

## **Cabinet**

**Date:** Wednesday, 14 December 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**  
To receive apologies for absence
  
- 2     **Public questions/petitions**  
To receive questions / petitions from the public (notice to be given to committee officer in advance of the meeting in accordance with appendix 1 of the council's constitution)
  
- 3     **Declarations of interest**  
(Please note that it is the responsibility of individual members to declare an interest prior to the item if they arrive late for the meeting)
  
- 4     **Minutes** 5 - 8  
To approve the accuracy of the minutes of the meeting held on 16 November 2016
  
- 5     **Quarter 2 2016-17 performance report** 9 - 22  
**Purpose** - To report progress against the delivery of the corporate plan priorities and key performance measures for quarter 2 of 2016 - 17.
  
- 6     **Revenue Budget Monitoring 2016-17 period 7** 23 - 42  
**Purpose** - To update cabinet on the provisional financial position as at 31 October 2016, the forecast outturn for the year 2016/17, and the consequent forecast of the General Fund and Housing Revenue Account balances
  
- 7     **Treasury management strategy statement and annual investment strategy - Mid-year review report 2016-17** 43 - 58  
**Purpose** - This report sets out the treasury management performance for the first six months of the financial year to 30 September 2016
  
- 8     **Counter Fraud policies** 59 - 126  
**Purpose** - To seek approval of the revised anti fraud and corruption, whistleblowing and anti money laundering policies.
  
- 9     **Declaration of West Earlham Woods as a Local Nature Reserve (LNR)** 127 - 134  
**Purpose** - To seek approval to declare West Earlham Woods as a local nature reserve.
  
- 10    **Award of contract for structural repairs to council homes** 135 - 142  
**Purpose** - To advise cabinet of the tender process for a contract for structural repairs and improvements to council homes and to consider the award of the contract.

- |           |   |           |
|-----------|---|-----------|
| <b>11</b> | <b>Award of event support services framework contract</b><br><b>Purpose</b> - To advise cabinet of the tender process for the event support services framework contract carried out by the events and procurement teams and seek authority to award the contract to the selected suppliers. | 143 - 150 |
| <b>12</b> | <b>Adjustment to Housing Capital Programme 2016-17</b><br><b>Purpose</b> - To seek cabinet approval for the virement of funds from the bathroom upgrades budget to the whole house improvement and Goldsmith Street new build social housing budgets, within the Housing Capital Programme. | 151 - 156 |
| <b>13</b> | <b>Exclusion of the public</b><br><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.

**\*14    Appendix to Cabinet Adjustment to Housing Capital Programme 2016-17**

- 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.

**\*15    Appropriation of Land for Planning Purposes**

- 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: **Friday, 09 December 2016**

**Cabinet****17:30 to 18:30****16 November 2016**

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

Apologies: Councillor Waters

**1. Public questions / petitions**

There were no public questions or petitions.

**2. Declarations of interest**

Councillor Stonard declared an other interest in item \*12 on the agenda as he was a director of NEWS Ltd.

**3. Minutes**

Subject to noting that Councillor Waters was the chair and Councillor Harris was the vice chair it was:-

**RESOLVED** to agree the minutes of the meeting held on 12 October 2016.

**4. Revenue budget monitoring 2016-17 – Period 6**

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

**RESOLVED** to note the financial position as at 30 September 2016 and the forecast outturn 2016-17.

**5. Capital budget monitoring 2016-17 – Quarter 2**

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

**RESOLVED** to note the:

- 1) position of the housing and non-housing capital programmes as at 30 September 2016;and
- 2) capital budget virements approved by CLT, set out in paragraphs 9 and 16

**6. External audit appointment**

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

**RESOLVED** to recommend council to progress the Sector Led Appointment of external auditors from 2018-19

**7. Adoption of revised Statement of Community Involvement**

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

**RESOLVED** to adopt the revised Statement of Community Involvement, in accordance with the 2004 Planning and Compulsory Purchase Act.

**8. Procurement of the housing gas heating servicing and repairs contract**

The cabinet member for council housing presented the report.

In response to a member's question, the associate director of operations, NPS Norwich, said that every property with gas appliances had these serviced on a yearly basis. Appointment letters were sent to tenants ten months after the last service to arrange the next service appointment.

**RESOLVED** to approve the award of the contract to Gasway Services Ltd.

**9. Award of contract for structural repairs to council homes**

The cabinet member for council housing presented the report. She said that the first sentence of paragraph 8 of the report should read 'All three sites' and not just Orchard Street and at paragraph 9 the company name should read 'JB Specialist Refurbishments Ltd'.

**RESOLVED** to approve the award of the structural repair and improvement contract for Orchard Street, West Pottergate and Paragon Place – stair replacement phase 4 to JB Specialist Refurbishments Ltd.

**10. Exclusion of the public**

**RESOLVED** to exclude the public from the meeting during consideration items \*11 to \*13 (below) on the grounds contained in the relevant paragraphs of Schedule 12A of the Local Government Act 1972 (as amended).

**\*11. Agreement of costs of excess contamination delivered to NEWS via the recycling collections**

The cabinet member for neighbourhoods and community safety presented the report and the director of neighbourhoods answered member's questions.

**RESOLVED** to approve a variation to the council's contract with NEWS for the Mixed Contracts Recyclables Processing Contract for the costs of processing excess contamination.

**\*12. Managing assets**

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

The head of city development services answered member's questions.

**RESOLVED** to delegate the decision to potentially dispose of the land and property described in this report to the director of regeneration in consultation with the portfolio holder for resources and business liaison and the chief finance officer.

**\*13. Managing assets**

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

The head of city development services answered member's questions.

**RESOLVED** to:

- 1) Extend leases on the site for a further 3 months to the end of March 2017;  
and
- 2) Redevelop the land and property as described in the report

CHAIR





**Report to** Cabinet  
14 December 2016  
**Report of** Strategy Manager  
**Subject** Quarter 2 2016 - 17 performance report

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**Item**

**5**

### **Purpose**

To report progress against the delivery of the corporate plan priorities and key performance measures for quarter 2 of 2016 - 17.

### **Recommendations**

To:

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

### **Corporate and service priorities**

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

### **Financial implications**

The direct financial consequences of this report are none.

**Ward/s** All wards

**Cabinet member** Councillor Waters - Leader

### **Contact officers**

Adam Clark

01603 212273

### **Background documents**

None

## **Report**

### **Introduction**

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

### **Headlines**

6. Overall performance this quarter shows all five council priorities remaining 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) At the end of quarter 2, the timely processing of benefits measure stood at 100%, a further increase from last quarter.
  - b) Residual waste per household has fallen to 101.1kg, an improvement on previous quarters, but above our target of 99kg.
  - c) 11,405,800 people visited Norwich in the latest released annual figures, this includes both day visits and overnight stays, and is above the target of 11,200,000
  - d) 62.2% of people who contacted the council as threatened with becoming homeless were actively prevented from becoming homeless through the council's actions. This is above our target of 55%.
  - e) The number of affordable homes developed on council land or purchased from developers since the start of 2015/16 increased to 29, but remains below our target of 130. This should get back on track with work starting on Goldsmith's Street in early 2017.

- f) 17% of all contact with the council was carried out electronically; this is above a continuously rising target, currently at 7.5%.
- g) 30.8% of contact with the council was classified as avoidable this quarter outside our target of 15%.
- h) In quarter 2, the average number of days taken to re-let council homes was 16 days, matching out target.
- i) 406 accident casualties on Norwich roads were recorded in the year to the end of September. This is higher than the anticipated level of 400 but has been continuously decreasing over previous months.



### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	09 December 2015
<b>Head of service:</b>	Adam Clark
<b>Report subject:</b>	Quarter 2 performance report 2016/17
<b>Date assessed:</b>	Dec 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 2 of 2016/17.

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

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

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	



Safe, clean and low carbon city

Prosperous and vibrant city

Fair city

Healthy city with good housing

Value for money services

Corporate plan

Safe, clean and  
low carbon city

Prosperous and  
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good housing

Value for money  
services

### Comments

This quarter's performance continues the trend of the council's being on track against each of its 5 corporate priorities, despite the challenging environment for local government and for residents.

There has been a notable improvement in the timely processing of benefits, which now appears to be performing consistently on target.

In other areas, after a sustained period of increase, there is a reduction in levels of residual waste per household, though more remains to be done to meet the target. Norwich continues to thrive as a tourist destination as evidenced by our annual visitor numbers. We remain consistently above target on our homelessness prevention measure, though there are delays to delivery of affordable homes in the city for a number of reasons, though new developments should see this back on track over coming months.

Levels of 'channel shift' are well above target as more people use the new council website, although we continue to see high levels of 'avoidable contact' which requires a focus on resolving issues the first time.

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 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





	Safe, clean and low carbon city	Prosperous and vibrant city	Fair city	Healthy city with good housing	Value for money services	Corporate plan
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Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
<b>SCL8 % of adults living in the City Council's area who cycle at least once per week</b>	21.5%	25.0%	▲	➡	21.5%	25.0%	▲
Comments: We have seen an increase from 17.7% in 2010/11 to 21.5% in 2014/15 meaning that we have risen from 10th to 7th in the national ranking of local authorities on this measure. The percentage of adults cycling for utility purposes at least three times a week has shown an increase from 6.7% in 2012/13 to 12% in 2014/15, raising us from 11th to 5th highest local authority on that measure. We have also seen a significant increase in cycling at the count locations across the city council's area. This information was gathered before the completion of the pink pedalway or the publication of the second edition of the cycle map, which we expect will further boost the figures, bringing us closer to our ambitious target for next year. The extra monitoring infrastructure that is being installed through the cycling ambition programme will allow us to improve the performance measure for the next reporting period.							

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
<b>SCL01 % of streets found clean on inspection</b>	90.6%	94.0%	●	➡	89.8%	94.0%	●
Comments: In all 306 sites across the city were surveyed in July 2016. With regard to littering two streets were graded D (Scarnell Road, and Colman Road Shops) six sites were grade C. The land use with the highest percentage of failed transects for litter were Other Retail and Commercial areas. 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 transects of the same alleyway - Harwood Road to Sandy Lane. Thirteen sites were graded at C and one graded at C-.							
<b>SCL03 % of people feeling safe</b>	74.7%	77.0%	●	➡	77.6%	77.0%	★
Comments: Performance for the % of people feeling safe remains high and though has decreased remains above target. Work to benchmark the council's performance with similar authorities is in progress.							
<b>SCL04 Residual household waste per household (Kg)</b>	101.1	99.0	●	➡	206.1	204.0	●
Comments: This is a very welcome reduction after a sustained period of increases in waste. New services for the city and Norfolk-wide projects commissioned through the Norfolk Waste Partnership are expected to drive levels of waste downwards over the coming years.							
<b>SCL07 Number of accident casualties on Norwich roads</b>	406	400	●	➡	406	400	●
Comments: There is a steady and sustained decrease in the total number of accidents in Norwich and the target of 400 was just missed for Q2. With the continued work of the Casualty Reduction Partnership, which is examining the root causes of accidents and targeting education and enforcement campaigns at the most vulnerable groups such as pedestrians, cyclists and older drivers, the target is on course to be met in the coming months							

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
<b>SCL02 % of people satisfied with waste collection</b>	92.9%	85.0%	★	➡	74.2%	85.0%	▲
Comments: This result is in-line with the evidence from civica processes where there has been a noticeable increase in compliments on the behaviour of Biffa's staff. This is most likely due to the appointment of a new service improvement manager at Biffa and her commitment to engaging with the collection crews and supporting them in improving the level of service.							
<b>SCL05 % of food businesses achieving safety compliance</b>	96.0%	90.0%	★	➡	96.0%	90.0%	★
Comments: The hygiene standard of food premises in the City is continuing to improve. This broad compliance figure includes the 19 businesses that have been rated and had improved.							
<b>SCL06 % of residential homes on a 20mph street</b>	37.4%	34.0%	★	➡	37.4%	34.0%	★
Comments: Following the introduction of the 20mph in the city centre the target for number of households in a 20mph area has been exceeded. The number of effected households will continue to increase when further 20mph restrictions are introduced as part of the work on implementing the blue and yellow pedalways.							
<b>SCL09 CO2 emissions for the local area</b>	13.5%	2.4%	★	➡	13.5%	2.4%	★
Comments: Due to a lag in data collection, reported figures relate to the year 2014.							
<b>SCL10 CO2 emissions from local authority operations</b>	8.7%	2.2%	★	➡	8.7%	2.2%	★
Comments:							
<b>SCL11 % of people satisfied with parks &amp; open spaces (Q)</b>	93.1%	75.0%	★	➡	93.5%	75.0%	★
Comments: It's pleasing to see that despite pressure on financial resources maintaining the level of satisfaction through different ways of delivering aspects of the service and use of CIL and S106 funding.							
<b>SCL12 Percentage of people satisfied with their local environment</b>	82.2%	78.0%	★	➡	84.6%	78.0%	★
Comments: Residents satisfaction with their local environment remains on target. Work is in progress to benchmark the council's performance with similar authorities to understand how it compares.							



Safe, clean and low carbon city

Prosperous and vibrant city

Fair city

Healthy city with good housing

Value for money services

Corporate plan

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
PVC2 Delivery of the council's capital programme	72%	80%	●	★	72%	80%	●
Comments: 3 projects assessed as red due to budget overspend. 5 projects assessed as amber as a result of potential overspend resulting from project delays.							
PVC7 Delivery of the heritage investment strategy action plan	53%	60%	●	★	53%	60%	●
Comments: The Strategy contains a commitment to implement eighteen policies and ten projects. Since the last monitoring period the following actions have been undertaken: <ul style="list-style-type: none"> <li>Policy 17 - public realm improvements in combination with traffic management: the majority of the Westlegate project has been built, St Stephen's Plain has been cleared of guard railing and the paving at the junction of Colegate and St George's Street has been completed and the Eaton and Cringleford project at the heart of the conservation area has been approved for construction.</li> <li>Policy 18 - conservation expertise: an assistant conservation and design officer has been recruited meaning that the team is back to full strength.</li> <li>Project 5 - The Halls: roof repairs have successfully been carried out.</li> <li>Project 8 - Mile Cross Gardens: public opinion about the Gardens was gathered before the design process started.</li> </ul>							
Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
PVC1 Number of new jobs created/ supported by council funded activity	317	150	★	?	317	150	★
Comments: The growth in jobs over the last 6 months is not surprising given that JSA unemployment continues at the lowest rates ever seen in Norwich. Alongside this there has been an upturn in the commercial property market and new business activity including a number of new shop and office openings.							
PVC3 Amount of funding secured by the council for regeneration activity (£ thousands)	4,166	250	★	➡	4,166	250	★
Comments: This is forecast to be £4.166M in total for 2016/7. Funding is from DfT through the Cycle City Ambition Grant. This funding has already been received. (June 2016). There is the Local Growth Funding allocated to the Westlegate/Golden Ball Street project and other projects in the Transport for Norwich programme. The funds have been allocated to county but are funding regeneration activity within the city's boundary but have not been included in the total.							
PVC5 Provision of free wi-fi in City Centre	100%	100%	★	➡	100%	100%	★
Comments:							
PVC6 Planning service quality measure	88%	83%	★	★	88%	83%	★
Comments: The system to monitor planning service quality that has been developed by PAS (Planning Advisory Service) has been tested and is now available for use. Measurement will commence in quarter 4, 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 during 2017-18 once we have had some experience of its operation. The result reported here is a proxy using the planning performance measures reported to central government i.e. speed of processing of Major, Minor and Other applications. It is hoped that outputs in 2017-18 will appear in a different format, and will include measurements of speed, as part of a broader measure. However, this will be dependent on the receipt of information which is outside the council's full control as information will be processed via PA and the successful operation of the new quality measures from January 2017.							
PVC8 % of people satisfied with leisure and cultural facilities	95%	90%	★	★	95%	90%	★
Comments:							
PVC9 Number of visitors to the City	11,405,800	11,200,000	★	➡	11,405,800	11,200,000	★
Comments: Figure includes Day Trip visitors as well as staying visitors. Norwich continues to do well as a tourist destination as brand and identity awareness rise due to a combination of successful marketing campaigns and PR via VisitNorwich and Visit Norfolk over the last few years. The number of staying visitors is decreasing, but this could be attributed to the relatively low numbers of accommodation rooms within the city council area, and the high occupancy levels attributable to business stays in the city( not counted in tourism figures).							

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

#### Measure

CPlan15-20 Prosperous and vibrant city : PVC4 Number of new business start ups

Comments: This measure is reported on an annual basis in Q4.



Safe, clean and low carbon city

Prosperous and vibrant city

Fair city

Healthy city with good housing

Value for money services

Corporate plan

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
<b>FAC1 Delivery of the reducing inequalities action plan</b>	50%	50%	★	🟢	50%	50%	★
Comments: We have continued to make good progress with our area-based collaborative work in Lakenham, establishing a strong partnership to develop initiatives such as social prescribing. This is being complemented by wider strategic work on maximising the social value we generate through our procurement and assets. The links with other programmes, such as Healthy Norwich and digital inclusion, continue to provide wider opportunities to address inequalities in the city, despite very challenging times for residents.							
<b>FAC2 % of people saying debt issues had become manageable following face to face advice</b>	90%	86%	★	🔴	90%	86%	★
Comments: MABS specialise in intensive support with vulnerable people, dealing with multiple debts. The practise means that at the start of the relationship clients require a lot of contact and one to one support. As the relationship develops the contact can be cut down. This does mean that after a while (depending on the client) staff can be freed up to help others.							
Very few clients are ever referred to other agencies for DROs or Bankruptcy and the aim is for clients to pay off their debts and adapt to behavioural change by learning the 'Savings Bug'							
<b>FAC3 Delivery of the digital inclusion action plan</b>	40%	40%	★	➡	40%	40%	★
Comments: Performance is on target at the half-way point of the lifetime of the funded project, with ongoing work to badge up community resources as Digital Hubs planned to launch in October 2016 alongside Get Online Week. Volunteer recruitment and training is going excellently, and regular drop-in sessions have been established in the community (including at Norwich City Hall) together with engagement with new partner organisations.							
<b>FAC4 Timely processing of benefits</b>	100.0%	100.0%	★	🟢	100.0%	100.0%	★
Comments:							
<b>FAC5 No of private sector homes where council activity improved energy efficiency (YTD)</b>	218	70	★	🔴	218	70	★
Comments: Over delivery of target due to central government funding received via successful bid by NCC.							

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

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





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	29	130	▲	➡	29	130	▲

Comments: The number of proposed homes has not changed but delivery has been delayed for a number of reasons including the need to address higher than anticipated costs. Work is expected to start at Goldsmith's Street in the early New Year.

▲ Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
HCH1 Delivery of the Healthy Norwich action plan	47%	50%	●	➡	47%	50%	●
Comments: The Healthy Norwich partnership with colleagues from the health sector maintains steady progress in delivering effective initiatives such as 'The Daily Mile' in schools and a voluntary smoking ban in parks. Some of the partnership's more long-term and strategic aspirations require a level of engagement with health providers that can be challenging, especially with the current pressures in that sector. Some actions from this quarter have therefore slipped, but we continue to build the relationships as a platform for progress in the future.							
HCH9 No of private sector homes made safe	47	50	●	➡	47	50	●
Comments: Delivery against this measure varies through the course of the year usually due to the nature and complexity of the current cases. Most of this shortfall has been made up in the second quarter and is expected to be green in quarter three.							

