



**Committee name:** Cabinet

**Committee date:** 08/02/2023

**Report title:** Corporate performance assurance Q3 2022-2023

**Portfolio:** Councillor Waters, Leader of the council

**Report from:** Executive director of community services

**Wards:** All wards

**OPEN PUBLIC ITEM**

**Purpose**

To report progress against the delivery of the corporate plan priorities and key performance indicators and to provide an update on corporate risks for quarter 3 of 2022/23.

**Recommendations:**

It is recommended that cabinet:

1. Review progress on the key performance indicators for this quarter and the corporate risk register.
2. Note the financial position for quarter 3 2022/23 for the general fund, HRA and capital programme.

**Policy Framework**

The Council has five corporate aims, which are:

- People live independently and well in a diverse and safe city.
- Norwich is a sustainable and healthy city.
- Norwich has the infrastructure and housing it needs to be a successful city.
- The city has an inclusive economy in which residents have equal opportunity to flourish.
- Norwich City Council is in good shape to serve the city.

This report meets the Norwich City Council is in good shape to serve the city corporate aim.

**Report Details**

1. This report sets out progress against the key performance indicators (KPIs) that track delivery of the corporate plan priorities.
2. This report also provides the current financial outlook for the council, as well as the corporate risk register, which highlights key corporate risks.

The corporate plan 2022-26 established five corporate aims: People live independently and well in a diverse and safe city; Norwich is a sustainable and healthy city; Norwich has the infrastructure and housing it needs to be a successful city; The city has an inclusive economy in which residents have equal opportunity to flourish; and Norwich City Council is in good shape to serve the city.

3. The performance framework aims to measure progress against these through KPIs which monitor delivery of activities and services which contribute to these objectives.
4. Performance reporting for indicators in this report is based around a traffic light concept where green is on target, amber provides an early warning for possible intervention and red suggests intervention is necessary.
5. The report appendices give further information across corporate performance, finance and risk. Relevant annexes have been provided and are referred to throughout the report.

### **Consultation**

6. No consultation was required in creating this report.

### **Implications**

### **Financial and Resources**

7. Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its Corporate Plan 2022-26 and Budget.
8. The estimated outturn for the council's General Fund and Housing Revenue Account are both indicating an underspent position at quarter 3. For the General Fund there is a small increase in the underspend reported at quarter 2 (from £1.4m to £1.8m). For the HRA there is an increase from quarter 2 in the underspend from £2.1m to £3.4m.

### **Legal**

9. In considering its financial and non-financial performance, the Cabinet is supporting the Council fulfil its duties under s.151 of the Local Government Act 1972 to ensure there are arrangements in place for the proper administration of its financial affairs, and under s.3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

## Statutory Considerations

Consideration	Details of any implications and proposed measures to address:
Equality and Diversity	This report does not have direct implications for equality and diversity; it reports on progress made in delivering agreed services and programmes, the equality implications of which will have been considered as part of service planning or other decision-making processes.
Health, Social and Economic Impact	This report does not have direct health, social or economic implications; it provides an update on progress made in delivering agreed services and programmes, the implications of which will have been considered elsewhere.
Crime and Disorder	This report does not have direct implications for crime and disorder; it provides an update on progress made in delivering agreed services and programmes, the implications of which will have been considered elsewhere.
Children and Adults Safeguarding	This report does not have direct safeguarding implications; it provides an update on progress made in delivering agreed services and programmes, the implications of which will have been considered elsewhere.
Environmental Impact	This report does not have direct environmental implications; it provides an update on progress made in delivering agreed services and programmes, the implications of which will have been considered elsewhere.

## Risk Management

Risk	Consequence	Controls Required
Specific risk management activities and detailed consideration of the corporate risk register is included within the relevant section of this report.	Failure to manage risks appropriately could have financial reputational or other consequences	Risk owners are required to implement controls to mitigate risks and update these regularly.

## Other Options Considered

10. No alternative options.

## Reasons for the decision/recommendation

11. The recommendation to re-profile capital budgets will improve the management and control of the capital programme including its financing.
12. The recommendation to approve an increase to the 2022/23 capital programme will enable the play equipment at St George's open space to be delivered and improve the play area which is fully funded from Section 106 contributions. Paragraph A1.2)

13. The recommendation to Council to remove budgets no longer required from the 2022/23 capital programme will enable funding to be used for alternative projects. Paragraphs A1.3 and A1.4 for the General Fund and HRA respectively.

**Background papers:**

14. The report refers to additional documents throughout, supplying these as annexes within the relevant sections.

**Appendices:** Combined Assurance Report, Q3 2022/23

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# Combined Assurance Quarterly Report

Q3 2022/23

Cabinet Version

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## 1. Executive summary

### 1.1. Performance

At a corporate level, this quarter shows 4 red, 6 amber and 11 green indicators.

Notable trends at the directorate level include:

- **Community Services** continues to outperform in 'IT system availability as a percent of time available in core hours, number of homeless households living in temporary accommodation and the percentage of households owed a homelessness prevention duty. The directorate has also seen a significant improvement, moving from red to green, in the percentage of customers responding as satisfied with the customer contact team service.  
The average relet time of council homes in calendar days (excluding major works) remains under target. Commentary indicates that contractors who have been appointed to clear the voids backlog have made strong progress. They are also looking to increase their workforces to deliver on the clearance of the backlog.
- **Corporate and Commercial Services** continues to outperform in the number of days taken to process new Housing Benefit applications.  
Council tax and Business rates collection has seen a slight decrease in performance, both moving from green to amber. The commentary indicates that Council tax collection is still very good considering the financial hardship residents are currently facing with the cost-of-living crisis.
- **Development and City Services** continues to outperform in the number of planning decisions upheld after appeal and the number of food premises rated 0, 1 or 2 moving to a compliant rating of 3, 4 or 5. There has also been an improvement, moving from amber to green, in Council income from investment property portfolio.  
Percentage of planning applications determined within statutory time limits and percentage of household waste sent for reuse, recycling and composting both remain amber. This is consistent with the previous reporting period.

Performance for Q3 has improved overall for FOI requests responded to on time compared with the previous quarter.

- Community services 95% (Compared with 83% for Q2)
- Corporate & commercial 96% (compared with 88.9% for Q2)
- Development & city services 88.4% (compared with 63.3% for Q2)

Performance for Q3 has worsened overall for complaints requests responded to on time compared with the previous quarter.

- Community services: 82% (compared with 80% for Q2)
- Corporate & commercial: 88% (compared with 91% for Q2)
- Development & city services: 54% (compared with 53% for Q2)

In line with the Corporate Plan for 2022-26, the current KPIs are now reported across five corporate aims. Details can be found in the Technical Appendix of the Corporate Plan.

Figure 1: Q3 KPI performance by directorate

Directorate	Red	Amber	Green	Monitoring data	Not completed	No data this quarter	Total
Cross Cutting	1	0	1	0	0	0	2
Community Services	3	2	5	0	0	1	11
Corporate and Commercial Services	0	2	2	0	0	0	4
Development & City Services	0	2	3	0	0	5	10
<b>Total</b>	<b>4</b>	<b>6</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>27</b>

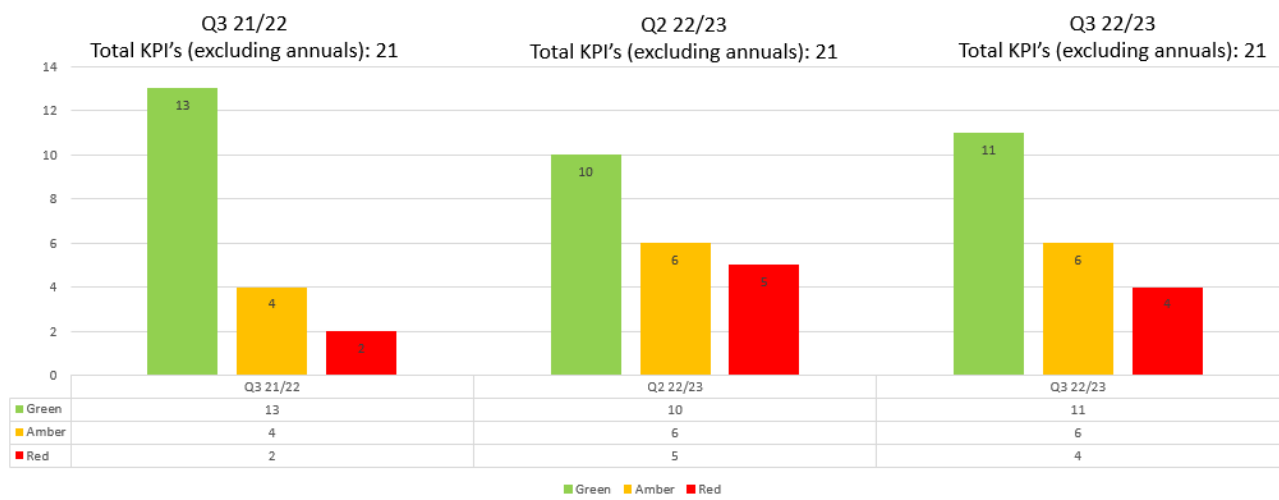
Figure 1.1: Q3 KPI performance by corporate aim

