to time approached by mobile communication companies with a view to placing base stations on council property. These approaches have to be turned down and hence a potential income source is lost.
5. In recent years other councils have reviewed their policies on the placing of phone masts on council land and buildings. These include Newport City Council, Portsmouth City Council and the London Borough of Hillingdon. Such councils also had a moratorium on placing mobile phone masts on council land and buildings. As a consequence of the review the councils proposed to re-permit mobile phone masts on council property, albeit subject to a number of controls. The following discussion is largely based on the reviews carried out by these councils.

## **Health evidence**

6. The council's present policy reflects the public health concerns that surrounded mobile phone technology in the 1990s. Since then, there have been numerous scientific reviews to establish the health impact of mobile telecommunications equipment.

## **The Stewart Report**

7. In April 1999 the Government requested the Chairman of the National Radiological Protection Board to set up an Independent Expert Group on Mobile Phones. On the basis of the evidence available, the group concluded that there is no general risk to health for people living near to mobile phone masts given that exposures are expected to be small fractions of guideline values. In contrast the group noted that "for the general population, the levels of exposure arising from phones held near the head or other parts of the body are substantially greater [by a factor in the region of 10,000] than the whole-body exposures arising from base stations".
8. However, the report also concluded that the possibility of harm could not be ruled out with complete confidence. Therefore a precautionary approach was recommended and this was accepted by Government and remains current advice from the Health Protection Agency.
9. The precautionary measures are as follows:
  - a) Emissions from masts should not exceed the International Commission on Non Ionising Radiation Protection (ICNIRP) guidelines.
  - b) A national database should be set up giving information on base stations (or mobile phone masts) and their emissions.
  - c) An independent audit of all base stations should be established.
  - d) Clear exclusion zones should be placed around all base station antennae, relating to the area directly in front of and at the height of the antennae. This is usually achieved by mounting the antenna on a tall mast or at the top of tall building.
  - e) A substantial research programme should be undertaken by an independent panel to continually review the effects of mobile phone technology on health.

## **The World Health Organisation (WHO)**

10. The World Health Organisation published a fact sheet on the health effect of mobile phone masts in May 2006. Whilst noting public concern about the impact of mobile phones, WHO report that "Considering the very low exposure levels and research results collected to date, there is no scientific evidence that the weak radio frequency signals from base stations and wireless networks cause adverse health effects"

## **Guidelines to protect exposure from radio waves**

11. The ICNIRP is an independent international scientific organisation formally recognised by the World Health Organisation. ICNIRP reviews the science relating

to exposure to electromagnetic fields and produces guidelines for limiting people's exposure. The Stewart Report recommended that the ICNIRP guidelines for public exposure be adopted for use in the UK and stated that there is no evidence of adverse health effects from exposure below these guidelines. The guidelines have been adopted across the European Union including the UK.

12. The Control of Electromagnetic Fields at Work Regulations 2016 have recently come into law. The legislation formalises occupational limits of exposure to non-ionizing radiation.

### **Emission surveys from mobile phone masts**

13. The Health Protection Agency's website reports the results of a number of emissions surveys that have been undertaken at over 100 publically accessible locations with large (macrocell) base stations having a typical output of tens of watts. This work found that exposures were small fractions of the ICNIRP guidelines.
14. The highest measured public exposure from all sources of radiofrequency signals combined was 0.2% of the ICNIRP guidelines, whilst typical average exposure levels were 0.002% of the guidelines. The results did not indicate any particular decrease in the exposure as the distance increases from the mast. Similarly, the World Health Organisation report that surveys have shown that exposures from base stations range from 0.002% to 2% of the levels of the international exposure guidelines.

### **Other background emissions**

15. In addition to emissions from mobile phone masts, the public are exposed to a variety of other radio frequency emissions, in particular radio and television signals which because they are a lower frequency are more readily absorbed by human beings. As with mobile phone research but over a longer period, that studies on those working in the television and radio industry have provided no consistent or convincing evidence of a casual relationship between radio frequency exposure and any adverse health effect.
16. It is also worth bearing in mind that the council's moratorium has no influence on non-council owned land or phone masts located on adopted public highway.

### **Summary**

- a) The health protection agency has undertaken surveys which indicate that emissions from mobile phone base stations are a small percentage of ICNIRP limits.
- b) Scientific studies have been unable to identify an adverse health impact from the emissions from mobile phone base stations.
- c) Emissions from phone base stations are amongst a variety of radio frequency emissions, such as radio and television signals and including emissions from mobile phones. The latter held close to one's head are typically 10,000 times higher than from a mobile phone mast.

## **Future roll-out**

17. The above paragraphs relate generally to larger macrocell phone masts which have the greatest power output. However, operators are now also introducing less powerful base stations or microcells to provide infill radio coverage or additional capacity. The antennas for microcells are mounted at street level, typically on the external walls of existing structures, lamp posts and other street furniture. They have lower outputs than macrocells, usually a few watts, i.e. the power output of say a couple of mobile phones. With lower power the level of emissions is reduced.

## **Public concerns**

18. Despite evidence to the contrary many members of the public have concerns about the health effects of mobile phone masts.

## **Way forward**

19. In 2002, the council, acting to protect residents, decided that a precautionary approach should be taken until more was known about the health implications of mobile phone masts. However, scientific studies have been unable to identify an adverse health impact from the emissions from mobile phone base stations.
20. In the absence of such effects it would be appropriate to adopt a more flexible approach to location of mobile phone masts on council owned land and property. Whilst placing a base station on council land or buildings may not always be either practical or desirable, there are circumstances where it could help to reduce visual intrusion. In doing so it may help provide an element of greater control to the council and also assist in a constructive dialogue with operators.
21. In respect to the public sensitivity to such proposals it is recommended that any relaxation be accompanied by comprehensive consultation requirements, member involvement in decision making and other checks to protect both the public's and council's interests. Should cabinet wish to relax the existing policy the following is recommended as a successor policy:

## **Consultation**

22. The council will undertake a 21 day public consultation on proposals for mobile phone masts at new sites on council land and buildings via:
- a) A notice on the council's website; and
  - b) Writing to all residents and businesses living or located within 50 metres of the proposal.

## **Indemnity clause**

23. The applicant must indemnify the council in respect of any claims which may arise in respect of the installation of the apparatus and its subsequent use.

## **Independent check**

24. An independent check is made to confirm the installation conforms to the original specification and that these are repeated following any equipment renewals.



### **Annual radiation audit**

25. The applicant carries out an annual radiation safety check through an independent body to ensure that the equipment functions at the lowest practicable power level and within the range of values found in health protection agency surveys.

### **Contract**

26. Any contract makes provision to terminate the contract if adverse health effects relating to masts are confirmed by future Government research.

### **Costs**

27. The cost of independent checks, radiation audits and reasonable consultation costs to be born by the applicant

### **Consents**

28. Any permission in subject to any consents being obtained as required, including planning consent if relevant.

### **Decision making**

29. Decisions for siting at new locations to be made by the executive head of regeneration and development in consultation with the portfolio holder for resources and income generation and local ward members.

## Integrated impact assessment



**NORWICH**  
City Council

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

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

### Report author to complete

|                         |   |
|-------------------------|---|
| <b>Committee:</b>       | Cabinet   |
| <b>Committee date:</b>  | 14 November 2012  |
| <b>Head of service:</b> | Head of city development services                                     |
| <b>Report subject:</b>  | Phone masts on council buildings                                      |
| <b>Date assessed:</b>   | 25 September 2012   |
| <b>Description:</b>     | To allow mobile phone masts to be placed on council land or buildings |

|  | Impact                              |                                     |                          |   |
|--|-------------------------------------|-------------------------------------|--------------------------|---|
| Economic<br>(please add an 'x' as appropriate)                             | Neutral                             | Positive                            | Negative                 | Comments  |
| Finance (value for money)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Additional phone masts would provide modest additional income to the council  |
| Other departments and services<br>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 type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> | Additional phone masts would facilitate the roll-out of mobile broadband services   |
| Financial inclusion  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| Social<br>(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"/> | Scientific studies have been unable to identify an adverse health impact from the emissions from mobile phone base stations |

|  | Impact                              |                                     |                          |  |
|--|-------------------------------------|-------------------------------------|--------------------------|--|
| Equality and diversity<br>(please add an 'x' as appropriate) | Neutral                             | Positive                            | Negative                 | Comments   |
| Relations between groups<br>(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<br>(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"/> | Enabling mobile phone masts to be located on council land and buildings will help to provide additional sites for such facilities helping to reduce visual intrusion that might be created due to a more limited number of sites otherwise being available |
| Waste minimisation & resource use                            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |  |
| Pollution  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> | Emissions from mobile phone masts must not exceed ICNIRP guidelines. Surveys suggest that public exposure is considerably less than this   |
| Sustainable procurement                                      | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |  |

|   |                                     |                          |                          |          |
|---|-------------------------------------|--------------------------|--------------------------|----------|
|   | Impact                              |                          |                          |          |
| 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  |                                     |                          |                          |          |
| In the absence of any demonstrable adverse health effects and in view of the benefits it would be appropriate to allow mobile phone masts to be placed on council land subject to certain conditions being met. |                                     |                          |                          |          |
| Negative  |                                     |                          |                          |          |
|   |                                     |                          |                          |          |
| Neutral   |                                     |                          |                          |          |
|   |                                     |                          |                          |          |
| Issues  |                                     |                          |                          |          |
|   |                                     |                          |                          |          |



**Report to** Cabinet  
13 July 2016  
**Report of** Executive head of customers, communications and culture  
**Subject** Creation of a standing list of suppliers to deliver printing services to the council.

**Item**

12

## KEY DECISION

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### Purpose:

To seek approval to award the contract for printing services.

### Recommendations

To approve:

1. the appointment of suppliers as detailed in the report to the contract standing list for a period of four years.
2. the award of contracts to those suppliers as required for printing services for the council within agreed budgets.

### Corporate and service priorities

The report helps to meet the corporate priority 'value for money services' and the service plan priorities to deliver good quality print services at the best price available in the current market.

### Financial Implications:

None.

### Ward/s:

None.

**Cabinet member:** Councillor Stonard – resources and business liaison

### Contact Officers

|   |              |
|---|--------------|
| Nikki Rotsos – Exec HoS – customers, communications and culture | 01603 212211 |
| Richard Balls – communications manager                          | 01603 227902 |

### Background Documents

None

# Report

## Background

1. The council has a requirement to provide a wide variety of printing services across the whole authority. Some printing takes place in house but there is a need to supplement this with some external printing.
2. Analysis of printing requests across the council over the last year shows external spend to be around £300,000. The printing requirements are likely to fluctuate depending on the council's needs. Therefore, this level of volume/expenditure has not been guaranteed to suppliers.
3. Along with the in house service, this service provides the council with the means of achieving its targets and deadlines to deliver print services to customers across all service areas.
4. Currently the council has a framework of suppliers to deliver its print services. This arrangement has proved successful and has offered the council access to a pool of suppliers offering different skills and specialisms. This contract is now coming to an end and needs renewing.
5. It has been agreed to repeat the current arrangement and appoint up to six suppliers who will be able to fulfil the diverse range of printing needs of the council to form a standing list of suppliers, covering the 4 categories of specified print requests.

## Procurement process

6. A contract notice was placed on the council's e-procurement website, Contracts Finder national portal and on OJEU (Official Journal of European Union) 16/05/2016 to ensure an open competitive tendering process.
7. Suppliers were asked to submit various examples of their own work, provide details of their printing methods (including digital availability) and to provide quotes for Norwich City Council's requirements (examples of print requests provided to them).
8. 40 suppliers expressed an interest in the opportunity and submitted a tender bid.
9. Evaluation of the tenders revealed that the following group of suppliers provided the most comprehensive evidence of being able to successfully deliver the required outcomes contained within the tender documentation and specification. These suppliers are recommended to be added to the standing list of suppliers ( to cover the 4 categories of print requests) from which contracts will be awarded.

Clanpress (kingslynn) Ltd.  
Lexon (GB) Ltd.  
Norse Commercial Services Ltd.  
Alphaprint  
CDP Print Management  
MicropressPrinters Ltd  
Cubiquity  
Apex Signs & Engraving

Mail Solutions UK Ltd.  
Financial Data Management Ltd.  
Kaizen Consultants Ltd  
Belmont Press Ltd.  
Bendart Ltd.  
Potts Pink UK Ltd.  
Service Point





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

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

## Report author to complete

|                         |   |
|-------------------------|---|
| <b>Committee:</b>       | Cabinet   |
| <b>Committee date:</b>  | 08/06/2016  |
| <b>Head of service:</b> | Nikki Rotsos  |
| <b>Report subject:</b>  | Contract Award – printing services to the council   |
| <b>Date assessed:</b>   |   |
| <b>Description:</b>     | To seek approval to award a contract to create a framework of suppliers to deliver the council's print services for four years from 1 Aug 2016. |

|  | Impact                              |                                     |                          |   |
|--|-------------------------------------|-------------------------------------|--------------------------|---|
| Economic<br>(please add an 'x' as appropriate)                             | Neutral                             | Positive                            | Negative                 | Comments  |
| Finance (value for money)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | This procurement process ensures the council achieves the best value for money. |
| Other departments and services<br>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"/> | The recommended option will not impact on our ICT systems.                      |
| 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<br>(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<br>(please add an 'x' as appropriate) | Neutral                             | Positive                            | Negative                 | Comments                                |
| Relations between groups<br>(cohesion)                       | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| Eliminating discrimination &<br>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<br>(please add an 'x' as appropriate)          | Neutral                             | Positive                            | Negative                 | Comments                                |
| Transportation   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | Possible reduction in carbon footprint  |
| Natural and built environment                                | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| Waste minimisation & resource<br>use                         | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| Pollution  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Possible reduction in carbon footprint. |
| Sustainable procurement                                      | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | e-procurement.                          |
| Energy and climate change                                    | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| (Please add an 'x' as appropriate)                           | Neutral                             | Positive                            | Negative                 | Comments                                |

|                        | Impact                   |                                     |                          |  |
|------------------------|--------------------------|-------------------------------------|--------------------------|--|
| <b>Risk management</b> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Having a standing list of suppliers reduces risk of the council being unable to deliver its print services |

| Recommendations from impact assessment  |  |
|---|--|
| <b>Positive</b>   |  |
| ADJUST Reduction in carbon emissions as all suppliers are with the Norfolk area contributing to our overall reduction target.<br>The open tendering process gives assurance of value for money services |  |
| <b>Negative</b>   |  |
| No negative impact  |  |
| <b>Neutral</b>  |  |
|   |  |
| <b>Issues</b>   |  |

**Report to** Cabinet  
13 July 2016  
**Report of** Interim executive head of neighbourhoods  
**Subject** Proposed Syrian refugee resettlement scheme

**Item**

**13**

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## **Purpose**

To report progress on the development of a Norfolk wide re-settlement scheme for Syrian refugees and to seek the views of cabinet on the financial implications that may be incurred by the council.

## **Recommendations**

To:

1. call on the Government to fully fund the Norfolk resettlement programme if it proceeds;
2. agree, subject to further refinement of the costs, that the 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,
3. 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.

## **Corporate and service priorities**

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

## **Financial implications**

The financial implications of the proposed programme are not able to be finalised at this time due to the uncertainty of the needs of refugees that may come to Norfolk. On current estimates the cost to the council will be zero if the programme is fully funded by Government or up to £30,857 over 5 years if the housing rent shortfall costs are shared equally across all Norfolk's district councils.

**Ward/s:** All Wards

**Cabinet member:** Councillor Harris – Deputy Leader and council housing

## **Contact officers**

Bob Cronk , interim executive head of neighbourhoods      01603 212373

Lee Robson, head of neighbourhood housing

01603 212939

Chris Haystead, housing options manager

01603 212936

**Background documents**

None

## Report

1. In September 2015, the Government announced the establishment of a Syrian vulnerable person's resettlement scheme, that would provide a mechanism for certain refugees from the continuing civil conflict in Syria to come to the UK, with the Government accepting up to 20,000 refugees over a five year period.
2. The basis of the scheme, which is voluntary, was that it would prioritise survivors of torture and violence, women and children at risk and those in need of medical care. It has been estimated that in the region of 30 per cent of refugees that are likely to access the scheme will have significant needs.
3. Refugees who are accepted onto the scheme are granted five years' humanitarian protection, with leave to remain in the UK for five years, which gives eligibility for universal benefits such as access to NHS services, housing and employment benefits. If at the end of this five year period, the refugees are unable to return to Syria, they may be eligible to apply to settle permanently in the UK.
4. Norfolk County Council have led discussions on a Norfolk wide response to these proposals including undertaking detailed work across a number of agencies, to understand the likely needs of refugees coming to Norfolk, the services they would require access to and the most suitable location for their re-settlement. Based on this work, there was commitment to re-settle 50 Syrian refugees in Norfolk subject to the Government fully funding the scheme.
5. The scheme recognised the specialist support that refugees would require based on their likely needs, levels of vulnerability and the potential costs of providing these services. It included arrangements for housing, interpretation, health and social care with partners able to draw on the experience of resettling refugees through the Gateway Programme and asylum-seekers dispersed to Norwich to ensure the proposals and costs were realistic.
6. The proposed Norfolk programme was submitted to the Home Office by Norfolk County Council in January 2016.