▲ Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
HCH03 No of empty homes brought back into use	35	20	★	➡	35	20	★
Comments:							
HCH2 Relet times for council housing	16	16	★	➡	16	16	★
Comments: 326 homes were let in the second quarter, taking the YTD total number of relets to 626. The average relet time for all properties for Q2 was 15 days, with the YTD figure still on target at 16 days. There was a significant improvement in sheltered housing relet times, which decreased from 26 days in Q1 to 21 days in Q2.							
HCH5 Preventing homelessness	62.2%	55.0%	★	➡	63.4%	55.0%	★
Comments: While external factors such as cuts to other services are undoubtedly creating pressure on our housing options team, our prevention-focused approach continues to meet and, in this instance, exceed target. Future challenges such as the introduction of Universal Credit, the Homelessness Reduction Bill and cuts to support services will cause further pressure on our limited resources in the near future and in this environment, such high performance may be difficult to maintain.							
HCH6 % of people who feel that the work of the HIA has enabled them to maintain independent living	100	90	★	?	100	90	★
Comments:							
HCH7 % of council properties meeting Norwich standard	100.0%	100.0%	★	➡	100.0%	100.0%	★
Comments: The proxy measure monitors the number of upgrades completed quarterly, compared to projections, for the following programmes: kitchens, bathrooms, heating, rewires and composite doors. Contracts are output based and contractors are responsible for delivering programmes by the end of the financial year. Work on heating upgrades during the summer months has resulted in the original annual program number having been exceeded already. Kitchen upgrades are well ahead of the original projected figure for mid-year, bathrooms are slightly ahead of projections, and composite doors very slightly behind. Electrical work is behind the projected figure, due to a new contract having started which was not in place at the beginning of the year.							
HCH8 % of tenants satisfied with the housing service	84%	77%	★	➡	84%	77%	★
Comments: Just under 1,000 housing tenants have responded in the last 12 months to this quarterly local area survey run by customer contact. Having been in excess of 85% in Q4 2015-16 and Q1 of this year, satisfaction levels in Q2 fell to 81.7%, their lowest level since Q1 2015-16. The rolling yearly score stands at 84.3%, compared to 84.4% at the end of Q1 this year.							

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.



Measure	Actual	▲ Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
✚ VFM4 Avoidable contact levels	30.8%	15.0%	▲	▲	30.6%	15.0%	▲
Comments: Following the review of how data is being captured for avoidable contact, training has been provided across the teams to ensure that the definition of what constitutes avoidable contact is clearly understood and as a result the data now being captured accurately reflects the actual customer experience. New realistic targets are being set for the coming year. Specific work with the top 3 service areas that generate the highest levels of contact will continue in order to understand and reduce the levels of avoidable contact.							

▲ Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD
✚ VFM1 % of residents satisfied with the service they received from the council	99.3%	93.0%	★	★	99.3%	93.0%	★
Comments:							
✚ VFM2 Council achieves savings targets	2,300,...	2,300,...	★	➡	2,300,...	2,300,...	★
Comments:							
We successfully delivered a package of general fund savings of £2.3 million for 2016/17 achieving the target							
✚ VFM5 Channel shift measure	17.0%	7.5%	★	▲	17.0%	6.8%	★
Comments: We continue to promote and develop online contact including use of customer accounts through our new website and will stretch our targets next year.							
✚ VFM6 % of income owed to the council collected	96.4%	95.0%	★	★	97.4%	95.0%	★
Comments:							
✚ VFM7 % of income generated by the council compared to expenditure	48.2%	44.2%	★	▲	48.2%	44.2%	★
Comments: The quarter 2 outturn general fund income for 2016/17 financial year is forecast to equate to 48.2% of expenditure which is above the target of 44.2%							
✚ VFM8 % of customers satisfied with the opportunities to engage with the council	54%	52%	★	▲	58%	52%	★
Comments: Residents satisfaction with the opportunities to engage with the council remains above target in Q2. Work to benchmark the council's performance with similar authorities is in progress. Whilst slightly different indicators; 51% residents interviewed in Brighton and Hove agree they can influence decisions affecting their local area whilst in Bristol the figure is 25%; 57.2% residents in Lincoln felt very or somewhat informed about the council's projects and activities. This work will continue further both in terms of authorities with a closer PI and tracking those highlighted so that an end of year assessment can be made.							
✚ VFM9 Delivery of local democracy engagement plan	2	2	★	?	2	2	★
Comments:							

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

▲ Measure
✚ VFM3 % of council partners satisfied with the opportunities to engage with the council
Comments: This measure is reported on an annual basis in Q4.



**Report to** Cabinet

**Item**

**Report of** Chief finance officer

**6**

**Subject** Revenue budget monitoring 2016/17 – Period 7

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### **Purpose**

To update Cabinet on the provisional financial position as at 31 October 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 the financial position as at 31 October 2016 and the forecast outturn 2016/17.

### **Corporate and service priorities**

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

### **Financial implications**

The General Fund budget is forecast to underspend by £0.579m. The Housing Revenue Account budget is forecast to underspend by £3.092m.

**Ward/s:** All wards

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

### **Contact officers**

Justine Hartley, Chief finance officer  
Hannah Simpson, Group accountant

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### **Background documents**

None

## Report

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

## General Fund

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

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

4. The General Fund has been forecast to underspend by **£0.579m** at year end compared to a forecast underspend last month of **£0.593m**. Key forecast variances from budget are set out below:

<i>Forecast Outturn P6 £000s</i>	<i>General Fund Service</i>	<i>Forecast Outturn P7 £000s</i>	<i>Commentary</i>
(281)	Business Services	(288)	Additional grant income not yet allocated related expenditure (£177k) and movement in bad debt provision (£81k).
319	Finance	370	Variance mainly due to: <ul style="list-style-type: none"> <li>• reduction of £88k in forecast interest income from Housing Company as planned loan not yet made</li> <li>• £178k reduction in expected interest income from investments</li> <li>• £44k higher MRP charges than budgeted</li> <li>• additional debit card charges of £60k.</li> </ul>
(151)	Human Resources	(146)	Vacant posts and current training spend less than budgeted.



<b>Forecast Outturn P6 £000s</b>	<b>General Fund Service</b>	<b>Forecast Outturn P7 £000s</b>	<b>Commentary</b>
(95)	Strategy & Programme Management	(113)	Vacant posts and higher than budgeted second homes income.
(207)	City Development	(207)	Variance mainly due to: <ul style="list-style-type: none"> <li>• rent reviews taking place on asset properties, increasing the forecast income</li> <li>• bus shelter income higher than budgeted</li> <li>• Supporting People grant from County more than anticipated.</li> </ul>

5. The General Fund shows an underspend against budget to date of **£3.742m**. This underspend to date is made up of multiple debit and credit figures where various income and expenditure lines are ahead of or behind budget profile. Significant overspends and underspends to date are:

<b>General Fund Service</b>	<b>Variance To Date P7 £000s</b>	<b>Commentary</b>
Business Services	(1,248)	<ul style="list-style-type: none"> <li>• (£807k) relating to additional government grants received and other grants received ahead of profile or related expenditure.</li> <li>• (£342k) behind profile on contingency budget to date.</li> <li>• Remainder due to timing differences on income and expenditure against the budget profile.</li> </ul>
Finance	(306)	Variance between profiled and actual receipts of council tax precept and non-domestic rates.
Procurement and Service Improvement	147	In-years savings yet to be adjusted in contract invoices.
Customer Contact	(278)	Timing mismatch between Transformation Challenge grant funding received and related expenditure being incurred.
City Development	(1,389)	Current underspend mainly due to: <ul style="list-style-type: none"> <li>• income from bus lane enforcement and on-street yet to be paid over to County;</li> <li>• Highways grant income received but not yet spent or returned (section 38);</li> <li>• bus shelter income received higher than budgeted for</li> <li>• general works on properties yet to be invoiced;</li> <li>• NPS invoices yet to be received;</li> <li>• car park Income above profiled budgets;</li> <li>• additional rental income above budget due to rent reviews;</li> <li>• additional grants and income from County not budgeted for.</li> </ul>

<b>General Fund Service</b>	<b>Variance To Date P7 £000s</b>	<b>Commentary</b>
Property Services	(280)	<p>In-year variance mainly due to:</p> <ul style="list-style-type: none"> <li>repairs and maintenance costs running behind profile on City Hall (£113k) and public lighting maintenance (£44k)</li> <li>underspends on gas, electric and trade waste costs on City Hall (£56k)</li> </ul>

6. Since setting the 2016/17 budget additional amounts of grant income have been confirmed during the course of the year. In Period 7 an additional £8k of grant has been confirmed relating to the Transparency Code New Burdens Determination. This grant is not ring-fenced and so has been coded to our corporate grants code without specific spend attached to it.

## Housing Revenue Account

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

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

8. The Housing Revenue Account has been forecast to underspend by **£3.092m** at year end compared to a forecast underspend last month of **£2.705m**. Key forecast variances from budget are set out below:

<b>Forecast Outturn P6 £000s</b>	<b>HRA Division of Service</b>	<b>Forecast Outturn P7 £000s</b>	<b>Commentary</b>
(3,046)	Repairs & maintenance	(2,824)	<p>Overall variance reflects a reduction in forecast responsive repairs works (in line with recent years' outturns) and savings from renegotiated contracts. Key individual variances include:</p> <ul style="list-style-type: none"> <li>• major/minor repairs forecast based on current activity levels (£920k);</li> <li>• stair lift repairs forecast reflects reduced number of repairs (£80k);</li> <li>• underspends on water testing (£24k) and lift &amp; fire alarm maintenance (£41k) and water mains renewal (£50k);</li> <li>• central heating servicing based on activity to date (£238k);</li> <li>• asbestos removal estimate based on current activity (£150k);</li> <li>• asphalt balconies major work covered under capital projects therefore less revenue expenditure required (£100k);</li> <li>• reduction in planned cavity wall insulation (£100k);</li> <li>• fire prevention work carried out when identified rather than planned (£100k);</li> <li>• no internal wall insulation planned for 2016 (£180k);</li> <li>• estate repairs forecast based on reduced number of repairs (£115k) and reduced garage repairs (£75k)</li> <li>• lower current spend on void properties (£200k) due to increase in number of properties eligible for capital whole house upgrades and higher than budgeted tenant contributions (£143k).</li> </ul> <p>The movement from P6 is mainly due to the exterior painting budget now expected to be fully utilised (previously forecast to underspend by £178k).</p>
134	Rents, rates & other property costs	124	<p>Anglian Water forecast expenditure based on latest supplier schedule, this will be offset by increased income under 'service charges - general'.</p>
(75)	General management	(212)	<p>Key variances include:</p> <ul style="list-style-type: none"> <li>• vacant posts (£128k);</li> <li>• lower repairs &amp; rates on area offices (£50k) due to changes in accommodation use;</li> <li>• reduced leave it tidy &amp; decoration allowances (£38k);</li> <li>• forecast underspends on legal and banking costs (£35k).</li> </ul>

<b>Forecast Outturn P6 £000s</b>	<b>HRA Division of Service</b>	<b>Forecast Outturn P7 £000s</b>	<b>Commentary</b>
0	Provision for bad debts	(222)	Forecast reflects Q2 bad debt provision calculation on outstanding rent arrears.
276	Dwelling Rents	288	Rental income forecast to be lower than budget due to delays on new-build projects.
(128)	Service charges - general	(154)	Forecast updated to reflect new service charges which came into effect October 2016.

9. The Housing Revenue Account shows an underspend against budget to date of **£6.168m**. This underspend to date is made up of many debit and credit figures where various income and expenditure lines are ahead of or behind budget profile. Significant overspends and underspends to date are:

<b>HRA Division of Service</b>	<b>Variance To Date P7 £000s</b>	<b>Commentary</b>
Repairs & maintenance	(3,102)	These variances have arisen due to invoice delays which is usual for work of this nature. Also reflects overall reduced year-end forecast (see detail in previous table).
General Management	(376)	Reduced rates on area offices (£30k), government grant received ahead of profile (£38k) and staff vacancies. Remainder due to smaller profiling differences split over a number of cost centres.
Special Services	(489)	District heating gas and fuel oil costs less than profile (£200k). Sheltered housing gas and electricity costs also less than profile (£50k). Reduced sheltered alarm contract costs (£88k). Remainder due to small timing differences between actuals and profile.
Dwelling Rents	(1,960)	Difference due to the weekly rental income running ahead of profile.
Service charges - General	(541)	Annual leasehold service charges applied in October, but leasehold contribution to capital not processed until year end.

## Risks

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

Key Risk Budgets	Budget £000s	Current Variance	Current Var %	Current RAG	Forecast Variance	Forecast Var %	Forecast RAG
Housing Benefit Payments & Subsidy	-30	-266	873%	RED	20	-66%	GREEN
HRA Repairs - Tenanted Properties	11,848	-2,580	-22%	RED	-2,294	-19%	RED
HRA Repairs - Void Properties	2,639	-333	-13%	RED	-250	-9%	RED
Multi-Storey Car Parks	-1,442	135	-9%	RED	113	-8%	RED
City Hall	1,067	-105	-10%	RED	-57	-5%	GREEN
HRA Rents - Estate Properties	-59,223	-2,014	3%	AMBER	254	0%	GREEN
Corporate Management including Contingency	-2,804	-1,005	36%	RED	-240	9%	RED
Private Sector Leasing Costs	-286	33	-12%	GREEN	23	-8%	GREEN

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

Key Risk Budgets	Commentary
Housing Benefit Payments & Subsidy	Variance to date due to timing differences between expenditure and subsidy receipts.
HRA Repairs - Tenanted Properties and Void Properties	In-year variance mainly due to lower than budgeted responsive repair demand to date and invoicing delays.  Year-end variance reflects a reduction in forecast responsive repairs works (in line with recent years’ outturns) and savings from renegotiated contracts. Further detail provided in HRA variance table (point 8).
Multi-storey car parks	Reduced forecast income from new Rose Lane car park.
City Hall	In-year variance mainly due to repairs and maintenance costs running behind profile (£113k).
HRA Rents – Estate Properties	Variance to date due to the weekly rental income running ahead of profile. Year-end forecast variance is £254k and green rated.
Corporate Management including contingency	Due to higher grant income receipts than budgeted (£177k). Year to date variance also due to only £13k contingency spend up to period 7.

12. The 2016/17 budgets approved by Council were drawn up in the expectation of reduced resources as announced by the previous government. There are risks to the current and medium term financial position from:

- Further reductions in government grant – the localisation of Business Rates and of Council Tax reductions has increased the risks to the council’s financial position arising from economic conditions and policy decisions. In addition, recent Government announcements indicate that further reductions in Government funding are likely.
- Changes in policy – if further “empowerment” of local authorities is not matched by devolved resources
- Delivery of savings – the budget incorporates both savings measures already in place, and those planned for implementation during the year. If these savings are not achievable in full, 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.

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

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

## Financial Planning

14. Overall levels of overspend and underspend will have an ongoing impact on the budget for following years and the size and urgency of savings requirements.

15. Net overspends and underspends will be consolidated into the General Fund and Housing Revenue Account balances carried forward to 2017/18. These are reflected in periodic updates to the Medium Term Financial Strategy and Housing Revenue Account Business Plan.

## Impact on Balances

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

<i>Item</i>	<i>£000s</i>
Balance at 1 April 2016 (provisional)	(12,147)
Budgeted contribution to balances 2016/17	(451)
Forecast outturn 2016/17	(579)
<b>= Forecast balance at 31 March 2017</b>	<b>(13,177)</b>

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

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

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

<i>Item</i>	<i>£000s</i>
Balance at 1 April 2016 (provisional)	(26,190)
Budgeted use of balances 2016/17	16,281
Forecast outturn 2016/17	(3,092)
<b>= Forecast balance at 31 March 2017</b>	<b>(13,001)</b>

20. The Housing Revenue Account balance is therefore expected to continue to exceed the prudent minimum.
21. The HRA reserve balance will continue to be used to fund capital expenditure in 2016-17 and 2017-18. This will bring resources down closer to the recommended minimum balance and is reducing the requirement to borrow, which incurs greater costs.

## 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 (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.

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 £000s</i>	<i>Current Budget £000s</i>	<b>Collection Fund Summary</b>	<i>Actual To Date £000s</i>	<i>Forecast Outturn £000s</i>	<i>Forecast Variance £000s</i>
		<b>Council tax</b>			
59,380	59,380	Expenditure	36,082	59,380	0
(59,380)	(59,380)	Income	0	(59,380)	0
		<b>Business Improvement District</b>			
656	656	Expenditure	569	656	0
(656)	(656)	Income	0	(656)	0
		<b>National Non-Domestic Rate</b>			
79,138	79,138	Expenditure	45,155	79,138	0
(79,138)	(79,138)	Income	1,304	(79,138)	0

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 2016/17
<b>Date assessed:</b>	22/11/16
<b>Description:</b>	This is the integrated impact assessment for the Revenue Budget Monitoring 2016/17 report to Cabinet

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The report shows that the council monitors its budgets, considers risks to achieving its budget objectives, reviews its balances position, and is therefore able to maintain its financial standing
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The report demonstrates that the council is aware of and monitors risks to the achievement of its financial strategy.