Corporate aim	Red	Amber	Green	Monitoring data	Not completed	No data this quarter	Total
An inclusive economy in which residents have equal opportunity to flourish	0	0	0	0	0	5	6
Norwich City Council is in good shape to serve the city	2	2	5	0	0	0	9
Norwich has the infrastructure and housing it needs to be a successful city	1	3	1	0	0	0	5
Norwich is a sustainable and healthy city	1	1	0	0	0	0	2
People live independently and well in a diverse, and safe city	0	0	5	0	0	1	5
<b>Total</b>	<b>4</b>	<b>6</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>27</b>



Performance has improved compared with the previous Quarter. There has been a slight drop in performance compared with same quarter of the previous year (Q3 2021/22):

Figure 1.2: Q3 performance compared with Q3 2021/22 and Q2 2022/23



*\*For comparison purposes, only quarterly indicators are included. White indicators are those where we were monitoring data before setting a target.*

## 1.2. Finance

### General Fund – Revenue

The estimated 2022/23 out turn position for quarter 3 reflects budget holders' projections to the end of December 2022. The overall position for the general fund is a £1.763m underspend. This represents a small increase in the underspend reported in quarter 2 (£1.397m). Once the impact of the additional treasury management income is removed, services overall are forecasting an overspend of £0.277m, which is largely due to the impact of an increased housing benefit subsidy loss. However, treasury management performance continues to improve as interest rates rise, contributing £2.0m of additional resources to the general fund position.

<b>General Fund position at Quarter 3 (December 2022)</b>	<b>Budget (£000)</b>	<b>Forecast Outturn (£000)</b>	<b>Forecast Variance (£000)</b>
<b>Chief Executive</b>	<b>280</b>	<b>222</b>	<b>(58)</b>
Corporate & commercial services	512	693	181
Revenues & benefits	2,908	3,555	647
Finance, audit & risk	880	880	0
HR & organisational development	788	784	(4)
Legal & procurement	1,838	1,840	2
<b>Corporate &amp; commercial services</b>	<b>6,926</b>	<b>7,752</b>	<b>826</b>
Development & City Services	480	547	67
Environment Services	3,562	3,557	(5)
Planning & Regulatory Services	2,188	2,330	142
Property & Economic Development	552	224	(328)
<b>Development &amp; City Services</b>	<b>6,782</b>	<b>6,658</b>	<b>(124)</b>
Community Services	862	788	(74)
Customers, IT & Digital	5,116	5,030	(86)
Strategy, Engagement & Culture	3,018	2,973	(45)
Housing & Community Safety	1,281	1,120	(161)
<b>Community Services</b>	<b>10,277</b>	<b>9,911</b>	<b>(366)</b>
<b>General Fund services revenue position</b>	<b>24,265</b>	<b>24,543</b>	<b>278</b>
<b>Corporate Financing</b>	<b>(24,265)</b>	<b>(26,306)</b>	<b>(2,041)</b>
<b>Total General Fund Revenue position</b>	<b>0</b>	<b>(1,763)</b>	<b>(1,763)</b>

In Community Services, for the general fund, additional homelessness grant income is generating £0.234m of unbudgeted income.

In Corporate & Commercial Services, there has been a change in the forecast outturn figures for housing benefit subsidy shortfall with current projections showing a larger HB expenditure and a lower subsidy return than estimated at mid-year, generating an overspend against budget (£0.587m). In addition, increased staff costs combined with the requirement to cover statutory roles, have generated a higher level of expenditure and mean that the vacancy factor is unlikely to be met (£0.181m).

In Corporate Finance, a significant increase in the level of interest generated by the council's day to day cash investments continues to be seen. This is due to the increase in interest rates and the relatively high cash

balances as capital expenditure has slipped; the capital receipt from the sale of the airport industrial estate has been received and the externalisation of some debt which took place last year when interest rates were lower.

In Development & City Services, increased rental income from the vaccination centre located in City Hall combined with overall lower operating costs are generating a forecast underspend (£0.150m). Additionally, increased rental income following rent reviews for the council's commercial property portfolio combined with unbudgeted rental income resulting from delayed property disposal, contribute to an underspend which is slightly mitigated by increased utility costs (£0.119m).

The remaining corporate contingency of £0.347m has been assumed to be fully spent and is therefore not contributing to the underspend position.

### **Housing Revenue Account – Revenue**

The forecast position on the Housing Revenue Account (HRA) is a £3.376m underspend. This represents an increase in underspend of £1.320m from quarter 2.

<b>Housing Revenue Account position at Quarter 3 (December 2022)</b>	<b>Budget (£000)</b>	<b>Forecast Outturn (£000)</b>	<b>Forecast Variance (£000)</b>
General Management	16,185	15,399	(786)
Special Services	5,118	4,860	(258)
Repairs & Maintenance	17,966	16,028	(1,938)
Rents, Rates, & Other Property Costs	5,988	6,169	181
Provision for Bad Debts	430	430	0
Depreciation & Impairment	23,225	23,222	(3)
Adjustments & Financing items	641	531	(110)
Garage & Other Property Rents	(2,187)	(2,220)	(33)
Dwelling Rents	(59,163)	(58,877)	286
Service Charges – General	(7,867)	(7,826)	41
Interest Received	0	(834)	(834)
Miscellaneous Income	(82)	(4)	78
Amenities shared by whole community	(254)	(254)	0
<b>Total Housing Revenue Account Position</b>	<b>0</b>	<b>(3,376)</b>	<b>(3,376)</b>

For the HRA, the impact of the voids backlog and extended turnaround times is forecast to reduce dwelling rent income (£0.286m) and increasing the cost of empty rates (£0.238m). Work is ongoing to improve the position. Increased costs are also being seen for the cost of electricity for landlord's lighting (£0.252m) and legal fees resulting from disrepair claims (£0.161m).

However, the forecast overspends are offset by significant underspends on repairs & maintenance costs, with lower expenditure on major & minor repairs (£0.915m), a longer turnaround time on void properties generating less spend in the year (£0.309m), drainage costs being covered by the responsive repairs budget (£0.300m) and the contingency budget to cover and increase in the cost of materials, not being required (£0.295m). Additionally, due to an element of the cost of the communal TV aerial contract being charged to the lease, a further underspend is generated (£0.213m). Recharges from the general fund are also forecast to be lower, due to reduced corporate support and staffing costs (£0.490m) and in line with the general fund, significant additional income is being generated from a higher level of interest being received on the council's investments (£0.834m).

## Capital

2. The forecast position on the capital programme is a £17.769m underspend (General Fund £9.177m; HRA £8.591m).

Capital Programme	Original Budget (£000)	Revised Budget (£000)	Actual exp. and est. Commit's to date (£000)	Forecast outturn (£000)	Forecast variance (£000)
GF - Development & City Services	19,841	15,873	5,088	10,542	(5,330)
GF - Community Services	8,889	6,835	822	2,967	(3,867)
GF - Corporate and Commercial Svcs	616	674	330	694	20
HRA - Development & City Services	12,932	11,344	10,585	10,934	(409)
HRA - Community Services	25,930	24,498	12,132	16,316	(8,182)
<b>Total 2022/23 Capital Programme</b>	<b>68,208</b>	<b>59,224</b>	<b>28,957</b>	<b>41,455</b>	<b>(17,769)</b>

For the general fund capital programme, an underspend is forecast to arise as a result of a reduced CIL contribution to the strategic pool (£0.750m). This is not within the control of the council and is directly dependent upon CIL income from developers, who stopped work during the pandemic and have been slow to progress sites since due to increased build costs and labour shortages. Another significant underspend is forecast against the BEIS projects, de-carbonisation grant budget (£2.325m) and green homes grant (£0.549m) and further explanation is included in the community services capital finance section.

Further underspend is forecast against the compulsory purchase revolving fund budget (£1.007m) where work is on-going, but it is unlikely that any acquisitions will complete within this financial year. The St Giles public realm project has now been postponed (£0.986m) and the DLUHC have approved the transfer of funding to other Towns' Deal funded schemes including Hay Hill regeneration. Other variances against general fund capital programme budgets are explained in further detail in sections B.2.6 and D.2.5 of this report.

For the HRA, the upgrade to council homes programme is forecasting a significant underspend (£8.193m) largely due to the delivery of works extending into 2023/24, for which a request will be made to carry the budget forward. The individual elements contributing towards the underspend are set out in the table in section B.2.6 of this report.

### 2.1 Risk

Heads of Service and other risk owners were asked to update their directorate and corporate registers to reflect the position at the end of quarter 3. The current Corporate Risk Register summary is shown below.

Most risks are static although four are improving, including the risk associated with long term financial planning which, with the proposed budget and MTFS is now indicating a balanced position is possible without the need to use reserves. That risk alongside those associated with housing regulation are now not considered to be red risks.

There remain a number of risks which have been rated as red indicating that specific consideration needs to be considered to take actions which are intended to reduce the impact of the identified risk.