### **Accommodation**

7. The greater Norwich area was identified as the preferred location for the scheme based on the support from cabinet members and the availability and location of services to support the needs of the refugees.
8. Resettling refugees in social housing in any part of Norfolk is not possible due to residency criteria and demand for private sector rented accommodation is also extremely high in the greater Norwich area. Therefore it was proposed that accommodation be sourced through the Council's private sector leasing scheme and Broadland district council had also indicated an in principle agreement, subject to the views of members, to help secure homes in the private rented sector for some families.
9. As well as covering all day to day housing costs, the submission also included a request for a top up of discretionary housing benefit. With the introduction of the benefit cap, it is likely that there will be a gap between the level of housing benefit paid and the likely cost of rented accommodation for family sized properties. The

additional benefit “top up” will be required to reduce the risk of rent arrears accruing and possible homelessness.

### **The Government response**

10. Feedback has been received from the Home Office on the Norfolk submission which has indicated that if the scheme is to proceed, it will have financial implications for local authorities.

11. Specifically, the Home Office feedback has highlighted the following:

- Government expects local authorities to bear 20-30% of the costs of the scheme in years two to five
- There is a sharp tapering of Government funding by year five as the focus of the programme is rapid re-settlement with targeted support for the refugees to become independent
- The funding formula for the Syrian resettlement scheme was informed by the experience of the Gateway Protection Programme in Coventry, which has an established infrastructure for supporting refugees and much lower pressure on housing than Norfolk, with resulting lower costs of running such as scheme when compared to Norfolk
- No additional discretionary housing benefit would be provided
- The Government currently is likely to have sufficient pledges from across the country to meet the commitment to resettle the proposed 20,000 Syrian refugees.

### **Norfolk scheme finances**

12. The work undertaken by partners to develop a Norfolk wide programme has estimated that it would cost £128,553 for each refugee giving a total estimated cost of £1,427,659 over a seven year period. These costs are based on best assumptions as much will be dependent on the particular needs of each individual and the family make up.

13. The Government's offer amounts to £20,520 per refugee which over a seven year period leaves an estimated shortfall of just over £400,000. In addition to this, the lack of additional discretionary housing benefit to top up housing benefit leaves a further shortfall estimated at £216,000.

14. These costs do not include any element for inflation and assumes that back room services including those to administer the scheme are covered by existing budgets. The scheme does not include any element for contingency adding further risk to local authorities.

### **Next steps**

15. Norfolk County Council called a meeting of partners earlier in May to consider how to respond to the Government's offer. A report was presented to the county council's policy and resources committee asking members to consider the feedback from Government, the potential cost implications for Norfolk authorities and recommended that a decision be made by full Council about Norfolk's participation in the Syrian Vulnerable Person's Resettlement Scheme.



16. A report will be presented to Norfolk County Council on 25 July and in advance of that meeting, district councils have been asked to confirm what contribution might be made towards the budget shortfall for the scheme, including the provision of accommodation or integration support for refugees.
17. The implementation of the scheme as it stands requires all the agencies concerned to indicate how the budget short fall will be met. At this stage, it is unclear how other council's will respond.
18. Norfolk's Syrian resettlement programme was developed on the basis that the Government should fully cover the costs, rather than these falling onto the already severely reduced budgets of the city council and those of the other Norfolk councils who have endorsed the programme.
19. Whilst current indications are that the Norfolk scheme is not required to meet the Government's commitment, this could change. The Home Office have advised that they will continue to review the funding offer and that offers of places from Councils will be required throughout the life of the scheme and not just in the first year.
20. Therefore, Cabinet is recommended to call on the Government to meets its commitment to the Syrian Refugee programme and fully fund the proposed scheme in Norfolk should it proceed.
21. Norwich has a long history of welcoming people seeking refuge from conflict, and outside of the Syrian refugee scheme, the council's housing options team continues to work with the UK Border Agency and its contractors to provide housing assistance to successful asylum seekers, including Syrians, through Norwich being one of only 3 asylum dispersal hubs in East Anglia.
22. Members therefore have a difficult choice of fulfilling the commitment it has made to welcoming Syrian refugees to the city through a Norfolk wide programme, whilst not facing significant financial risk given the Government's decision on funding.
23. As a voluntary scheme there is no requirement for other authorities to contribute to the budget shortfall. In addition, if the council's private sector leasing scheme is used for accommodating the refugees, then any liability from non-payment of rent will fall to the city council.
24. The report to Norfolk county council policy and resources committee reflected that with the scheme facing a budget gap that the county council may decide to wait until years 2 and 3 before deciding whether or not to participate. This would enable information about how the scheme is operating across the country to shape a Norfolk programme and any further announcements that might be made on funding to be taken into account before a decision is made.
25. Notwithstanding this, if the council remains committed to participate in a Norfolk wide scheme, all councils are likely to need to be ready to participate at reasonable notice.
26. Therefore a further option to help close the budget shortfall, where it relates to district council housing functions, is that this "top up" cost, estimated at £216,000 is shared across all seven districts.

27. On current figures, this would equate to approximately £31,000 for the city council over a 5 year period with the exact amount determined on the family make-up and housing needs.
28. Cabinet is therefore recommended, subject to further refinement of the costs, to agree that the Council will contribute to the housing benefit shortfall on an equal basis with all Norfolk's district councils up to a maximum cost to the city council of £30,857.
29. In addition, a decision on the final details of the scheme be delegated to the Interim executive of neighbourhoods in consultation with the Deputy Leader and cabinet member for council housing on this basis.

## 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:** 13 July 2016

**Head of service:** Bob Cronk

**Report subject:** Proposed Syrian refugee resettlement scheme

**Date assessed:** 21 June 2016

**Description:**

|   | Impact                              |                                     |                                     |  |
|---|-------------------------------------|-------------------------------------|-------------------------------------|--|
| <b>Economic</b><br>(please add an 'x' as appropriate)                             | <b>Neutral</b>                      | <b>Positive</b>                     | <b>Negative</b>                     | <b>Comments</b>  |
| <b>Finance (value for money)</b>  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | The scheme may result in the council incurring costs if they are not fully funded by the Government.                                       |
| <b>Other departments and services</b><br>e.g. office facilities, customer contact | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| <b>ICT services</b>   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| <b>Economic development</b>   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| <b>Financial inclusion</b>  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The programme will support vulnerable refugees re-settle in the greater Norwich area and will enhance their financial inclusion            |
| <b>Social</b><br>(please add an 'x' as appropriate)                               | <b>Neutral</b>                      | <b>Positive</b>                     | <b>Negative</b>                     | <b>Comments</b>  |
| <b>Safeguarding children and adults</b>   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The programme will support vulnerable refugees re-settle in the greater Norwich area and will enhance the wellbeing and safety of children |
| <b><u>S17 crime and disorder act 1998</u></b>                                     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |  |
| <b>Human Rights Act 1998</b>  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The programme will support vulnerable refugees re-settle in the greater Norwich area   |
| <b>Health and well being</b>  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The programme will support vulnerable refugees re-settle in the greater Norwich area and will enhance the wellbeing                        |

|  |                                     |                                     |                          |   |
|--|-------------------------------------|-------------------------------------|--------------------------|---|
|  | Impact                              |                                     |                          |   |
| Equality and diversity<br>(please add an 'x' as appropriate) | Neutral                             | Positive                            | Negative                 | Comments  |
| Relations between groups<br>(cohesion)                       | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | The programme will support vulnerable refugees re-settle in the greater Norwich area and provide an opportunity for Norwich communities to understand at first hand the needs and experiences of refugees |
| Eliminating discrimination & harassment                      | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | The programme will support vulnerable refugees re-settle in the greater Norwich area which will eliminate the harassment and discrimination they face in Syria  |
| Advancing equality of opportunity                            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | The programme will support vulnerable refugees re-settle in the greater Norwich area and enhance their opportunities and life chances.  |
| Environmental<br>(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  |

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

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

**Report to** Cabinet  
13 July 2016  
**Report of** Executive head of business relationship management and democracy  
**Subject** Joint venture business plans

**Item**

14

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## **Purpose**

To seek approval for the business plans for NPS Norwich Limited, Norwich Norse Building Limited and Norwich Norse Environmental Limited

## **Recommendations**

To approve the:

1. NPS Norwich Limited business plan for 2016/17
2. Norwich Norse Building Limited business plan for 2016/17
3. Norwich Norse Environmental Limited business plan for 2016/17

## **Corporate and service priorities**

The report helps to meet the corporate priorities a prosperous and vibrant city, value for money services, a safe, clean and low carbon city and a healthy city with good housing.

## **Financial implications**

There are no direct financial implications from the report. Each of the business plans helps to support delivering services within agreed budgets and delivering savings to contribute to the council's overall savings targets.

**Ward/s:** All Wards

**Cabinet member:**, Councillor Stonard - Resources and business liaison,

## **Contact officers**

|                |              |
|----------------|--------------|
| Anton Bull     | 01603 212326 |
| Bob Cronk      | 01603 212373 |
| Dave Moorcroft | 01603 212225 |

## **Background documents**

None

# Report

## Background

1. This report deals with the following three joint ventures that the council has with NPS and Norse
  - a. NPS Norwich Limited
  - b. Norwich Norse Building Limited
  - c. Norwich Norse Environmental Limited
2. The council and NPS Property Consultants Limited jointly own NPS Norwich Limited.
3. The council and NPS Norwich Limited jointly own Norwich Norse Building Limited
4. The council and NPS Norwich Limited jointly own Norwich Norse Environmental Limited
5. As well as being joint owners of each of the companies, the council has awarded a number of contracts to the companies to provide services to the council. These include
  - a. housing and non-housing responsive maintenance
  - b. void maintenance and upgrades
  - c. disabled adaptations
  - d. planned improvements and other associated works
  - e. housing and non-housing estates and property services
  - f. grounds maintenance, streets and other cleansing
  - g. arboriculture services
  - h. pest control
  - i. stray dog service
  - j. building cleansing
  - k. car park cleansing
  - l. other associated works
6. The council and its members and officers therefore have three distinct roles with the joint ventures:
  - a. shareholder
  - b. director (company board member)
  - c. contract management
7. This report deals with the council's roles as shareholder and director as it relates to the plans for the companies.
8. Each joint venture develops a business plan each year to serve as the strategic direction for the company for that year.



## **Business plan format**

9. The business plan sets out:

- a. background
- b. governance arrangements
- c. objectives
- d. opportunity assessment
- e. financial forecasts
- f. key risks

10. The business plans are relatively simple in their format and aim to give an overall picture of the direction of the company over the coming year.

## **Business plan approval**

11. Each business plan needs to be agreed by its company board. However, as part of the setting up of each of the joint ventures it was agreed that the business plans would be presented to Cabinet for approval.

12. Each company has 5 directors, 3 appointed by NPS and/or Norse and 2 appointed by the council.

13. The council directors are the cabinet member and the corporate leadership team officer most relevant to the services provided by the joint venture.

14. If Cabinet approves the business plans, the council's directors on each of the boards will then formally approve the business plans as part of the company board.

15. As always, the business plans are living documents. They will continue to be updated and amended post Cabinet review and throughout the year. Where there are significant changes these would be brought back to Cabinet, but minor changes would be reviewed by the Cabinet member and the officer on the board of the company and reviewed through that process.

## **Key issues for 2015/16**

16. The main issues for 2015/16 is the ability of the companies to impact the savings targets of the council and deliver the services to the standard required within the contracts.

17. This is reflected in the business plans and each company has been challenged to identify potential net cost reductions of 25%. This will include a combination of efficiency savings, changes to specifications and opportunities to increase the level of profit which is returned to the council. Again, where changes require Cabinet approval these will be brought to Cabinet in the usual way after consultation with portfolio holder.

18. The three business plans are attached.

## Integrated impact assessment



**NORWICH**  
City Council

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

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

### Report author to complete

|                         |                              |
|-------------------------|------------------------------|
| <b>Committee:</b>       | Cabinet                      |
| <b>Committee date:</b>  | 13/7/2016                    |
| <b>Head of service:</b> | Anton Bull                   |
| <b>Report subject:</b>  | Joint venture business plans |
| <b>Date assessed:</b>   | 1/7/2016                     |
| <b>Description:</b>     | Joint venture business plans |

|  | Impact                              |                                     |                          |  |
|--|-------------------------------------|-------------------------------------|--------------------------|--|
| Economic<br>(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 business plans help to ensure that the companies are operating effectively and in the interests of the council as well as the other shareholders |
| Other departments and services<br>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<br>(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<br>(please add an 'x' as appropriate)               | Neutral                             | Positive                            | Negative                 | Comments   |
| Relations between groups<br>(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<br>(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 business plans identify the key risks for each joint venture and how they are managed. |

| Recommendations from impact assessment |
|--|
| Positive                               |
|  |
| Negative                               |
|  |
| Neutral                                |
|  |
| Issues                                 |
|  |

# NPS Norwich



## NPS Norwich Ltd Business Plan 2016-17

### Background and Strategic Objectives

This business plan sets out the council objectives and how the joint venture will contribute to them, the objectives of NPS Norwich Ltd and the consequential action plans, performance measures and financial forecast for 2016-17. Having initially operated on a cost plus basis, the joint venture moved to a budget based process on 1 April 2014.

### The Company / History

The council entered into a contract with NPS Norwich Ltd from 1 March 2012 to provide estates services; and from 1 March 2013 to provide property services. The contract is until 20 February 2022. The work is to be carried out by NPS Norwich Ltd on behalf of the council is specified variously in the:

- [Original] Service Agreement, 1 March 2012;
- Second Service Agreement, 1 March 2012;
- Service Specification – Provision of Estates Services to Norwich City Council, 1 March 2013;
- Service Specification – Provision of Property Services to Norwich City Council, 1 March 2013;
- Pricing Document – Provision of Estates Services to Norwich City Council, 1 March 2013; and
- Pricing Document – Provision of Property Services to Norwich City Council, 1 March 2013.

NPSN maintains approximately 15,100 tenanted and 2,600 leasehold homes, with an anticipated overall budget of around £55m for 2015-16 (including over £30m, capital budget). The service is provided to almost one third of all homes in Norwich and therefore has a major impact on people's lives and the environment.

The non-housing property asset portfolio includes circa 1,000 buildings equating to a capital value of just under £200m. The annual income from the investment property portfolio is around £4.5m which is a strategically important part of the council's finances. The council also owns areas of Brownfield and other land which have potential for regeneration, this includes Bowthorpe Threescore, land at Goldsmith Street site and land at Mountergate West, where NPSN is helping to take forward their development.

## Values

The core beliefs of the company need to manifest in manner, conduct and management of the JV business plan. The target is to work with the community, add value support and continue to converse and prioritise “The Norse Way” through CSR (corporate social responsibility) aims.

### NCC Values – PACE

**Pride** – we will take pride in what we do and demonstrate integrity in how we do things.  
**Accountability** – we will take responsibility, do what we say we will do and see things through.  
**Collaboration** – we will work with others and help others to succeed.  
**Excellence** – we will strive to do things well and look for ways to innovate and improve.

### NPSN Values – The Norse Way

**Respect** – client and each other.  
**Innovation** – service delivery, process and skills.  
**Trust** – professional and personal integrity.  
**Quality** – working together.

## Governance

The NPS Norwich Ltd Board comprises of the following:

|                 |                    |   |
|-----------------|--------------------|---|
| <b>Chairman</b> | Mike Britch        | Managing Director, Norse  |
| <b>Director</b> | Peter Hawes        | Managing Director, Norse Commercial Services Ltd                              |
| <b>Director</b> | Cllr. Mike Stonard | Portfolio Holder for Resources and Income Generation                          |
| <b>Director</b> | Anton Bull         | Executive Head of Relationship Management and Democracy, Norwich City Council |
| <b>Director</b> | Ian Bromley-Derry  | Managing Director, NPS Norwich Ltd  |

Governance of NPS Norwich Ltd will be conducted by the management team, joint strategic management meetings with Norwich City Council and overseen by the Liaison Board. Performance will be assessed against a range of information:

- Operational performance through measured contained within “Norwich City Council operational plan for NPSN 2016-17”
- Financial report setting out the financial performance during the year
- Risk register setting out for the risks facing the company and the way they are managed
- Business growth in line with budgeted expectation
- Business strategic – six year plan 2016-22

## Strategic Objectives

The company will assist with the council's objectives to reduce its budget by 25% over four years whilst developing and growing the commercial element of the business and maintain a profit.