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

## Budget Monitoring Summary

Year: 2016/17

Period: 7 (October)

## GENERAL FUND SERVICE SUMMARY

<i>Approved Budget</i>	<i>Current Budget</i>		<i>Budget To Date</i>	<i>Actual To Date</i>	<i>Variance To Date</i>	<i>Forecast Outturn</i>	<i>Forecast Variance</i>
<b>Business Services</b>							
1,800,982	1,345,989	Business Relationship Management	205,497	(1,043,344)	(1,248,841)	1,057,831	(288,158)
375,183	386,720	Democratic Services	628,836	573,280	(55,556)	382,096	(4,624)
(18,720,042)	(18,720,042)	Finance	(4,104,023)	(4,409,527)	(305,504)	(18,349,762)	370,280
0	0	Human Resources	721,115	740,218	19,103	(145,624)	(145,624)
0	0	Procurement & Service Improvement	1,671,965	1,819,581	147,616	(58,271)	(58,271)
<b>(16,543,877)</b>	<b>(16,987,333)</b>	<b>Total Business Services</b>	<b>(876,610)</b>	<b>(2,319,792)</b>	<b>(1,443,182)</b>	<b>(17,113,730)</b>	<b>(126,397)</b>
<b>Chief Executive</b>							
0	0	Chief Executive	151,918	123,890	(28,028)	(51,312)	(51,312)
0	(18,963)	Strategy & Programme Management	307,632	217,995	(89,637)	(132,400)	(113,437)
<b>0</b>	<b>(18,963)</b>	<b>Total Chief Executive</b>	<b>459,550</b>	<b>341,885</b>	<b>(117,665)</b>	<b>(183,712)</b>	<b>(164,749)</b>
<b>Communications &amp; Culture</b>							
2,209,128	2,135,653	Communications & Culture	1,256,925	1,317,440	60,515	2,100,939	(34,714)
(60,851)	(645)	Customer Contact	1,309,240	1,031,691	(277,549)	(19,081)	(18,436)
<b>2,148,277</b>	<b>2,135,008</b>	<b>Total Communications &amp; Culture</b>	<b>2,566,165</b>	<b>2,349,131</b>	<b>(217,034)</b>	<b>2,081,858</b>	<b>(53,150)</b>
<b>Regeneration &amp; Growth</b>							
(1,418,443)	(835,442)	City Development	(2,202,632)	(3,591,601)	(1,388,969)	(1,042,724)	(207,282)
0	0	Environmental Strategy	82,008	91,369	9,361	(31,169)	(31,169)
0	0	Executive Head of Regeneration &	82,609	77,087	(5,522)	(8,415)	(8,415)
1,326,678	1,372,404	Planning	444,933	399,191	(45,742)	1,362,166	(10,238)
258,661	260,441	Property Services	945,559	665,162	(280,397)	186,006	(74,435)
<b>166,896</b>	<b>797,403</b>	<b>Total Regeneration &amp; Growth</b>	<b>(647,523)</b>	<b>(2,358,792)</b>	<b>(1,711,269)</b>	<b>465,864</b>	<b>(331,539)</b>
<b>Neighbourhoods</b>							
9,789,981	9,796,535	Citywide Services	4,917,262	4,841,345	(75,917)	9,852,570	56,035
1,796,364	1,692,616	Neighbourhood Housing	587,072	555,021	(32,051)	1,734,152	41,536
2,642,359	2,584,732	Neighbourhood Services	1,473,341	1,328,013	(145,328)	2,583,905	(827)
<b>14,228,703</b>	<b>14,073,883</b>	<b>Total Neighbourhoods</b>	<b>6,977,675</b>	<b>6,724,378</b>	<b>(253,297)</b>	<b>14,170,627</b>	<b>96,744</b>
<b>0</b>	<b>(2)</b>	<b>Total General Fund</b>	<b>8,479,257</b>	<b>4,736,811</b>	<b>(3,742,446)</b>	<b>(579,094)</b>	<b>(579,092)</b>

## Budget Monitoring Report

Year: 2016/17

Period: 7 (October)

**HOUSING REVENUE ACCOUNT STATUTORY SUMMARY**

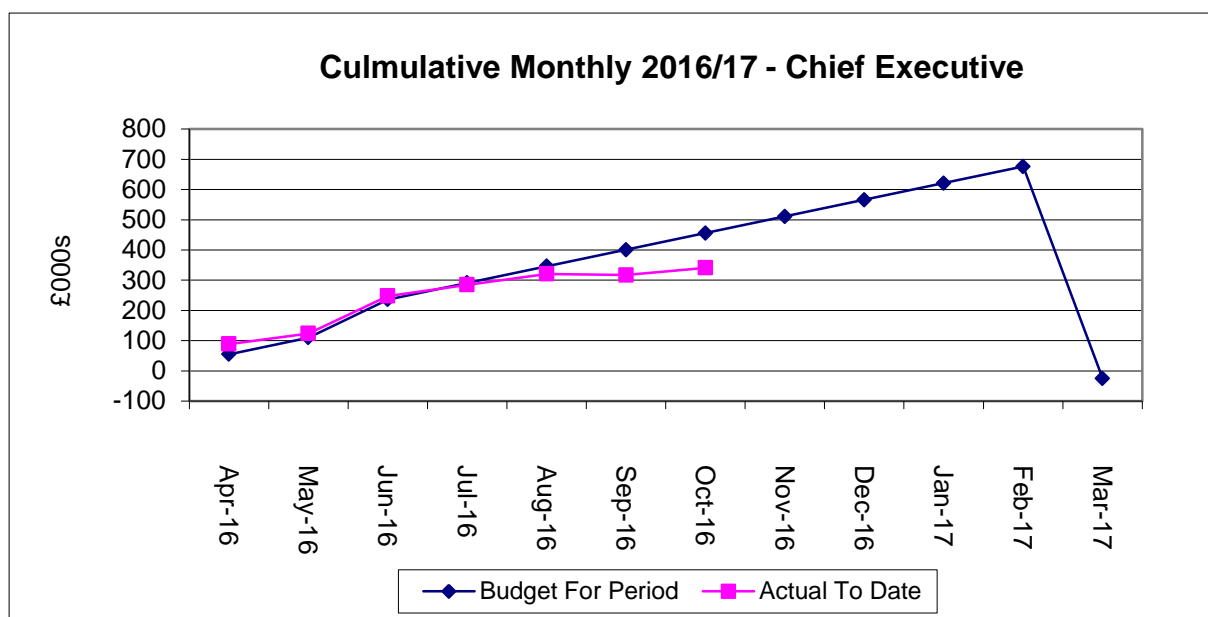
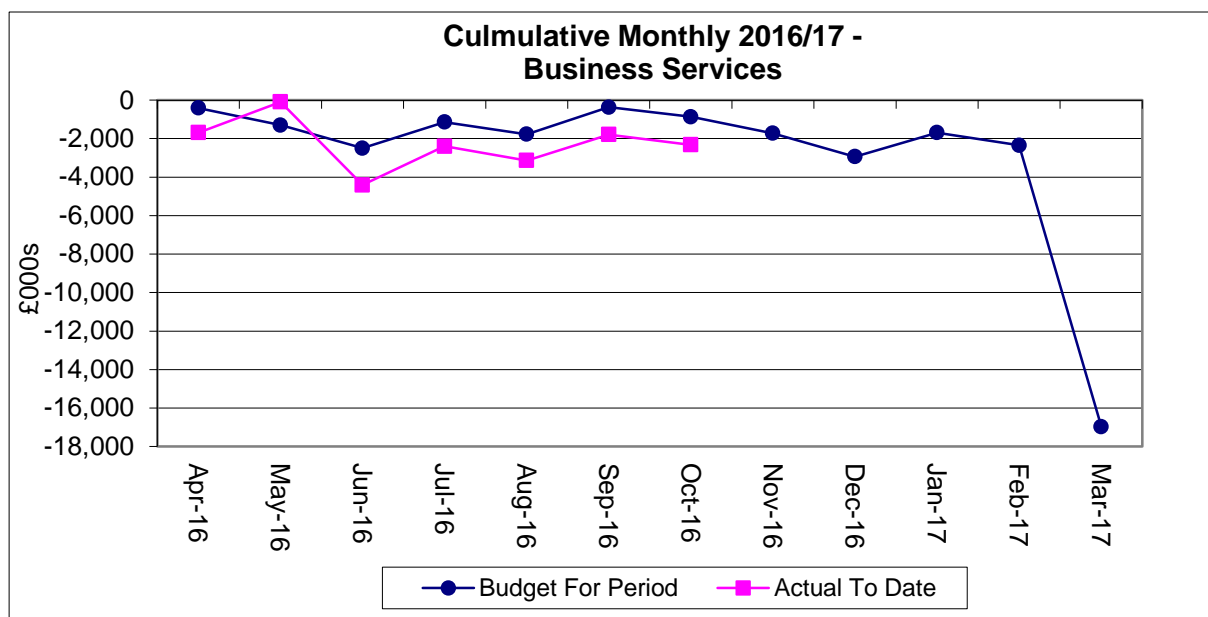
<i>Approved Budget</i>	<i>Current Budget</i>		<i>Budget To Date</i>	<i>Actual To Date</i>	<i>Variance To Date</i>	<i>Forecast Outturn</i>	<i>Forecast Variance</i>
15,499,378	15,499,378	Repairs & Maintenance	8,504,348	5,401,991	(3,102,357)	12,675,272	(2,824,106)
5,936,838	5,936,838	Rents, Rates, & Other Property Costs	5,658,410	5,845,914	187,504	6,060,345	123,507
11,392,777	11,370,353	General Management	4,102,970	3,726,744	(376,226)	11,158,505	(211,848)
5,068,935	5,091,359	Special Services	2,650,907	2,161,947	(488,960)	5,076,023	(15,336)
22,139,594	22,139,594	Depreciation & Impairment	0	32,695	32,695	22,139,594	0
334,000	334,000	Provision for Bad Debts	0	0	0	111,603	(222,397)
(58,973,202)	(58,973,202)	Dwelling Rents	(34,401,038)	(36,361,215)	(1,960,177)	(58,685,512)	287,690
(2,223,564)	(2,223,564)	Garage & Other Property Rents	(1,431,202)	(1,387,883)	43,319	(2,213,572)	9,992
(8,343,247)	(8,343,244)	Service Charges - General	(5,320,006)	(5,861,212)	(541,206)	(8,496,911)	(153,667)
(75,000)	(75,000)	Miscellaneous Income	(43,750)	(54,336)	(10,586)	(92,719)	(17,719)
9,966,872	9,966,872	Adjustments & Financing Items	(146,900)	(98,800)	48,100	9,899,220	(67,652)
(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>(20,426,261)</b>	<b>(26,594,155)</b>	<b>(6,167,894)</b>	<b>(3,091,532)</b>	<b>(3,091,535)</b>

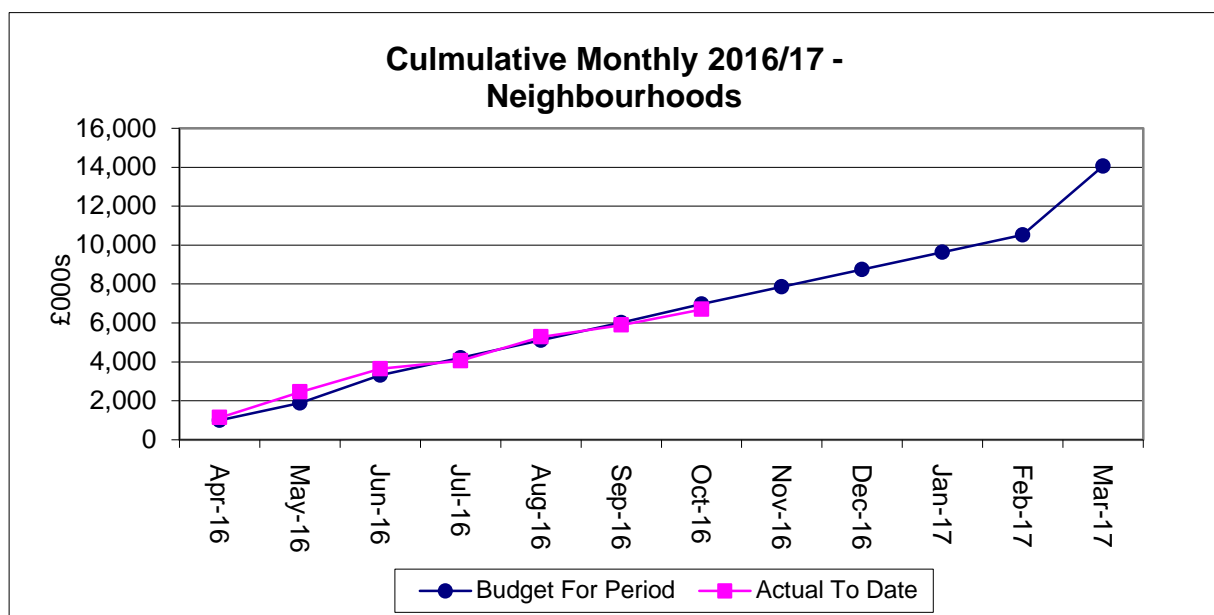
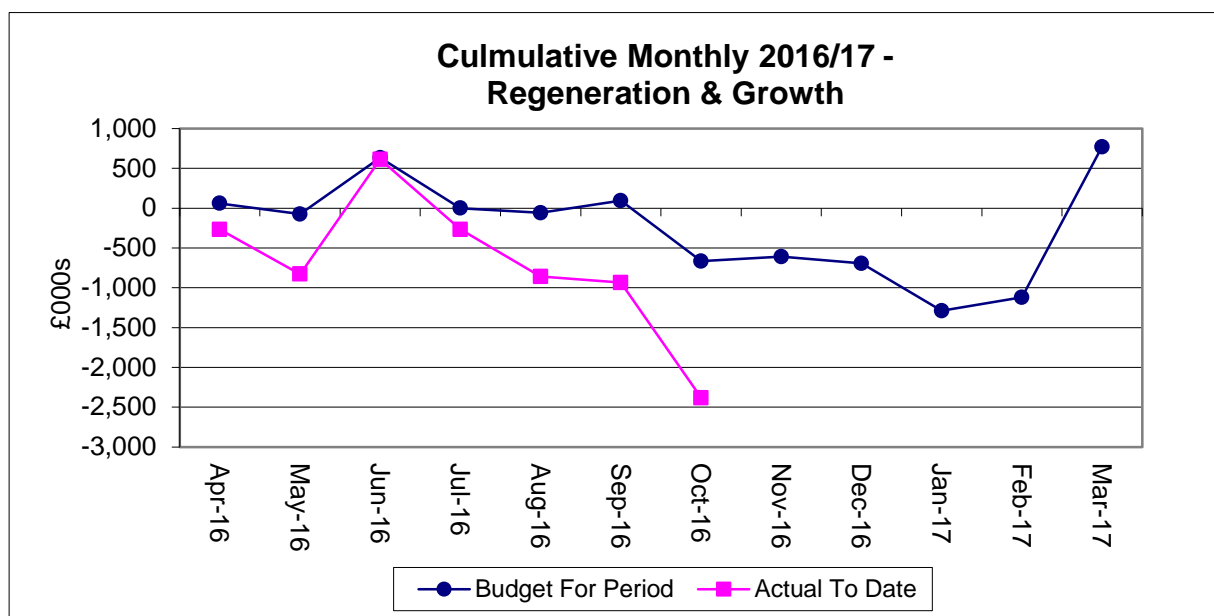
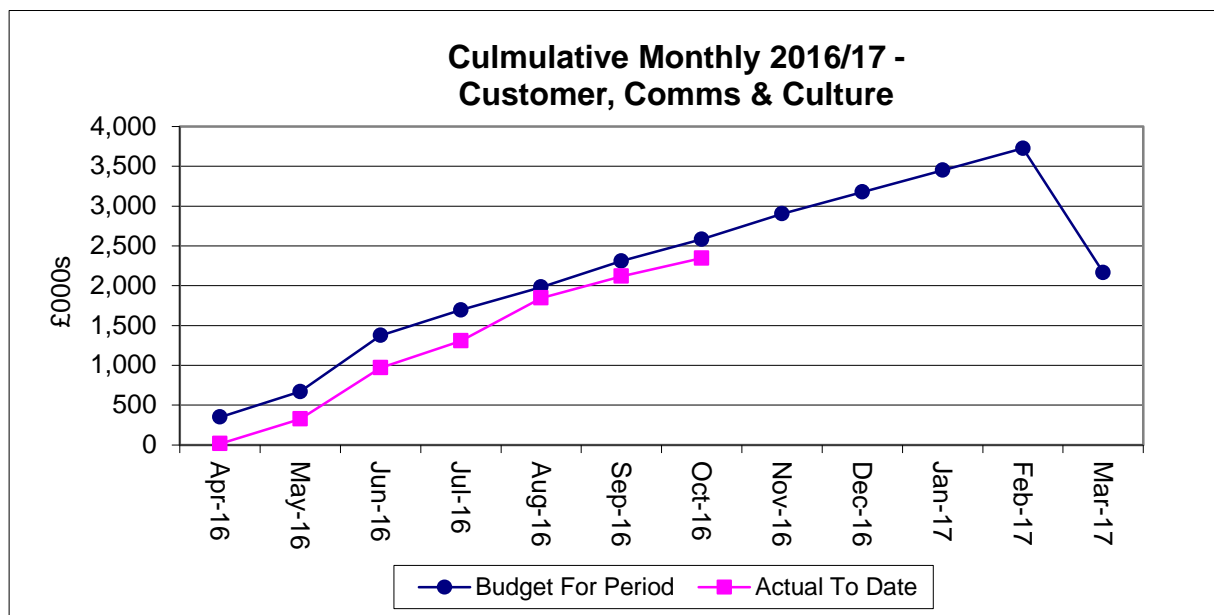
## Budget & Expenditure – Monthly by Service Graphs

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.

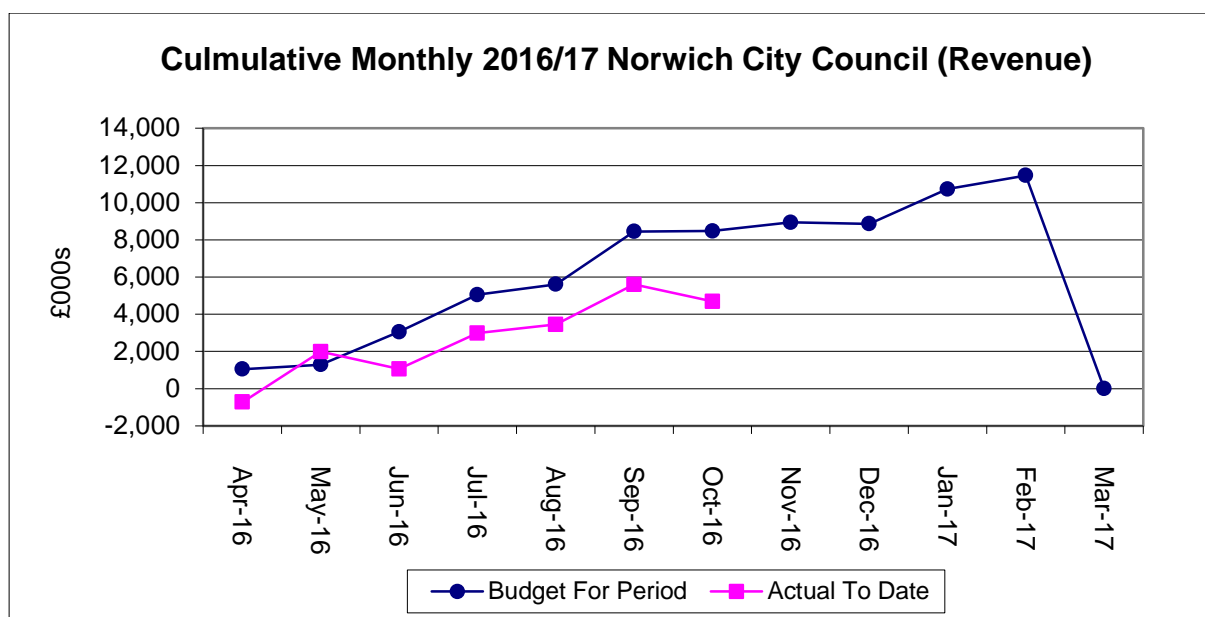
The actual income/expenditure reported is influenced by accrual provisions brought forward from the previous financial year, and by any delays in invoicing and/or payment.

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>
	14 December 2016	
<b>Report of</b>	Chief finance officer	
<b>Subject</b>	Treasury management strategy statement and annual investment strategy	<b>7</b>
	Mid-year review report 2016-17	

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## **Purpose**

This report sets out the treasury management performance for the first six months of the financial year to 30 September 2016

## **Recommendations**

To note the report and the treasury activity and the revised forecasts of outturn compared to the approved prudential indicators.

## **Financial Consequences**

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

**Ward/s:** All wards

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

## **Contact Officers**

Justine Hartley	Chief finance officer	01603 212440
Philippa Dransfield	Chief accountant	01603 212562

## **1. Background**

The council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering maximising investment return.

The second main function of the treasury management service is the funding of the council's capital plans. These capital plans provide a guide to the borrowing need of the council, essentially the longer term cash flow planning to ensure the council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet council risk or cost objectives.

As a consequence treasury management is defined as:

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

## **2. Introduction**

The Chartered Institute of Public Finance and Accountancy's (CIPFA) code of practice on treasury management 2011 was adopted by this council on 22 March 2011

The primary requirements of the code are as follows:

1. Creation and maintenance of a treasury management policy statement which sets out the policies and objectives of the council's treasury management activities.
2. Creation and maintenance of treasury management practices which set out the manner in which the council will seek to achieve those policies and objectives.
3. Receipt by the council of an annual treasury management strategy statement (TMSS) - including the annual investment strategy and minimum revenue provision policy - for the year ahead, a mid-year review report and an annual report (stewardship report) covering activities during the previous year.
4. Delegation by the council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

This mid-year report has been prepared in compliance with CIPFA's code of practice on treasury management, and covers the following:

- An economic update (Section 3);
- A review of the council's investment strategy (Section 4);
- A review of the council's borrowing strategy (Section 5);
- A review of debt rescheduling (Section 6);
- A review of the treasury management strategy statement and annual investment strategy (Section 7);
- The council's capital position (prudential indicators), including a review of compliance with treasury and prudential Limits (Section 8);

### **3. Economic update**

Economic forecasting remains difficult with so many external influences weighing on the UK. Forecasts will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, or the safe haven of bonds.