Risk (inc reference)	Directorate	Q2 2022/23		Q3 2022/23		Current direction	Last Review Date
		Residual risk score	Target risk score	Residual risk score	Target risk score		
CORP01 Council Funding Medium - Long Term	Exec Dir - Corporate & Commercial Services	25	8	12	8	Improving	13/01/2023
CORP03 Health & safety in the workplace	Exec Dir - Development & City Services	12	8	12	8	Static	23/01/2023
CORP06 Failure to respond to a critical, business continuity or emergency planning event	Chief Executive	12	6	12	6	Static	23/01/2023
CORP07 Cyber security	Exec Dir - Community Services	15	15	15	15	Static	18/01/2023
CORP08 Data Protection compliance	Exec Dir - Community Services	12	8	12	8	Static	06/01/2023
CORP09 Failure to fulfil statutory or legislative responsibilities - safeguarding	Exec Dir - Community Services	15	12	15	12	Static	30/01/2023
CORP12 Contract management - governance	HoS - Legal & Procurement	9	6	9	6	Static	03/01/2023
CORP13 The Council's approach to waste and recycling becomes financially, environmentally and contractually unsustainable	Exec Dir - Development & City Services	12	4	12	4	Static	23/01/2023
CORP14 Health and safety and compliance in council homes and buildings	Exec Dir - Community Services	20	4	20	4	Static	30/01/2023
CORP15 Failure to be able to draw down £15m of Housing Infrastructure Fund (HIF) money previously secured from Homes England (HE) and under contract to assist with the delivery of Anglia Square leading to failure for successful redevelopment of this key city centre site	Exec Dir - Development & City Services	12	8	12	8	Static	23/01/2023
CORP16 Implementation of the Election Act	Chief Executive	15	4	12	4	Improving	03/01/2023
CORP17 Failure to deliver acceptable levels of performance in regulatory services	Exec Dir - Development & City Services	12	8	12	8	Static	23/01/2023
CORP18 Failure to address Natural England advice on Nutrient Neutrality (NN)	Exec Dir - Development & City Services	25	10	20	10	Improving	23/01/2023
CORP19 Housing regulation	Exec Dir - Community Services	20	9	12	9	Improving	23/01/2023
CORP20 Cost of living (COL) crisis has a negative impact on the city and the council	Exec Dir - Community Services	20	12	20	12	Static	12/01/2023
CORP21 Equality impacts due to climate change	Exec Dir - Community Services	16	12	16	12	Static	12/01/2023
CORP23 Impact of economic downturn on key council suppliers	Exec Dir - Corporate & Commercial Services	16	8	16	8	Static	03/01/2023

## Appendix A. Cross cutting KPI's

At a corporate level, there are two KPI's where performance is affected by all three directorates. These are:

- % of FOI requests responded to within statutory timescales (reporting as green)
- % of corporate complaints responded to within stated timescales (reporting as red)

The below gives a view of Cross Cutting KPI performance across the past year:

Indicator	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
▼ % of FOI requests responded to within statutory timescales	81.32	91.19	79.52	80.12	92.36
% of corporate complaints responded to within stated timescales	62.02	56.30	54.95	62.06	58.00

Q3 observed 157 FOI requests. This is comparable to the previous Q (166) and less than the Q3 of the previous financial year (182). Improvements in response times has been seen across all directorates, especially Development & City Services.

The time to respond to complaints target was reduced from 15 to 10 days WEF 01 October 2022. This has impacted on performance which remains below target. Weekly reports are being supplied and any delays are being actively investigated and actioned.

## Appendix B. Community Services

### B.1. Performance

#### B.1.1. Summary of performance

**Community Services** has eleven KPIs, ten of which report quarterly and one annually. For this quarter, the directorate reports two red, three amber and five green indicators.

The red indicators this quarter were:

- ‘Total number of private sector insulation measures completed’. The KPI is zero for this period due to the significant mobilisation phase for the Sustainable Warmth Grant (SWG) of £3.6m and winter being a slower time of year for installation projects. The SWG project will deliver c300 private sector installations over the next two quarters with signup, assessments and designs for this work being undertaken over the last quarter. These c300 installations alongside c350 Solar Together scheme installations will exceed the annual KPI expectation for the year as a whole. The increasing funding landscape for this KPI is likely to produce ‘peaky’ quarterly KPI outcomes going forward but with overall increased annual outcomes. This figure does not account for private sector insulations that the Council are not involved in.
- ‘Average relet times of Council homes in calendar days (excluding major works)’. We inherited 147 voids at the beginning of the financial year, the majority of which are long term. This means that through 2022/23 we will experience significantly longer void periods than in previous years. We have brought on board two extra contractors alongside NCSL to restore the service to a normal operating environment as quickly as possible. There are still some issues with the delivery of construction materials, however, there has been an improvement in turnaround times for asbestos survey and removals.
- ‘% of customer contact that takes place through digital channels’. The volume of telephone calls answered has remained high whilst there has been a slight decrease in the number of online interactions. A telephone automation pilot planned for Q4 should help to aid channel shift.

The below gives a view of Community Services performance against its KPIs across the past year.

Indicator	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Total number of private sector insulation measures completed	70.00	70.00	50.00	50.00	0.00
Number of homeless households living in temporary accommodation	43.00	41.00	47.00	52.00	48.00
IT System availability expressed as a percent of time available during core hours	99.96	99.86	99.94	99.85	99.94
Average re-let time of council homes in calendar days (excluding major works)	63.00	55.00	35.00	49.00	95.00
% of people responding as feeling safe in local area survey	58.00	59.00	65.00	55.00	63.00
% of households owed a homelessness prevention duty (in accordance with the Homelessness Reduction Act) where the duty was ended due to suitable accommodation being secured for them	81.00	80.00	74.00	68.00	87.00
% of customer's responding as satisfied with customer contact team service	78.74	78.35	70.43	68.04	83.71
% of customer contact that takes place through digital channels	42.88	42.75	54.29	45.71	42.05
% of council housing rent collected (excluding arrears brought forward)	99.39	99.35	95.87	96.20	98.25
% of council homes with a valid gas safety certificate	99.66	99.82	99.87	99.82	99.92

The directorate's performance on FOI requests was up 11.9 percentage points compared with the previous quarter, and up 11 percentage points compared with Q3 of the previous year.

### B.1.2. Successes and challenges

#### Successes:

**Domestic Abuse Housing Alliance (DAHA):** We are making good progress on our journey towards becoming Domestic Abuse Housing Alliance accredited. Following the initial launch event in October, we are focussing on our policies and procedures by developing a draft domestic abuse policy for residents and another for staff. Domestic abuse awareness training has been delivered by the Norfolk Integrated Domestic Abuse service (NIDAS) and we have updated our website to include a quick exit button to make it easier for people to seek help. The DAHA operational board meets monthly and the strategic board quarterly. Both groups contain a wide representation of colleagues from across our directorates to help ensure that we are embedding a supportive approach for people experiencing domestic abuse into our everyday work and culture.

**New IT service operating model:** Following a review of the IT service, we now have a new operating model to support and develop our systems as well as delivery of transformation and the customer experience and digital strategy. The new service includes:

- Business partner roles that link to the business needs and development of digital services.
- Information and governance hub to support with data protection, privacy, records and data management.
- Programme management to maintain our road map of projects and a development team focusing on delivering digital solutions.
- Dedicated security and compliance resource to focus on cyber security to address the increased risk.
- Service and support team to provide end to end technical support for the workforce with an emphasis on providing a first-time fix.

The service is already making great progress developing the new operating model, work programmes and supporting and engaging across the organisation through the new business partner role.

**Rough sleeper count improvement:** The annual verified rough sleeper count (November 22) shows a 30 percent decrease in rough sleepers from the November 2021 count. This is the lowest figure for 7 years and is testament to the ongoing efforts that the council and its partners make to alleviate rough sleeping the in the city.

#### Challenges:

**Damp & Mould complaints:** Following the tragic death of Awaab Ishak in Rochdale, all good social landlords are reviewing the way they manage and treat damp and mould complaints and we are no exception. Over recent weeks we have reviewed processes and engaged further contractors to support our work. Given all the other competing pressures on our services we have created a dedicated work stream to deal with the damp and mould reports. The team will be led by a project consultant, and supported by a senior building surveyor. The interim head of housing and community safety will be providing oversight for this area of work in the short term whilst the interim head of asset management focuses on health and safety compliance and the new repairs and maintenance



service. Existing protocols are being redirected to this team, and we will be ensuring that all damp and mould complaints are managed through this service.

**Response to cost of living - Impact of cost of Living on VCSE's & Council services:** The challenges for our residents, and for the VCSE sector that supports them, continue to be unprecedented with a significant impact on council services and our ability to support those who require our help. The numbers of single people, social housing tenants and disabled people needing food bank referrals has risen dramatically over the past year, despite the Cost-of-Living Payments paid out to people over the summer and autumn. We have also never seen a higher proportion of people in a negative budget - meaning they have more essential spending going out than they have income coming in.