- To broaden both the Client base and services to the existing Clients at the current location in Norwich
- It is the intention to also expand geographical sphere of influence of the JV – where there is limited housing specialisms within NPS network
- Utilise professional and technical staff appropriately to increase productivity and reduce operational expenditure
- Cultivate strategic alliances with both public and public sector organisations
- Diversification of the Client base through exploring new markets will provide a more robust income stream. Effort will reduce the percentage of Norwich City Council fee income of 98% 2015-16 to below 90% of the total JV turnover by the end of 2021-22 financial year

The drive to increase turnover, productivity and profitability will be necessary so that the planned growth of the business can be financed. Company overheads must be covered to provide a safe, reliable and stable office environment for staff to work. The business plan takes account through office and staff expansion needs to be planned and consistent to the overall strategic aims of the business.

## Norwich City Council Objectives

To realise its vision '*To make Norwich a fine city for all*', the council have adopted five corporate priorities. NPS Norwich will contribute to these priorities as following:

To make Norwich a safe, clean and low carbon city – "*to reduce the council's own carbon emissions through a carbon management programme*".

Review energy performance of commercial property in light of EPC information and make recommendations regarding future investment/management in light of The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015. Work with the council to ensure that new homes built by the council conform to Sustainable Homes Level 4 or Passivhaus as agreed. Deliver an ongoing investment programme of energy efficiency improvements in council housing across the city. Carry out a review of the council's asset portfolio informed by energy performance surveys to guide opportunities for energy efficiency improvement and rationalisation.

To make Norwich a prosperous and vibrant city – "*to support the development of the local economy and bring in inward investment through economic development and regeneration activities*" and "*to maintain the historic character of the city through effective planning and conservation management*".

Deliver the council's capital programme as identified in section D of this business plan. Assist in the council's economic development and regeneration activities including; and work with officers in the conservation and design team and other areas to implement the heritage investment strategy.

To make Norwich a fair city – "*delivery of the reducing inequalities action plan*".

By being a living wage employer; and take reasonable steps to ensure contract provide local employment and provide training and increased skills for local residents.



To make Norwich a healthy city with good housing – “to support the provision of an appropriate housing stock in the city including bringing long term empty homes back into use and building new affordable homes” and “to improve the council’s own housing stock through a programme of upgrades and maintenance and provide a good service to tenants”.

Work with the council by acting as employer’s agent and providing design and supervision services to bring forward new build development; work with other services to deliver the council’s housing revenue and capital programme of housing repairs and improvements, as identified in D of this business plan. Provide proactive property and estate management services to inform the council’s Housing Revenue Account (HRA) business plan; and improve the quality of shop units in the HRA to help maximise lettings and income returns.

To provide value for money services – “to maximise council income through effective asset management, trading and collection activities”.

To reduce NPS Norwich costs to the council and/or to increase income generated directly by the company (e.g. profit share) to help deliver the council’s transformation programme. Work with the council to improve budget setting/control processes. Work with the council to support its financial services. Undertake pro-active estate and property maintenance to ensure property rental income exceeds budget provision taking into account possible voids and debt (and also allowing for in-year unlettable voids and disposals). Provide services within agreed timescales and budgets. Take steps to increase the council’s investment portfolio through acquisition of assets with strong covenants and yields within the budgetary provisions of the capital programme; and taking forward the development of new build housing for sale, private rent and/or social rent as set out in the capital programme.

## **Performance Measures**

### Operational Objectives

NPS Norwich Ltd work in collaboration to provide to provide holistic and generic asset management provisions to both housing and commercial portfolios. Annual operational objectives are highlighted annually in “the Norwich City Council operational plan for NPS Norwich”. The plan is reviewed in each year and amended subject to budget spend and priorities. Key performance indicators and funding for special projects are combined for completion within the financial year. Progress is reviewed through regular client liaison and individual project management criteria.

### Strategic Objective

These are provided through the partnership company Board focusing on financial performance, structural innovation and expansion of the JV into markets other than the core service.

## **Commercial Market Awareness**

The sale of existing skills into new markets may be the greatest area of opportunity, although the difficulties of winning market share in the face of aggressive competition and oversupply in the professional services sector are not to be underestimated.

We will start to pursue commissions from tender and PPQ, small scale commissions with local ‘PCTs’ that offer the best prospect of developing a track record in any new market.

Local Authorities in East Anglia and Central East England should be the subject of a focused campaign using our sphere of influence as a development.

Opportunities in the private sector will be explored only on an opportunistic basis, where they are perceived to be compatible with our strengths, or through collaboration.

In addition, partnership with other organisations either public or private is also possible provided that the skill base of each company is complementary. This will avoid organisational protection of clients, staff and fee basis.

## Strengths and Challenges

### Structure and Organisation

The process of change experienced since the JV commenced is set to enhance and evolve in parallel with the aims and aspirations of the partner authority. New business management system introduced have helped to increase both productivity and profitability. ICT and training investment have contributed to the stable foundation from which the JV can grow however; for the growth to continue opportunities, challenges and mitigation need to be highlighted.

|  |  |
|--|--|
| <p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Significant resource.</li> <li>• Strong local delivery.</li> <li>• Multi-discipline capability.</li> <li>• Familiarity with public sector's low turnover of staff.</li> <li>• Professional knowledge.</li> <li>• Breadth of JV skill base.</li> <li>• Business management system.</li> <li>• ICT investment.</li> </ul> | <p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>• Real communication to serve entire target area (East Anglia) from current office.</li> <li>• Relatively inexperienced in private sector demands.</li> <li>• Inability to expand beyond target area.</li> <li>• Local Authority branding.</li> <li>• Ensure competitive private sector fees.</li> </ul> |
| <p><b>Action</b></p> <ul style="list-style-type: none"> <li>• Develop interdisciplinary working.</li> <li>• Exploit packaging of services in different combinations to suit client requirements.</li> <li>• Develop new services to meet client needs.</li> <li>• Flexibility of service.</li> </ul>   | <p><b>Action</b></p> <ul style="list-style-type: none"> <li>• Examine opportunities for expansion through strategic alliances.</li> <li>• Appropriate, targeted training.</li> <li>• Recruitment of technical staff.</li> <li>• Review current working practices.</li> <li>• Minimise JV overheads.</li> </ul>   |

### Client Base

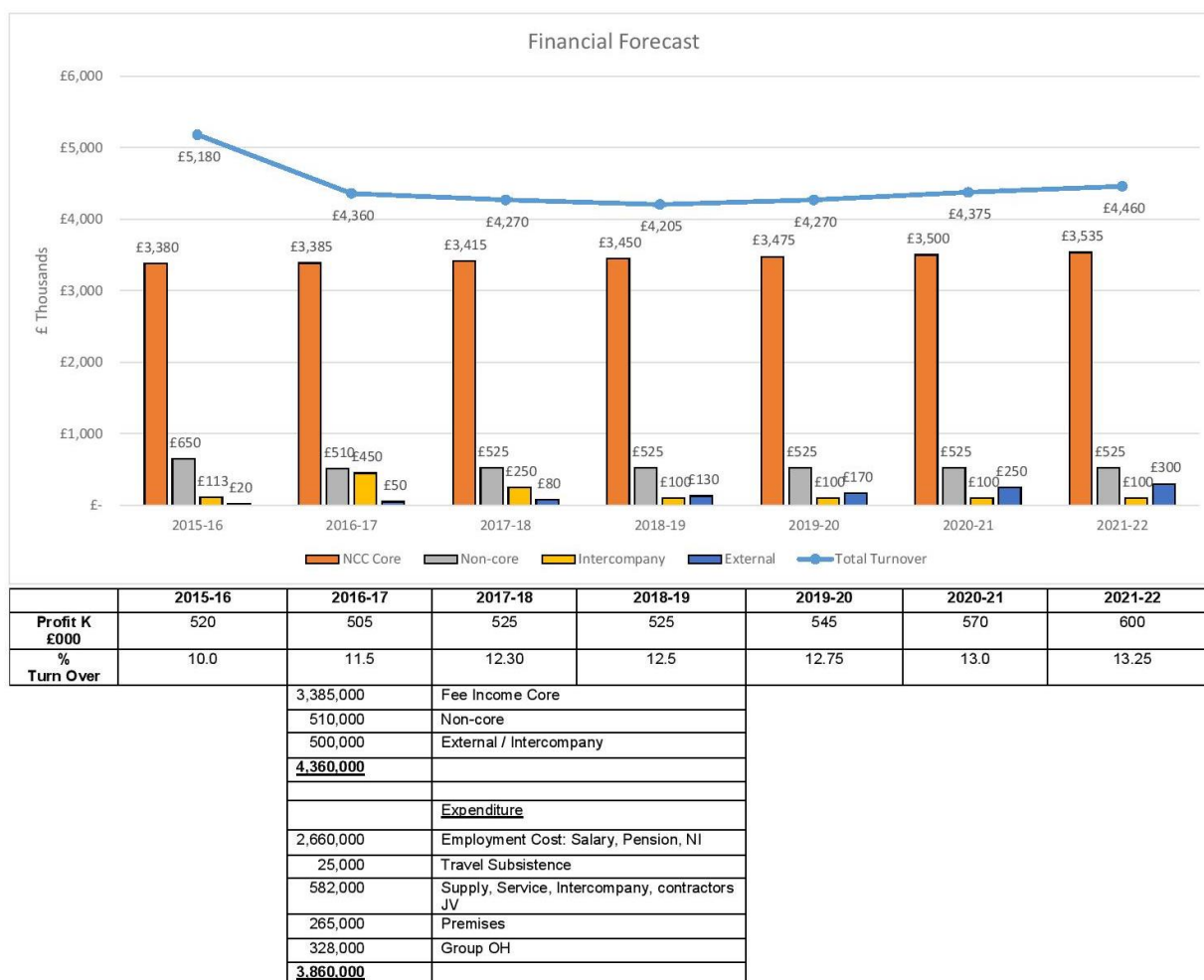
|   |   |
|---|---|
| <p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Stable fixed fee.</li> <li>• Familiarity with prime client requirements.</li> <li>• Familiarity with asset portfolio of prime client.</li> </ul>   | <p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>• Dependence upon prime client.</li> <li>• Breaking into new markets against established competition.</li> <li>• Limited private sector experience.</li> <li>• Capacity to deal effectively with external work while maintaining core service.</li> <li>• Localised knowledge of profession.</li> </ul> |
| <p><b>Action</b></p> <ul style="list-style-type: none"> <li>• Continue to develop partnership with prime client.</li> <li>• Broaden skill and geographical base to exploit market trends.</li> <li>• Seek Board/Core clients approved for expansion.</li> </ul> | <p><b>Action</b></p> <ul style="list-style-type: none"> <li>• Develop marketing capabilities; encourage a widespread marketing philosophy.</li> <li>• Seek strategic partnership to mitigate expenditure into new market.</li> </ul>  |

### Range of Services

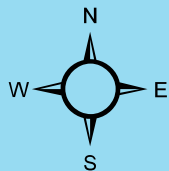
|  |  |
|--|--|
| <p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Significant resource.</li> <li>• Strong local (Norfolk) delivery.</li> <li>• Multidiscipline capability.</li> <li>• Extensive public sector knowledge.</li> <li>• Familiarity with requirements and procedures of the core client.</li> </ul> | <p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>• Tendency towards insularity by profession/work group.</li> <li>• Networking possibilities with other businesses not exploited to the full.</li> <li>• High cost base through Group overhead.</li> </ul>  |
| <p><b>Action</b></p> <ul style="list-style-type: none"> <li>• Capitalise upon resource through targeted marketing.</li> <li>• Continue to nurture relationship with prime client.</li> <li>• Develop service that JV have defined maintainable skill base.</li> </ul>  | <p><b>Action</b></p> <ul style="list-style-type: none"> <li>• Facilitate multidiscipline working.</li> <li>• Develop staff exchanges and secondments with other businesses and within NPS.</li> <li>• Differentiate service from that provided by competitors.</li> <li>• Develop new services.</li> <li>• Employment of technical staff.</li> </ul> |

## Financial Forecast

The financial projections for the joint venture are set out in the appendices. Year 2016-17 onwards indicates the aim of NPS Norwich to increase both productivity and profitability, supporting and having income through productive marketing within both the private and public sector area. See Below financial forecast appendix.