The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. An eventual world economic recovery may also see investors switching from the safe haven of bonds to equities.

The overall balance of risks to economic recovery in the UK remains to the downside.

PWLB rates and gilt yields have been experiencing exceptional levels of volatility that are highly correlated to geo-political, sovereign debt crisis and emerging market developments.

Apart from the above uncertainties, **downside risks to current forecasts** for UK gilt yields and PWLB rates currently include:

- Monetary policy action by central banks reaching its limit of effectiveness and failing to stimulate significant sustainable growth, combat the threat of deflation and reduce high levels of debt in some major developed economies, combined with a lack of adequate action from national governments to promote growth through structural reforms, fiscal policy and investment expenditure.
- Major national polls:
  - US presidential election 8.11.16;
  - Italian constitutional referendum 4.12.16;
  - Spain has held two inconclusive general elections and is still unable to form a workable government with a coalition holding a majority of seats; if this impasse continues beyond 31 October, a third general election will have to be held – currently tentatively scheduled for 25.12.16
  - Dutch general election 15.3.17;
  - French presidential election April/May 2017;
  - French National Assembly election June 2017;

- German Federal election August – October 2017.
- A resurgence of the Eurozone sovereign debt crisis.
- Weak capitalisation of some European banks.
- Geopolitical risks in Europe, the Middle East and Asia, increasing safe haven flows.
- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.

The potential for **upside risks to current forecasts** for UK gilt yields and PWLB rates, especially for longer term PWLB rates, include: -

- UK inflation rising to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium in gilt yields.
- A rise in US Treasury yields as a result of Fed. funds rate increases and rising inflation expectations in the USA, dragging UK gilt yields upwards.
- The pace and timing of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- A downward revision to the UK's sovereign credit rating undermining investor confidence in holding sovereign debt (gilts).
  - Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or the start of Fed. rate increases, causing a flight to safe havens

#### **4. Investment strategy**

The treasury management strategy statement (TMSS) for 2016/17, which includes the annual investment strategy, was approved by the council on 23 February 2016. It sets out the council's investment priorities as being:

- Security of capital;
- Liquidity; and
- Yield

There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

The council will also aim to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in higher rates in periods up to 12 months, with highly credit rated financial institutions, using Capita Asset Services' suggested creditworthiness approach.

The council held £73.44m of investments as at 30 September 2016 (£58.3m at 31 March 2016), the average investments held for the six months to 30 September 2016 was £57.1m (£76.1m in the same period last year).

The following table shows the movement in investments for the first six months of the year.

		Balance at 1-Apr-16	Invested	Matured	Transfer from Long Term to Short Term during 6 months	Balance at 30-Sep-16
<b>Long Term</b>						
Bank		3,000,000.00			(3,000,000.00)	-
		<b>3,000,000.00</b>			<b>(3,000,000.00)</b>	-
<b>Short term</b>						
Bank		10,000,000.00	13,000,000.00	(6,000,000.00)	3,000,000.00	20,000,000.00
Building Society		25,000,000.00	30,250,000.00	(14,250,000.00)		41,000,000.00
		<b>35,000,000.00</b>	<b>43,250,000.00</b>	<b>(20,250,000.00)</b>	<b>3,000,000.00</b>	<b>61,000,000.00</b>
<b>Cash Equivalents</b>						
Bank		10,000,000.00	50,540,000.00	(52,150,000.00)		8,390,000.00
Building Society		2,300,000.00	168,815,000.00	(167,065,000.00)		4,050,000.00
Local Authority		8,000,000.00		(8,000,000.00)		-
		<b>20,300,000.00</b>	<b>219,355,000.00</b>	<b>(227,215,000.00)</b>	-	<b>12,440,000.00</b>
		<b>58,300,000.00</b>	<b>262,605,000.00</b>	<b>(247,465,000.00)</b>	-	<b>73,440,000.00</b>

The council's investment return for the first six months of 2016/17 is £234,005 which is £115,993 lower the amount budgeted for the period of £349,998. This is partly due to the lowering of the Bank of England rate by 0.25% in June 2016 which caused all counterparties to decrease their rate of return (by more than the drop in BoE rate) – officers are investigating other forms of investment to improve this performance.

The council is part of a benchmarking group across Norfolk, Suffolk & Cambridgeshire; the table in Appendix 2 shows the performance of the council's investments compared to the other councils (whom have been made anonymous).

The Chief Finance Officer confirms that all investment transactions undertaken during the first six months of 2016/17 were within the approved limits in the annual investment strategy.

The current investment counterparty criteria selection in the TMSS is meeting the requirement of the treasury management function.

## **5. Borrowing strategy**

The council's approved capital financing requirement (CFR) for 2016/17 is £279.265m The forecast year end position is a CFR of £239.162m The CFR denotes the council's underlying need to borrow for capital purposes. If the CFR is positive the council may

borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The table below shows the council has borrowings of £216.869m and has utilised cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate.

Appendix 1 sets out predicted interest rates for the next two years. However, due to the overall financial position no new external borrowing has been undertaken in the year to date and nor is any new borrowing expected to be undertaken during the remainder of this financial year.

The council's debt position is shown in the following table:

<b>Borrowing £'000</b>	<b>TMSS</b>	<b>Actual 1 April 2016</b>	<b>Actual 30 September 2016</b>
<b>Long Term</b>			
Public Works Loan Board	248,107	213,857	210,107
Money Market	5,000	5,000	5,000
3% Stock (perpetually irredeemable)	499	499	499
corporate bonds and external mortgages	74	74	74
Finance leases	1,099	1,189	1,189
<b>Total</b>	<b>254,779</b>	<b>220,619</b>	<b>216,869</b>

## **6. Debt rescheduling**

No debt rescheduling was undertaken during the first six months of 2016/17

## **7. Treasury management strategy statement and annual investment strategy update**

The TMSS for 2016/17 was approved by this council on 23 February 2016. There are no proposed policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

<b>Prudential Indicator 2016/17 £'000</b>	<b>Original per TMSS</b>	<b>Revised</b>
Authorised Limit	294,779	260,989
Operational Boundary	254,779	225,845
Capital Financing Requirement	279,265	239,162



The council's operational boundary relates to the level of external debt that is expected in the future. In the council's case this is £13.317m below the capital financing requirement, which is the underlying need to borrow for a capital purpose. The difference relates to internal borrowing, or the use of cash balances in lieu of borrowing. This is an operational policy to reduce the loss arising from borrowing and investing at a lower interest rate, saving approximately 3.5% - 3.75% in interest costs had the monies been borrowed. It has the added benefit of reducing investment counterparty risk. This position is being carefully monitored to ensure a low risk position is maintained in the future.

## **8. The council's capital position (prudential indicators) including a review of compliance with treasury and prudential limits**

This part of the report is structured to update:

- The council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

### **Prudential indicator for capital expenditure**

This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.

<b>Capital Expenditure by Service</b>	<b>2016/17</b>	<b>2016/17</b>
<b>£'000</b>	<b>Original</b>	<b>Revised</b>
	<b>Estimate</b>	<b>Estimate</b>
Non-HRA	35,164	23,574
HRA	47,340	35,506
<b>Total</b>	<b>82,504</b>	<b>59,080</b>

### **Changes to the financing of the capital programme**

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the council by way of the capital financing requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the minimum revenue provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

<b>Capital Expenditure</b>	<b>2016/17</b>	<b>2016/17</b>		
<b>£'000</b>	<b>Original</b>	<b>Revised</b>		
	<b>Estimate</b>	<b>Estimate</b>		
		<b>GF</b>	<b>HRA</b>	<b>Total</b>
Total spend	82,504	23,574	35,506	59,080
Financed by:				
Capital receipts	11,682	2,237	9,472	11,709
Capital grants	8,812	7,315	730	8,045
Capital reserves	2,423	210	840	1,050
Revenue	26,104	-	26,104	26,104
Total financing	49,021	9,762	37,146	46,908
Borrowing need	33,483	13,812	(1,640)	12,172

### **Changes to the prudential indicators for the capital financing requirement, external debt and the operational boundary**

The tables below show the CFR, which is the underlying external need to incur borrowing for a capital purpose, and the expected debt position over the period, termed the operational boundary.

<b>Prudential Indicator – Capital Financing Requirement</b>	<b>2016/17</b>	<b>2016/17</b>
<b>£'000</b>	<b>Original</b>	<b>Revised</b>
	<b>Estimate</b>	<b>Estimate</b>
CFR – non housing	62,869	32,683
CFR – housing	216,396	206,480
Total CFR	279,265	239,162
<b>Net movement in CFR</b>		<b>(40,103)</b>

<b>Prudential Indicator – External Debt / the Operational Boundary</b>	<b>2016/17</b>	<b>2016/17</b>
<b>£'000</b>	<b>Original</b>	<b>Revised Year End</b>
	<b>Estimate</b>	<b>Estimate</b>
Borrowing	253,107	226,029
Other long term liabilities*	1,672	1,762
<b>Total debt 31 March</b>	<b>254,779</b>	<b>227,791</b>

\* Includes on balance sheet finance leases

## Limits to borrowing activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose\*. External borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2016/17 and next two financial years. This allows some flexibility for limited early borrowing for future years. The council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

<b>Borrowing limit</b>	<b>2016/17</b>	<b>2016/17</b>
<b>£'000</b>	<b>Original</b>	<b>Revised</b>
	<b>Estimate</b>	<b>Estimate</b>
Gross borrowing	253,107	223,917
Plus other long term liabilities*	1,672	1,762
<b>Gross borrowing</b>	<b>254,779</b>	<b>225,679</b>
<b>CFR* (year end position)</b>	<b>279,265</b>	<b>239,162</b>

*\* Includes on balance sheet finance leases*

The Chief Finance Officer reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

A further prudential indicator controls the overall level of borrowing. This is the authorised limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

<b>Authorised limit for external debt</b>	<b>2016/17</b>	<b>2016/17</b>
<b>£'000</b>	<b>Original</b>	<b>Revised</b>
	<b>Estimate</b>	<b>Estimate</b>
Borrowing	293,107	263,917
Other long term liabilities*	1,672	1,762
<b>Total</b>	<b>294,779</b>	<b>265,679</b>

*\* Includes on balance sheet finance leases*

## **Appendix 1: Treasury Management Adviser's (Capita's) interest rate forecast**

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
<b>Bank rate</b>	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.25%	0.25%	0.25%	0.25%	0.50%
<b>5yr PWLB rate</b>	1.00%	1.00%	1.10%	1.10%	1.10%	1.10%	1.20%	1.20%	1.20%	1.20%	1.30%
<b>10yr PWLB rate</b>	1.50%	1.50%	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.70%	1.80%
<b>25yr PWLB rate</b>	2.30%	2.30%	2.40%	2.40%	2.40%	2.40%	2.50%	2.50%	2.50%	2.50%	2.60%
<b>50yr PWLB rate</b>	2.10%	2.10%	2.20%	2.20%	2.20%	2.20%	2.30%	2.30%	2.30%	2.30%	2.40%

## **Appendix 2: Benchmarked Performance**

The table below shows that the rate of return being achieved by the Council and the bench-marking group and details average risk and longest time to maturity. The figures in brackets are those at 31 March 2016. Where there is 'n/a' in the brackets this means that the members joined after 1 April 2016 so there are no 31 March 2016 figures.

Council	WARoR	WA Risk	WAM	WA Tot. time
Norwich	0.84% (0.85%)	6.3 (5.2)	126 (126)	281 (274)
A	0.84 % (1.07%)	2.9 (3.2)	203(240)	343 (503)
B	0.58% (0.60%)	2.2 (3.4)	71 (60)	105 (91)
C	0.56% (0.81%)	3.8 (4.1)	73 (205)	147 (326)
D	0.70% (0.90%)	3.5 (5.5)	136 (84)	253 (232)
E	0.83% (0.98%)	4.0 (5.4)	45 (41)	117 (261)
F	0.92% (0.92%)	5.8 (5.7)	194 (169)	293 (301)
G	0.85% (0.84%)	5.6 (5.7)	142 (179 )	272 (267)
H	0.79% 0.84% )	5.6 ( 5.7)	108 (116)	239 (275)
I	0.76% (n/a)	5.0 (n/a)	166 (n/a)	268 (n/a)
J	0.56% (n/a)	5.0 (n/a)	54 (n/a)	160 (n/a)

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

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

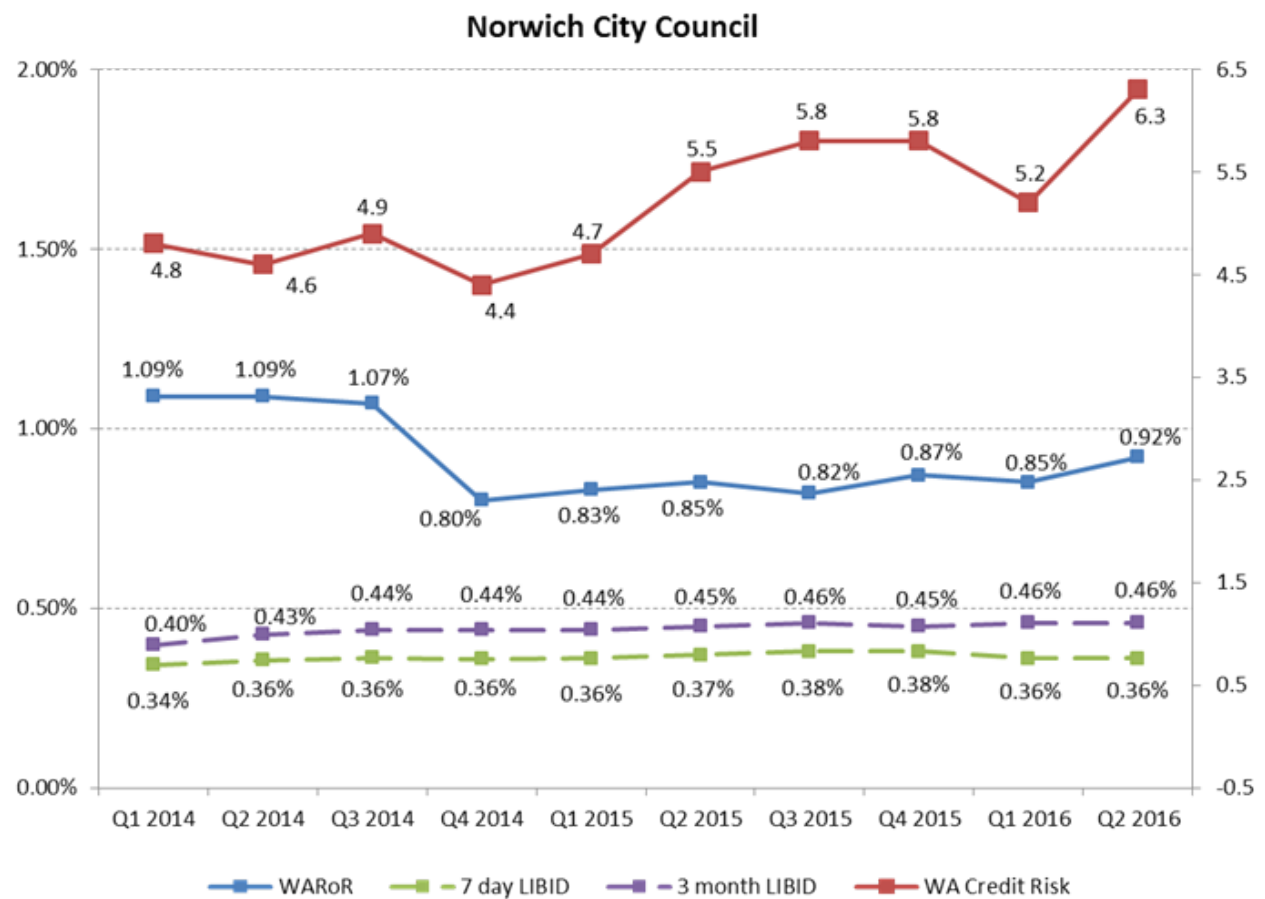
- 1 Up to 5 years
- 2 Up to 2 years
- 3 Up to 1 year
- 4 Up to 6 months
- 5 Up to 3 months
- 6 0 months

A number of 4.9 means between 6 months to a year

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

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

## Comparison of Key Data



## 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 December 2016
<b>Head of service:</b>	Justine Hartley
<b>Report subject:</b>	Treasury Management Mid year Review 2016-17
<b>Date assessed:</b>	29/11/2016
<b>Description:</b>	This report sets out the treasury management performance for the first six months of the financial year to 30 September 2016

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The report has no direct financial consequences however it does provide an update on the council's management of its borrowing and investment resources and how performance compares to the indicators approved in the treasury management strategy.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



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

Recommendations from impact assessment
Positive
Negative
Neutral
Issues

**Report to** Cabinet  
14 December 2016  
**Report of** Chief finance officer / Chief Internal Auditor, LGSS  
**Subject** Counter Fraud Policies

**Item**

**8**

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**Purpose**

To seek approval of the revised anti fraud and corruption, whistleblowing and anti money laundering policies.

**Recommendation**

To approve the revised counter fraud policies.

**Corporate and service priorities**

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

**Financial implications**

None

**Ward/s:** All wards

**Cabinet member:** Councillor Stonard – Resources and Business Liaison

**Contact officers**

Duncan Wilkinson, Chief Internal Auditor, LGSS	01908 252089
Neil Hunter, Deputy Head of Internal Audit, LGSS	01223 715317
Jonathan Tully, Principal Audit Manager, LGSS	01603 212575

**Background documents**

None

# Report

## Background

1. Counter fraud policies are part of the council's internal controls, which contribute to maintaining good governance.
2. Management has an ongoing responsibility to prevent and detect fraud. Internal controls, designed to mitigate fraud risk, are built into systems and processes.
3. Internal controls are reviewed for effectiveness as part of the Internal Audit plan, and fraud and error risk is a determinant in prioritising work. The council also has access to counter fraud resources through LGSS.
4. External audit considers potential for fraud and error when assessing financial statement risk. Review of accounting estimates, accounting journals, revenue and expenditure, provides assurance that the financial statements give a true and fair view.
5. Counter fraud policies are published to communicate that the council has a zero tolerance to fraud and corruption, and provide appropriate guidance to support this.
6. The council published counter fraud policies in 2009, and they have been reviewed to ensure they are up to date and reflect good practice.

## Review and consultation

7. Guidance and best practice is issued periodically from counter fraud agencies, such as the National Crime Agency, CIPFA, and the Cabinet Office. The council is keen to maintain effective policies, by implementing good practice and controls as they develop.
8. The policies have been reviewed by the LGSS counter fraud team. This ensures that they reflect good practice.
9. The policies have then been consulted upon within the council to ensure that they reflect local need. Consultation to date includes the corporate leadership team, the Corporate Governance Officers Group, the Joint Consultative and Negotiating Committee, legal advice from NP Law, and the Audit Committee. They continue to enable the council to deliver and maintain best practice in its arrangements for managing risk.
10. The reviewed policies are appended to this report. Cabinet is recommended to approve the policies so that final versions can be published and promoted.
11. The policies will be uploaded to the HR Workforce system, and employees will be required to confirm that they have read and understood them. Further details on the policies are explained below:

### **Anti-fraud and corruption policy**

12. This is an overarching policy which communicates the commitment of the council to prevent and eradicate fraud and error. It provides a clear framework for the council to investigate suspected fraud thoroughly, to prosecute wherever the evidence supports such action, and seek recovery of defrauded monies through all possible legal means.
13. It reflects good practice and legislation, specifically the Fraud Act 2006 and the Bribery Act 2010. It explains culture, roles, deterrence, detection and investigation, and awareness and training.