We have been maximising support by joining-up, streamlining and increasing funding where possible:

- **Sustainable warmth:** through £50k Health and Wellbeing Partnership funding, we are working with VCSE partners to provide fuel payments and advice, to cover the rise in fuel payments requests through the winter
- **Social welfare advice:** we have increased funding for social welfare advice by £93,345 , towards the various Financial Inclusion Consortium and Norfolk Community Advice Network resources to help tackle the cost of living
- **Discretionary Housing Payments:** paid out the full pot of £272k by December 2022 – the fund is now closed - funding was down £100k on last year
- **Council Tax Energy Rebate:** discretionary targeting £292k to those most in need – paid £224,695 to 13,927 residents – fund is now closed
- **Covid Outbreak Management Fund:** £120k from County which has been split across a number of initiatives including community hot spots, foodbanks, social supermarkets, fuel poverty and outreach
- **Household Support Fund:** helping those in most need with the cost of essentials such as food, clothing and utilities - will run until March 2023
- **Non-commercial debt policy:** changed our approach by providing holistic wraparound support for the most vulnerable, the use of 'breathing space' scheme, introduction of debt management flags, taking a multi-service area approach
- **Cost of Living directory:** newly developed tool for use by frontline officers, enabling officers to access information on the range of support and services aimed at helping those suffering from financial hardship.

The cross-council officer working group continue to meet to identify further opportunities and solutions. Our longer-term focus includes:

- Prevention and early intervention approach across services
- Research project with University of Salford, Salford City Council and other local authorities
- Helping people afford heating and move to better value energy and water deals
- Working with long term off gas residents to see if support can be offered to get gas back in the property
- Living Wage Place action plan
- Norwich Good Economy Commission legacy work

Despite this work the scale of the issues facing residents is unprecedented, and further action at a national level would be required to avoid significant negative impacts on the health and wellbeing of our residents.

### B.1.3 Case Study

**Voids dashboard:** A voids improvement project group was formed by the interim Head of Housing & Community Safety in response to challenges faced by the council to turnaround empty homes (voids).

One of the first objectives was to consolidate data from multiple sources, clarifying the data to create a clear process of prioritisation. Business intelligence and NEC system teams worked collaboratively with colleagues across lettings, housing options, property services and contractors to achieve this. A central voids register was created, combining data from three contractors into a single view of empty council homes, accompanied by allocation details about the people waiting to move in. Void works could then be targeted according to the most urgent cases (e.g. relieving temporary accommodation) and level of work required. Previously this information was held across an array of systems and spreadsheets.

This joint effort laid the foundation for utilising the council's new NEC system to improve data capture for the voids process. A Power BI dashboard was then developed at pace by the Business intelligence team to transform this data into actionable insight, published to a SharePoint site supplied by IT. The dashboard provides clear visibility to operational managers and strategic decision makers alike. Some of the key benefits this provides:

- Daily updates ensure timely action can be taken
- Clear sight of trends & direction of travel
- Visibility of different stages of the voids process (identify blockages)
- Drill through into the data for updates about individual properties
- Pixel perfect, interactive report, easily understood and analysed

*"It is essential to have visibility of the workload to enable service areas to take ownership and accountability and the dashboard provides this at a high-level. This enables service areas to jointly focus on bringing our voids back into use and provide essential homes to tenants. The dashboard will help NCSL in looking at ways to reduce repair time and utilise the void time effectively by managing resources within the agreed target performance"*

**Paul Young, NCSL Operations Director**

Progress has been made and continues thanks to the hard work of all those involved, supported by smarter use of data. Further dashboards are planned within the housing & community safety service, to capitalise on the new NEC system and enhance reporting.

## B.2. Finance

### B.2.1. Community Services revenue budget

The general fund forecast outturn for the directorate at quarter 3 shows an underspend of £0.366m

### B.2.2. Key variances

Figure 3.1 Community Services key variances

Community Services	Budget (£000)	Forecast Outturn (£000)	Forecast Variance (£000)
Community Services	862	788	(74)
Customers, IT & Digital	5,116	5,030	(86)
Strategy, Engagement & Culture	3,018	2,973	(45)
Housing & Community Safety	1,281	1,120	(161)
<b>Community Services</b>	<b>10,277</b>	<b>9,911</b>	<b>(366)</b>
<b>Key variances (£000):</b>			
<b>Housing &amp; Community Safety:</b>		Actual grant income greater than anticipated when budgets were set.	
Homelessness	(234)		
Other minor variances	(132)		
<b>Total</b>	<b>(366)</b>		

#### Potential budget risks

- In previous years the corporate vacancy factor has been achieved in the directorate, however given the potential inflationary pressures on pay in 2022 and increasing demand on the service to support projects there is a risk that this will not be fully achieved

### B.2.3. Outstanding debt

The current outstanding debt for the at the end of quarter 3 was £1.167m across 902 invoices. A full list is circulated on a regular basis so, that a review can be undertaken with the aim of identifying old debt which is unlikely to be recovered and writing-off accordingly.

### B.2.3. Savings tracker

- *Figure 3.2 – Community Services savings tracker:*

FSN Programme Item name	Target £	P9 Forecast £	P9 Status
Council events programme refresh	(82,000)	(82,000)	Green
Norman Centre contract review	(6,686)	(6,686)	Green
Deletion of unused budget	(22,000)	(22,000)	Green
Stationery savings	(25,000)	(25,000)	Green
Postage - 21/22 budget reduction	(100,000)	(100,000)	Complete
IT contract saving - 21/22 budget saving	(175,000)	(117,500)	Complete
Housing Improvement Agency team funding	(200,000)	(200,000)	Complete
Customer Contact service review	(106,000)	(106,000)	Complete
The Halls - improve income & link to Towns Fund	(10,000)	(10,000)	Amber
Council events provision reduction	(62,000)	(62,000)	Green

#### B.2.4. Housing Revenue Account revenue budget

The forecast outturn for the directorate at quarter 3 shows an underspend of £3.376m

The key variances are shown in the table below:

Housing Revenue Account position at Quarter 3 (December 2022)	Budget (£000)	Forecast Outturn (£000)	Forecast Variance (£000)
General Management	16,185	15,399	(786)
Special Services	5,118	4,860	(258)
Repairs & Maintenance	17,966	16,028	(1,938)
Rents, Rates, & Other Property Costs	5,988	6,169	181
Provision for Bad Debts	430	430	0
Depreciation & Impairment	23,224	23,222	(3)
Adjustments & Financing items	641	531	(110)
Garage & Other Property Rents	(2,187)	(2,220)	(33)
Dwelling Rents	(59,163)	(58,877)	286
Service Charges - General	(7,867)	(7,826)	41
Interest Received	0	(834)	(834)
Miscellaneous Income	(82)	(4)	78
Amenities shared by whole community	(254)	(254)	0
<b>Total Housing Revenue Account Position</b>	<b>0</b>	<b>(3,376)</b>	<b>(3,376)</b>
<b>Key variances (£000):</b>			
<b>Budget pressures – overspends/loss of income</b>			
<b>Dwelling Rents:</b>			
Income from dwellings	286	Income impacted by backlog & extended void turnaround times offset by lower level of rent written-off.	

<b>General HRA Premises:</b> Rates paid on void properties owned by the HRA	238	Costs are impacted by backlog and extended void turnaround times.
<b>General Management:</b> Legal Fees	161	Higher than expected legal services/advice.
<b>Estate Management:</b> Landlord lighting in communal areas of HRA properties	252	Electricity for landlords lighting is forecast to cost more as a result of current higher prices.
<b>Savings/increased income</b>		
<b>Repairs &amp; Maintenance:</b> Costs for the repair & maintenance of HRA dwellings	(915)	In consideration of the value of works already completed along with current commitments, projected work and planned major and minor works for the year, lower than budgeted expenditure is forecast.
<b>Repairs &amp; Maintenance:</b> Void Properties	(309)	Underspend forecast based on current expenditure to date and level of voids anticipated along with current extended void turnaround times.
<b>Repairs &amp; Maintenance:</b> TV Aerial Maintenance	(213)	Budget provision for full cost of contract in year, but a proportion of annual costs are charged against lease.
<b>Repairs &amp; Maintenance:</b> Drainage	(300)	Lower level of responsive drain repairs required as covered under responsive repairs & maintenance where required.
<b>Repairs &amp; Maintenance:</b> Materials Contingency	(295)	Contingency budget to cover unbudgeted increase in cost of materials not required.
<b>Interest Received:</b> Income from investments	(834)	Increase income resulting from higher interest rates
<b>General Management:</b> Recharges from the general fund	(490)	Reduced recharges from general fund as lower corporate support costs plus some staff costs now directly funded from HRA reducing staff recharge
<b>Other minor variances</b>	(957)	
<b>Total</b>	<b>(3,376)</b>	

### B.2.5. Outstanding debt – HRA

The current outstanding debt for the directorate at the end of quarter 3 was £1.250m (excluding rents) across 1,989 invoices. A full list is circulated on a regular basis so that a review can be undertaken with the aim of identifying old debt, which is unlikely to be recovered, and writing-off accordingly.

### B.2.6. Community Services capital budget

The forecast outturn for Capital Programme at quarter 3 shows a £12.049m underspend, £3.867m in GF and £8.182m HRA.