# Sphere of Influence



## Driving time from Norwich

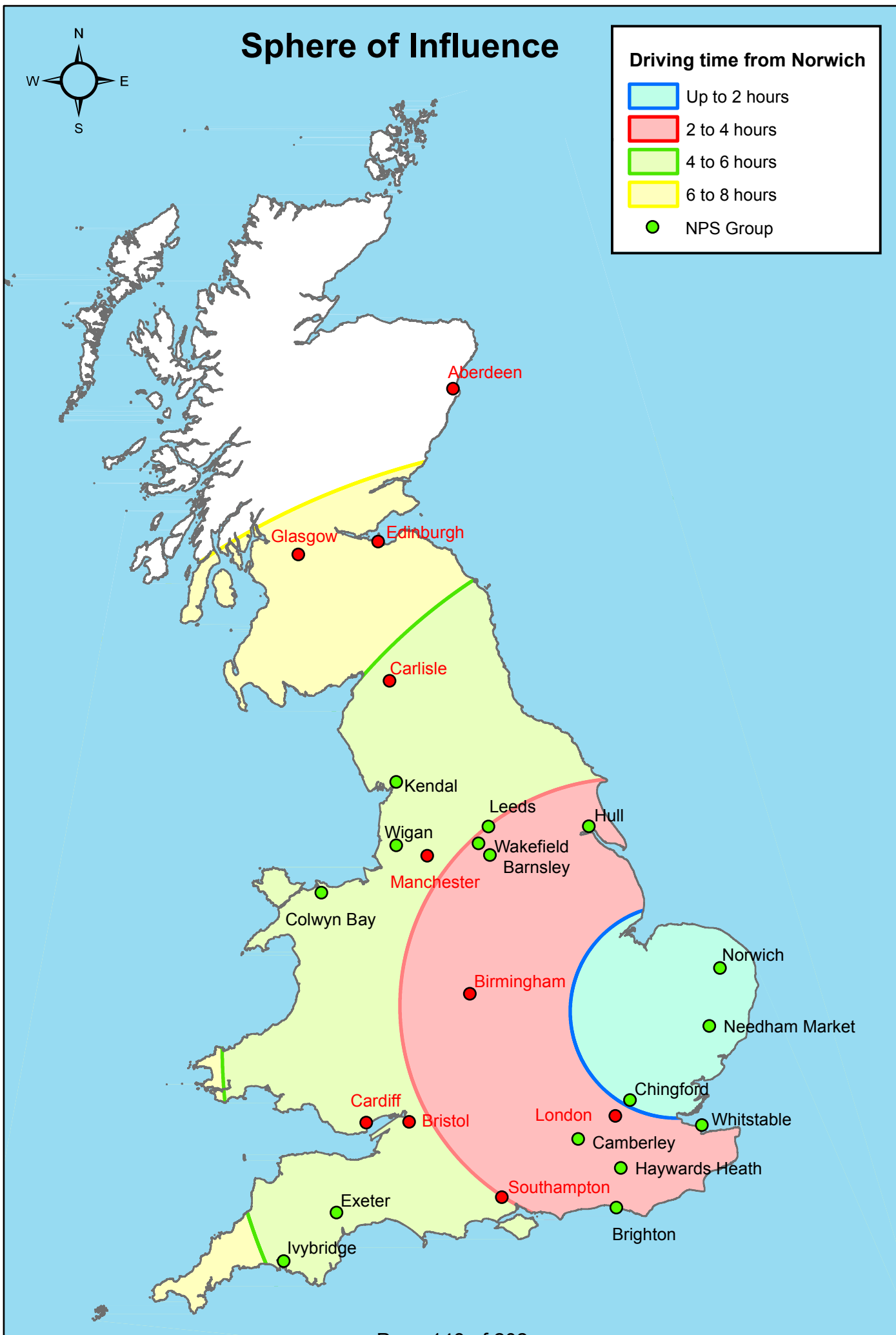
Up to 2 hours

2 to 4 hours

4 to 6 hours

6 to 8 hours

NPS Group



| Ref No | Risk Category | Risk/Event  | Consequence   | Likelihood | Impact | Weighting | Owner             | Risk Decision | Control(s)/Mitigation Plans  | Comments   | Initial Score |
|--------|---------------|---|---|------------|--------|-----------|-------------------|---------------|--|--|---------------|
| NOR1   | People        | Failure to create a robust succession plan to address impending retirement of key staff   | Loss of critical knowledge, experience and degraded client relationships. Results in reduced level of service and potential loss of business.   | 3          | 3      | 9         | Ian Bromley-Derry | Manage        | <p>1. By end of August 2012 Identify key team members who are likely to be retiring within the next five years.</p> <p>2. Create a succession plan for each key team member identified in action #1 which includes a timetable, critical knowledge and relationships transfer and potential successors</p> <p>3. Maintain a proactive 'sensing' within the NPS Group and the market that identifies potential recruits for future consideration - HR to provide age profile to staff.</p> <p>4. Recruit trainees, train, develop and retain.</p> <p>5. Identified pinch points in Structural, Civils Mechanical and Electrical are being escalated due to the market warming up. Address via retention strategies using the Rewards strategy</p> | <p>1. Completed</p> <p>2. New management structure is in place for June 2016 and succession planning to include key elements of the mitigation are underway.</p> <p>3. This action is being progressed by the MD</p> <p>4. Apprentices and trainee programmes are in place and running well</p> <p>5. Reward strategy is nearing finalisation, incentive and market rates retention strategies can be deployed November 2016</p>   | 12            |
| NOR2   | Strategic     | Inability to expand business beyond the current geographical area.  | No additional income being generated to support the business or fill shortfalls from reducing NCC client budgets. Results in not meeting business plan targets and having to reduce levels of resource  | 4          | 3      | 12        | Ian Bromley-Derry | Manage        | <p>1. Examine opportunities for delivering services into the wider NPS Group and establish partnership and co-operative working with NPS fellow professionals managing other JV relationships. Review opportunities of business expansion and improved service delivery through regular client liaison.</p> <p>2. Expand client base through focused marketing and networking within the Norwich and Norfolk areas in partnership with NPS colleagues based in Norwich. Identify business/service improvements through annual business plan.</p> <p>3. Develop new services for offer to existing and new clients. Identify any specialisms or expertise within the team that can be successfully marketed</p>                                   | <p>1. Completed</p> <p>2. Strategy created and is included into 2016 - 2017 business plan. Sphere of influence identified and business opportunities reviewed and circulated to all staff</p> <p>3. 2016 - 2017 business plan identifies new initiatives and enhanced services / products i.e. Housing services, Housing condition surveys, Clerk of Works, Housing management, Letting &amp; Estate Agency. Team are working with NPS Group to rollout commencing April 2017</p>  | 12            |
| NOR3   | Operational   | Inability to produce standard letter templates from within Civica to residents that include the NCC and NPS joint working logos | Leads to poor customer service and inability to access properties. Results in unacceptable and poor performance results and service delivery.   | 4          | 3      | 12        | Gary Atkins       | Manage        | <p>1. Agree by the end of April a joint branded letter that can be produced from within Civica.</p> <p>2. As an interim continue to use NCC headed paper and the current template until a solution is delivered.</p> <p>3. Assess the viability of Producing letters outside of Civica, scan and create PDFs for loading back into Civica. Complete this action by 12th April</p>  | <b>CLOSED</b>  | 12            |
| NOR4   | People        | Loss of key individuals due to stress related issues or resignation   | Leads to lack of critical business resource / technical expertise or lengthy replacement timescales. Results in inability to provide key services. Additional costs for recruitment.  | 3          | 3      | 9         | Ian Bromley-Derry | Manage        | <p>1. Undertake an exercise by the end of April 2012 to identify key individuals who would be a 'regretted loss' See item 73.</p> <p>2. By end of April 2012 Assign specific managers responsibility to take proactive measures with identified individuals - 1:1 communication, monitor workloads and take positive action to ensure health &amp; wellbeing</p> <p>3. Use the opportunity of Townshend House relocation in November 2013 to create an environment of openness and accessibility together with a supportive culture</p>  | <b>CLOSED</b>  | 9             |
| NOR5   | Operational   | Major service failure   | Norwich City Client losing confidence in NPS. Reduction or cancellation of contract at 5 year review in 2017 or at end of contract in 2022. Penalisation of PQQ submissions. Reductions in repeat business. Clients requiring greater guarantees and assurances before letting contracts. Results in loss of business income. More costly trading and greater difficulty in achieving opportunities to tender | 3          | 4      | 12        | Ian Bromley-Derry | Manage        | <p>1. Review service monitoring performance arrangements by mid May 2012 and ensure these are actively and regularly monitored by management teams.</p> <p>2. Undertake independent review of service delivery processes and controls in each office by end of Q2 2012 - create and manage improvement plans as required.</p> <p>3. Ensure effective relationship management arrangements are in place by end of Q2 2012</p>   | <p>1. Arrangements reviewed and matched to clients requirements. Performance reviewed at regular management team meetings.</p> <p>2. Recommendations of the recent BMS internal audit are being implemented. Proactive investment procedure with portfolio spreadsheet is in place as are KPI's which are reported regularly to the client. LGSS have recently been commissioned to undertake an audit of the property management function</p> <p>3. regular updates with client officers liaison board are in place. The NCC representation has been expanded to now include senior managers from Housing. The recent budget review has been proactively supported by NPSN. A ten point recommendation plan has been created for submission to the board 31/5</p> | 8             |

|       |             |  |  |   |   |    |                   |        |  |   |   |
|-------|-------------|--|--|---|---|----|-------------------|--------|--|---|---|
| NOR6  | Strategic   | Failure to proactively manage the client relationship and manage any negative changes in client behaviours | Leads to poor relationships and inaccurate understanding by key NCC clients of the JV Results in increased levels of challenge to fees and lower client satisfaction.  | 3 | 4 | 12 | Ian Bromley-Derry | Manage | 1. Arrange regular 1:1 performance reviews between JV MD and key client officers - A Watt and D Rogers. Ensure Key Performance Indicators are agreed and regularly reviewed<br><br>2. Identify key NCC clients / stakeholders and nominate specific managers to develop and maintain positive relations and regular communications<br><br>3. Continue to represent NPS Norwich at Norwich CC Liaison Board meeting | 1. Reviews in place and undertaken regularly. Pl's agreed and actively monitored. A Bull of SLT is now a Co board member which strengthens the high level interfaces between the two organisations<br><br>2. Initial identification undertaken. Satisfaction questionnaires deployed to create an assessment of service. Monthly 1:1 meetings are being undertaken with heads of service at NCC<br><br>3. Housing 'Focus On' Newsletters issued regularly and include NPS articles as does the tenants newsletter 'TLC'       | 6 |
| NOR7  | Operational | Errors and omissions being made in projects  | Leads to making refunds to Clients / Contractors. Results in loss of margin and reputational damage.   | 2 | 3 | 6  | Ian Bromley-Derry | Manage | 1. Ensure quality outputs. Check work before issue. Compliance to internal and external audits. Continue to fill vacancies to match workload.<br><br>2. Defend robustly all claims but make good where appropriate<br><br>3. Disciplinary action where required  | 1. Internal audit report recommendations are being implemented. Core processes are also being reviewed under the lead of a senior manager. Peer review and sign off of activities is in place as appropriate to risk<br><br>2. No claims currently in play<br><br>3. No actions required to date  | 6 |
| NOR8  | Strategic   | Failure to establish a positive working relationship with the New Head of Housing                          | Leads to poor working relationships and lack of understanding by the client as to what NPSN roles and responsibilities are Results in loss of influence with NCC major client, possible negative perceptions of service and criticisms from officers and members | 3 | 4 | 12 | Gary Atkins       | Manage | 1. Associate Director of Operations to make early contact with Lee and arrange to present an overview of the partnership and service provided. Establish initial contacts<br><br>2. All senior managers provide proactive support during the first months, going the extra mile<br><br>3. Showcase a number of the housing projects personally and on site   | 1. ADO has established regular formal and informal sessions that have proved beneficial in establishing positive working relationship and that provide the needed support<br><br>2. Support provided across a range of activities and in a very responsive timeframe<br><br>3. HoH has visited a number of schemes including Don Pratt, Britannia Court and St James. These have proved very useful in establishing standards and insight into projects. HoH is also now attending the weekly liasion board meetings          |   |
| NOR9  | Strategic   | Ineffective response to the Partnership review instigated by R O'Keefe                                     | Leads to NPSN not effectively contributing to or influencing the outcome Results in onerous new governance arrangements and loss of value  | 3 | 4 | 12 | Ian Bromley-Derry | Manage | 1. seek to influence the original ToRs<br><br>2. Demonstrate a proactive support to developing the process<br><br>3. Ensure timely and senior support / attendance at and to all development initiatives   | 1. NCC are still to issue the report prepared by EELGA. A joint approach to recommendations will be agreed.<br>2 & 3 Both partners have agreed that proactive Client liaison is a key factor including clarity on Roles and Responsibilities. These will be further developed once the EELGA report has been formally issued. However in the meantime NPS senior managers have strengthened communication links with NCC counterparts and are providing greater clarity on operational processes and visibility of any issues |   |
| NOR10 | Operational | Loss of revenue funding due to significant reductions in budgets   | Leads to significantly reduced funding Results in loss of jobs and inability to deliver services   | 4 | 4 | 16 | Ian Bromley-Derry | Manage | 1. Clearly articulate the impacts (short to medium term) reductions in revenues will have on staff numbers and service delivery. Create a new structure for NPSN to be deployed ready for 2017 - 2018 business plan<br><br>2. Seek to amend KPI's related to the areas of service directly impacted by reductions<br><br>3. Develop, alternative sources of income   | 1. New structure is being developed and the first phase will be implemented Q1 2017<br><br>2. KPIs being amended and developed to reflect changing requirements. A proposal to freeze the genral fund to 2022 has been proposed.<br><br>3. New markets and products are being developed and the 16 - 17 business plan reflects a greater emphasis on profitability and productivity   |   |
| NOR11 | Operational | Failure to effectively manage any of the significant construction projects currently underway              | Leads to overrun of costs or poor quality delivery Results in reputational damage for NPSN, loss of future opportunities and income  | 3 | 3 | 9  | Carol Marney      | Manage | 1. Appoint appropriately experienced Project and Programme managers who as well as having high level PM skills can effectively manage relationships<br><br>2. Consolidate funding sources as soon as possible to allow project budgets to be established<br><br>3. Source expertise from within NPS PC to support projects   | 1. PM appointed for St James, Britannia and Rose Lane<br><br>2. St James, Britannia and Rose lane project budgets were established, however there are some client concerns as to the re allocation of capital funding within Housing projects, therefore an internal audit of St James has been commissioned by the Head of Finance<br><br>3. NPS PC and B&S resources are being deployed. Regular performance review meetings are held by NPSN MD and B&S senior managers  |   |

|        |             |   |   |   |   |    |                   |        |   |   |  |
|--------|-------------|---|---|---|---|----|-------------------|--------|---|---|--|
| NOR12  | Operational | Failure to implement or manage a lone working policy  | Leads to Injury, accident death, long term sickness of an employee whilst working alone Results in prosecution or fines | 3 | 3 | 9  | Gary Atkins       | Manage | 1. All colleagues are to keep their calendars updated and current to show their location each day<br>2. Implement a booking in / out process with NCAS and undertake training / instruction with all relevant NPSN colleagues<br>3. Instigate a duty manager rota to ensure there is a nominated individual who can take and manage any escalated issues  | 1. Instructions issued to all staff and backed up by sanctions for non compliance<br>2.Training being delivered process is being adopted<br>3. Duty manager rota came into force 4th January 2016 |  |
| NOR13  | Operational | Managers fail to undertake effective risk assessments for staff in the working environment                                      | Leads to Injury, accident death, long term sickness of an employee. Results in prosecution or fines                     | 3 | 3 | 9  | Gary Atkins       | Manage | 1. Ensure all NPSN colleagues are familiar with and use the Civica flag alerts prior to visiting premises<br>2. have the NPSN OT Undertake workplace assessments and implement any recommendations<br>3. Ensure all relevant DDA access needs are understood and addressed for employees and visitors   | 1. Training programme is in place<br>2. NPSN OT undertakes assessments as required  |  |
| NOR 14 | Strategic   | JV partner fails to support or understand the potential impact on service levels in delivering the revised profitability target | Leads to mismatched priorities, tension between partners and failing to deliver expectations of either party            | 3 | 4 | 12 | Ian Bromley-Derry | Manage | 1. Agree priorities at board level, include assessments of risks and issues that may arise from re directing resources onto profitable works<br>2. Bring forward quarterly monitoring of service and undertake assessments of any impacts being felt in service levels - assess these for urgency and importance<br>3. Board members to brief colleagues in each organasiation on the strategic imperitives of this revised focus and the financial benefits to NCC |   |  |
| NOR 15 | Strategic   | Reduction in budget or funding beyond levels required to fulfil statutory obligations   | Death, injury, illness to tenants, employees or members of the public. Resulting in prosecution and negative publicity  | 3 | 5 | 15 | Ian Bromley-Derry | Manage | 1. Ensure all obligations are fully understood and underttake an assessment of the resources required to satisfy them<br>2. Implement strict monitoring of compliance with a view to idenfity early warnings where service is not as it should be<br>3. Take appropriate direct action when issues are flagged  |   |  |
| NOR 16 | Strategic   | Client decision making process is not sufficiently agile or robust to enable business decisions to be made in a timely manner   | Lost business opportunities, increases in delivery time or cost   | 3 | 3 | 9  | Ian Bromley-Derry | Manage | 1. Submit Ten point communications plan to the Board in May 2016 for approval<br>2. Support client in decision making changes, assist by flagging the relative priority of each decision request<br>3. Nominate individual SLT members for responsibility of specific areas of the business / authority.<br>4. Invest delegated powers in second and third tier officers of each JV partner   |   |  |
|        |             |   |   |   |   |    |                   |        |   |   |  |
|        |             |   |   |   |   |    |                   |        |   |   |  |



**NORWICH**  
City Council

## **NorwichNorse (Environmental) Ltd Business Plan 2016/17**

### **1. Background and Strategic Objectives**

This business plan sets out the council objectives and how the joint venture will contribute to them, the objectives of Norwich Norse (Environmental) Ltd and the consequential action plans, performance measures and financial forecasts for 2016/17. Having initially operated on a cost plus basis, the joint venture moved to a budget based process on 1 April 2014.

#### **The Company / history**

Norwich Norse (Environmental) Ltd was formed on 1 March 2013 as a joint venture to provide a range of environmental services on behalf of Norwich City Council. This joint venture is part of a wider group of companies including NPS Norwich Ltd and builds on the experience gained from other local authority joint ventures around the country with Norse Group Ltd.

From the 1st March 2013 Norwich Norse (Environmental) Ltd took on the responsibility for delivering the grounds maintenance, streets and other cleansing, arboricultural and sheltered housing cleansing services. Other services transferred in as follows:

- 1st Sept 2013 Multi-storey car park cleansing
- 1st Sept 2013 Administrative building cleaning
- 1st Sept 2013 Cleaning of public conveniences
- 1st Sept 2013 Cleaning of parks toilets and changing rooms
- 1st July 2015 Play Area Maintenance
- 1st Mar 2016 Rose Lane Multi Storey Car Park Cleaning.

The services include grounds maintenance, streets and other cleansing, arboricultural services, pest control, stray dog service, building cleansing, car park cleansing and other associated works.

#### **Values**

The city council has also developed its 'changing pace' values to guide its ongoing change and improvement to ensure it meets the challenges ahead, continues to improve as an organisation and meet the needs of the city through its vision and priorities. Those values are:

- Pride – we will take pride in what we do and demonstrate integrity in the way we do it;



- Accountability – we will take responsibility, do what we say we will do and see things through;
- Collaborative – we will work with others and help others to succeed;
- Excellence – we will strive to do things well and look for ways to innovate and improve

As a Norwich City Council joint venture, Norwich Norse (Environmental) Ltd will assume these values in its own operations and ways of working.

## **Governance**

The NorwichNorse (Environmental) Ltd Board comprises the following

|          |                    |   |
|----------|--------------------|---|
| Chairman | Peter Hawes        | Managing Director,<br>NCS Ltd   |
| Director | Cllr Paul Kendrick | Portfolio holder for<br>Neighbourhoods &<br>community safety,<br>Norwich City Council |
| Director | Nicola Holden      | Commercial Director,<br>Norwich Norse<br>Environmental                                |
| Director | Bob Cronk          | Interim Executive Head of<br>Neighbourhoods<br>Norwich City Council                   |
| Director | Hannah Leys        | Operations Director,<br>Norwich Norse<br>Environmental                                |

Governance of Norwich Norse will be conducted by the management team, joint strategic management meetings with Norwich City Council and overseen by the Liaison Board. Performance will be assessed against a range of information:

- Operational performance through measures contained within the Balanced Scorecard direction of travel
- Project register setting out areas of improvement, tasks or cost reduction
- Financial report setting out the financial performance during the year
- Risk register setting out the risks facing the company and the way they are managed
- Business growth in line with budgeted expectation

## **Strategic objectives**

The company will assist with the Council's objective to reduce its budget by 25% over 4 years whilst developing and growing the commercial element of the business and maintaining agreed profit level.