### **Whistleblowing policy**

14. The council has established a whistle-blowing policy which provides a procedure, in accordance with the Public Interest Disclosure Act 1998, to anyone that wishes to report allegations or concerns about the council, its councillors, services or service providers.
15. This details the options for reporting concerns internally and externally for all stakeholders, i.e. members of the public, employees, councillors, contractors and agency staff.
16. It is important that employees and contractors are aware of this policy, and promotional material will also be used to raise awareness.

### **Anti-money laundering policy**

17. This is a new policy. It reflects the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007. The policy applies to all employees and contractors of the council. The policy sets out the procedures which all officers must follow where they suspect or know that a transaction involves money laundering.
18. Money laundering is how criminally obtained money is exchanged for money or assets so there is no obvious link to their criminal origins.
19. A risk assessment will be completed later in the year. It is not perceived that there is a significant risk of money laundering, however it is good practice to review our risk profile periodically.
20. Legislation states where organisations have to comply with money laundering regulations. Such examples include accountancy practices and solicitors. While a public authority isn't specifically covered by the regulations, it may be a vulnerable target and, it is expected to follow the regulations as good practice and to report any concerns. Therefore a policy is adopted, so that there is a framework to follow in such an event.

## **Conclusion**

21. Three policies have been updated in line with good practice. They have been consulted on with various internal parties.
22. The Anti-Fraud and Corruption Policy sets out the council's approach to managing the risk of fraud and error.
23. The Whistleblowing Policy provides a framework for reporting concerns safely.
24. The Anti-Money Laundering Policy provides a framework for responding to and reporting concerns.
25. The review of policies is completed to help embed effective standards for countering fraud and corruption. This supports good governance and demonstrates effective financial stewardship and strong public financial management.
26. As anti-fraud and corruption is part of the governance framework, it is appropriate that the audit committee is responsible for reviewing policies in this area prior to their final approval by cabinet. The audit committee considered and approved the updated policies at its meeting on 22 November 2016.

## **Recommendation**

27. Cabinet is recommended to approve the revised counter fraud policies for adoption by the council.

## 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 December 2016
<b>Head of service:</b>	Chief finance officer
<b>Report subject:</b>	Counter fraud policies
<b>Date assessed:</b>	23 November 2016
<b>Description:</b>	This report updates the Council's counter fraud policy, whistleblowing policy and anti-money laundering policy.

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Proactive counter fraud work helps to reduce the impact of fraud and error. Detective counter fraud work helps to recover income and revenue. Counter fraud work helps to minimise extra costs that may arise from unexpected events
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	



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

Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The report provides assurance that policies are up to date, and provides a foundation of education and training for employees. This should help to reduce the risk of fraud and error throughout the Council. In practice, this will have a positive impact on many of the above categories by contributing to the identification and mitigation of risks and the meeting of objectives
Recommendations from impact assessment				
Positive				
Promotion and adoption of up to date counter fraud policies should help the Council prevent and respond to incidents of fraud and error. This, in turn, will contribute to the achievement of corporate and service objectives.				
Negative				
Neutral				
Issues				



**NORWICH**  
City Council

## Anti-fraud and corruption policy

November 2016

### Version control

This table documents the formal consultation process required to adopt the policy.  
This will be deleted from final version.

Number	Date	Activity / Summary of changes
0.3	16/09/16	Update following Corporate Leadership Team consultation
0.4	22/09/16	Presentation review
0.5	23/09/16	Update following Corporate Governance Group consultation
0.6	30/09/16	Update following JCNC consultation
0.7	26/10/16	Update following nplaw consultation
0.8	22/11/16	Update following Audit Committee consultation
0.9	14/12/16	Update following Cabinet consultation
1.0		Final version

**Foreword**

Norwich City Council is committed to the highest standards of financial probity and takes its duty to protect the public funds it administers very seriously.

This is Norwich City Council's Anti-Fraud Policy. It provides a clear framework for the Council to investigate suspected fraud thoroughly, to prosecute wherever the evidence supports such action and seek recovery of defrauded monies through all possible legal means. This policy also applies to the Bribery Act 2010.

The Council administers significant public funds and is sometimes targeted by persons wishing to defraud the public purse. This policy, and the structures maintained by the Council, demonstrates that we will make every effort to identify attempts to defraud the public purse and will robustly pursue individuals responsible.

The Council, through this policy, has adopted a zero tolerance towards fraud including:

- the referral of matters to the police for investigation wherever appropriate and the full recovery of fraudulently obtained public funds by all legal means.
- the prosecution of persons responsible for defrauding the council including prosecution through civil and criminal courts in the council's own name or through the police
- the termination of contracts with partners and contractors
- the dismissal of employees proven to have defrauded or who have attempted to defraud the council, including where an employee is complicit with another person's attempts to defraud the council.

The Council requires all partners and contractors to assist in this role and cooperate with any fraud investigation undertaken by authorised Council officers.

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Councillor Ben Price  
Audit committee chair

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Laura McGillivray  
Chief executive

## 1 INTRODUCTION

- 1.1 The authority aims to provide community leadership and quality services.
- 1.2 In carrying out its functions and responsibilities, the authority has always adopted a culture of openness and fairness and has expected that elected members and employees at all levels will adopt the highest standards of propriety and accountability. This has been achieved by leading by example and by an understanding of and adherence to rules, procedures and agreed practices. These standards are also expected from organisations that have dealings with the authority (eg suppliers/contractors).
- 1.3 However, in light of the Nolan Report, several well-publicised fraud and corruption cases within local government and the Local Government Act 2000, the authority has formalised these accepted standards and practices and developed an anti-fraud and corruption policy.
- 1.4 The authority demonstrates clearly (through this policy) that it is firmly committed to dealing with fraud and corruption and no distinction will be made for perpetrators inside (members/governors and employees) or outside the authority. In addition, there will be no distinction made in investigation and action between cases that generate financial benefits and those that do not.
- 1.5 This policy document embodies a series of measures designed to frustrate any attempted fraudulent or corrupt act and the steps to be taken if such an act occurs. For ease of understanding, it is separated into the following sections:
- Culture Section 2
  - Prevention Section 3
  - Deterrence Section 4
  - Detection and investigation Section 5
  - Awareness and training Section 6
- 1.6 The authority is also aware of the high degree of external scrutiny of its affairs by a variety of bodies such as its external auditors, inspection bodies, the Local Government Ombudsman, HM Revenue & Customs. These bodies are important in highlighting any areas where improvements can be made.
- 1.7 Fraud and corruption were defined by the Audit Commission as:
- FRAUD – “the intentional distortion of financial statements or other records by persons internal or external to the authority which is carried out to conceal the misappropriation of assets or otherwise for gain”.*
- In addition, fraud can also be defined as:
- “The use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.”*
- 1.8 Bribery and corruption
- A bribe is a financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such a function or activity.*

- 1.9 The Bribery Act is now in force and places responsibilities and powers on organisations such as local authorities.
- 1.10 There are 4 key sections of the Act which need to be considered for the purposes of this document, which are:
- Section 1, which deals with bribing another person by money, payment in kind, or goods and services.
  - Section 2, the act of being bribed. This relates to individual officers and could lead to prosecution of senior managers.
  - Section 6, bribery of foreign officials.
  - Section 7, failure of a commercial organisation to prevent bribery.
- 1.11 For this section a “relevant commercial organisation” means an entity that carries on a business and current indications are that this includes local authorities. This section also includes persons associated with the organisation, such as agency workers, suppliers and contractors.
- 1.12 Under the legislation an organisation has a defence if it can show that it has adequate bribery prevention procedures in place, which are informed by the following 6 principles:
- Proportionality – the action an organisation takes should be proportionate to the risks it faces and the size of the business.
  - Top level commitment – a culture needs to be evident in which bribery is never acceptable. This can be shown via leadership statements, training and procurement expectations.
  - Risk assessment – to include proportionate risk management perhaps via training, newsletters, procurement controls and inclusion within organisational policies such as this one.
  - Due diligence – i.e. knowing who the organisation is dealing with.
  - Communication – communicating policies and procedures by training and general awareness including how occurrences should be investigated and by whom.
  - Monitoring and review – to ensure policies, training and awareness are relevant and updated and by nominating a responsible officer.
- 1.13 Defence against bribery charges under the act, therefore, should be considered adequate if the organisation has the following in place:
- Risk awareness and preparation
  - Adequate communication and senior management buy-in
  - A zero-tolerance culture
  - Adequate education and training
  - An audit trail and integration with counter fraud processes
  - The penalties for individuals under this legislation can, on conviction on indictment, be as high as a prison term of 10 years, or a fine or both. Although under section 7 a guilty person is only liable to a fine. The organisational consequences may include disbarment from contract tenders, reputational and financial risk exposure and adverse publicity.
- 1.14 Additionally other risk areas which need to be considered include:

- Facilitation payments – ie payments designed to make things happen but do not secure agreement.
- Gifts and hospitality – genuine low level hospitality is deemed acceptable but it is imperative that corporate registers are kept up to date and all employees must make declarations of interest.

1.15 In addition, this policy covers “the failure to disclose an interest in order to gain financial or other pecuniary gain.”

## 2 CULTURE

- 2.1 The culture of the authority has always been one of the highest ethical standards, probity, openness and the core values of fairness, trust and value support this. The authority’s culture therefore supports the opposition to fraud and corruption.
- 2.2 The prevention/detection of fraud/corruption and the protection of the public purse are everyone’s responsibility and of paramount importance to the authority.
- 2.3 The authority’s elected members, and all employees play an important role in creating and maintaining this culture. They are positively encouraged to raise concerns regarding fraud and corruption, immaterial of seniority, rank or status, in the knowledge that such concerns will, wherever possible, be treated in confidence. To that effect the council has adopted a whistleblowing policy.
- 2.4 The definitions of fraud and corruption are by their nature technical and have their basis in the Fraud Act which became law on 15<sup>th</sup> January 2007. A more practical definition is where the council’s assets, including money, are dishonestly obtained by someone not entitled to them. Examples include :
- theft of cash or assets,
  - obtaining access to services not entitled to eg obtaining a council house
  - falsifying information or documentation eg timesheets, overtime, expenses, qualifications etc
  - dishonesty between officers and management
  - the deliberate concealment of information required by the council eg convictions or activities inconsistent with the council’s duties and responsibilities.
  - defrauding welfare payments such as housing benefit and council tax reduction and council tax single person discounts etc.
- 2.5 The authority will ensure that any allegations received in any way, including by anonymous letters or phone calls, will be taken seriously and investigated in an appropriate manner, subject to the requirements of the Human Rights Act 1998 and other statutory provisions.
- 2.6 The authority will deal firmly with those who defraud the authority, or who are corrupt, or where there has been financial malpractice. There is, of course, a need to ensure that any investigation process is not misused and, therefore, any abuse (such as raising malicious allegations) may be dealt with as appropriate.
- 2.7 When fraud or corruption have occurred because of a breakdown in the authority’s systems or procedures, corporate leadership team (CLT) will ensure

that appropriate improvements in systems of control are implemented to prevent a reoccurrence.

- 2.8 In certain circumstances and where appropriate a commercial settlement between the council and an employee may be deemed necessary as a way of disposing of a case. This should only be undertaken following agreement by the chief executive and monitoring officer and following an independent review by NP Law.

### 3 ROLES

Role	Description
Elected members	<p>As elected representatives, all members of the authority have a duty to citizens to protect the authority from all forms of abuse. This is done through this anti-fraud and corruption policy and compliance with the national code of conduct for members, the authority's financial procedures, constitution and the relevant legislation.</p> <p>Elected members sign to the effect that they have read and understood the national code of conduct when they take office. Conduct and ethical matters are specifically brought to the attention of members during induction and include the declaration and registration of interests. Members will be advised of new legislative or procedural requirements.</p> <p>Members are required to apply the principles of good governance regarding their own affairs and when acting for the council including declare pecuniary or non-pecuniary interests, potential for a conflict of interest and record the receipt of all gifts and hospitality. Members must provide leadership by example in demonstrating the highest standards of probity and conduct so as to create the right anti-fraud culture throughout Norwich City Council.</p>
Audit committee	<p>The audit committee and its members have specific responsibility re: the oversight of the council's governance arrangements in respect of the adequacy of control systems to prevent and detect fraud but also the assurance that processes work effectively for individual cases.</p> <p>The audit committee considers periodic reports from internal audit on suspected and proven frauds and monitors those systems of control applicable to that area, making recommendation to council where such protection requires improvement.</p>



Role	Description
Corporate leadership team (CLT)	<p>CLT is responsible for the communication and implementation of this policy in their work areas. They are also responsible for ensuring that their employees are aware of the financial procedures and other policies, and that the requirements of each are being met in their everyday business activities.</p> <p>CLT has responsibility to ensure that effective systems of control are in place corporately and within their service to both prevent and detect fraud and that those systems operate properly.</p> <p>CLT is required to submit an annual self-assessment of those processes for inclusion within the council's annual governance statement.</p> <p>CLT must provide leadership by example in demonstrating the highest standards of probity and conduct so as to create the right anti-fraud culture throughout Norwich City Council. CLT is expected to strive to create an environment in which their employees feel able to approach them with any concerns they may have about suspected irregularities.</p>

Role	Description
Managers	<p>Managers at all levels are responsible for the communication and implementation of this policy in their work area. They are also responsible for ensuring that their employees are aware of the financial procedures Rules and other policies, and that the requirements of each are being met in their everyday business activities.</p> <p>Managers of all levels must provide leadership by example is demonstrating the highest standards of probity and conduct so as to create the right anti-fraud culture throughout Norwich City Council.</p> <p>Managers of all levels are expected to strive to create an environment in which their employees feel able to approach them with any concerns they may have about suspected irregularities.</p> <p>Managers must ensure that special arrangements will apply where employees are responsible for cash handling or are in charge of financial systems and systems that generate payments, for example payroll, the benefits system or council tax.</p> <p>Managers must ensure that relevant training is provided for employees. Checks must be carried out at least annually to ensure that proper procedures are being followed in order to inform the service annual self-assessment.</p> <p>The authority recognises that a key preventative measure in dealing with fraud and corruption is for managers to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts.</p> <p>The authority's formal recruitment procedures (which contain appropriate safeguards on matters such as written references, verifying qualifications held and DBS checks undertaken on employees working with children and vulnerable adults) will be adhered to during this process.</p> <p>Management investigations into disciplinary matters must liaise with the Chief Internal Auditor (CIA) regarding any potential fraud implications of the conduct / investigation.</p>

Role	Description
Internal audit	<p>The CIA, in consultation with the Chief Finance Officer shall determine whether a concern / suspicion regarding fraud requires investigation by the internal audit as opposed to management. Internal audit and risk services play a vital preventative role in trying to ensure that systems and procedures are in place to prevent and detect fraud and corruption. Internal audit liaise with management to recommend changes in procedures to prevent further losses to the authority.</p> <p>The internal audit and risk service shall report to CLT and the audit committee regarding the application of the zero tolerance statement within this policy. Furthermore, internal audit shall investigate all cases of suspected irregularity in accordance with the requirements of the Police and Criminal Evidence Act 1984, Human Rights Act 1998, Fraud Act 2006, Bribery Act 2010 and other relevant legislation.</p> <p>In all corporate related cases where employees are involved, they will work with HR and appropriate senior management to ensure that correct procedures are followed and adherence to this policy.</p>

Role	Description
Employees	<p>Each employee is governed in their work by the authority's constitution and financial regulations and other codes of conduct and policies, such as health and safety, IT strategy, IT security. Included in these are guidelines on gifts and hospitality and codes of conduct associated with professional and personal conduct and conflicts of interest. These are issued to all employees when they join the authority or will be provided by their manager, plus available on intranet / mandatory e-learning.</p> <p>In addition to the above, employees are responsible for ensuring that they follow the instructions given to them by management, particularly in relation to the safekeeping of the assets of the authority. These will be included in induction training and procedure manuals.</p> <p>Employees are expected always to be aware of the possibility that fraud, corruption or theft may exist in the workplace and be able to share their concerns with management. Concerns should be raised, in the first instance, directly with the supervisor/business unit manager. If the employee feels that they cannot discuss their concerns directly with their line management they should refer to the council's whistleblowing policy which gives details of independent persons they can discuss their concerns.</p> <p>All employees must ensure that they avoid situations where there is a potential for a conflict of interest. Such situations can arise with externalisation of service. Internal tendering, planning and land issues etc. Effective role separation will ensure decisions made are seen to be based upon impartial advice and avoid questions about improper disclosure of confidential information.</p>
External audit	<p>Independent external audit is an essential safeguard in the stewardship of public money. This role is delivered through the carrying out of specific reviews that are designed to test, amongst other things, the adequacy of the authority's financial systems, and arrangements for preventing and detecting fraud and corruption. It is not the external auditor's function to prevent fraud and irregularity, but the integrity of public funds is at all times a matter of general concern.</p> <p>External auditors are always alert to the possibility of fraud and irregularity, and will act without undue delay if grounds for suspicion come to their notice.</p> <p>The external auditor has a responsibility to review the authority's arrangements to prevent and detect fraud and irregularity, and arrangements designed to limit the opportunity for corrupt practices.</p>

Role	Description
External bodies	Internal audit has arranged and will keep under review procedures and arrangements to develop and encourage the exchange of information on national and local fraud and corruption activity in relation to local authorities with external agencies such as: police, county, unitary and district council groups, external audit service, Department of Works and Pensions and other government departments.
Contractors and partners	<p>Contractors and partners have a responsibility for the communication and implementation of this policy within their organisation. They are also responsible for ensuring that their employees are aware of the council's financial procedures, whistleblowing and other policies, and that the requirements of each are being met in their everyday business activities.</p> <p>Contractors and partners are expected to create an environment in which their employees feel able to approach them, or the council directly, with any concerns they may have about suspected irregularities. Where they are unsure of the procedures, they must refer to the relevant head of service for that area or may approach the CIA directly on any whistleblowing issue.</p>
Stakeholders and customers	Whilst this policy is primarily aimed at implementing the necessary culture and processes within the council its stakeholders and customers may become aware of issues that they feel may indicate fraud. They should refer to the council's whistleblowing policy or they can contact the CIA to discuss their concerns directly.

## 4 DETERRENCE

### Prosecution

- 4.1 The corporate policy will encompass the public, elected members and employees. It is designed to clarify the authority's action in specific cases and to deter others from committing offences against the authority. However, it also recognises that it may not always be in the public interest to refer cases for criminal proceedings. Each case will be considered on its merits.

### Disciplinary Action

- 4.2 Theft, fraud and bribery and corruption are serious offences against the authority and employees will face disciplinary action if there is evidence that they have been involved in these activities. Disciplinary action will be taken, if appropriate, in addition to criminal proceedings, depending on the circumstances of each individual case, but in a consistent manner, after consultation with the relevant executive head of service and if appropriate the head of HR and learning.
- 4.3 Disciplinary action will be undertaken in accordance with the council's disciplinary policy and procedure with each case considered on its merits.
- 4.4 Members will face appropriate action under this policy if they are found to have been involved in theft, fraud or corruption against the authority. Action will be taken in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case, but in a consistent manner. Matters, if not referred to the police, will be referred to the standards committee or appropriate group leader.
- 4.5 Members or employees involved in fraud, theft or corruption that does not involve the council or its finances may still be subject to the above action if it is considered to undermine the council and its reputation.