Capital Programme	Original Budget (£000)	Revised Budget (£000)	Actual and Commitments to date (£000)	Forecast outturn (£000)	Forecast variance (£000)
GF - Community Services	8,889	6,835	822	2,967	(3,867)
HRA - Community Services	25,930	24,498	12,132	16,316	(8,182)
<b>Community Services Total</b>	<b>34,819</b>	<b>31,333</b>	<b>12,954</b>	<b>19,284</b>	<b>(12,049)</b>

Significant variances are set out in the tables below:

Community Services - General Fund Capital Variances		
	Variance (£000)	
<b>BEIS Decarbonisation Grant</b>	(2,325)	The mobilisation phase for this £3.1m project is now complete with the construction phase expected to start in the next quarter and with capital funds from BEIS being fully disbursed over the next two quarters. Spending on this project is running behind schedule due to difficulties in getting commitments from tenants, partly because the scheme criteria is exclusive.
<b>Disabled Facilities Grant</b>	(771)	Progress on usage of the 2022/23 grant allowance progressing well and will be largely spent in year. Underspend relates to funds carried forward from previous years where output was reduced due to Coronavirus limitations. Business case submitted to reprofile projected underspend into next year's budget.
<b>BEIS Green Homes Grant</b>	(549)	We are currently reviewing various aspects related to the delivery of this project. At this time, we have re-stated the expected levels of spend and delivery to nil until we have greater clarity and assurance on the current and forthcoming delivery. We are maintaining dialogue with BEIS relating to the use of the funding awarded.
<b>Other minor variances</b>	(222)	
<b>Total</b>	<b>(3,867)</b>	

<b>Community Services - HRA Capital Variances</b>		
	<b>Variance (£000)</b>	
<b>HRA Upgrades: Compliance Upgrades - 5210</b>	(1,757)	Some compliance work has been completed through other budgets as part of ongoing work plans. Unspent budget that may still be required for use in future years will be requested to be carried forward into 2023/24.
<b>HRA Upgrades: Whole House Improvements - 5120</b>	(1,535)	Cost of upgrade works to whole homes has been funded from individual component replacement capital budgets.
<b>HRA Upgrades: Heating/Boilers Communal - 5130</b>	(1,099)	Tender received is more than budget, meaning value engineering process will need to take place and programme will extend into 2023/24.
<b>HRA Upgrades: Heating/Boilers Domestic - 5131</b>	(793)	Reduction in expenditure as boilers now only upgraded for void dwellings and responsive requirements in line with the update of the Norwich Standard.
<b>HRA Upgrades: Thermal Comfort - 5140</b>	(603)	The mobilisation phase for this £1.2m project is now complete with the construction phase underway with capital funds (BEIS and HRA contributions) expected to be fully disbursed over the next two quarters. Spending on this project is running behind schedule due to difficulties in getting commitments from tenants. Remaining funds will be 50% spent in the next quarter and remaining funds spent in first quarter of next FY. BEIS have announced their intention to extend the scheme's delivery period due to many participating LA's experiencing similar delivery delays.
<b>HRA Upgrades: Electrical - 5110</b>	(588)	Average costs of upgrades has been lower than initially budgeted, but overall number of anticipated completions has also reduced due to delays arising from the requirement for asbestos surveys.
<b>HRA Upgrades: Doors - 5151</b>	(578)	Surveys and testing currently progressing and materials to be purchased in year, but installation programme will extend into 2023/24.
<b>HRA Upgrades: Water Hygiene Upgrades - 5184</b>	(340)	Surveys have progressed but resulting works programme will extend into 2023/24.

<b>HRA Upgrades: Windows - 5150</b>	(307)	Following interim repair works to address immediate issues, window replacements in tower blocks have been held pending surveys, meaning these will not now take place in 2022/23. Further preparatory work is being carried out to take a whole house approach to include other works, including insulation and roof renewals. This is being carried out to ensure better value for money. Additionally, limited contractor resources following delays caused by a need to carry out asbestos surveys, have caused restricted progress of programme, but if this is resolved, installation rate could increase, reducing forecast underspend.
<b>HRA Upgrades: Solar Therm/Photovoltaic - 5141</b>	(170)	Delays in surveys and contractor capacity have delayed programme which will now extend into 2023/24.
<b>HRA Upgrades: Sheltered Hsg Comm Facs - 5171</b>	(112)	Only one project will now take place in this financial year to avoid disruption to sheltered tenants during winter period. Other sites re-programmed in future years budgets, therefore underspend will not be carried forward.
<b>Other minor variances</b>	(300)	
<b>Total</b>	<b>(8,182)</b>	

### B.2.7. Community Services capital virements

- Unspent 2021/22 General Fund capital budgets totaling £0.951m and HRA capital budgets totaling £2.756m were approved to be carried forward for the directorate.
- Subsequently, 2022/23 General Fund capital budgets totaling £3.094m and HRA budgets totaling £2.756m for the directorate have been re-profiled into future years.
- Other movements and virements which have previously been agreed for the directorate are detailed below (please note that virements under £500 will show as 0 due to rounding)

<b>Virements Tracker summary</b>	<b>GF £000</b>	<b>HRA £000</b>	<b>Total £000</b>
Original Budget	8,889	25,930	34,819
Carry forwards	951	2,756	3,707
Period 6 Reprofiling	(3,094)	(2,756)	(5,850)
<b>Additions</b>			
NCIL Budgets added after budget setting	275	0	275
BEIS Decarbonisation grant	0	855	855
UKSPF	19	0	19
<b>Removals</b>			
DFG reduction once grant value confirmed	(146)	0	(146)
Community Centres - Upgrades	(60)	0	(60)
Whole House Improvements	0	(2,261)	(2,261)
Comm centre assets HRA impact	0	(25)	(25)
<b>Current Budget</b>	<b>6,835</b>	<b>24,498</b>	<b>31,333</b>



## Appendix C: Corporate and Commercial Services

### C.1 Performance

#### C.1.1 Summary of performance

Corporate & Commercial Services has four KPIs, all of which report quarterly. For Q3, the directorate reported 2 amber and 2 green indicators.

The table below gives a view of Corporate & Commercial Services performance against its KPIs compared to the previous year.

Indicator	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Council Tax Collection – the amount of in year council tax plus arrears from old years collected (target set according to budget requirement)	99.03	99.60	98.67	100.64	99.67
Council on track to remain within General Fund budget (£)	-425,957.00	-2,364,000.00	-626,000.00	-1,397,000.00	-1,764,000.00
Business Rates Collection – the amount of in year business rates plus arrears from old years collected (target set according to budget requirement)	100.34	101.48	105.42	100.06	99.53
Average number of days taken to process new Housing Benefit claims from point of receipt to notification of entitlement	18.00	14.00	16.00	19.00	18.00

Council tax and Business rates collection has seen a slight decrease in performance, both moving from green to amber. The commentary indicates that Council tax collection is still very good considering the financial hardship residents are currently facing with the cost-of-living crisis.

The directorate's performance on FOI requests was up 7.3 percentage points compared with the previous quarter, and up 8.3 percentage points compared with Q3 of the previous year.

#### C.1.2. Successes and challenges

##### Successes:

**Budget report to cabinet in Dec:** In December the Cabinet received a substantial report updating the budget proposals for 2023/24 and for the medium-term financial position (MTFS) covering the period until 2027. The overall position is that both the 2023/24 budget and the MTFS are balanced without the use of reserves, if all of the proposed budget reductions are agreed and delivered in full. This is a strong position to be in given the uncertainty that remains around local government funding.

**Contract management:** Last year, the Council joined the Department for Levelling Up, Housing and Communities Contract Management Pioneer Programme, securing placements for several officers to receive contract management qualifications as well as participation in national user groups. Due to how actively we have engaged with the programme, we have been offered support from Local Partnerships to review our current arrangements for contract management, identify areas for further development and provide support with implementation.

**NPLaw new agreement:** In March 2021, Norfolk County Council gave notice that they wished to review the partnership agreement that provides oversight of the nplaw legal agreement. Nplaw operate as a partnership between Norfolk County Council, Broadland, Norwich and Great Yarmouth, albeit provide legal services on demand to a range of other legal authorities. Since that time, the authorities have worked together to agree a revised business model, which will allow more flexibility to the way the agreement works on an annual basis, and more focused measuring performance based

on outcomes than specific processes. The principles behind the revised agreement was agreed by the nplaw board in December and officers will now progress finalisation of the paperwork.

## Challenges:

**Discretionary Housing Payments:** The reduction in Discretionary Housing Payment (DHP) funding for 2022/23 has been highlighted throughout the year as a challenge. Despite reviewing our policy at the start of the financial year, the current cost of living crisis has seen a continued and ongoing demand for additional financial support and our DHP fund has been spent. The council has made some contingency funding available to support applications from residents who fall within our priority 1 group, as outlined in our DHP policy. The fund was officially closed on 30 November 2022. There were approximately 370 applications outstanding, which the team cleared by 08 December 2022, ensuring that those cases not meeting the priority 1 criteria were notified of the refusal and signposted to our cost-of-living webpage. Those who have met the criteria have either been paid or we are currently awaiting outstanding information to enable them to be awarded. The decision to close the fund has resulted in a small number of complaints to date, including queries from Members.