The company will work to increase business from clients other than Norwich City Council to a maximum 20% turnover.

The company will underpin its work by the delivery of the following:

- Maintaining an attractive environment for residents and visitors to enjoy.
- Assisting the council in delivering set service standards for all parts of the service.
- Delivering a service that reflects the need of a particular area.
- Minimising the amount of waste arising and increase the amount that is recycled.
- Providing high performing services recognised by residents of and visitors to the city as being effective and efficient.
- Assisting in the delivery of key strategies
- Where possible service delivery will be integrated ensuring maximum efficiency is achieved especially with regard to housing and non-housing operations

## **Norwich City Council objectives**

To realise its vision, the council has adopted five corporate priorities, which represent the key things it aims to focus on achieving for the city and its residents. The company will assist the council in implementing these priorities which are:

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

Norwich City Council identifies within its corporate plan a priority to make Norwich a "Safe, Clean and Low Carbon City". The council's aim is to develop a community shaped service that supports this priority. Where possible the service will work in partnership with the whole community, facilitate customer satisfaction and ensure the delivery of set service standards.

The council exists to serve local people and to support the city. We want people to have a pride in their neighbourhoods and to have a strong voice to influence local service delivery. Three key aims have been developed to underpin the council's priorities:

- To provide adequate public and environmental protection

- To ensure neighbourhoods are clean, green and safe for residents and visitors
- To work in partnership with residents and other organisations to encourage active participation in the community.

## **2. Strengths and Challenges (current and future)**

Since the company was formed it has helped the council to deliver improving services. It now has an established platform of local expertise able to deliver quality services to the market place. It is financially stable and has increased its profitability over the last two years. There is a committed workforce who take pride in what they do which is led by a team wanting to work in full partnership with the city council in achieving its strategic objectives.

Improvements still need to be made in developing a culture of being proactive rather than reactive and establishing a culture change linked to innovation and implementation of new methods of working. There is a need for open communications with the council to enable the delivery of the services to be linked to policy led changes over the coming months. This year will be challenging especially with the financial conditions in place.

## **3. Operational Objectives**

NorwichNorse (Environmental) Ltd shall work with the city council to meet its strategic objectives and to improve the Service environment by:

- Operating methods of work which allow the highest standards of health and safety to be achieved, as considered by Legislation, the Health and Safety Executive and recognised best practise;
- Adhering to changing legislation;
- Implementing working methods and support systems which will achieve the highest levels of stake holder satisfaction (commensurate with performance);
- Employing service methods are flexible enough to account for changing patterns of work;
- Improving services so that targets set through relevant performance indicators are met;
- Ensure the employee skill base matches the requirements of the service.
- Take advantage of innovative opportunities to improve service delivery

## **4. Financial Objectives**

Norwich Norse Environmental Ltd is committed to provide the agreed environmental services on behalf of Norwich City Council at the lowest possible price, assisting with the Council's objective to reduce its budget by 25% over 4 years whilst developing and growing the commercial element of the business and maintaining agreed profit level.

The company is committed to increasing turnover up to a maximum 20% from other clients other than Norwich City Council

The company will undertake its business ensuring targets are met to ensure profit levels are maintained and where possible improved.

## **5. Delivering the Objectives**

### **Project Register**

The project register (Appendix 1) is a live document that outlines the projects that intend to develop and deliver the business over the course of the year. This is reviewed on a monthly basis and updated and amended as required. New significant additions to the project register are listed below:

- Future use of Mile Cross Depot – a detailed plan of usage and impact of closure (on storage capability, fuel consumption and operational time) will be produced.
- Living Wage - Review effect of April 2016 uplift and future uplifts on degradation of differential
- Income Opportunities - Working with NCC BDO to maximise promotion of council Services eg sports marketing
- Value for Money - Demonstrating JV option is best value. Highlighting added value/ partnership working. JV review document
- Review of Service Provision - Ensuring best value, maximising effectiveness to assist maintenance of services

### **Business Growth**

Norwich Norse (Environmental) Ltd is committed to growing the commercial element of the business which will be carried out through finding operational efficiencies and investment in new opportunities. This aims to enable an enhanced flexibility within the service provided to the City Council.

### **Commercial Market**

Likely areas of business growth are in tree maintenance, tech ops services and cleaning.

### **Competitor Analysis**

A separate competitor analysis document is produced and maintained by our Business Development Manager.

#### **Strengths**

- Local expertise
- Resources (equipment and staff)
- Support services (procurement, HR, H&S, recruitment)
- Accreditations

- Access to information/good practice from other Norse JV's
- Shared business set up models from other Norse JV's
- Non profit driven
- Recognised brand in our market area

#### Weaknesses

- Industry Accreditations- Arboricultural Association
- Funding for marketing due to low profit margins
- Being recognised as a commercial supplier
- National coverage eliminates ability to supply to corporate organisations

#### Opportunities

- Local business short term cleaning contracts
- Domestic tree services
- Commercial tree contracts
- Parish council contracts (grounds, trees, play)
- Tech ops works with other agencies (example- housing associations)
- Pest control expansion
- Diversification of services

#### Threats

- One man band type businesses - competition
- Lack of flexibility in pricing structure
- Local government budget cuts
- Market saturation

### **Joint Ventures**

Where possible joint ventures will support and utilise the services of other joint ventures to promote mutual success.

The company will continue to identify efficiencies and ways of increasing income thereby reducing the net cost of the service to the city council. A programme will be developed identifying where savings can be made and for the implementation of savings measures identified within the council's transformation programme.

### **6. Performance Measures**

Norwich Norse (Environmental) Ltd has identified the following key objectives, actions and performance measures. These are collated in the Balance Scorecard (Appendix 2) which is reported monthly to the city council and reviewed at the Company Liaison Board.

### **7. Financial Forecasts**

The financial projections for the joint venture are set out in the table below:

The financial year runs from 1 April to 31 March.

|                       | Year 4<br>2016/7 | Year 5<br>2017/8 | Year 6<br>2018/9 | Year 7<br>2019/0 | Year 8<br>2020/1 |
|-----------------------|------------------|------------------|------------------|------------------|------------------|
| Partnership income    | 5778             | 5823             | 5823             | 5823             | 5823             |
| Other income          | 558              | 580              | 620              | 660              | 700              |
| <b>Total Income</b>   | <b>6336</b>      | <b>6403</b>      | <b>6443</b>      | <b>6483</b>      | <b>6523</b>      |
|                       |                  |                  |                  |                  |                  |
| Employee costs        | 4108             | 4133             | 4133             | 4133             | 4133             |
| Materials             | 185              | 190              | 200              | 210              | 220              |
| Vehicles              | 795              | 796              | 809              | 818              | 827              |
| Supplies and services | 95               | 93               | 93               | 93               | 93               |
| Equipment             | 219              | 215              | 215              | 215              | 215              |
| Sub contractors       | 60               | 60               | 60               | 60               | 60               |
| Other                 | 300              | 330              | 335              | 335              | 335              |
| Management fee 6%     | 369              | 373              | 375              | 376              | 377              |
| <b>Total costs</b>    | <b>6131</b>      | <b>6190</b>      | <b>6220</b>      | <b>6240</b>      | <b>6260</b>      |
|                       |                  |                  |                  |                  |                  |
| Profit                | 205              | 213              | 223              | 243              | 263              |
| 50% share to Norwich  | 102.5            | 106.5            | 111.5            | 121.5            | 131.5            |

Year 4 reflects agreed budget with Norwich City Council with additional labour costs and income to reflect the living wage uplift and additional cost of National Insurance. Year 4 includes the addition of the Play Area Maintenance service in the partnership fee.

Year 5 includes the addition of Rose Lane Car Park Cleaning

Year 5-8 does not include any inflation re income or costs.

The table does not include reductions in costs at this time and will be revised when the project programme is developed thereby linking this work to the financial forecast for the company

## 8. Key Risks and Mitigating Actions

### NORWICHNORSE (ENVIRONMENTAL) RISK REGISTER

| NN(E) CORPORATE RISK REGISTER                       |  |  |  |            |                   |                  |
|---|--|--|--|------------|-------------------|------------------|
| LAST UPDATED:<br>NEXT UPDATE DUE:<br>FOR REVIEW BY: |  |  |  |            | Key to Risk Class | Extreme          |
|   |  |  |  |            |                   | High             |
|   |  |  |  |            |                   | Medium           |
|   |  |  |  |            |                   | Low              |
| 13/14 Ref no.                                       | Risk Source<br>(Lack of...<br>Failure to...) | Risk Consequences<br>(Leads to...<br>Results in...)  | Current Control Measures   | Likelihood | Impact            | Risk Score (LxI) |
| 1   | Loss of key building or sub depot            | Prolonged disruption to services. Possible loss of important documentation. Business continuity issue. | Key site is Fifers Lane, disaster recovery plan in place.  | 2          | 4                 | 8                |
| 2   | Failure of IT                                | Loss of time. Possible loss of crucial operating, financial and contractual information.               | Norse disaster recovery plan in place. Key documents backed up on disk. Data backed up by NPS and externally.  | 2          | 4                 | 8                |
| 3   | Changing political priorities                | New Members may have different strategic intention for service delivery.                               | Performance, project and financial measures and controls in place. Ensure service delivery is flexible to meet changing needs. Demonstrate benefits of working in partnership. | 2          | 5                 | 10               |
| 4   | Lack of office and depot space               | Unable to cope with growth.  |  | 3          | 4                 | 12               |
| 5   | Loss of key personnel                        | Relationship with City Council may be damaged or broken.   |  | 2          | 5                 | 10               |

|    |  |  |  |   |   |   |
|----|--|--|--|---|---|---|
| 6  | <b>Lack of support from Norwich City Council officers.</b>     | Loss of work, disagreements regarding service levels and quality.  | Regular meetings in place.   | 2 | 4 | 8 |
| 7  | <b>Norwich City Council budget pressures</b>                   | Reduced service levels, redundancies, reduced reputation.  | Regular meetings in place. Environmental services a priority for the City.                             | 3 | 3 | 9 |
| 8  | <b>Failure to secure vehicles and equipment</b>                | Loss or damage to assets and impact on service delivery. Cost of claims etc.   |  | 3 | 3 | 9 |
| 9  | <b>Loss of service due to fuel restrictions</b>                | Temporary loss of services.  | Maintain fuel stocks at depot  | 2 | 4 | 8 |
| 10 | <b>Failure to manage H and S hazards</b>                       | HSE enforcement, staff injury/claim. Staff absence.  | Risk assessments. Accident investigations.   | 2 | 3 | 6 |
| 11 | <b>Living wage</b>   | Effect on competitiveness, differentials. Cost at time of budget restrictions.   | Explain full impact to Norwich City Council and ensure sufficient budgets to pay for it.               | 3 | 2 | 6 |
| 12 | <b>Major staff sickness/absence</b>                            | Inability to deliver services.   | Business continuity plans. Sickness managed by Bradford scale.   | 1 | 4 | 4 |
| 13 | <b>Credibility of both parties as a result of poor service</b> | Loss of support from Councillors and the public and potential termination of JV.   | Robust performance management and monitoring systems combined with regular meetings to check progress. | 1 | 4 | 4 |
| 14 | <b>Severe weather event</b>                                    | Could lead to loss of life and disruption in services  | Emergency plans in place, tree inspection programme in place, strong governance arrangements           | 2 | 4 | 8 |
| 15 | <b>Key supplier failure</b>                                    | loss of service, reputational issues   | Sourcing alternative suppliers, regular credit checks  | 1 | 4 | 4 |
| 16 | <b>Barriers to improvement and change management.</b>          | Reduction in service standards, lack of performance, resistance to new working methods                                       | Appraisals and training plans in place   | 2 | 4 | 8 |
| 17 | <b>Fraud</b>   | Opportunity for theft from parks, stray dog fees etc leading to loss of income, reputational damage, disciplinary procedures | Controls through Civica, limiting opportunities for cash handling, training, audit control procedures  | 1 | 4 | 4 |



Project Register  
**Project Register**

Appendix A  
**Timeline**

| Ref No   | Sub Ref    | Project Name   | Owner | Comments/progress   | 2016  | 2017 | 2018 | 2019 |
|----------|------------|--|-------|---|-------|------|------|------|
| <b>1</b> |            | <b>Integration of services</b>   |       |   |       |      |      |      |
|          | <b>1.1</b> | Rose Lane Car Park - Cleaning  | DF    | Car Park opening in March 2017. Cleaning contract to mirror other car parks (St Giles/ St Andrews) £50Kpa   | March |      |      |      |
| <b>2</b> |            | <b>Review work programmes to achieve service standards and performance outputs</b> |       |   |       |      |      |      |
|          | <b>2.1</b> | Grass cutting programme  | MA    |   |       |      |      |      |
|          | <b>2.2</b> | Shrub bed programme  | MA    | Change target to 80%. Review resources to enable to exceed historical 70%   |       |      |      |      |
|          | <b>2.3</b> | Street cleansing programme   | MA    |   |       |      |      |      |
|          | <b>2.4</b> | Tree works programme   | GM    |   |       |      |      |      |
|          | <b>2.5</b> | Building cleansing programmes  | DF    |   |       |      |      |      |
|          | <b>2.6</b> | Litter bin programme   | MA    |   |       |      |      |      |
| <b>3</b> |            | <b>Staffing</b>  |       |   |       |      |      |      |
|          | <b>3.1</b> | Raising skill levels   | NH/AP | Staff training matrix to be agreed. Identified needs - Tractor, HGV, Asbestos, digger, IT, Stem injection. Team Leaders tasked with finding suitable candidates.                                      |       |      |      |      |
|          | <b>3.2</b> | Workforce planning and development   | NH    | Right first time, flexibility to make best use of resources, improve morale/ relationship. Development of NNE values/ vision to support NCC Pace values. Establishment review needed to precede this. |       |      |      |      |

|   |     |  |                  |  |     |          |  |  |
|---|-----|--|------------------|--|-----|----------|--|--|
|   | 3.3 | Appraisals   | NH/<br>Managers  | Appraisals for managers, job chats for supervisors, operational staff Completed, ongoing development, job chats to be rolled out | Apr |          |  |  |
|   | 3.4 | Training plan  | AP/NH            | Development and updating of training matrix linked with job chats and submission of training plan in November                    | Nov |          |  |  |
|   | 3.5 | Developing apprenticeships   | GM               | Review progress of existing apprentice. Develop apprenticeship for workshop/ succession planning.                                |     |          |  |  |
|   | 3.6 | Retention of Investors in People   | NH/AP            |  |     | Due 2017 |  |  |
|   | 3.7 | Employee records review / Data cleanse                                       | AP               |  |     |          |  |  |
| 4 |     | <b>Initiate quality audit procedures</b>                                     |                  |  |     |          |  |  |
|   | 4.1 | ISO accreditation  | AP               | Ongoing Internal and external audits   |     |          |  |  |
| 5 |     | <b>Customer focus and neighbourhood working</b>                              |                  |  |     |          |  |  |
|   | 5.1 | Customer satisfaction surveys across all services                            | AP/DF            |  |     |          |  |  |
|   | 5.2 | Review service standards and link to neighbourhoods                          | NH/GM/<br>MA/ TL |  |     |          |  |  |
|   | 5.3 | Working with Norwich City Council to retain Green Flag status for Eaton Park | MA               | Dedicated judging date due to park condition during mystery shopper judging  |     |          |  |  |
|   | 5.4 | Norwich in Bloom   | MA/LC            | Aim for Gold   |     |          |  |  |
| 6 |     | <b>Environmental improvements</b>  |                  |  |     |          |  |  |
|   | 6.1 | Issues arising from annual carbon footprint return                           | AP/BS            |  |     |          |  |  |
|   | 6.2 | Reduction in energy usage  | AP               |  |     |          |  |  |
|   | 6.3 | Environmental Strategy   | AP               | Environmental Management System to follow after Quality Audit  |     |          |  |  |