### Publicity

- 4.6 The council recognises the key role publicity of fraud cases pursued plays in deterring other attempts to defraud the council. To that effect a publicity policy is attached at annex A of this policy which sets out these measures in detail.
- 4.7 The authority's communications team will optimise the publicity opportunities associated with anti-fraud and corruption activity within the authority. The communications team will also try to ensure that the results of any action taken, including prosecutions, are reported in the media. They will maintain close working relationships with all areas involved in anti fraud work but particularly Nplaw and internal audit.
- 4.8 In all cases where financial loss to the authority has occurred, the authority will seek to recover the loss and advertise this fact.
- 4.9 All anti-fraud and corruption activities, including the update of this policy, will be publicised in order to make the employees and the public aware of the authority's commitment to taking action on fraud and corruption when it occurs.

- 4.10 Regular reports will be made to the audit and standards committees about countering fraud and corruption activities and their success.

## 5 DETECTION AND INVESTIGATION

- 5.1 All employees, members and any other stakeholder in council services have a vital role in identifying potential fraud or corruption. It is not the responsibility of those groups to investigate their suspicions as this may undermine a case to be pursued but all parties play a key role in bringing such concerns to the council's attention for a proper and thorough investigation to be undertaken.
- 5.2 Management are in the best position to become aware of any problems that could indicate fraud or theft etc. Management are also best placed to ensure that systems of internal control are in place and operating and thus are ideally placed to identify weaknesses or failures that may be exploited. Internal audit can provide advice and assistance in this area.
- 5.3 Employees are also ideally placed to detect fraud, theft or corruption. Employees are encouraged to discuss concerns with their line manager but the whistleblowing policy also provides mechanisms to raise concerns corporately.
- 5.4 The whistleblowing policy provides a process to enable the council to demonstrate :
- proper investigations for all referrals
  - proper action taken in relation to findings from investigations
  - feedback is provided to anyone making a referral
  - appropriate protection for anyone making or having made a referral.
- 5.5 Internal audit plays an important role in the detection of fraud and corruption. Included in their annual plan are reviews of system financial controls and specific fraud and corruption tests, spot checks and unannounced visits. internal audit operates in accordance with best practice including the adoption of a formal audit manual in line with CIPFA best practice. This includes suitable processes to provide assurance to management on the adequacy of systems of internal control including the completion of follow ups for previous recommendations.
- 5.6 In addition to internal audit, there are numerous systems controls in place to deter fraud and corruption, but it is often the vigilance of employees and members of the public that aids detection.
- 5.7 In some cases frauds are discovered by chance or 'tip-off' and arrangements are in place to enable such information to be properly dealt with, in accordance with the requirements of the Human Rights Act 1998.
- 5.8 All suspected irregularities are required to be reported (verbally or in writing) either by the person with whom the initial concern was raised or by the originator. This is essential to the policy, and:
- ensures the consistent treatment of information regarding fraud and corruption
  - facilitates a proper and thorough investigation by an experienced audit team, in accordance with the requirements of the Human Rights Act 1998.
- 5.9 This process will apply to all the following areas:



- a) fraud/corruption by elected members
  - b) internal fraud/corruption
  - c) other fraud/corruption by authority employees
  - d) fraud by contractors' employees
  - e) external fraud (the public).
- 5.10 Cases may be referred to the council's external auditor and the executive head of business relationship management and democracy for consideration of action via the police or the standards committee.
- 5.11 In accordance with basic legal concepts any person who witnesses or discovers a criminal act has the right to refer concerns directly to the police.
- 5.12 Any decision to refer a matter to the police will be taken by the CIA in consultation with the head of HR and learning and/or chief executive and relevant executive head of service. The authority will normally wish the police to be made aware of, and investigate independently, offenders where financial impropriety is discovered.
- 5.13 Depending on the nature of an allegation under b) to e), the CIA will normally work closely with the executive head of service concerned to ensure that all allegations are thoroughly investigated and reported upon.
- 5.14 The authority's disciplinary procedures will be used to facilitate a thorough investigation of any allegations of improper behaviour by employees. The processes as outlined in paragraph 4.4 will cover members.

## **6 AWARENESS AND TRAINING**

- 6.1 The authority recognises that the continuing success of this policy and its general credibility will depend in part on the effectiveness of programmed training and an awareness of elected members and employees throughout the authority.
- 6.2 To facilitate this in the past, positive and appropriate provision had been made via induction and for employees via their development plans. However, for the future it is intended that a programme of anti-fraud awareness training in the form of workshops possibly incorporating interactive means, will be rolled out across the council. There will still be specialist training for certain elected members and employees.
- 6.3 Key to effective awareness and deterrent is a formal and comprehensive system of feedback to provide outcome information to the person who originally referred concerns. Whilst confidentiality must be respected, including the Data Protection Act and Human Rights Act provisions, every referral should be concluded and the outcome communicated to the person making the original referral.
- 6.4 Anti-fraud services should also maintain management information to show:
- how frauds are identified
  - which type of frauds were affected
  - any patterns or themes detected
  - new fraud issues highlighted
  - prevention measures



- how frauds have been quantified (see annex B).

## **7 CONCLUSION**

- 7.1 The authority has always prided itself on setting and maintaining high standards and a culture of openness, with core values of fairness, trust and value. This policy fully supports the authority's desire to maintain an honest authority, free from fraud and corruption.
- 7.2 The authority has in place a network of systems and procedures to assist it in dealing with fraud and corruption when it occurs. It is determined that these arrangements will keep pace with any future developments in techniques to both prevent and detect fraudulent or corrupt activity that may affect its operation.
- 7.3 The authority will maintain a continuous review of all these systems and procedures through audit and risk services.
- 7.4 This policy will be reviewed annually.

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# ANNEX A - Publicity

## 1 Introduction

- 1.1 Norwich City Council has adopted this policy as a key policy to address anti fraud and corruption issues in conjunction with welfare reform messages and enhancing public confidence in the council's administration of taxpayers' money.
- 1.2 The anti-fraud policy and particularly this publicity section aim to :
  - make clear the connection between saving public monies and the fraud work that achieves this.
  - dispel the belief held in some quarters that fraud is a victimless crime
  - demonstrate consistent action is taken for both complex frauds and the perceived lower level frauds
  - ensure that tough action taken against persons who commit fraud is utilised as an effective deterrent to others
  - alter perceptions of this area of work to move for an image of petty bureaucracy or snoopers to one of professional public funds watchdog.
  - ensuring that action taken is consistent with NCC policies and legislative provisions as well as being in the public interest
- 1.3 This policy covers the methods by which the work of the anti-fraud services within NCC will be promoted including the publicity associated with specific cases.

## 2 Publicity categories

- 2.1 Publicity takes many forms including leaflets, posters, press releases / articles, advertisements, intranet or internet media
- 2.2 It is imperative that all available forms are maximised to promote an Anti Fraud Culture throughout the organisation and to the public. However great care is needed to ensure that publicity in relation to anti fraud work is positive and does not undermine the service or reinforce the negative perceptions of this area of work.
- 2.3 Thus publicity needs to focus on 3 key areas :
  - Proactive work of anti-fraud services
  - Specific cases pursued by anti-fraud services, e.g. specific prosecutions / convictions sought
  - Reactive responses to media enquiries.

### 3 Proactive publicity

- 3.1 This area of work is essential to promote the work of the services and ensure that others are aware of this work and thus deterred from attempting fraud. The aim of this publicity is to increase the profile of anti-fraud work across Norwich City Council and the wider community in order to promote the referral processes and deter fraud.
- 3.2 An internet / intranet site shall be maintained which sets out details as to how to contact the internal audit Investigators and how to report fraud. The site will also provide links to relevant policies.
- 3.3 Any leaflets and posters used for fraud awareness purposes shall be reviewed annually to reflect any necessary changes.
- 3.4 It is intended that fraud awareness training shall be part of the council's corporate training / induction system.
- 3.5 In addition to the above the work of anti-fraud services shall be promoted periodically both within the Council and to the general community.
- 3.6 For high profile cases prosecuted the publicity shall consider whether the work of anti-fraud services shall be promoted eg volumes of cases referred, investigated, prosecuted, convicted etc.

### 4 Specific cases

- 4.1 Great care must be taken when publicising any specific case of fraud, theft or corruption. Data Protection Act and Human Rights Act provisions are key legal protections provided to those suspected of committing such offences and must not be breached by the Council's attempts to promote anti fraud work.
- 4.2 However the publicity attached to any specific case is a necessary element of promoting the deterrent effect of anti fraud work as it demonstrates actual instances and consequences to individuals.
- 4.3 Any decision that the council should prosecute an individual, individuals or organisation must be taken following a formal quality assurance procedure.
- 4.4 Any decision to pursue prosecution will be taken on the basis of professional advice, the merits of the case itself and any applicable guidelines relevant.
- 4.5 All prosecutions should include a consideration of publicity issues and ensure that the council's communications team are involved / aware of the issue so that the council can adopt a proactive publicity strategy and avoid the need to react to press enquiries.
- 4.6 A specific decision will be taken and recorded by the head of service to issue a press release for any specific case. In all other cases a press statement / position shall be prepared to address any potential press enquiry.
- 4.7 Press releases shall be prepared that promote the council's anti-fraud policy and maximise the deterrent effect of prosecutions.

## **5 Reactive responses to media enquiries**

- 5.1 Ideally the above measures aim to minimise the need for this where the council proactively provides relevant information to promote anti-fraud through local, and possibly national, media.
- 5.2 Press queries will arise on some occasions and it is essential that they are responded to in such a way as to promote the anti-fraud policy of the council.
- 5.3 Responses to press queries regarding specific individuals must not breach data protection or human rights legislation.

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## ANNEX B - Criteria for quantifying fraud

### 1 Financial cost

- Proven criminal losses
- Civil losses proven on probability
- Estimated losses not evidenced (in the opinion of the chief internal auditor)
- Costs of investigation etc.

### 2 Service implications

- Implications to wider service delivery
- Implications to customers
- Implications to council partners

### 3 Organisational implications

- Anti-fraud culture
- Corporate governance issues eg policy / control failures

### 4 Reputational risks

- Trust of the public
- Trust of stakeholders
- Trust of customers



**NORWICH**  
City Council

## Whistleblowing Policy

**The council wants you to be confident that your concerns will be taken seriously and that you will be protected from victimisation or bullying or harassment if you raise a concern.**

If you have a concern about the council's services please read this policy. We can give confidential advice about concerns you may have regarding the council and its services.

We encourage people to raise their concerns under this procedure in the first instance. If you are not sure whether to raise a concern, you can discuss the issue and/or policy with:

Duncan Wilkinson, chief internal auditor (LGSS), on 07946 877510 or email [duncan.wilkinson@milton-keynes.gov.uk](mailto:duncan.wilkinson@milton-keynes.gov.uk)

Or

Jonathan Tully, principal audit manager on 01603 212575 or email [jonathantully@norwich.gov.uk](mailto:jonathantully@norwich.gov.uk)

Or

Dawn Bradshaw, head of HR and learning on 01603 212434 or email [dawnbradshaw@norwich.gov.uk](mailto:dawnbradshaw@norwich.gov.uk)

Or

Emailing concerns to the whistleblowing hotline [reportfraud@lgss.co.uk](mailto:reportfraud@lgss.co.uk)

Or

Public Concern At Work on 0207 404 6609 or [helpline@pcaw.co.uk](mailto:helpline@pcaw.co.uk)

PCAW are an independent charity and information provided to PCAW is protected under the Public Interest Disclosures Act. Their helpline is where their lawyers provide confidential advice free of charge.

All concerns will be treated in confidence and every effort will be made not to reveal the identity of the person highlighting the concern.

**Version control**

This table documents the formal consultation process required to adopt the policy. This will be deleted from final version.

Number	Date	Activity / Summary of changes
0.3	16/09/16	Update following Corporate Leadership Team consultation
0.4	22/09/16	Presentation review
0.5	23/09/16	Update following Corporate Governance Group consultation
0.6	30/09/16	Update following JCNC consultation
0.7	26/10/16	Update following NPLaw consultation
0.8	22/11/16	Update following Audit Committee consultation
0.9	14/12/16	Update following Cabinet consultation
1.0		Final version

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## 1 Introduction

- 1.1 This policy seeks to provide a process that gives anyone with a concern about the council the confidence to bring that concern to our attention.
- 1.2 Norwich City Council operates within legal requirements and regulations and expects its employees to co-operate in this by adhering to all laws, regulations, policies and procedures. Any employee becoming aware of inappropriate conduct is obliged and encouraged to report this activity. This policy also applies to other individuals performing functions in relation to the council such as contractors, consultants, partners and agency workers and other stakeholders including councillors.
- 1.3 Employees are often the first to realise that there may be something seriously wrong within the council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the council. Councillors, customers and stakeholders are also in a position to identify concerns that affect council services and need to be addressed.
- 1.4 The law provides protection for workers who raise legitimate concerns about specified matters. These are called 'qualifying disclosures'. A qualifying disclosure is one made in the public interest by a worker who has a reasonable belief that the following is being committed or is likely to be committed:
  - a criminal offence
  - a miscarriage of justice
  - an act creating risk to health and safety
  - an act causing damage to the environment
  - a breach of any other legal obligation
  - concealment of any of the above
- 1.5 It is not necessary for the worker to have proof that such an act has been, or is likely to be committed – a reasonable belief is sufficient. The worker has no responsibility for investigating the matter
- 1.6 Individuals with a concern may fear that they will be victimised or harassed if they raise the concern. In these circumstances it may feel easier to ignore the concern rather than report what may be a suspicion of malpractice. A worker who makes a protected disclosure has the right not to be dismissed, subjected to any other detriment, or victimised, because they have made a disclosure.
- 1.7 The council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment the council encourages employees, customers, contractors, employees of subsidiaries, stakeholders or any other person with serious concerns about any aspect of the council's work to come forward and voice those concerns.
- 1.8 It is recognised that certain cases will have to proceed on a confidential

basis but in accordance with the Freedom of Information Act this policy seeks to provide a transparent method for dealing with concerns. whistleblowers can have confidence through this policy that they have the fullest protections afforded by the Public Interest Disclosures Act.

- 1.9 Specifically this policy makes it clear that employees and others can make reports without fear of reprisals and sets out what protections are in place under this policy. It is intended to encourage and enable concerns to be raised within the council so that they can be addressed, rather than overlooking problems or raising them outside the council.
- 1.10 All officers, councillors and partners have a responsibility to protect the council's interests through the proper adherence to this policy.
- 1.11 The Council is committed to maintaining high ethical standards and taking your concerns seriously.

Councillor Ben Price  
Audit committee chair

Laura McGillivray  
Chief executive

Kevin O'Grady  
Unison Branch Secretary

## **2 Aims and scope of this policy**

2.1 This policy aims to:

- encourage and enable any person to feel confident in raising serious concerns and to question and act upon concerns
- provide avenues for any person to raise concerns and receive feedback on any action taken
- ensure everyone making a referral receives a response to their concerns
- describe how to take the matter further if dissatisfied with the council's response
- reassure anyone making a referral that they will be protected from reprisals or victimisation.

2.2 For the avoidance of doubt if you have concerns that any person may be being mistreated / abused you can discuss your concerns in confidence with your manager or those listed on the front cover of this policy.

2.3 There are existing procedures in place to enable employees to lodge a grievance relating to their own employment, customers to complain about the service they receive, and report if councillors have breached the Member Code of Conduct. This policy should not be used for such concerns, however, advice can be obtained from the contacts on the front cover of this policy if you have any doubts.

2.4 The whistleblowing policy is intended to cover concerns that fall outside the scope of the above procedures. A concern may be about:

- sexual, physical or emotional abuse of clients or other individuals
- conduct which is an offence or a breach of law
- disclosures related to miscarriages of justice
- health and safety risks, including risks to the public as well as employees
- damage to the environment
- unauthorised use of public funds
- action that is contrary to the council's financial procedures or contract regulations
- possible fraud, corruption or financial irregularity
- action that is against the council's financial regulations and policies
- practice that falls below established standards or practice
- other improper or unethical conduct.

2.5 The concern may be something that makes a person feel uncomfortable in terms of known standards, their experience or the standards to which they believe the council subscribes. If in doubt please contact either a

named contact on the front cover of this policy or Public Concern at Work to have a confidential discussion.

- 2.6 This policy applies to all employees, councillors, contractors, consultants, and agency workers and other stakeholders who are acting on behalf of, or in partnership with, the council.
- 2.7 Any disclosure of information that, in the reasonable belief of the worker, is made in the public interest, shall be deemed a qualifying disclosure.
- 2.8 This policy incorporates the provisions that are required from the Public Interest Disclosure Act 1998.

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### 3 How to raise a concern

- 3.1 When an individual wishes to raise a concern, he or she will need to identify the issues carefully. They must be clear about the standards against which they are judging practice. Whilst not exhaustive they should consider the following:
- Is it illegal?
  - Does it contravene professional codes of practice?
  - Is it against government guidelines?
  - Is it against the Council's guidelines?
  - Is it about one individual's behaviour or is it about general working practices?
  - Does it contradict what the employee has been taught?
  - Has the individual witnessed the incident?
  - Did anyone else witness the incident at the same time?
- 3.2 Concerns from employees should normally be raised with their immediate manager. Similarly, non-employees (e.g. agency workers or contractors) should raise a concern with their contact within the council, usually the person to whom they directly report.
- 3.3 In some cases, the nature or sensitivity of the concern means that this may not always be appropriate. If a person feels they cannot raise their concern with their immediate manager they are able to go directly to the chief internal auditor (see paragraph 3.12). They may also do so if, having raised a concern with the immediate manager/contact, they feel there has not been an appropriate response.
- 3.4 Others wishing to raise a concern should consider using the council's [complaints procedures](#) by emailing [listening@norwich.gov.uk](mailto:listening@norwich.gov.uk). Alternative details for raising concerns can be found on the council's website ([https://www.norwich.gov.uk/info/20210/other\\_ways\\_to\\_contact\\_us](https://www.norwich.gov.uk/info/20210/other_ways_to_contact_us)) or by ringing 0344 980 3333.
- 3.5 Given the possible contractual issues annex A of this policy gives specific guidance to contractors and partners of the council in raising such concerns.
- 3.6 Concerns may be raised verbally or in writing. Anyone who wishes to make a written report should give the background and history of the concern, giving relevant dates if possible, and the reason why they are particularly concerned about the situation.
- 3.7 If the individual wishes, they may ask for a private meeting with the person to whom they wish to make the complaint and can be accompanied if they wish. An employee may invite someone, such as their trade union or a work colleague, to be present during any meetings or interviews in connection with the concerns they have raised.