**Revenues & Benefits support schemes:** The Revenues and Benefits service has been asked to deliver further support schemes to residents. The Energy Bills Support Scheme will be rolled out by the end of January for those customers that don't use a domestic energy supplier. The department for Business, Energy and Industrial Strategy (BEIS) will do initial eligibility checks but then expect local authorities to have the processing capability to make further residency checks and payments. Further guidance is awaited. There will also be a Council Tax Support Fund (CTSF) for 23/24 for working and pension age claimants that supports vulnerable people. There will be a payment of up to £25 but any remaining funding can be spent according to our own local approach. It is unclear whether or not payments can exceed £25 in total. The CTSF payment (up to £25) needs to be in place in time for the 23/24 billing process, all at a time when we there is a revaluation of business rates and our own year-end processes to perform.

### C.1.3 Case Study

**HR recruitment system:** At the end of May 2022, the Council entered a contract to replace the existing HR and Finance systems with an enterprise resource planning (ERP) solution. This included working with recruitment software experts Hireserve, to develop a new recruitment and applicant tracking system.

Reducing the time to hire and streamlining processes was the key feedback from our customer journey workshops, the level of dissatisfaction with the existing system informed the decision to implement a new recruitment solution ahead of the ERP. The new recruitment system was launched, on time, on 14th December 2022 with the design incorporating many of the features requested by our hiring managers and taking account of recruitment best practice and positive candidate experience to strengthen our recruitment processes.

To enable a smooth transition from the existing system, a series of support mechanisms were developed; including process maps, detailed hiring manager guides and step by step instructions, a launch video and training sessions. Initial feedback from managers *'straightforward and [training] easily delivered via teams'*, *'learned how to use the system, from start to finish, user guides/videos are*

*a great start and introduction’, ‘improved system and materials’ and ‘..any questions not answered on the spot were followed up within one working day’.*

With the system being delivered on time and being well received by hiring managers and our very first new starters now being offered positions, the recruitment system has been an all-round success.

## C.2 Finance

### C.2.1 Corporate & Commercial Services revenue budget

The forecast outturn for the directorate at quarter 3 shows a £0.826m overspend.

### C.2.2 Key variances

The key variances are shown in the table below.

Corporate & Commercial Services		Budget (£000)	Forecast Outturn (£000)	Forecast Variance (£000)
Corporate & Commercial Services		512	693	181
Revenues & Benefits		2,908	3,555	647
Finance, Audit & Risk		880	880	0
HR & Organisational Development		788	784	(4)
Legal & Procurement		1,838	1,840	2
<b>Corporate &amp; Commercial Services</b>		<b>6,926</b>	<b>7,752</b>	<b>826</b>
Key variances (£000):				
<b>Corporate &amp; commercial services – vacancy factor</b> Risk that vacancy factor unlikely to be met.	98	Underspends identified earlier in the year look likely to be absorbed within the service areas by ongoing spend such as the expected pay award – previously increases in pay award above budget were held centrally rather than at service level. There are also increasing costs of temporary staff and resourcing of other projects, so there is a risk that the vacancy factor won't be achieved within the service areas. However, it might be that, as we approach the end of the year, some of the current forecasted activities will not be achieved and the vacancy factor can be met from within services.		
<b>Corporate &amp; commercial services</b> Increased resource to cover Head of Finance role	83	The Interim Head of Finance has stepped up to cover the S151 Officer position, so additional resource is required to support the vacant Head of Finance role.		
<b>Revenues &amp; Benefits</b>	587	There has been a change in the forecast outturn figures for housing benefit subsidy		

Increased housing benefit subsidy loss		<p>shortfall. Current projections show a larger HB expenditure and a lower subsidy return than estimated at mid-year.</p> <p>The reported increase in HB expenditure is largely linked to the restrictions imposed by the DWP when the council submits it's HB mid-year estimate claim. This generally projects a lower expenditure level and in turn, HB subsidy instalments received by the council are at a lower rate. Estimate vs. actual is balanced at year-end – current projections estimate a payment of £2.4m owing to the council. However, based on current trends it is likely this figure will reduce as we move through Q4 – possibly to somewhere in the region of £1.6-1.8m.</p> <p>Whilst it is likely we will receive a balancing payment from the DWP at year-end, Q3 projected reduction in subsidy return means that the council will need to contribute a greater amount than estimated at mid-year. The increased subsidy shortfall is due to adjustments to a number of supported accommodation claims in year and an increase in the use of private sector leased and hostel accommodation.</p>
Other minor variances	58	
<b>Total</b>	<b>826</b>	

### C.2.3 Corporate Financing revenue budget

The forecast outturn for the directorate at quarter 3 shows a £2.041m underspend.

The key variances are shown in the table below.

Corporate Financing		Budget (£000)	Forecast Outturn (£000)	Forecast Variance (£000)
Corporate Financing		(24,265)	(26,306)	(2,041)
<b>Key variances (£000):</b>				
<b>Treasury management</b> Improved performance as rates and cash balances have both increased.	(2,080)	The average level of cash balances has increased over the level assumed when setting the budget. Additionally, since April 2022 the bank base rate has increased which has also fed through into the rates being offered for investing cash with counterparties. These factors lead to higher investment interest income variances, some of which is attributable to the HRA.		
Other minor variances	39			
<b>Total</b>	<b>(2,041)</b>			

### C.2.4 Savings tracker

Target	Forecast	
(1,796,000)	(1,796,000)	Complete
<b>(1,796,000)</b>	<b>(1,796,000)</b>	

### C.2.5 Outstanding debt

The current outstanding debt for the corporate & commercial services and corporate financing directorates at the end of Q3 was £1.1120m. A full list is circulated on a regular basis so, that a review can be undertaken with the aim of identifying old debt which is unlikely to be recovered and written-off accordingly. However, most of this debt is considered to be recoverable.

### C.2.6 Corporate & Commercial Services capital budget

The forecast outturn for the General Fund capital programme for the directorate is a small overspend of £0.020m – This overspend relates solely to the new ERP system project.

Capital Programme	Original Budget (£000)	Revised Budget (£000)	Actual and Commitments to date (£000)	Forecast outturn (£000)	Forecast variance (£000)
GF - Corporate and Commercial Services	616	674	330	694	20
<b>Corporate and Commercial Services Total</b>	<b>616</b>	<b>674</b>	<b>330</b>	<b>694</b>	<b>20</b>

### C.2.7 Corporate & Commercial Services capital virements

- Unspent 2021/22 General Fund capital budgets totaling £0.058m were carried forward in this directorate

Virements Tracker summary	GF £000	HRA £000	Total £000
Original Budget	616	0	616
Carry forwards	58	0	58
<b>Current Budget</b>	<b>674</b>	<b>0</b>	<b>674</b>

## Appendix D: Development and City Services

### D.1. Performance

#### D.1.1. Summary of performance

Development and City Services is responsible for ten KPIs, five of which report quarterly and five of which are annual indicators. For Q3, the five quarterly indicators continued to show good performance, with three being above target and the remaining two near to their target.

The table below gives a view of Development and City Services performance against its KPIs compared to the previous

Indicator	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Value of external funding leveraged to support council development and place-shaping priorities (£)		16,999,750.00			
Number of private rented sector homes made safe		5.00			
Number of new homes (both council and private) completed				316.00	
Number of affordable homes built, purchased or enabled by the council		23.00			
Number (of total) (%) of food premises rated 0,1 or 2 (non-broadly compliant), moving to a compliant rating of 3, 4 or 5 against the Food Hygiene Rating System following intervention by food safety officers	94.00	95.00	91.00	94.00	94.50
Council income from investment property portfolio expressed as % of target income	95.00	95.00	87.00	92.00	95.00
Area of underused council land brought into productive use (m2)		0.00			
% of planning decisions upheld after appeal (where council has won)	78.00	80.00	100.00	91.00	88.00
% of planning applications determined within statutory time limits	89.00	88.00	86.00	87.00	87.00
% household waste sent for reuse, recycling, composting (reporting on previous quarter)	40.20	39.10	39.10	38.80	38.10

Development & City Services performance in planning applications determined within timescales and household waste indicators continue to report as amber, however both are above their intervention targets.

The directorate's performance on FOI requests was up 25.1 percentage points compared with the previous quarter, and up 27.1 percentage points compared with Q3 of the previous year.

#### D.1.2. Successes and challenges

##### Successes:

**Kings Arms Occupation:** Following completion of construction, in November 2022 tenants moved into five new homes built on the site of the former Kings Arms pub. The site had been derelict for years and had become an eyesore attracting anti-social behaviour, and was acquired via CPO in 2020. The properties benefit from extra insulation, triple glazed windows and heat pumps, helping to keep energy bills down.