|           |             |  |               |  |  |  |  |  |
|-----------|-------------|--|---------------|--|--|--|--|--|
| <b>7</b>  |             | <b>Equalities and Safe Guarding action plan</b>          |               |  |  |  |  |  |
|           | <b>7.1</b>  | Promote Equalities                                       |               | Ongoing awareness training and positive discrimination in recruitment  |  |  |  |  |
|           | <b>7.2</b>  | Maintain Safe Guarding Plan                              |               | Ongoing awareness training   |  |  |  |  |
| <b>8</b>  |             | <b>Routine work and projects</b>                         |               |  |  |  |  |  |
|           | <b>8.1</b>  | Review of Management information                         | All           | Reduce duplication, challenge usefulness of management information provided to City Council with a view to improving efficiency. Move to outcome/ results reporting rather than input. |  |  |  |  |
|           | <b>8.2</b>  | Review of Tech Ops                                       | MW            | Review of how non-specialist jobs are covered with view to growing income generated from specialist private jobs.  |  |  |  |  |
|           | <b>8.3</b>  | Service Monitoring software                              | GM/NH/ AP/ MW | Introduce Play software. Review how new NCC handhelds can link with our operations. Investigate scope of using eforms on handhelds to reduce paperwork administration                  |  |  |  |  |
| <b>9</b>  |             | <b>Health and safety</b>                                 |               |  |  |  |  |  |
|           | <b>9.1</b>  | Maintain, update risk assessments & safe systems of work | GM            | As required  |  |  |  |  |
|           | <b>9.2</b>  | Improve H&S ethos  | GM            | Review how message is delivered through TBT etc  |  |  |  |  |
| <b>10</b> |             | <b>Asset Management</b>                                  |               |  |  |  |  |  |
|           | <b>10.1</b> | Vehicles   | MW            |  |  |  |  |  |
|           | <b>10.2</b> | Plant  | MA            |  |  |  |  |  |
|           | <b>10.3</b> | Process  | NH            | Financial appraisal of capital purchases; compare cost of purchase through Norse and City Council  |  |  |  |  |

|           |             |   |        |   |     |  |  |  |
|-----------|-------------|---|--------|---|-----|--|--|--|
| <b>11</b> |             | <b>Depots</b>                               |        |   |     |  |  |  |
|           | <b>11.1</b> | Sub-depot investment programme (Eaton Park) | MA     | Plans received from NCC for Eaton Park only (this does not include Mousehold, Heigham or Waterloo yet), awaiting update on cost of project matching funding. Dependent on NCC budget being agreed in Feb 2015. MA/Mike Parker have met to review plans for Eaton Park | Apr |  |  |  |
|           | <b>11.2</b> | Future of Mile Cross Depot                  | GM     | Detailed plan of usage and impact of closure/ change of use. Transfer Station, Impact on fuel consumption and operational time  | Jan |  |  |  |
| <b>12</b> |             | <b>New Business Growth</b>                  |        |   |     |  |  |  |
|           | <b>12.1</b> | Business Plan for growth                    | NH     | Implement Plan  |     |  |  |  |
|           | <b>12.2</b> | Creating Capacity for business growth       | All    | Putting ourselves in the best place for bidding for contracts   |     |  |  |  |
|           | <b>12.3</b> | Business Marketing                          | NH     | Proactive marketing to target business growth areas. Officers.  |     |  |  |  |
| <b>13</b> |             | <b>Financial Future</b>                     |        |   |     |  |  |  |
|           | <b>13.1</b> | Living wage                                 | NH     | Review effect of April 2016 uplift and future uplifts on degradation of differential  |     |  |  |  |
|           | <b>13.2</b> | Income opportunities                        | NH/GJa | Working with NCC BDO to maximise promotion of council Services eg sports marketing  |     |  |  |  |
|           | <b>13.3</b> | Proving value for money                     | NH     | Demonstrating JV option is best value. Highlighting added value/ partnership working. JV review document  |     |  |  |  |
|           | <b>13.4</b> | Review of Service Provision                 | NH     | Ensuring best value, maximising effectiveness to assist maintenance of services   |     |  |  |  |

| Internal Business Perspective Performance measure | Reporting Officer | Feb-16            | Target   | Data Frequency |
|---|-------------------|-------------------|--|----------------|
| Review of Vehicle Accidents                       | NH                | (1) 4             | Reduce Vehicle accidents from previous year<br>(previous year) current | Monthly        |
| Review Physical Accidents                         | NH                | (2) 3             | Reduce accidents from previous year<br>(previous year) current         | Monthly        |
| "O " Licence                                      | NH                | "O" Licence Green | Ensure compliance (Green)  | Monthly        |
| Ensure Risk Assessments relevant and up to date   | NH                | 51                | Review annually or for new procedures                                  | Annually       |

| Financial Perspective Performance measure   | Reporting Officer |               | Target     | Data Frequency |
|---|-------------------|---------------|------------|----------------|
| Achieve annual profit level of £200,170     | NH                | £228,231.00   | £200,170   | Monthly        |
| Achieve annual Income of £6,826,732         | NH                | £6,655,057.00 | £6,826,732 | Monthly        |
| Achieve annual additional sales of £583,330 | NH                | £631,662.00   | £583,330   | Monthly        |

| Learning and Growth Perspective Performance measure          | Reporting Officer |       | Target | Data Frequency |
|--|-------------------|-------|--------|----------------|
| Ensure all staff receive basic skills training within 7 days | NH                | 100%  | 100%   | Monthly        |
| Contain Sickness Levels                                      | NH                | 3.40% | 3%     | Monthly        |

| Customer Perspective Performance measure  | Reporting Officer |   | Target   | Data Frequency |
|---|-------------------|---|--|----------------|
| Increase Customer Satisfaction of Norwich Norse facilities  | NH                | 93%   | 80%  | Monthly        |
| Increase % of sharps removed within service standards   | NH                | 96% Total number removed 25 within service standard 24          | 95%  | Monthly        |
| Increase % of non-hazardous fly tipping jobs as requested by NCC removed within service standards | NH                | 98% Total number removed 498 within service standard 490        | 95%  | Monthly        |
| Increase % of proactive fly tipping jobs carried out  | NH                | 93 (583) 15.95%   | For information<br>Pro-active fly tipping jobs completed / (Total fly tipping jobs completed) / % of Pro-active fly tipping jobs completed | Monthly        |
| Increase % of non-offensive graffiti removed within service standards                             | NH                | 100% Total number removed 13 removed within service standard 13 | 95%  | Monthly        |

|   |    |  |   |          |
|---|----|--|---|----------|
| Increase % of offensive graffiti removed within service standards               | NH | 80% Total number removed 5 removed within service standard 4   | 100%                                      | Monthly  |
| Increase % of dog fouling removed within service standards                      | NH | 95% Total number removed 81 removed within service standard 77 | 94%                                       | Monthly  |
| Street Cleansing inspections NI195  | NH | 6.0%   | Less than 5% of streets found to be dirty | Annually |
| % of streets at, or returned to Grade A at time of visit.                       | NH | 95%  | 90%                                       | Monthly  |
|   |    |  |   |          |
| % of Grass Cutting programme completed - Target 90%                             | NH | N/A  | 90%                                       | Monthly  |
| % of Winter Shrub bed programme completed - Target 100% or 251299m <sup>2</sup> | NH | 62%  | 100%                                      | Monthly  |
| % of Play Area inspections completed  | NH | 100%   | 100% Inspections be carried out           | Monthly  |
| % Cleaning visits achieved on schedule  | NH | 100%   | 95%                                       | Monthly  |
| % of Norwich Norse cleaning monitoring completed                                | NH | 88%  | 90%                                       | Monthly  |
|   |    |  |   |          |
| Increase Tree % of work requests completed within target dates                  | NH | N/A  | 90%                                       | Monthly  |
| Complete % of Priority 1 work requests within target dates                      | NH | 100%   | 100%                                      | Monthly  |
| Complete % of Priority 2 work requests within target dates                      | NH | 100%   | 100%                                      | Monthly  |
| Complete % of Priority 3 work requests within target dates                      | NH | 100%   | 100%                                      | Monthly  |
| Complete % of Priority 4 work requests within target dates                      | NH | 80%  | 90%                                       | Monthly  |



**NORWICH**  
City Council

## NORWICH NORSE (BUILDING) LTD

### BUSINESS PLAN

2016-17

#### INTRODUCTION

Norwich Norse (Building) Ltd was formed on 1<sup>st</sup> April 2014 as a joint venture between Norwich City Council and Norse Group Ltd to provide a range of building services on behalf of Norwich City Council. These include housing and non-housing responsive maintenance, void maintenance and upgrades, disabled adaptations, planned improvements and other associated works.

This joint venture is part of a wider group of companies including NPS Norwich Ltd and builds on the experience gained from other local authority joint ventures around the country with Norse Group Ltd.

This business plan sets out joint objectives of both Norwich City Council and Norwich Norse (Building) Ltd and how the joint venture will contribute to those objectives.

It will also cover action plans, performance measures and financial forecasts for the period April 2016 to end March 2017. It will also identify how the joint venture will contribute to Norwich City Council's target of 25% savings.

This joint venture is currently operating on payment mechanisms carried forward from two primary contracts won in tender which were novated into the joint venture on 1<sup>st</sup> April 2014.

It has previously been agreed that both payment mechanisms will be changed to simpler systems by October 2016 based on a cost plus open book mechanism designed to identify waste and duplication and adhere to savings in line with Norwich City's financial objectives in years 16/17, 17/18, 18/19 and 19/20.

This particular joint venture between Norwich City Council and Norse Commercial Services Ltd operates through the joint venture company Norwich Norse Building Limited. The purpose of this company is to successfully deliver the response maintenance and void repair work on the housing stock owned by Norwich City Council. The company also undertakes other repair and adaption works to the housing stock including larger voids called Whole House Improvements and Disabled Adaptions.

In addition, via a second contract which was novated into the joint venture company, it also undertakes responsive repair and planned maintenance works to public buildings and corporate and retail properties owned by Norwich City Council.

The joint venture company has the ability to undertake works for other clients in both the private and public sector up to the values limited within the guidelines for setting up public sector companies. The ethos and values of the joint venture company are aligned between Norwich City Council and the Norse group. These are primarily to offer a commercial cost effect high quality service aligned with the ethos of the local authority/ public sector Company within caring for the needs of tenants, leaseholders and users of both the housing stock and the properties owned by the City Council.

### **Strategic Objectives**

- Ensuring the payments mechanism is more efficient and effective.

The payment mechanisms of both the Housing and Non-Housing contracts are complicated and cumbersome and there are efficiency savings to be made by streamlining these processes.

It has therefore previously been agreed that both payment mechanisms would be changed to incorporate simpler methods of payment for work undertaken.

It is thought this can be best achieved using a fixed overhead and an open-book mechanism designed to identify waste and duplication and is more in line with Norwich City Council's financial objectives making savings during the period 2016-2020. Subject to Board approval, it is considered this new payment mechanism would be introduced by December 2016.

- **Promoting cultural changes to improve productivity and partnership working**

The three main players within the operational joint venture are Norwich City Council, Norse Commercial Services and Norfolk Property Services. Norwich City Council needs to save 25% on its budgets and a change of culture is required by all parties to understand the need to drive forward efficiencies to achieve these targets of budget savings. This will be delivered via a closer working relationship between all three organisations and a common purpose to drive efficiencies in. The work on promoting cultural change needs to start as soon as possible if Norwich Norse Building Ltd has any chance of achieving the savings required in the current financial year 2016/17.

- **The need for new premises for Norwich Norse Building Ltd**

The contract to deliver responsive repairs and voids work on the social housing stock of Norwich City was originally intended to utilise joint accommodation and offices to be shared by both Norse and Norwich City technical staff. Following award of the contract however, this did not transpire and the Norwich Norse joint venture currently operates from portable buildings within the yard and curtilage of Travis Perkins building material suppliers. The site itself is not suitable for the current operations with over-cramped offices and the inability to segregate waste and take the best advantage of alternative suppliers' competitive prices.

A search has taken place for new premises that would be suitable both for the existing operation and possible future expansion but these are not currently available within the northern area of the City which would be the location that is the most efficient to operate the maintenance business.

The current premises are stifling opportunities of expansion and those of efficiencies and new premises need to be identified and/or developed by the third quarter 2017 at the latest.



- **Potential areas to grow the business**

Up until now, the joint venture has concentrated on delivering the response maintenance, voids maintenance and public buildings maintenance work for the City. The budget savings which need to be achieved can be obtained by both efficiencies and the introduction of additional business. This could be in the form of developing new relationships with a number of potential client groups including social housing providers, private sector landlords and other public sector bodies, such as the health trusts and other government departments who may have property in the City. There is also the potential of insurance repair work with Norwich hosting one of the largest companies involved in this type of work in Aviva.

This new work can sometimes take up to two years to bring to fruition and a new business development plan should be developed by October 2016 to identify where and how this new business might be obtained.

The company will operate in the manner of a partnership through the business plan agreed by the Norwich Norse (Building) Ltd Board which comprises:

|          |                 |  |
|----------|-----------------|--|
| Chairman | Peter Hawes     | Managing Director Norse Commercial Services Ltd      |
| Director | Gail Harris     | Portfolio holder for Housing<br>Norwich City Council |
| Director | Clive Whittaker | Commercial Director<br>Norse Commercial Services Ltd |
| Director | David Moorcroft | Executive head of regeneration and development       |
| Director | Kevin Wright    | Operations Director<br>Norwich Norse (Building) Ltd  |

### **City Council objectives**

To realise its vision, the council has adopted five corporate priorities, which represent the key issues aims to focus on achieving for the city and its residents. These priorities are:

- 1. To make Norwich a safe and clean city**
- 2. To make Norwich a prosperous city**
- 3. To make Norwich a city with decent housing for all**
- 4. To make Norwich a city of character and culture**
- 5. To provide value for money services**

Norwich City Council identifies within its corporate plan a priority to make Norwich a “city with decent housing for all” and to provide “value for money services”. The council’s aim is to develop a community shaped service that supports this priority.

The council exists to serve its tenants, local people and to support the city. We want people to have a pride in their neighbourhoods and to have a strong voice to influence local service delivery. Three key aims have been developed to underpin the council’s priorities:

- To improve the council's housing stock
- To improve the letting of council homes
- To maximise council income through effective asset management, trading and collection activities.

Norwich Norse (Building) Ltd (the joint venture) will work in partnership with the whole community in order to facilitate customer satisfaction and ensure the delivery of set standards of service.

The key aims will be underpinned by the delivery of the following:

- Ensuring average void turnaround time for repairs, i.e. from keys to contractor to keys back to NCC is kept to an absolute minimum and within targets.
- Completing repairs right first time.
- Ensuring customers are completely satisfied with the service provided.
- Providing high performing services recognised by residents of and visitors to the city as being effective and efficient.
- Assisting in the delivery of key council strategies

### **Strengths and Challenges**

The joint venture has, overall, worked extremely well considering that the two contracts previously won in tender were novated into the joint venture and we are now attempting to operate these as a partnership.

The Norse teams already operating within a response maintenance arena have worked extremely well in using their knowledge and experience to ensure the contract runs smoothly in relation to undertaking work to tight time schedules and ensuring tenant satisfaction. They have also made efficiencies in the response maintenance and undertaking works to voids within and up to the Norwich City voids minimum standards. This has resulted in a current underspend in both the response maintenance housing contract and the void maintenance contract.

However, under the terms of the existing contract any savings in the expenditure on housing and voids maintenance is shared between Norse Commercial services and Norwich City on an interest percentage sliding scale in favour of the city. This is of course where the terms of the contract are in direct conflict within the agreement between Norwich City and Norse through the JV where profits and savings are shared on a 50/50 basis.

Even greater problems arise with any reduction in the expenditure within these two areas as the reduced expenditure figure becomes the base value for budget purposes the following year. This would result in losses to the joint venture and Norse, in particular, should the following year prove to be one where increased repairs activity is required in response maintenance and voids.

In relation to future development and Improvement and the need for change there are obviously issues with dropping contracts won in competition into a joint venture. It is therefore not surprising some staff involved still see the JV as a purely client contractor relationship where as others have moved to a much more collaborative working arrangement.

It has previously been agreed that the whole payment mechanism which is incredibly complicated, time consuming and soaks up the time of many members of staff on both sides needs to be changed to one that is more suited to a joint venture. There also needs to be a complete change of culture via education process highlighting the importance of benefits of joint team working with a total attitude of cooperation with the ultimate aim being to deliver service and efficiency to the city.

### **Operational Objectives**

Norwich Norse Building Limited and their board will work with other city officers and NPS Norwich Limited teams to develop short and medium term operational objectives in order for the JV to take advantage of their strengths in order to achieve their strategic objectives.

These operational objectives will be developed during 2016 in what is extremely likely to be a constantly changing picture of government legislation resulting in financial variations in the medium term future budget settlements.

### **Financial Objectives**

Savings on the building maintenance operation for both housing and public buildings can be contained in a number of ways providing they are politically acceptable.