- 3.8 When making a complaint verbally, the individual should write down any relevant information and date it. They should keep copies of all correspondence and relevant information.
- 3.9 It should be noted that often the earlier a concern is expressed the easier it is to take appropriate action.
- 3.10 The individual should ask the person to whom they are making the complaint what the next steps will be and if anything more is expected from them.
- 3.11 Although a person is not expected to prove the truth of an allegation that is made, it will be necessary to demonstrate that there are sufficient grounds for concern. It is not necessary for any person to undertake investigations into their concern prior to contacting the council as this may undermine any ultimate action needing to be taken.
- 3.12 Advice and guidance on how specific matters of concern may be pursued can be obtained from the council's internal audit service. The officer nominated to lead on whistleblowing is the chief internal auditor of LGSS who can be contacted by phone on 07946 877510 or email [Duncan.wilkinson@milton-keynes.gov.uk](mailto:Duncan.wilkinson@milton-keynes.gov.uk).
- 3.13 Alternatively employees may wish to get confidential advice from their trade union or professional association
- 3.14 Employees may wish to consider discussing their concerns with a colleague first and may find it easier to raise the matter if there are two (or more) of them who have had the same experience or concerns.
- 3.15 Where a person feels that they cannot approach anyone in the council, they may wish to report their concerns through the external independent reporting scheme called Public Concern At Work. PCAW are an independent charity providing a legal advice service designated by the Bar Council and information provided to PCAW is protected under the Public Interest Disclosures Act. Their lawyers provide confidential advice free of charge and their contact details are:
- Telephone number: 0207 404 6609.
  - Email: [helpline@pcaw.co.uk](mailto:helpline@pcaw.co.uk)
  - Website: [www.pcaw.co.uk](http://www.pcaw.co.uk)

## **4 Supporting the individual to raise a concern**

### **Harassment or victimisation**

- 4.1 The council recognises that the decision to raise a concern can be difficult, not least because of the fear of reprisals.
- 4.2 The council will not tolerate harassment or victimisation and will take action to protect individuals who raise concerns. This does not mean that if the individual raising the concern is the subject of informal or formal procedures, that those procedures will be halted as a result of raising a concern under this policy.
- 4.3 Officers should not release information which identifies whistleblowers without their permission, unless there is a requirement to do so (e.g. a court order).
- 4.4 Any person applying pressure upon such officers to identify whistleblowers shall be subject to the same provisions as outlined in 4.6 below.
- 4.5 Where a whistleblower alleges they are / have been victimised / harassed as a result of raising a concern that matter shall be referred to an appropriate officer to deal with and investigate. Appropriate officers will include the s151 officer (chief finance officer), monitoring officer, head of HR and learning. Where the investigations may identify the whistleblower, either indirectly or directly, the way forward shall be discussed with the whistleblower and any resultant action confidentially reported to the chair of the audit committee where appropriate.
- 4.6 Each case will be considered on its merits. If anyone is found to have victimised or harassed someone, who has made a referral under this policy, it would normally be considered:
  - a matter of gross misconduct if carried out by an employee of the council
  - a matter for the council to consider termination of a contract, if it is carried out by or at the request of a contractor. If there are concerns that a contractor is victimising, or has victimised, a whistleblower an independent review may be requested.
  - a matter that would be referred to the standards committee, if it relates to member conduct
  - a matter that could affect service provision, if it relates to a customer.

### **Confidentiality**

- 4.7 All concerns will be treated in confidence and every effort will be made not to reveal the identity of the person highlighting the concern if that is the wish of the individual.
- 4.8 Individuals are encouraged to put their name to any allegation. The council will do its best to protect the individual's identity when they do not want their name disclosed. It must be appreciated that the

investigation process may reveal the source of the information and a statement by the individual raising the concern may be required as part of the evidence.

### **Anonymity**

4.9 Concerns expressed anonymously are much less powerful but will be considered at the discretion of the council. In exercising this discretion, the factors to be taken into account would include:

- seriousness of the issue
- credibility of the concern
- likelihood of being able to obtain the necessary information.

### **Untrue allegations**

4.10 Any individual who makes an allegation which is not subsequently confirmed by the investigation, will have no action taken against them and will continue to have protection under this policy from victimisation or harassment.

4.11 If, however, an individual makes malicious or vexatious allegations, action may be taken against them. Maliciously making a false allegation is a disciplinary offence.



## **5 How the council will respond**

- 5.1 The action taken by the council will depend on the nature of the concern. Where appropriate, the matters raised may:
- be investigated by management, internal audit, or other appropriate person
  - be referred to the external auditor
  - be referred to the police
  - form the subject of an independent inquiry.
- 5.2 In order to protect individuals and the council, an initial investigation will be carried out to decide whether a full investigation is appropriate and, if so, what form it should take. Concerns or allegations, which fall within the scope of specific procedures, for example, safeguarding or discrimination issues, will normally be referred for consideration under those procedures.
- 5.3 It should be noted that some concerns may be resolved by agreed action without the need for investigation. Equally some issues may be investigated without the need for initial enquiries. If urgent action were required, this would be taken before any investigation is conducted.
- 5.4 The council will write to the person raising the concern within seven working days (i.e. the individual or representative with whom the report was lodged) to:
- acknowledge that the concern has been received
  - indicate how it proposes to deal with the matter
  - give an indication of when a final response or update will be provided
  - inform the person whether any initial enquiries have been made
  - supply the person with information on employee support mechanisms, and
  - inform the person whether further investigations will take place and, if not, why not.
- 5.5 Every effort will be made to resolve the matters raised as soon as possible, in the interests of the council, the person raising the concern and the person(s) being investigated.
- 5.6 The amount of contact between the officers considering the issues and the person raising the concern will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information may be sought from the person raising the concern.
- 5.7 Where any meeting is arranged, employees have the right, if they so wish, to be accompanied by someone, such as a trade union representative or a work colleague, who is not involved in the area of work to which the concern relates.

- 5.8 The council will take appropriate steps to minimise any difficulties, which a person may experience as a result of raising a concern and provide advice and support should they be required to give evidence, e.g. at a disciplinary hearing.
- 5.9 The council accepts that the person raising a concern needs to be assured that the matter has been properly addressed. Thus, subject to legal constraints, the person raising the concern will be kept informed as the investigation progresses unless they have requested otherwise. At the very least they should receive an update on the investigation by the date implied by the estimated response time given in section 5.4

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## **6 How the matter can be taken further**

- 6.1 This policy is intended to provide an avenue to raise concerns within the council. The council hopes that those using this process will be satisfied with the way their concerns are treated and any investigations that may be carried out. However, if they are not satisfied and feel it right to take the matter outside the council, the matter can be raised with:
- Public Concern At Work on 0207 404 6609 or [helpline@pcaw.co.uk](mailto:helpline@pcaw.co.uk)
  - a solicitor
  - relevant professional bodies or regulatory organisations, such as:
    - HM Revenues and Customs
    - Financial Conduct Authority
    - Competition and Markets Authority
    - Health and Safety Executive
    - Environment Agency
    - Independent Police Complaints Commission
    - Serious Fraud Office
- 6.2 In taking advice from sources outside the council a person must ensure that, so far as possible, it is raised without confidential information being divulged. Also a person would, other than in exceptional circumstances, be expected to have exhausted the internal routes available first.
- 6.3 Any individual has the right and responsibility to refer a concern to the police if they suspect a criminal act.

## **7 Roles and responsibilities**

### **Framework**

- 7.1 The responsibility for the operation of this policy rests with the corporate leadership team to ensure all employees are fully aware of its provisions. The chief internal auditor must be advised of all referrals, but in a form which does not endanger confidentiality, so that an annual report to the council's audit committee can be compiled.
- 7.2 Audit committee is responsible for assuring the council that the risks across the council are being identified and managed. It is therefore responsible for ensuring that this policy is robust in identifying concerns and that the identified risks are addressed. It is also responsible for ensuring that the principles within this policy are upheld.

### **Investigations**

- 7.3 Investigations should be undertaken by appropriate officers with relevant expertise, and may be someone independent of the person receiving the referral. Internal audit (IA) and human resources (HR) will jointly ensure that investigations are swift and effective and undertaken by someone with relevant skills and experience. IA and HR will act as the corporate services who maintain records of all referrals and subsequent investigations received by the council. Additionally:
- 7.4 IA will lead on all financial referrals, including those where there are significant financial implications to an allegation, whilst not explicit within the referrals. The audit team will ensure that concerns raised through the informal process are logged and trends identified.
- 7.5 HR will lead on allegations regarding serious misconduct of council employees. The HR team will advise and support employees involved in the investigation process to ensure that such processes are fair and supportive to all those involved.
- 7.6 The monitoring officer will lead on allegations regarding misconduct of councillors.

### **Line managers**

- 7.7 Line managers must create an open and fair culture within their area of responsibility and ensure that employee concerns are listened to and action taken where necessary.
- 7.8 They are responsible for ensuring that there is a safe environment for employees to raise their concerns and that there is no retribution as a result of someone raising their concerns.

### **Employees**

- 7.9 In all contracts of employment there is an implied understanding of mutual trust and confidence between the employer and employee. All employees, therefore, have a responsibility to raise concerns about work and they may do so in the manner described in this policy.

## **8 How the policy will be monitored and reviewed**

### **Monitoring**

- 8.1 The council has a responsibility for registering the nature of all concerns raised and to record the outcome. The council's internal audit service will produce an annual report, which will identify any patterns of concern and assess the effectiveness of the policy.
- 8.2 This policy will be publicised via the council's website and specifically:
- every new employee will be provided a copy of the policy when joining the council
  - every contract will require the contractor to communicate the policy to their employees and adopt its provisions when working for the council
  - every employee of a joint venture or company owned by the council will be provided a copy of the policy when joining the JV or company, together with training on the whistleblowing procedures of their organisation and the circumstances where each policy will apply.
  - all newly elected members should be provided a copy of the policy.
- 8.3 Promotional material will be produced and placed in appropriate areas to raise awareness of the policy and invite feedback.
- 8.4 Surveys will be undertaken to gauge the awareness of the policy, and individual whistleblowers will be asked more detailed questions about their perceptions of the policy in practice.

### **Review**

- 8.5 This procedure will be kept under review and any amendments will be subject to consultation with employee representatives.

## 9 Annex A

### Procedure for contractors / partners, including employees of subsidiaries

- 9.1 As a first step contractors should normally raise concerns with their manager, who will then inform the lead council officer who is dealing with that particular contract. If contractors do not have a manager, they should raise their concerns direct with the lead council officer. This depends on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if contractors believe that their manager or lead council officer is involved, they should approach the chief internal auditor at the council directly. Otherwise, the lead council officer receiving notification of concerns under this policy will inform the chief internal auditor that a confidential report has been received and provide a copy.
- 9.2 If the concern relates to financial irregularities or failures of financial controls the lead council officer receiving the report will also immediately notify the chief internal auditor.
- 9.3 Concerns may be raised verbally or in writing. Individuals who wish to make a written report are invited to use the following format:
- the background and history of the concern, giving relevant dates if possible
  - the reason why the individual is particularly concerned about the situation.
- 9.4 It should be noted that often the earlier a concern is expressed the easier it is to take appropriate action.
- 9.5 Advice and guidance on how specific matters of concern may be pursued can be obtained internally from the internal audit service. Alternatively contractors may wish to get confidential advice from their trade union or professional association.
- 9.6 Contractors may wish to consider discussing their concerns with a colleague first and may find it easier to raise the matter if there are two (or more) of you who have had the same experience or concerns.
- 9.7 Contractors may invite someone, such as their trade union or or a work colleague, to be present during any meetings or interviews in connection with the concerns they have raised.

## **10 Annex B**

### **General Survey**

- (1) Have you thought about using the whistleblowing policy in the last 12 months?
- (2) If yes, but you didn't make a referral, what prevented you?
- (3) On a scale of 1-10 (with 10 being perfect) how would you rate the policy in meeting the needs of someone who has concerns about the councils services?
- (4) If you answered less than 10, what can we do to change so that we would score 10?

### **Specific Survey for those who have raised a concern**

- (1) On a scale of 1-10 (with 10 being perfect) how good do you feel the council's whistleblowing arrangements are?
- (2) If you answered less than 10, what can we do to improve so that we would have scored a 10?
- (3) Were you able to obtain sufficient advice before making your referral?
- (4) Did you use normal management structures or the corporate officers?
- (5) Were your concerns properly addressed?
- (6) Were the implications of a referral (e.g. confidentiality and timescales) explained to you?
- (7) Were you provided with regular feedback (if you wanted it)?
- (8) If you asked for confidentiality was that effectively provided?
- (9) Do you feel you suffered harassment, victimisation or any other negative consequence from raising your concern?



**NORWICH**  
City Council

## Anti-money laundering policy

November 2016

### Version control

This table documents the formal consultation process required to adopt the policy. This will be deleted from final version.

Number	Date	Activity / Summary of changes
0.3	16/09/16	Update following Corporate Leadership Team consultation
0.4	22/09/16	Presentation review
0.5	23/09/16	Update following Corporate Governance Group consultation
0.6	30/09/16	Update following JCNC consultation
0.7	26/10/16	Update following nplaw consultation
0.8	22/11/16	Update following Audit Committee consultation
0.9	14/12/16	Update following Cabinet consultation
1.0		Final version



## **1 Introduction**

- 1.1 The need for this policy derives from the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007. The council's legal obligations impact on certain areas of the business, and require the council to establish internal procedures to prevent the mis-use of services to launder money.
- 1.2 This policy details the controls to prevent and protect against money laundering and terrorist financing

## **2 Scope of the policy**

- 2.1 This policy applies to all employees and contractors / agents of the council. The policy sets out the procedures which all officers must follow where they suspect or know that a transaction involves money laundering.

## **3 What is Money Laundering?**

- 3.1 Money laundering is how criminally obtained money or other assets are exchanged for money or assets with no obvious link to their criminal origins. It also covers money, however obtained, which is used to fund terrorism.
- 3.2 Money laundering can take many forms such as:
  - concealing, disguising, converting, transferring or removing criminal property from the UK
  - entering into or becoming involved in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property
  - acquiring, using or possessing criminal property
  - attempting or helping any of the above offences
  - involvement in an arrangement which facilitates the control of money or property destined for, or the proceeds of, terrorism.

## **4 How do you detect money laundering**

- 4.1 There is no one method of laundering money. For this reason, it is important that the council, via its employees and contractors and agents, should be vigilant and alert to possible signs of money laundering through the council's services.
- 4.2 At all times, you should:
  - be wary of cash transactions. 'Cash' for this purpose means notes, coins or travellers' cheques in any currency
  - take care when commencing business with a new client - establish identity as per below where applicable
  - be alert to the possibility of money laundering by a client or a prospective client
  - keep records, as per below where applicable.

## 5 Council's Obligations

- 5.1 The Money Laundering Regulations apply to specific persons including certain institutions, auditors, accountants, tax advisers and legal professionals.
- 5.2 Strictly speaking, internal public sector services may not be covered by the legislation. However, council services are susceptible to money laundering activities and the council must be able to demonstrate its compliance with the law in this area.
- 5.3 The Proceeds of Crime Act also creates offences relating to money laundering activities as well as terrorist financing. Again council services may be targeted for this purpose and the council must be able to demonstrate its compliance with this law.
- 5.4 The council has therefore:
- appointed a Money Laundering Reporting Officer (MLRO) to receive disclosures from employees of money laundering activities (their own concerns or that of someone else)
  - implemented a reporting procedure where a person
  - knows or suspects; or
  - has a reasonable ground for knowing or suspecting money laundering.
  - Set out client identification procedures to be followed in certain circumstances
  - Set down record keeping procedures for the purposes of money laundering
- 5.5 All employees, contractors and agents of the council are therefore required to be familiar with the council's policy and to comply with the procedures set out in the following sections and particularly with the reporting procedure.

## 6 The Money Laundering Reporting Officer (MLRO)

- 6.1 The officer nominated to receive disclosures about money laundering activities is the chief internal auditor. This post is currently held by Duncan Wilkinson who can be contacted as follows:

Duncan Wilkinson  
Chief internal auditor, LGSS

Civic offices  
1 Saxon Gate East  
Central Milton Keynes  
MK9 3EJ

Telephone: 07946-877510

Email: [Duncan.wilkinson@milton-keynes.gov.uk](mailto:Duncan.wilkinson@milton-keynes.gov.uk)

- 6.2 In the absence of the MLRO, the principal audit manager, Norwich, Jonathan Tully, is nominated to deputise as the MLRO until any further notice. He can be contacted at:

Norwich City Council  
City Hall  
Norwich  
NR2 1NH

Telephone number 01603-212575

Email: [Jonathantully@norwich.gov.uk](mailto:Jonathantully@norwich.gov.uk)

## 7 Reporting Procedure

This section explains what you **MUST** do where you become suspicious or know that there is a money laundering or terrorist financing activity going on and how your report will be dealt with by the MLRO.

### 7.1 Reporting to the MLRO

**Warning: If you fail to report or disclose as below you may be liable for prosecution for one or more offences.**

- Where you know or suspect or have reasonable grounds to know or suspect that a money laundering activity is taking place or has taken place, you must notify the MLRO **IMMEDIATELY** using the money laundering reporting form attached at appendix 1.
- Similarly, where you believe your involvement in a matter may amount to a prohibited act under sections 327 – 329 of the Proceeds of Crime Act 2002 (see relevant provisions at appendix 2), you must disclose this to the MLRO using the form attached at appendix 1.
- You must still report your concerns even if you believe that someone else has already reported their suspicions of the same money laundering activity.

### 7.2 After reporting to the MLRO you **MUST**:

- not voice your suspicion to the suspected person or any third party
- not disclose to anyone the fact the you have made the report
- not make any further enquiries into the matter yourself
- not make any reference on the file of the report
- do nothing further on the matter unless you receive specific, written consent from the MLRO to proceed.

**Warning: If you fail to observe any of the above, you may be liable for prosecution for ‘tipping off’ or other offences.**

7.3 Once the MLRO receives the report, he/she will;

- note the date of receipt and confirm that he/she has received the report.
- advise you of the timescale within which he/she expects to respond to you.
- conduct a provisional investigation into the matter.
- undertake such other reasonable enquiries as appropriate, seeking specialist legal and financial advice (if appropriate)
- make a timely determination as below:
- Where it is determined there is no reasonable grounds to suspect money laundering, he/she will record the reasons for the finding and give consent for the transaction to proceed.
- Where it is determined money laundering is suspected he/she will:
- make a report to National Crime Agency (NCA), as soon as is practicable, and seek NCA's consent whether to proceed with the transaction.
- advise the reporting officer of any consent or refusal of consent from NCA.
- may give consent for the transaction to proceed where seven working days have passed since the disclosure to NCA and no refusal notice has been given; or where although the refusal notice has been given, the moratorium period of 31 days has expired since the date of when the refusal notice was given.
- take formal advice from nplaw if there appears to be reasonable excuse for non-disclosure (eg legal professional privilege) to decide whether or not the matter should be disclosed to NCA.
- where the decision is made not to disclose to the NCA, he/she must record the same and give consent for the transaction to proceed.

7.4 The MLRO commits an offence:

- if without reasonable excuse, she/he fails to disclose to NCA as soon as is practicable suspected money laundering reporting to him/her (except as set out at 7.3.1 (5) (b) (iv) above)
- where after reporting to NCA:
- he/she gives consent to an officer to proceed with the transaction without receiving such consent from NCA
- where he/she gives such consent before hearing from NCA and the period of seven working days has not expired since she/he made the disclosure to NCA
- the moratorium period of 31 days has not expired since the refusal notice

## 8 Client identification procedure (customer due diligence)

This section explains what you **MUST** do where you are involved in services identified as potential targets for money laundering or terrorist financing transactions. Verifying the identity of clients is a key process that reduces the risk of money laundering and terrorist financing.

8.1 Client/customer due diligence consists of;

- identifying the customer and verifying the client's identity on the basis of documents, data or information obtained from a reliable source
- identifying a beneficial owner who is not a customer, where there is one, and taking adequate measures on a risk sensitive basis, to verify his/her identity
- obtaining information on the purpose and intended nature of the business relationship

8.2 You must conduct a 'customer due diligence' in the following circumstances ;

- when establishing a new business relationship
- when carrying out an occasional transaction (a transaction which amounts to €15,000 or more, which is carried out in a single operation or several linked operations, and which is carried out other than as part of a business relationship)
- when you suspect money laundering or terrorist financing regardless of the amount involved
- when you doubt the veracity or adequacy of documents, data or information previously obtained for identification purposes.