**Retail Monitoring report:** The retail monitor survey was carried out by Norwich City Council in October 2022 and provides a snapshot of the retail sector in the centre of Norwich and in local and district centres. Shops in Norwich have outperformed the national picture on the high street, with footfall up and shop vacancy rates down, despite difficult trading conditions. Key findings from the report show:

- The percentage of vacant available shop floorspace in the city centre is now 12.2% - a significant decrease on the 14.5% in July last year.
- The percentage of vacant units has also decreased, from 14.1% in July 2021 to 12.6% in October 2022. This compares favourably to the decrease in vacant units that has taken place nationally – which was 0.4% (from 15.8% in 2021 to 15.4% in 2022)

- Footfall has increased and returned to pre-pandemic levels.
- Public realm improvements, such as Hay Hill, are designed to enhance shopping and leisure time in the city and make it easier for people to get around Norwich and enjoy their time here.
- Vacancy rates in the ten existing district sectors have decreased significantly, from 9.8% in July 2021 to 5.6% in October this year.
- Vacancy rates in the 28 local centres have also decreased from 12.7% to 7.1% over the same period.

Despite shops doing well overall, the amount of shop floorspace in the city centre continues to decrease – by nearly 6,000 sqm between July 2021 and October 2022. A reduction of 2.9%. The total number of retail units also reduced from 971 in July 2021 to 947 in October 2022. But rather than being lost to residential space or being demolished, these areas are diversifying – with many turning into leisure venues. And since the last retail monitor survey, there has been an increase in the amount of floorspace under refurbishment or construction, showing companies are investing in Norwich. Currently 13 shop units (4,108sqm of floorspace) are under construction in the city – compared to 5 units in March this year and 7 units in July 2021.

**Nutrient Neutrality:** Whilst the issue of nutrient neutrality remains a blockage to the delivery of growth in Norwich and surrounding areas some success has been achieved in moving us forward to the point where a solution can be identified. In the quarter a Norfolk nutrient neutrality calculator was published allowing developers to accurately calculate the additional nutrient loading that will be produced by any development being brought forward within the affected catchment areas in Norfolk. This was produced by Royal Haskoning LLP who were appointed to do the work by all the affected Norfolk local authorities working collectively. The calculator has been accepted as robust by Natural England. Also in December Cabinet agreed to endorse an interim policy led approach for the apportionment of any nutrient neutrality mitigation credits secured through fitting more water efficient fittings into Council owned properties. Whilst this measure will not provide a permanent solution to ensure that all development in the City can be considered to be nutrient neutral. Subject to further detailed work and sign off from Natural England it potentially creates a level of headroom to allow some key urban regeneration sites to progress through the planning process. The measure will also result in a further funding stream into the Council's Housing Revenue Account that may allow the roll out of water efficiency measures to be accelerated.

### **Challenges:**

**Rising Capital costs:** The Town Deal Funded capital projects are experiencing construction industry cost increases across the board. Depending on the construction materials used, and the sensitivity of the building (i.e. Listed Building), these increases are ranging between 10% and 20% over and above the forecasted costs submitted in the Towns Fund bids to DLUHC in late 2020/ early 2021. This has led to a need for careful management of the towns deal programme, through both the Towns Deal Board and DLUHC. In particular delivery of most of the planned improvements to St Giles St have been postponed and funding vired into the Hay Hill scheme to allow this to proceed. A full update on progress with the Towns Fund programme, which continues to be one of the most developed nationally, will be provided to Cabinet in March.

**Revolving Fund:** In December 2022 Cabinet approved making of CPOs on two sites, 238A Dereham Rd and Lime Kiln Mews. This is a critical step in the event that the council decides to acquire the sites in the future, this will happen in the event that the owners are unable to develop the sites themselves.



### D.1.3. Case Study

## D.2. Finance

### D.2.1. Development and City Services revenue budget

The forecast outturn for the directorate at quarter 3 shows a (£0.124m) underspend.

### D.2.2. Key variances

Figure 2.3 Development & City Services key variances

Development & City Services		Budget (£000)	Forecast Outturn (£000)	Forecast Variance (£000)
Development & City Services		480	547	67
Environment Services		3,562	3,557	(5)
Planning & Regulatory Services		2,188	2,330	142
Property & Economic Development		552	223	(328)
<b>Development &amp; City Services</b>		<b>6,782</b>	<b>6,658</b>	<b>(124)</b>
<b>Key variances (£000):</b>				
<b>City Hall</b> Main office for staff and Councillors.	(150)	Increased rental income from vaccination centre (£0.103m), business rates and NCSL contract cost are lower than budget (£0.070m). Trade waste and control system costs are forecasting to be £0.022m over budget.		
<b>Investment income</b> Rental income from council owned commercial property.	(119)	Increased rent from rent reviews and properties not disposed of totalling (£0.175m). Additional gas and electricity costs of £0.059m has reduced this saving.		

## Potential budget risks

- In previous years the corporate vacancy factor has been achieved in the directorate, however given the potential inflationary pressures on pay in 2022 there is a risk that this will not be fully achieved.

### D.2.3. Savings tracker

FSN Programme Item name	Target £	P6 Forecast £	
Stretch - Biffa contract - 21/22 budget reduction	(68,000)	(90,495)	
Waste contract - 21/22 budget reduction	(157,000)	(157,000)	
Expansion of charges for Parking in parks	(50,000)	(8,000)	
Cashless parking - 21/22 budgeted saving	(110,000)	(110,000)	
Review of NCSL Contract - 21/22 budget saving	(53,000)	0	
Cemeteries income - 21/22 income budget	(50,000)	(50,000)	
Gypsy and Traveller Site Management	(4,000)	(4,000)	
Planning Fee Income	(105,000)	(105,000)	
City Dev Services service review	(10,000)	(10,000)	
HMO licence fee increase	(36,000)	14,000	
Expansion of charges for Parking in parks	(25,000)	0	
Review of Car Parking charges	(360,000)	(624,702)	
Review of Markets Income	(38,000)	(59,882)	
City Hall rental	(28,500)	(18,000)	
Review of NCSL Contract	(195,000)	(195,000)	
Norwich Airport Industrial Estate income	(70,000)	(110,000)	
Vaccination centre income	(47,000)	(199,650)	

The tracker is reviewed and updated by budget managers regularly.

### D.2.4. Outstanding debt

The current outstanding debt for the directorate at the end of P9 was £2.502m across 2,817 invoices.. A full list is circulated on a regular basis so, that a review can be undertaken with the aim of identifying old debt which is unlikely to be recovered and writing-off accordingly.

### D.2.5. Development and City Services capital budget

The forecast outturn for Capital Programme at period 9 shows a £5.740m underspend, £5.330m in GF and £0.409m HRA.

Capital Programme	Original Budget (£000)	Revised Budget (£000)	Actual and Commitments to date (£000)	Forecast outturn (£000)	Forecast variance (£000)
GF - Development & City Services	19,841	15,873	5,088	10,542	(5,330)
HRA - Development & City Services	12,932	11,344	12,585	10,934	(409)
<b>Development &amp; City Services Total</b>	<b>32,773</b>	<b>27,217</b>	<b>17,673</b>	<b>21,477</b>	<b>(5,740)</b>

Significant variances are set out in the table below:

<b>Development &amp; City Services - General Fund Capital Variances</b>		
	<b>Variance (£000)</b>	
<b>TF Compulsory Purchase Revolving fund</b>	(1,007)	Potential purchases will not progress sufficiently to forecast further significant spend in this financial year. Carry forward will be requested to continue work in 2023/24.
<b>St Giles Public Realm TF</b>	(986)	Following agreement with grant providers the available budget for the St Giles scheme is to be transferred to other Towns Fund schemes, forecast spend has been reduced accordingly.
<b>CIL Contribution Strategic</b>	(750)	CIL collection is reduced because of delays from the pandemic where construction essentially stopped. Inflation and increased build costs and labour shortages are meaning fewer sites are being commenced (the point at which CIL is collected). It is anticipated this will increase in time. It should be noted that although part of the capital programme, the level of expenditure against this budget is directly dependent upon CIL income from developers.
<b>St Andrews MSCP edge protection</b>	(391)	Successful tender has proposed new options which are currently being reviewed through our engineers in property services leading to project start on site date being delayed. Materials to be purchased in advance generating some additional expenditure in year.
<b>NCS Ltd establishment costs</b>	(358)	£0.125m spend expected by year end of the main Environmental equipment budget, with acquisition of tractor flail and 2 sweepers. Remainder will requested to be carried forward into 2023/24.
<b>Min Energy Effic Standard MEES</b>	(299)	Energy efficiency certification achieved, therefore funds not required in 2022/23.
<b>Transforming Cities Fund Contr</b>	(250)	The Transforming Cities programme will not have reached the stage where transfer of funds is needed by the end of March 2023 therefore underspent budget will be requested to be carried forward into 2023/24.
<b>TF- Digital hub</b>	(247)	Works progressing, some costs have been reprofiled into 2023/24 in line with project. Carry forward of unspent budget into 2023/24 will be requested.
<b>City Hall Medium Term Future</b>	(214)	Unlikely to be required this financial year except for planning costs; delay in part due to waiting for LUF bid outcome. Carry forward of unspent budget into 2023/24 will be requested.