These can include:

- Higher productivity using improved IT solutions.
- Savings via more efficient procurement of building materials
- More efficient procurement of temporary or agency staff
- Reduction in staff when work volumes drop off providing this is politically acceptable
- Better use of logistics and transport
- Move to a more efficient payment mechanism

The greatest area where efficiencies can be made is the time costly, cumbersome and outdated payment mechanism. A move to an open book with Fixed Overhead plus modern arrangements used in the systems thinking type approach would yield the greatest single efficiencies of all on this particular joint venture. Work will be undertaken on developing a cost and saving model using a revised payment mechanism.

By moving to a more efficient payment mechanism it is estimated that the reduction on site costs operations could amount to savings of between £300k and £500k per annum on operational costs. Other savings through the procurement of building materials associated with changes to the way work is ordered and planned could amount to a further £40 – £50k.

### **Delivering the objectives**

Within the Norwich Norse Limited Joint Venture the work that is undertaken is primarily repairs and maintenance to houses and commercial buildings. The joint venture has up until now concentrated on delivering and improving its services directly to Norwich City Council tenants and building users via good quality asset management linked with its sister company NPS.

Opportunities may be available to deliver additional volumes of work with third party clients. These would primarily be registered social landlords who have housing stock within the city of Norwich.

These are organisations such as Broadland Housing, Orbit Housing, Cotman Housing (now part of a larger group) and other large scale voluntary transfer Housing Association such as Circle Anglia and Flagship Housing. Consideration will need to be taken into account that all these RSLs currently have arrangements for undertaking their response and planned maintenance to housing stock and void stock.

Additionally the Norse Group via the Norse Building Division have recently tendered for and been put onto the select list of contractors for the Eastern Procurement Limited

Group. This group has a number of clients both RSLs and local authorities who are involved in housing maintenance and larger capital works such as kitchen and bathroom refurbishments. These RSLs are located throughout the counties of Norfolk, Suffolk and Cambridgeshire.

The Norwich Norse joint venture for housing maintenance is a tightly run model with very spare capacity. However, the model that we have always developed allows for some additional works to be undertaken within the existing operational overhead and in this case will be limited to around an additional £500,000 turnover per annum. It is expected that profit from additional turnover and sales on this amount could produce an additional £50-£60,000 of profit with this figure being even higher, depending on the type of work.

The biggest single factor in relation to the operation of the Norwich Norse Building Limited Joint Venture is the procurement of a new depot/offices/stores within Norwich City. Extensive research has been made over the last twelve months and a number of buildings/offices viewed.

At this moment in time NNB Ltd have been unable to find suitable premises to move into from their current Weston Road depot which stands within the larger accommodation of the Travis Perkins Group.

Details of how the joint venture will work to achieve Norwich City's financial savings targets have been outlined earlier in the Business Plan. However, one area of operation which may improve efficiency and deliver savings is to move to a Systems Thinking style operation utilising the efficient delivery of building materials and van stock that will allow operatives to undertake additional jobs per day.

The search for suitable premises that will allow offices and stores operation to be utilised will continue over the next six months.

### **Performance Issues**

There are a large number of performance measures already in place within the housing and building maintenance joint venture. These are measured via key performance indicators and have been allocated mainly by Norwich City Council but with some input from Norse.

These are reported on monthly at both the operational and strategic meetings and also to the quarterly board meetings and the liaison board meetings.

Our KPIs are reviewed thoroughly and the reasons for success and failure discussed in some depth along with measures identified to improve performance where there may be issues.

The content and type of KPIs are reviewed on a regular basis with any additional KPIs thought to be necessary introduced with a suitable targets.

### **Financial Forecasts**

A copy of the 2016/2017 budget is enclosed. Budgets are produced on an annual basis based on the known budget available for the following year.

NNB Ltd will work with NPS Norwich to review the years 2017/2020 to produce draft budget in relation to known cuts or increases in expenditure on housing maintenance and public buildings maintenance.

Within response maintenance some of the larger jobs such as disabled adaptations and whole house improvements the cash flow is managed by prompt accounting and submission of invoices following completions of the works.

However, this could be improved, some of the larger jobs taking 3 to 4 months from start to completion and some of the orders and works on the public sector buildings having annual orders. This means the work is undertaken from the start of the financial year in April at regular intervals throughout the year but the final invoice may not be prepared and submitted until period twelve. This and other idiosyncrasies are mainly due to the way the work is ordered.

It is envisaged that cash flow will improve once both contracts novated into the JV are moved to a simpler and more efficient payment mechanism.

Within other building maintenance JVs involving social housing work is paid for at cost on a monthly basis thereby reducing the normal issues linked with cash flow.

**Norwich Norse Building Ltd  
2016-2017**

|                            | <b>Budget</b>        |
|----------------------------|----------------------|
| Total Income               | £10,923,863          |
| Total Materials            | £1,992,598           |
| Total Supplies & Services  | £230,050             |
| Total Labour inc. Agency   | £3,994,229           |
| Total Sub-contractors      | £1,547,502           |
| Total Transport            | £758,073             |
| Total Equipment            | £116,070             |
| Total Other direct         | £23,990              |
| Total Salaries inc. Agency | £1,147,078           |
| Total Other indirect       | £208,390             |
| Total Central Overheads    | £655,432             |
| Profit/Loss                | <hr/> £250,451 <hr/> |

### Key Risks and Mitigating Action

Norwich Norse Building and NPS Norwich identified the largest significant risks to the business, these are discussed at the monthly strategic meetings and are just as appropriately.

During the year the two parties will consider all aspects of the operation which could be deemed to pose a risk and begin to log these on the risk register.

While this business plan is not able to address every single issue that may crop up in the future it seeks to act as a working document to identify those main areas which will need to be addressed during the 2016/2017 financial year.

It is envisaged that working with directors and officers of Norwich City and NPS Norwich that the business plan for Norwich Norse Building Limited will be continually developed and consistent in its approach to delivering first class building maintenance along with best value for money.

### Business Objectives

Norwich Norse (Building) Ltd has identified the following key objectives, actions and measures for the coming year:

| Objective   | Action   | Measure  |
|---|--|--|
| Work with the Council to achieve its objectives for the services. | Ensure reporting processes and systems are fully integrated and aligned, in place and fully operational by 01 October 2016 | Reporting of KPI information is electronic, accurate and timely  |
| Housing responsive & void repairs                                 | Meet annual KPI performance standards  | 95% of responsive repairs allocated an appointment<br>96% of responsive repairs appointments kept<br>95% of responsive repairs completed at first visit<br>10 days Average end to end for all repairs<br>95% of customers satisfied with the quality of responsive repairs<br>95% of customers satisfied with the overall responsive repairs service |



|                                       |   |  |
|---------------------------------------|---|--|
|                                       |   | 10 days Average contractor void turnaround time  |
| Non housing repairs & specified works | Move to new payment mechanism   | By 1 <sup>st</sup> December 2016   |
| Disabled adaptations                  | Monitor new KPI performance standards   | 95% Quality inspection – achieving standard<br>95% Actual completions measured against planned completions<br>Quality inspections achieving standard   |
| Operating environment                 | Reportable accidents<br><br>Office presence in Townshend House<br><br>Implement improved financial and performance monitoring systems and processes   | Lower than previous year<br><br>Teams to be working together on a daily basis<br><br>Improved alignment with NCC systems resulting in more timely and accurate data transfer by 1 <sup>st</sup> October 2016 |
| Finances                              | Operate within the programme of works for housing and non-housing provided annually by NPS<br><br>Manage the business within the annual budgets set and agreed by the joint venture<br><br>Manage costs<br><br>Manage profitability | Monitor Budget on a monthly basis and review quarterly at Open Book<br><br>Costs lower than budgeted<br><br>Achieve budgeted profit  |

|  |  |   |
|--|--|---|
|  | <p>Business growth</p> <p>Ensure the timely provision of property specific information relating to the reconciliation and accrual of financial expenditure</p> | <p>Achieve £50k new business from external sources/clients<br/>By March 2017</p> <p>Completion of the council's capital programme year end procedures as required by internal and external auditors</p> |
|--|--|---|

**Report to** Cabinet

**Item**

13 July 2016

**Report of** Executive head of regeneration and development

**Subject** Norwich Regeneration Ltd- business plan 2016-17

**15**

## **KEY DECISION**

---

### **Purpose**

To consider the business plan of Norwich Regeneration Ltd.

### **Recommendations**

To approve the:

1. business plan for 2016-17 for Norwich Regeneration Ltd.;
2. business plan for the Norwich and Homes and Communities Agency (HCA) strategic partnership.

### **Corporate and service priorities**

The report helps to meet the corporate priority of a prosperous city.

### **Financial implications**

Under the proposed development model the council will transfer the land at full market value to the proposed housing company in exchange for equity investment and will provide a loan to cover development and other costs. The council will receive an income stream for the general fund through dividends and interest on loans.

The budgeted capital programme for this project for the period from 2016-17 to 2019-20 is currently £13,121,901. The cost of the development and rolled up interest is within the approved capital programme.

**Ward/s:** All

### **Cabinet member:**

Cllr Waters- Leader.

### **Contact officers**

Gwyn Jones, city growth and development manager 01603 212364

Philippa Dransfield, chief accountant 01603 212562

## **Background documents**

None

# Report

## Background

1. In July 2015 cabinet resolved to approve the establishment of a local housing development company to build, sell and manage houses for sale and rent. The company (Norwich Regeneration Ltd) was incorporated in November 2015 as a company limited by shares, wholly owned by Norwich city council. The articles of association of the company require and the business plan is approved by the council. The company then carries out its business within the parameters of the business plan. The business plan for 2015/16 was approved by Cabinet in January 2016. This report seeks approval for the business plan for 2016-17, which was approved by the board of Norwich Regeneration Ltd at its meeting on 28 June 2016.

## Progress by the company to date

2. The company is currently taking forward one project- Three Score phase 2. This is a 172 dwelling development, of which 112 dwellings will be built to passivhaus standards. The development is intended to include 33% affordable housing (85% social rent, 15% shared equity) with the remainder of the units being private dwellings to be sold or rented on the private market by the company. RG Carter were selected as the contractor under a 2 stage design and build contract. The contract is divided into 4 sections with a break clause between each section. The council has entered into a development agreement to buy the social housing units (18 units) in section 1 and to-date a payment has been made by the council to the company to cover 40% of the build costs.
3. The company has considered programme options for the contract and has selected the programme which provides greatest cost certainty for section 1 of the contract. The company has entered into the pre- construction services agreement with RG Carter and design and other pre construction work is now underway. The contract price will be provided by RG Carter in October and the board will make a decision to proceed to the full construction contract at that point. Subject to that decision, construction is due to start on site by early December 2016, with the show homes and sales office complete by June 2017 and the first homes completed by July 2017.
4. The council agreed in January 2016 to transfer the Three Score phase 2 site to Norwich Regeneration Ltd. The land transfer has been signed by both the council and the company. Registration is awaited, pending removal of a deed of covenant relating to infrastructure at the adjacent Norsecare development which has now been completed.
5. A brief has been issued to procure an agent to deal with the sales and marketing of private homes for sale and rent and for the ongoing management of private rented properties.
6. An updated Business Plan for 2016-17 has been prepared and is attached as a confidential appendix which can be found at item \*17 in this cabinet

agenda. The plan rolls forward programme and budget details for Three Score phase 2 and the operation of the company to 2016-17, covering the lifetime of the Three Score project to 2020. In particular there are the following key elements to note in the revised plan:

- Consideration of future projects- whilst no new projects are included in the plan at this stage, other sites may be included in future (including phase 3 at Three Score) subject to full business cases and if new projects are agreed, an updated version of the business plan will be produced for approval by the council.
- Clarification of the parameters within which the board operates for future projects. This includes the target level of return in site appraisals or viability assessments, and the impact on affordable housing, design and quality standards;
- A scheme of delegation to help to streamline company decision making together with terms of reference for the company governance.

### **Norwich and Homes and Communities Agency (HCA) strategic partnership.**

7. The development at Three Score is inextricably linked with the Norwich and HCA strategic partnership. The partnership brought £8M HCA investment to Norwich. As part of this, the HCA provided funding towards the cost of the construction of the road/ infrastructure to serve the whole development at Three Score. This will serve 1000 homes, care village, open space, community facilities and at least one shop. The road and infrastructure was completed in June 2016.
8. The council donated land for the 172 bed care village, which also levered in a further £4.2m HCA funding through the Care and Support Fund. This was completed in March 2016.
9. The majority of HCA funding has now been spent (with the exception of a payment of £47,500 for fees related to the removal of the 132kv overhead powerlines crossing the Three Score site, which will be completed at the end of 2016).
10. In addition to the Three Score projects, described above. the council has delivered the following projects, since 2009, over the lifetime of the Norwich and HCA strategic partnership:
  - Restoration of the memorial gardens (including a contribution towards the cost of the restoration and relocation of the Lutyens Roll of Honour).
  - Eco retrofit of over 800 council homes
  - 108 new affordable homes on former council owned garage sites
  - A new skate park at Eaton Park
  - Grants for Open 24/7 youth venue and the Narthex (roman catholic cathedral visitor centre).
11. The HCA is now working with the council to bring forward development at Three Score. with phase 2 being the first phase of general needs housing, following completion of the care village (phase1). The HCA have been

invited to be an adviser to the board of Norwich Regeneration Ltd, although the partnership board meeting will continue to meet on an annual basis to report on delivery of housing outcomes at Three Score. The partnership is required to have a business plan in place. This was approved by the strategic board of the partnership at its meeting on 28 June 2016. The outcomes mirror those in the business plan of Norwich Regeneration Ltd. The business plan of the partnership is attached as Appendix 1 to this report.

## 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:** 13 July 2016

**Head of service:** Andy Watt

**Report subject:** Development company business plan

**Date assessed:** 20/06/2016

**Description:** To approve the business plan of Norwich Regeneration Ltd.



|   | Impact                              |                                     |                          |  |
|---|-------------------------------------|-------------------------------------|--------------------------|--|
| Economic<br>(please add an 'x' as appropriate)                                | Neutral                             | Positive                            | Negative                 | Comments   |
| Finance (value for money)   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Will generate an income stream for the council's general fund  |
| Other departments and services<br>e.g. office facilities, customer<br>contact | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | The company will purchase services from the council  |
| ICT services  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |  |
| Economic development  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Will deliver construction jobs   |
| Financial inclusion   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Will deliver affordable housing  |
| Social<br>(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 checked="" type="checkbox"/> | <input type="checkbox"/> | Will create high quality new housing development which encourages a healthy lifestyle (emphasis on walking and cycling)and provides homes which provide a healthy environment (passivhaus) |

|  | Impact                              |                                     |                                     |   |
|--|-------------------------------------|-------------------------------------|-------------------------------------|---|
| Equality and diversity<br>(please add an 'x' as appropriate) | Neutral                             | Positive                            | Negative                            | Comments  |
| Relations between groups<br>(cohesion)                       | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |   |
| Eliminating discrimination and<br>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"/>            | Delivers new affordable housing   |
| Environmental<br>(please add an 'x' as appropriate)          | Neutral                             | Positive                            | Negative                            | Comments  |
| Transportation   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Whilst the report results in new development , it will be taken forward in a way that reduces the impact on the envoronment |
| Natural and built environment                                | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | As above  |
| Waste minimisation and resource<br>use                       | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | As above  |
| Pollution  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | As above  |
| Sustainable procurement                                      | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | As above  |
| Energy and climate change                                    | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | As above  |
| (Please add an 'x' as appropriate)                           | Neutral                             | Positive                            | Negative                            | Comments  |

|                 | Impact                   |                          |                          |  |
|-----------------|--------------------------|--------------------------|--------------------------|--|
| Risk management | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |

| Recommendations from impact assessment  |  |  |  |  |
|---|--|--|--|--|
| <b>Positive</b>   |  |  |  |  |
| The report will result in positive economic benefits for the council and the city                                       |  |  |  |  |
| <b>Negative</b>   |  |  |  |  |
| Whilst there are some negative impacts from development, the quality of development will minimise environmental impacts |  |  |  |  |
| <b>Neutral</b>  |  |  |  |  |
|   |  |  |  |  |
| <b>Issues</b>   |  |  |  |  |
|   |  |  |  |  |



**Business plan for the Norwich City Council and Homes and  
Communities Agency strategic partnership**

**April 2016 to March 2017**

## **Foreword – NCC and HCA**

## **Table of Contents**

## **Overview**

1. In September 2009, Norwich City Council (NCC) and the Homes and Communities Agency (HCA) entered into a collaboration and investment agreement (CIA), which established the Norwich and HCA strategic partnership (NAHCASP). The CIA sets out the formal legal basis for the partnership and the objectives that would be achieved over its 10 year life. The original business plan forms part of the CIA and sets out the short-term outputs and outcomes that were to be achieved. The CIA requires the business plan to be updated at least annually and that any variation to the business plan requires the prior consent of NAHCASP strategic board.
2. This business plan covers the financial year 2016-7.
3. The NAHCASP is based on the combination of assets from NCC and investment from the HCA. The initial £8m investment from HCA has now been fully spent and outputs/ outcomes delivered. The approach to development at Three Score phase 2 is via a company (Norwich Regeneration Ltd) wholly owned by Norwich city council. There will be housing outcomes attributable to the HCA investment in the road/ infrastructure which now need to be monitored.

## **Partnership vision**

4. The partnership's vision and over-arching objective is to deliver and strengthen sustainable communities through innovative approaches to joint working.

## **Strategic objectives**

5. The strategic objectives for the partnership are to:
  - accelerate the delivery of affordable homes
  - increase the supply of private homes
  - improve the quality of existing homes
  - maximise the opportunities for local employment
  - deliver early outputs
  - create sustainable communities

- deliver strategic regeneration projects within Norwich such as eco retrofit programme or estate renewal.

### **Performance management**

6. Performance is monitored on an annual basis by the implementation board and strategic board, following changes to the CIA governance made through a deed of variation.

### **Risk management**

7. Individual project risk and issues registers are maintained by the individual project managers. A risk register is maintained for Three Score phase 2 for Norwich city council and Norwich Regeneration Ltd and any other partnership specific risks will be logged on a separate register. Risks are reported to the implementation board and strategic board on an annual basis so that appropriate steps can be taken to manage and mitigate these.

### **Partnership governance**

8. The partnership governance structure is established through the CIA and is shown in appendix one. The strategic board and implementation board are now well established and are now intended to meet on an annual basis to monitor high level outcomes.

### **Cost control and reporting**

9. The financing of phase 2 is via a loan from Norwich city council to Norwich Regeneration Ltd. Reporting is dealt with through the company board and Norwich city council's normal reporting arrangements.
10. According to the terms of the CIA, (paras 8.1(d) and (e) and para 8.30), the partnership is required to agree how the proceeds of the joint venture account should be used. There is currently no outstanding funding in the joint venture account. The council has purchased 22,000 shares at £100 each in Norwich Regeneration Ltd to allow the company to purchase the Three Score phase 2 site. The strategic board has agreed that the phase 2 development should take place according to the model outlined in



paragraph 18 of this business plan. There are therefore no proceeds of land disposal on which any decision is required at this stage. This may change for future phases of development at Three Score.

## **Delivery in 2015-16**

### ***Budget and expenditure in 2015-16***

11. The following table shows the total allocation of funds for 2015-6 along with the actual year-end expenditure.

| <b><u>NAHCASP Workstreams</u></b> | <b><u>Budget</u></b> | <b><u>Actual</u></b> | <b><u>Variance</u></b> |
|-----------------------------------|----------------------|----------------------|------------------------|
| Programme Management              | £59,012              | £34,155              | (£24,857)              |
| Strategic Priorities (Bowthorpe)  | £1,435,510           | £1,460,367           | £24,857                |
| <b>TOTAL NAHCASP</b>              | <b>£1,494,522</b>    | <b>£1,494,521</b>    | <b>(£0)</b>            |

12. The above “programme management” expenditure can be analysed as follows:

| <b><u>Programme Management</u></b>   |                      |                      |                        |
|--|----------------------|----------------------|------------------------|
| <b>Budget as at 01/04/2015</b>   | <b>£59,012</b>       |                      |                        |
| <b><u>Allocations</u></b>  | <b><u>Budget</u></b> | <b><u>Actual</u></b> | <b><u>Variance</u></b> |
| Project Direction  | £17,000              | £2,860               | (£14,140)              |
| Project Director Contingency   | £1,512               | £6                   | (£1,506)               |
| <i>Other</i>   |                      | £0                   |                        |
| Bowthorpe Programme Management   | £35,000              | £31,289              | (£3,711)               |
| Bowthorpe Transportation Advice  | £5,000               | £0                   | (£5,000)               |
| Bowthorpe Community Engagement Advice  | £500                 | £0                   | (£500)                 |
| Remaining Programme Management HCA funding - used to fund Strategic priorities | £0                   | £24,857              | £24,857                |
| <b>TOTAL PROGRAMME MANAGEMENT</b>  | <b>£59,012</b>       | <b>£59,012</b>       | <b>(£0)</b>            |
| <b><i>Programme Management Balance</i></b>                                     | <b>£0</b>            |                      |                        |

13. The “strategic priorities” expenditure can be further analysed as follows:

| <b><u>Strategic Priorities</u></b>  |                       |                      |                        |
|---|-----------------------|----------------------|------------------------|
| <b>Approved Budget as at 01/04/2015</b>   | <b>£1,483,010</b>     |                      |                        |
| <b><u>Allocations (Bowthorpe)</u></b>   | <b><u>Budget</u></b>  | <b><u>Actual</u></b> | <b><u>Variance</u></b> |
| Bowthorpe Overhead Line   | £0                    | £0                   | £0                     |
| Bowthorpe Infrastructure Strategy & Brief   | £0                    | £0                   | £0                     |
| Contingency   | £0                    | £0                   | £0                     |
| Construction of Road/Infrastructure - <i>HCA Funding</i>                          | £1,433,391            | £1,433,391           | £0                     |
|   |                       | <i>NCC Funding</i>   |                        |
|   |                       | £1,012,794           |                        |
| Remaining Programme Management HCA funding -<br>used to fund Strategic priorities |                       | £24,857              |                        |
| Memorial Gardens  | £2,119                | £2,119               | £0                     |
| <b>TOTAL</b>  | <b>£1,435,510</b>     | <b>£2,473,161</b>    | <b>£0</b>              |
| <b><i>Strategic Priorities Balance</i></b>  | <b><i>£47,500</i></b> |                      |                        |

The variance shown against the construction of the road/infrastructure represents expenditure to be funded from the Norwich city council contribution.

£47,500 remains as a commitment to be spent in 2016-17 on completion of the undergrounding of the overhead electricity lines.

## **Progress in 2015-16**

14. The NAHCASP has made considerable progress over the last year. The partnership focused its attention on the development of Three Score:

- Infrastructure to serve the whole development
- Housing with care and dementia care facility
- Phase 2 housing
- Memorial gardens project- final element involving the restoration and relocation of the Lutyens roll of honour
- The employment and skills supply side package, “Building Futures in Norwich”, is an integral part of the construction projects.

### ***Infrastructure to serve the whole development***

15. The road/ infrastructure was completed by Tarmac in May 2016. The northern stretch of the road is already in use to serve the housing with care/ dementia care facility.

16. HCA funds were fully spent and the council is funding the balance of costs. There are still some negotiations over the final price for the contract.

17. Work commenced on the undergrounding of the 132kv overhead lines crossing the Three Score site.

### ***Housing with care and dementia care facility***

18. The care village facility was completed in March 2016 and opened to residents in April 2016.

### ***Phase 2 housing***

19. During 2015-16, it became clear that rather than the council taking forward phase 2 as direct developer, a wholly owned council company would need to be set up. Norwich Regeneration Ltd was incorporated on 13 November 2015 and is now responsible for carrying out the development of phase 2 at Three Score. The development is based on the following model:

- The council transfers the development site to the company at full market value
- The council takes out an equity investment in the company to allow the company to acquire the site
- The council loans funds to the company to build the houses and pay for services from the council
- The company lets a construction contract, builds the houses and then sells and rents houses on the private market
- The council buys the social housing units from the company at build cost via the HRA (subject to funding)
- The council provides services to the company via a Service Level Agreement
- The council receives income for the general fund through the repayment of the loan and any dividends.

20. Planning consent was granted for phase 2 in June 2015. The scheme consists of 172 dwellings, of which 112 are to be to passivhaus standards. This makes it the largest development of its kind anywhere in the UK. 33% affordable housing will be provided.

21. RG Carter were appointed as contractor for phase 2 under a 2 stage design and build contract. Design work has commenced.

***The employment and skills supply side package, Building Futures in Norwich.***

22. Building Futures in Norwich has not been rigorously adhered to in the road/ infrastructure project and care village project. The wording of the requirements has been made for explicit so under phase 2, this is now a contractual requirement.

**Memorial Gardens project.**

HCA funds have been spent. Fund raising has been successful and the £2,110 HCA funding has levered in a further £44,980 from the following sources:

- Carters- £5,000
- War Memorials Trust London- £22,490
- Geoffrey Watling Foundation- £7,500
- Town Close Estates- £10,000

The restoration has commenced and the project will be completed by November 2016 for Remembrance Day.

### **Priorities for April 2016 to March 2017**

23. The main priorities for the coming year are:

- The commencement of the development of Three Score phase 2 housing. The partnership will monitor the delivery of housing outcomes delivered as a consequence of the HCA investment in the road/ infrastructure ;
- Completion of the undergrounding of the 132kv overhead lines crossing the Three Score site. (£47,500 remains as a budget commitment in 2016-17 to be paid on completion of these works);
- The employment and skills supply side package, “Building Futures in Norwich”, will form an integral part of the project.
- The Memorial gardens project will be monitored to ensure the opening of the roll of honour in November 2016.
- Consideration will be given to the next phase of development at Three Score – to form phase 3.

### ***Phase 2 housing***

24. Detailed reporting of phase 2 housing will be via the board of Norwich Regeneration Ltd. HCA has been invited to be an adviser to the board of the company. NAHCASP will monitor progress on the delivery of housing outputs and outcomes against key milestones set out in Table 1.

25. Key dates include:

- Start on site- December 2016
- First homes available for sale-July 2017

### ***Completion of the undergrounding of the 132kv overhead lines crossing the Three Score site;***

26. The undergrounding of the 132kv overhead lines crossing the Three Score site should be completed by December 2016. (£47,500 remains as

a budget commitment in 2016-17 to be paid on completion of these works).

***The employment and skills supply side package, Building Futures in Norwich.***

27. This is now a contractual requirement of phase 2 and outputs will be monitored by the board of Norwich Regeneration Ltd.

***Future phases of development at Three score.***

28. The council will fund initial feasibility for development of Three Score phase 3 to be carried out by Hamson Barron Smith. During the course of 2016-7, the partnership will consider how this development should be taken forward. Any issues e.g. land disposal which under the terms of the CIA require a decision of the strategic board will be dealt with via e-mail.

***Memorial gardens***

29. Completion of the project is expected in November 2016 so progress will be monitored.

**Other resources for delivery**

***Programme management***

30. The £500,000 programme management budget, which was established in the original business plan in 2009 to cover the costs of project management relating to the original regeneration projects to be delivered by March 2011, has now been spent. Norwich city council will continue to provide the project director role at no cost to the partnership.

**Communications plan and activities**

31. The CIA requires a communications plan to be developed for the partnership. This was approved initially by the strategic board in November 2009. The document is a living document and is updated regularly to respond to changing circumstances and specific communications activities.

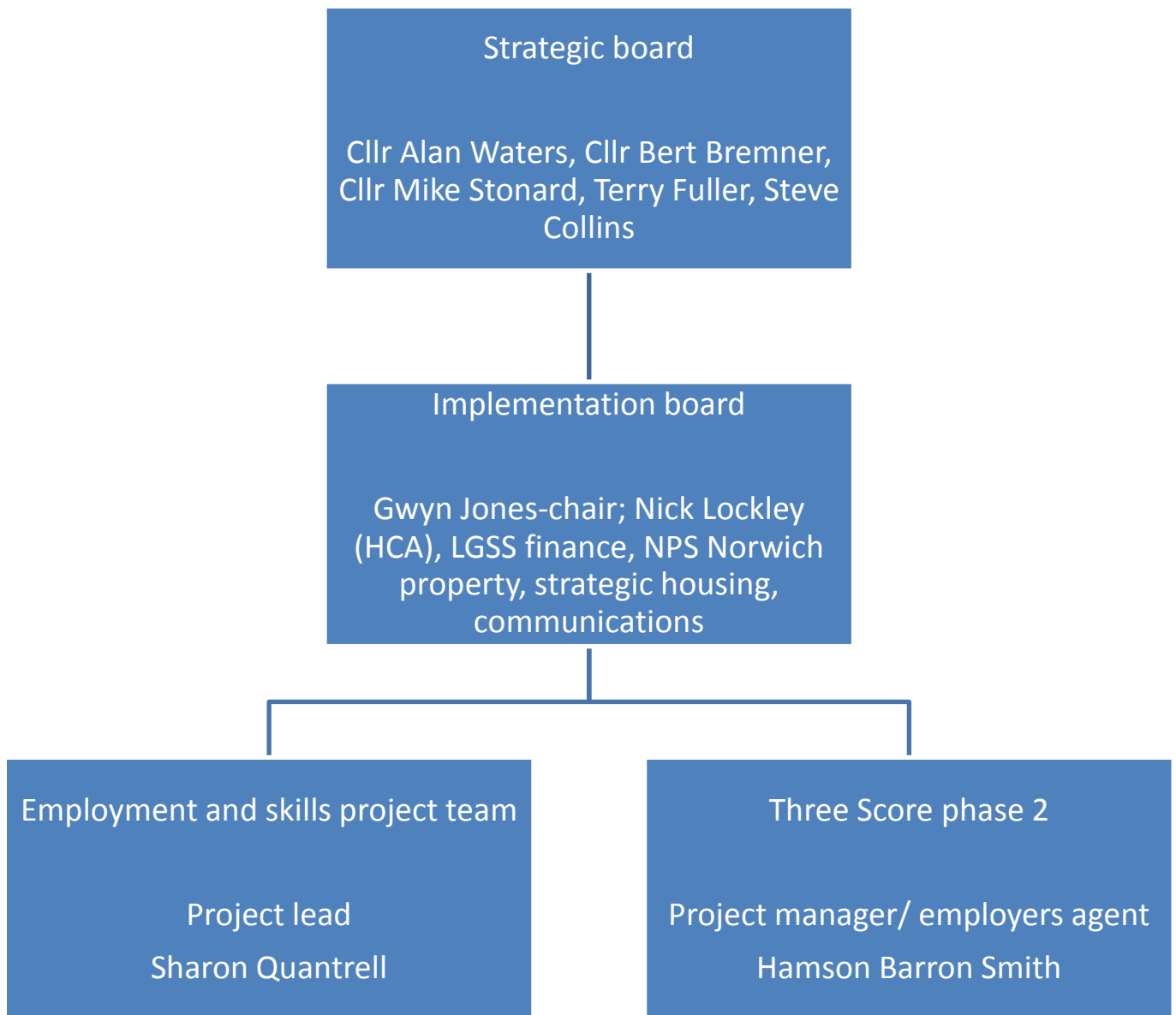
32. A communications protocol has also been agreed which ensures that there is an agreed process (between HCA and NCC) for agreeing press releases and handling media enquiries.

### **Case studies and awards**

33. The HCA has developed a case study about the partnership for its website and its skills and knowledge directorate has developed a case study on the learning aspects of the partnership's activity. There is a general presumption that the partnership welcomes showcasing activity where there is no cost to the partnership.

34. The partnership will continue to promote its achievements through future awards.

**Appendix 1- Governance structure – June 2016**





**Table 1 Project outputs, outcomes, milestones etc.**

| Project     | Outputs/ Outcomes  | Key milestones 2016/17 (and 2017/18)   |
|-------------|--|--|
| Three Score | <p>Completion of construction of road/ infrastructure to serve whole development</p> <p>Phase 2 start on site (section 1 plus infrastructure)</p> <p>Completion of the undergrounding of the 132kv overhead lines crossing the Three Score site</p> <p>Completion of show homes.</p> <p>Completion of blocks 1-5 (41 dwellings)- 29 private, x12 affordable as detailed below:</p> <ul style="list-style-type: none"> <li>• Completion of Block 1 = 5 dwellings</li> <li>• Completion of Block 2 = 9 dwellings</li> <li>• Completion of Block 3 = 7dwellings of which 3 are affordable</li> <li>• Completion of Block 4 = 8 dwellings</li> <li>• Completion of Block 5 = 12 dwellings of which 9 are affordable</li> </ul> <p>10% new entrant target achieved through building</p> | <p>May 2016</p> <p>December 2016</p> <p>December 2016.</p> <p>July 2017</p> <p>End of March 2018</p> <p>End of July 2017</p> <p>End of Aug 2017</p> <p>End of Oct 2017</p> <p>End of Dec 2017</p> <p>End of Feb 2018</p> <p>March 2017</p> |

|                  |  |               |
|------------------|--|---------------|
|                  | futures in Norwich                     |               |
|                  | Phase 3 feasibility commenced          | July 2016     |
|                  | Approach to delivery of phase 3 agreed | March 2017    |
| Memorial Gardens | Restoration of roll of honour complete | November 2016 |