<b>Park toilet refurb Wensum/Heigham/ Eaton</b>	(196)	Budget was brought forward from future years in line with contractor timelines, however their scheduling has now been delayed. A new contractor is being consulted which means that most of the works will now extend into 2023/24.
<b>Other minor variances</b>	(631)	
<b>Total</b>	<b>(5,330)</b>	

<b>Development &amp; City Services - HRA Capital Variances</b>		
	<b>Variance (£000)</b>	
<b>Capital Grants Housing Asscns</b>	(322)	No further opportunities identified enabling grants to be provided to registered providers in this financial year
<b>LANB Kings Arms</b>	(137)	In line with the CPO compensation code, the council paid 90% of the valuation of the former Kings Arms site following CPO in 2020. Although the compensation level has not been challenged by the recipient, they retain the right to challenge for several years following vesting of the site with the council. The underspend is a funding allocation to be used in the event such a challenge was forthcoming, and it resulted in the compensation sum due increasing
<b>Other minor variances</b>	50	
<b>Total</b>	<b>(409)</b>	

### D.2.6. Development & City Services capital virements

- Unspent 2021/22 General Fund capital budgets totalling £6.143m and HRA capital budgets totalling £6.764m were approved to be carried forward for the directorate.
- Subsequently, 2022/23 General Fund capital budgets totalling £10.871m and HRA budgets totalling £7.483m for the directorate have been re-profiled into future years.
- Other movements and virements which have previously been agreed for the directorate are detailed below (please note that virements under £500 will show as 0 due to rounding)

<b>Virements Tracker summary</b>	<b>GF</b>	<b>HRA</b>	<b>Total</b>
Original Budget	19,841	12,932	32,773
Carry forwards from 2021/22	6,143	6,764	12,907
Period 6 Reprofiting	(10,871)	(7,483)	(18,354)
<b>Reprofiting</b>			
Park toilet refurb Wen Hei Eat	134	0	134
GNGB Marrr'sWy/HellsdnStnGrn	(144)	0	(144)
Ketts Heights repairs/habitat	(130)	0	(130)
Castle Gardens	(207)	0	(207)
<b>Additions</b>			
GNGB UEA Eaton boardwalk ext	17	0	17
S106 St Sephens towers public realm	66	0	66
Changing places grant	63	0	63
GNGB UEA Eaton boardwalk ext	1	0	1
CIL Yare-Wensum Green Infrastr	2	0	2
St Georges's play area	86	0	86
St Andrews Car park increase	998	0	998
<b>Virements</b>			
Southam Roof	(0)	0	(0)
Min Energy Effic Standard MEES	(0)	0	(0)
St Giles Roof	0	0	0
<b>Removals</b>			
CadgeRd CommCentre light upgrd	(7)	0	(7)
GNGB Riverside Wk Access Imps	(112)	0	(112)
S106 Bunkers Hill - Entrance	(8)	0	(8)
HRA New Hsg 165 Spring Bank	0	(21)	(21)
Demolition & Site Maintenance	0	(160)	(160)
New Build Opportunities	0	(500)	(500)
Capital Grants Housing Asscns	0	(188)	(188)
<b>Current Budget</b>	<b>15,873</b>	<b>11,344</b>	<b>27,217</b>



## Annex 2: Performance

### Cross Cutting KPI's

Indicator	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
% of FOI requests responded to within statutory timescales	81.32	91.19	79.52	80.12	92.36
% of corporate complaints responded to within stated timescales	62.02	56.30	54.95	62.06	58.00

### Community services KPIs

Indicator	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Total number of private sector insulation measures completed	70.00	70.00	50.00	50.00	0.00
Number of homeless households living in temporary accommodation	43.00	41.00	47.00	52.00	48.00
IT System availability expressed as a percent of time available during core hours	99.96	99.86	99.94	99.85	99.94
Average re-let time of council homes in calendar days (excluding major works)	63.00	55.00	35.00	49.00	95.00
% of people responding as feeling safe in local area survey	58.00	59.00	65.00	55.00	63.00
% of households owed a homelessness prevention duty (in accordance with the Homelessness Reduction Act) where the duty was ended due to suitable accommodation being secured for them	81.00	80.00	74.00	68.00	87.00
% of customer's responding as satisfied with customer contact team service	78.74	78.35	70.43	68.04	83.71
% of customer contact that takes place through digital channels	42.88	42.75	54.29	45.71	42.05
% of council housing rent collected (excluding arrears brought forward)	99.39	99.35	95.87	96.20	98.25
% of council homes with a valid gas safety certificate	99.66	99.82	99.87	99.82	99.92



## Corporate and commercial services KPIs

Indicator	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Council Tax Collection – the amount of in year council tax plus arrears from old years collected (target set according to budget requirement)	99.03	99.60	98.67	100.64	99.67
Council on track to remain within General Fund budget (£)	-425,957.00	-2,364,000.00	-626,000.00	-1,397,000.00	-1,764,000.00
Business Rates Collection – the amount of in year business rates plus arrears from old years collected (target set according to budget requirement)	100.34	101.48	105.42	100.06	99.53
Average number of days taken to process new Housing Benefit claims from point of receipt to notification of entitlement	18.00	14.00	16.00	19.00	18.00

## Development and city services KPIs

Indicator	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Value of external funding leveraged to support council development and place-shaping priorities (£)		16,999,750.00			
Number of private rented sector homes made safe		5.00			
Number of new homes (both council and private) completed				316.00	
Number of affordable homes built, purchased or enabled by the council		23.00			
Number (of total) (%) of food premises rated 0,1 or 2 (non-broadly compliant), moving to a compliant rating of 3, 4 or 5 against the Food Hygiene Rating System following intervention by food safety officers	94.00	95.00	91.00	94.00	94.50
Council income from investment property portfolio expressed as % of target income	95.00	95.00	87.00	92.00	95.00
Area of underused council land brought into productive use (m2)		0.00			
% of planning decisions upheld after appeal (where council has won)	78.00	80.00	100.00	91.00	88.00
% of planning applications determined within statutory time limits	89.00	88.00	86.00	87.00	87.00
% household waste sent for reuse, recycling, composting (reporting on previous quarter)	40.20	39.10	39.10	38.80	38.10



KPI Ref	Service	Indicator	Frequency	Due to report
KPI: 01	Revenue and Benefits	Average number of days taken to process new Housing Benefit claims from point of receipt to notification of entitlement	Quarterly	
KPI: 02	Revenue and Benefits	Council Tax Collection – the amount of in year council tax plus arrears from old years collected (target set according to budget requirement)	Quarterly	
KPI: 03	Revenue and Benefits	Business Rates Collection – the amount of in year business rates plus arrears from old years collected (target set according to budget requirement)	Quarterly	
KPI: 04	Finance	Council on track to remain within General Fund budget (£)	Quarterly	
KPI: 05	Housing	% of council housing rent collected (excluding arrears brought forward)	Quarterly	
KPI: 06	Housing	Average re-let time of council homes in calendar days (excluding major works)	Quarterly	
KPI: 07	Housing	% of council homes with a valid gas safety certificate	Quarterly	
KPI: 08	Housing	Number of homeless households living in temporary accommodation	Quarterly	
KPI: 09	Housing	% of households owed a homelessness prevention duty (in accordance with the Homelessness Reduction Act) where the duty was ended due to suitable accommodation being secured for them	Quarterly	
KPI: 10	Environmental services	% household waste sent for reuse, recycling, composting (reporting on previous quarter)	Quarterly	
KPI: 11	Early intervention & community safety	% of people responding as feeling safe in local area survey	Quarterly	
KPI: 12	Environmental health	Number (of total) (%) of food premises rated 0,1 or 2 (non-broadly compliant), moving to a compliant rating of 3, 4 or 5 against the Food Hygiene Rating System following intervention by food safety officers	Quarterly	





KPI: 13	Environmental health	Number of private rented sector homes made safe	Biannual	Q2 and Q4
KPI: 14	Planning	% of planning decisions upheld after appeal (where council has won)	Quarterly	
KPI: 15	Planning	% of planning applications determined within statutory time limits	Quarterly	
KPI: 16	City Development	Council income from investment property portfolio expressed as % of target income	Quarterly	
KPI: 17	Planning policy	Area of underused council land brought into productive use (m2)	Annual	Q4
KPI: 18	City Development	Number of affordable homes built, purchased or enabled by the council	Annual	Q4
KPI: 19	Planning policy	Number of new homes (both council and private) completed	Annual	Q2
KPI: 20	Economic Development	Value of external funding leveraged to support council development and place-shaping priorities (£)	Annual	Q4
KPI: 21	Environmental strategy	% reduction of CO2 emissions from Local Authority operations	Annual	Q2
KPI: 22	Environmental strategy	Total number of private sector insulation measures completed	Quarterly	
KPI: 23	Customer contact	% of customer's responding as satisfied with customer contact team service	Quarterly	
KPI: 24	Customer contact	% of customer contact that takes place through digital channels	Quarterly	
KPI: 25	Customer contact	% of FOI requests responded to within statutory timescales	Quarterly	
KPI: 26	Customer contact	% of corporate complaints responded to within stated timescales	Quarterly	
KPI: 27	IT	IT System availability expressed as a percent of time available during core hours	Quarterly	