8.3 You must complete the verification of the identity of the client (or beneficial owner) before you establish the business relationship or accept / process the transaction.

8.4 You may however, complete such identity verification after establishing the business relationship only if it is necessary not to interrupt the normal conduct of business and there is little risk of money laundering or terrorist financing occurring, but provided that the verification is completed as soon as practicable after contact is first established.

8.5 You should obtain evidence of identity as follows:

### **For internal clients**

- Written instructions on headed paper signed and dated by the appropriate person; or an email from the council's internal email system.
- The evidence should be kept on file identifying that it is evidence of the client's identity

### **For external clients**

- Written instructions on the organisation's official headed paper, duly signed and dated by the appropriate person/s (It must be clear what position the signing person/s hold/s within the organisation); or an email from the organisation's e-communication system that clearly identifies the sending company and person.

- The evidence should be kept on file identifying that it is evidence of the client's identity
- Whenever dealing with a company, you must also verify the existence of the company. You must always request to be provided with the company's registration number which you can use to search for the company's existence at the companies house, and the registered address of the company.
- You must further ensure that the person instructing you has the authority from the company to do so.
- When dealing with an individual, identity evidence will be key, verifiable documents such as driving licence, passport or other reliable document.

**It is very important that you do not take a tick box approach towards the client identification procedure. You must be satisfied with the authenticity of identification documents and where in doubt, please speak to your manager to see what other forms of identification you may request. The MLRO is able to provide tools that verify the validity of identification documents.**

8.6 Where satisfactory evidence of identity is not obtained from the outset or as soon as practicable (in the case of 8.5 above), then:

- you cannot establish a business relationship or carry out an occasional transaction with the client.
- you cannot proceed any further with the transaction (if applicable)
- you must consider whether you need to report the matter to the MLRO.

8.7 Where you are satisfied with the evidence of the identity and an ongoing business relationship is established with a client, you should still scrutinise transactions undertaken to ensure that they are consistent with your knowledge of the client or business and risk profile. You should also ensure that the identification documents are up to date.

## **9 Record keeping procedure**

9.1 It is essential that records are properly kept to aid in any subsequent investigation which may be carried out and to demonstrate the council has met its responsibilities. Each service must keep the following records for a period of five years beginning from the date when the occasional transaction is completed or business relationship ends:

- evidence of the client's identity
- all supporting records, originals or copies, relating to the transaction

9.2 The MLRO must keep all records of any reports or disclosures received by him/her, action taken and the outcome.

## APPENDIX 1

### Report to Money Laundering Reporting Officer

Re: money laundering activity

To: [insert name], Money Laundering Reporting Officer

From: .....  
[insert name of employee]

Date: .....

Service: .....  
[insert post title and section]

Ext/Tel No: .....

### Details of suspected offence

**Name (s) and address (es) of person(s) involved:**

*[if a company/public body please include details of nature of business]*

**Nature, value and timing of activity involved:**

*[Please include full details e.g. what, when, where, how. Continue on a separate sheet if necessary]*



**Nature of suspicions regarding such activity:**

*[Please continue on a separate sheet if necessary]*

Has any investigation been undertaken (to your knowledge)?

Yes      No

If yes, please include details below:

Have you discussed your suspicions with anyone else?

Yes      No

If yes, please specify below and where applicable, explain why such discussion was necessary:

Have you consulted any supervisory body's guidance (e.g. the Law Society) on money laundering?

Yes      No

If yes, please specify below:

Do you have any grounds for believing that the matter should not be disclosed to NCA? (e.g. are you a lawyer and wish to claim legal professional privilege?)

Yes      No

If yes, please set out full details below:

Are you involved in a transaction which may involve a prohibited act under sections 327 – 329 of the Proceeds of Crime Act 2002 and which may require NCA's consent?

Yes    No

If yes, please set out the details below:

Please set out below any other relevant information:

Signed:.....

Dated:.....

Do not discuss the content of this report with the person/s you suspect to be involved in the money laundering activities described or with third parties. To do so may constitute the offence of tipping off which carries a maximum penalty of 5 years' imprisonment.

**The following part of this form is for completion by the MLRO**

Date report received: .....

Date receipt report acknowledged .....

CONSIDERATION OF DISCLOSURE:

**Action Plan:**

**Outcome of consideration of disclosure**

Are there reasonable grounds for suspecting money laundering activity?

Yes    No

If yes, please give reasons/details below:

If there are reasonable grounds for suspicion, will a report be made to NCA?

Yes    No

If yes, please confirm date of report to NCA: .....

and complete the box below:

**Details of liaison with NCA regarding the report:**

**Notice period:** ..... to .....

**Moratorium period:** ..... to .....

Is consent required from NCA to any ongoing or imminent transactions which would otherwise be prohibited acts?      Yes      No

[Please tick the relevant box]

☐☐

If yes, please confirm full details below:

Date consent received from NCA: .....

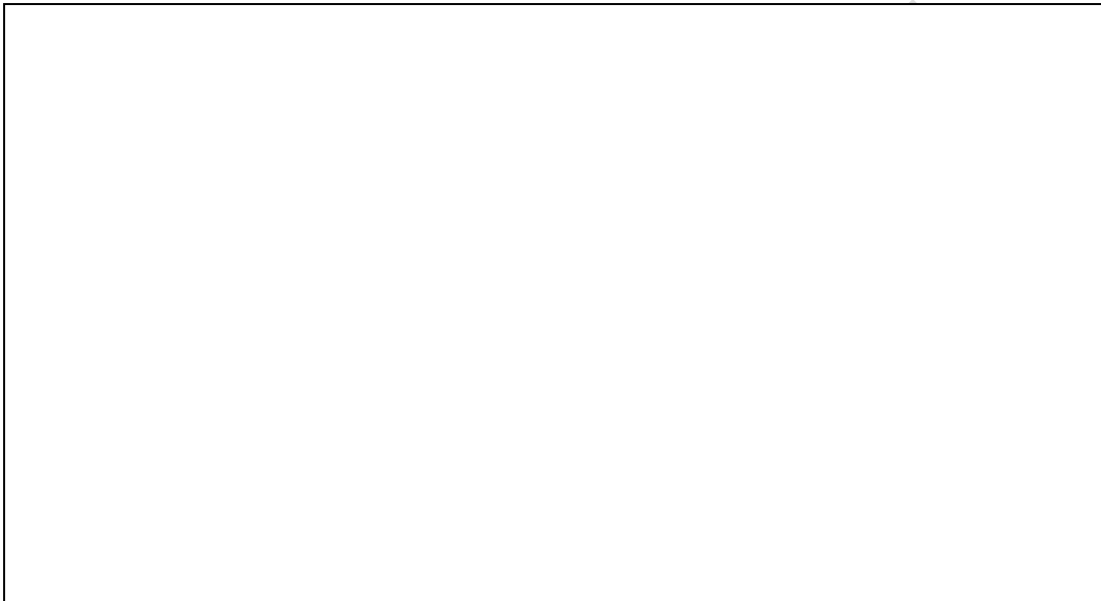
Date consent given by you to the employee: .....

If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to NCA, please set out below the reason(s) for non- disclosure:

Date consent given by you to employee for any prohibited act/transaction to proceed:

.....

Other relevant information:



Signed: ..... Dated: .....

This report should be retained for at least five years from the date when the occasional transaction or the business relationship to which it relates comes to an end.

## APPENDIX 2

### 1 Relevant extracts from the proceeds of crime act 2002

#### **S.327 Concealing etc**

E+W+S+N.I. (England, Wales, Scotland, Northern Ireland) This section has no associated Explanatory Notes

(1) A person commits an offence if he—

- (a) conceals criminal property;
- (b) disguises criminal property;
- (c) converts criminal property;
- (d) transfers criminal property;
- (e) removes criminal property from England and Wales or from Scotland or from Northern Ireland.

(2) But a person does not commit such an offence if—

- (a) he makes an authorised disclosure under section 338 and (if the disclosure is made before he does the act mentioned in subsection (1)) he has the appropriate consent;
- (b) he intended to make such a disclosure but had a reasonable excuse for not doing so;
- (c) the act he does is done in carrying out a function he has relating to the enforcement of any provision of this Act or of any other enactment relating to criminal conduct or benefit from criminal conduct.

(3) Concealing or disguising criminal property includes concealing or disguising its nature, source, location, disposition, movement or ownership or any rights with respect to it.

#### **S.328 Arrangements**

E+W+S+N.I. This section has no associated Explanatory Notes

(1) A person commits an offence if he enters into or becomes concerned in an arrangement which he knows or suspects facilitates (by whatever means) the acquisition, retention, use or control of criminal property by or on behalf of another person.

(2) But a person does not commit such an offence if—

- (a) he makes an authorised disclosure under section 338 and (if the disclosure is made before he does the act mentioned in subsection (1)) he has the appropriate consent;
- (b) he intended to make such a disclosure but had a reasonable excuse for not doing so;



(c) the act he does is done in carrying out a function he has relating to the enforcement of any provision of this Act or of any other enactment relating to criminal conduct or benefit from criminal conduct.

### **S.329 Acquisition, use and possession**

E+W+S+N.I. This section has no associated Explanatory Notes

(1) A person commits an offence if he—

- (a) acquires criminal property;
- (b) uses criminal property;
- (c) has possession of criminal property.

(2) But a person does not commit such an offence if—

- (a) he makes an authorised disclosure under section 338 and (if the disclosure is made before he does the act mentioned in subsection (1)) he has the appropriate consent;
- (b) he intended to make such a disclosure but had a reasonable excuse for not doing so;
- (c) he acquired or used or had possession of the property for adequate consideration;
- (d) the act he does is done in carrying out a function he has relating to the enforcement of any provision of this Act or of any other enactment relating to criminal conduct or benefit from criminal conduct.

(3) For the purposes of this section -

- (a) a person acquires property for inadequate consideration if the value of the consideration is significantly less than the value of the property;
- (b) a person uses or has possession of property for inadequate consideration if the value of the consideration is significantly less than the value of the use or possession;
- (c) the provision by a person of goods or services which he knows or suspects may help another to carry out criminal conduct is not consideration.

### **S.332 Failure to disclose: other nominated officers**

E+W+S+N.I. This section has no associated Explanatory Notes

(1) A person nominated to receive disclosures under section 337 or 338 commits an offence if the conditions in subsections (2) to (4) are satisfied.

(2) The first condition is that he knows or suspects that another person is engaged in money laundering.

(3) The second condition is that the information or other matter on which his knowledge or suspicion is based came to him in consequence of a disclosure made under section 337 or 338.

- (4) The third condition is that he does not make the required disclosure as soon as is practicable after the information or other matter comes to him.
- (5) The required disclosure is a disclosure of the information or other matter—
- (a) to a person authorised for the purposes of this Part by the Director General of the National Criminal Intelligence Service;
  - (b) in the form and manner (if any) prescribed for the purposes of this subsection by order under section 339.
- (6) But a person does not commit an offence under this section if he has a reasonable excuse for not disclosing the information or other matter.

### **S.333 Tipping off**

E+W+S+N.I. This section has no associated Explanatory Notes

- (1) A person commits an offence if—
- (a) he knows or suspects that a disclosure falling within section 337 or 338 has been made, and
  - (b) he makes a disclosure which is likely to prejudice any investigation which might be conducted following the disclosure referred to in paragraph (a).
- (2) But a person does not commit an offence under subsection (1) if—
- (a) he did not know or suspect that the disclosure was likely to be prejudicial as mentioned in subsection (1);
  - (b) the disclosure is made in carrying out a function he has relating to the enforcement of any provision of this Act or of any other enactment relating to criminal conduct or benefit from criminal conduct;
  - (c) he is a professional legal adviser and the disclosure falls within subsection
- (3) A disclosure falls within this subsection if it is a disclosure—
- (a) to (or to a representative of) a client of the professional legal adviser in connection with the giving by the adviser of legal advice to the client, or
  - (b) to any person in connection with legal proceedings or contemplated legal proceedings.
- (4) But a disclosure does not fall within subsection (3) if it is made with the intention of furthering a criminal purpose.

**S.334 Penalties**

E+W+S+N.I. This section has no associated Explanatory Notes

- (1) A person guilty of an offence under section 327, 328 or 329 is liable—
  - (a) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum or to both, or
  - (b) on conviction on indictment, to imprisonment for a term not exceeding 14 years or to a fine or to both.
- (2) A person guilty of an offence under section 330, 331, 332 or 333 is liable—
  - (a) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum or to both, or
  - (b) on conviction on indictment, to imprisonment for a term not exceeding five years or to a fine or to both.

**S.335 Appropriate consent**

E+W+S+N.I. This section has no associated Explanatory Notes

- (1) The appropriate consent is—
  - (a) the consent of a nominated officer to do a prohibited act if an authorised disclosure is made to the nominated officer;
  - (b) the consent of a constable to do a prohibited act if an authorised disclosure is made to a constable;
  - (c) the consent of a customs officer to do a prohibited act if an authorised disclosure is made to a customs officer.
- (2) A person must be treated as having the appropriate consent if—
  - (a) he makes an authorised disclosure to a constable or a customs officer, and
  - (b) the condition in subsection (3) or the condition in subsection (4) is satisfied.
- (3) The condition is that before the end of the notice period he does not receive notice from a constable or customs officer that consent to the doing of the act is refused.
- (4) The condition is that—
  - (a) before the end of the notice period he receives notice from a constable or customs officer that consent to the doing of the act is refused, and
  - (b) the moratorium period has expired.
- (5) The notice period is the period of seven working days starting with the first working day after the person makes the disclosure.
- (6) The moratorium period is the period of 31 days starting with the day on which the person receives notice that consent to the doing of the act is refused.
- (7) A working day is a day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday under the Banking and Financial Dealings Act

1971 (c. 80) in the part of the United Kingdom in which the person is when he makes the disclosure.

(8) References to a prohibited act are to an act mentioned in section 327(1), 328(1) or 329(1) (as the case may be).

(9) A nominated officer is a person nominated to receive disclosures under section 338.

(10) Subsections (1) to (4) apply for the purposes of this Part.

### **S.336 Nominated officer: consent**

E+W+S+N.I. This section has no associated Explanatory Notes

(1) A nominated officer must not give the appropriate consent to the doing of a prohibited act unless the condition in subsection (2), the condition in subsection (3) or the condition in subsection (4) is satisfied.

(2) The condition is that—

(a) he makes a disclosure that property is criminal property to a person authorised for the purposes of this Part by the Director General of the National Criminal Intelligence Service, and

(b) such a person gives consent to the doing of the act.

(3) The condition is that—

(a) he makes a disclosure that property is criminal property to a person authorised for the purposes of this Part by the Director General of the National Criminal Intelligence Service, and

(b) before the end of the notice period he does not receive notice from such a person that consent to the doing of the act is refused.

(4) The condition is that—

(a) he makes a disclosure that property is criminal property to a person authorised for the purposes of this Part by the Director General of the National Criminal Intelligence Service,

(b) before the end of the notice period he receives notice from such a person that consent to the doing of the act is refused, and

(c) the moratorium period has expired.

(5) A person who is a nominated officer commits an offence if—

(a) he gives consent to a prohibited act in circumstances where none of the conditions in subsections (2), (3) and (4) is satisfied, and

(b) he knows or suspects that the act is a prohibited act.

(6) A person guilty of such an offence is liable—

(a) on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum or to both, or

(b) on conviction on indictment, to imprisonment for a term not exceeding five years or to a fine or to both.

(7) The notice period is the period of seven working days starting with the first working day after the nominated officer makes the disclosure.

(8) The moratorium period is the period of 31 days starting with the day on which the nominated officer is given notice that consent to the doing of the act is refused.

(9) A working day is a day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday under the Banking and Financial Dealings Act 1971 (c. 80) in the part of the United Kingdom in which the nominated officer is when he gives the appropriate consent.

(10) References to a prohibited act are to an act mentioned in section 327(1), 328(1) or 329(1) (as the case may be).

(11) A nominated officer is a person nominated to receive disclosures under section 338.

### **S.337 Protected disclosures**

E+W+S+N.I. This section has no associated Explanatory Notes

(1) A disclosure which satisfies the following three conditions is not to be taken to breach any restriction on the disclosure of information (however imposed).

(2) The first condition is that the information or other matter disclosed came to the person making the disclosure (the discloser) in the course of his trade, profession, business or employment.

(3) The second condition is that the information or other matter—

(a) causes the discloser to know or suspect, or

(b) gives him reasonable grounds for knowing or suspecting, that another person is engaged in money laundering.

(4) The third condition is that the disclosure is made to a constable, a customs officer or a nominated officer as soon as is practicable after the information or other matter comes to the discloser.

(5) A disclosure to a nominated officer is a disclosure which—

(a) is made to a person nominated by the discloser's employer to receive disclosures under this section, and

(b) is made in the course of the discloser's employment and in accordance with the procedure established by the employer for the purpose.

### **S.338 Authorised disclosures**

E+W+S+N.I. This section has no associated Explanatory Notes

(1) For the purposes of this Part a disclosure is authorised if—

(a) it is a disclosure to a constable, a customs officer or a nominated officer by the alleged offender that property is criminal property,

- (b) it is made in the form and manner (if any) prescribed for the purposes of this subsection by order under section 339, and
  - (c) the first or second condition set out below is satisfied.
- (2) The first condition is that the disclosure is made before the alleged offender does the prohibited act.
- (3) The second condition is that—
  - (a) the disclosure is made after the alleged offender does the prohibited act,
  - (b) there is a good reason for his failure to make the disclosure before he did the act, and
  - (c) the disclosure is made on his own initiative and as soon as it is practicable for him to make it.
- (4) An authorised disclosure is not to be taken to breach any restriction on the disclosure of information (however imposed).
- (5) A disclosure to a nominated officer is a disclosure which—
  - (a) is made to a person nominated by the alleged offender's employer to receive authorised disclosures, and
  - (b) is made in the course of the alleged offender's employment and in accordance with the procedure established by the employer for the purpose.
- (6) References to the prohibited act are to an act mentioned in section 327(1), 328(1) or 329(1) (as the case may be).

<b>Report to</b>	Cabinet	<b>Item</b>
	14 December 2016	
<b>Report of</b>	Head of citywide services	<b>9</b>
<b>Subject</b>	Declaration of West Earlham Woods as a Local Nature Reserve (LNR)	

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### **Purpose**

To seek approval to declare West Earlham Woods as a local nature reserve.

### **Recommendation**

To approve the designation of the West Earlham Woods as Norwich's ninth Local Nature Reserve.

### **Corporate and service priorities**

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

### **Financial implications**

There are no financial implications.

**Ward/s:** Bowthorpe

**Cabinet member:** Councillor Ryan - Customer care and leisure

### **Contact officers**

Adrian Akester, Head of Citywide services 01603 212343

Simon Meek, Parks and open spaces manager 01603 213582

### **Background documents**

None

## Report

1. Local Nature Reserve (LNR) is a statutory designation made under Section 21 of the National Parks and Access to the Countryside Act 1949, amended under Schedule 11 of the Natural Environment & Rural Communities Act 2006.
2. The legislation enables all county and district authorities to declare LNRs. An LNR must have biodiversity or geological interest, and some degree of public access provision is necessary. Natural England, the government body responsible for wildlife and geological conservation, actively encourages local authorities to declare and manage LNRs.
3. West Earlham Woods (WEW), date back to at least the 18<sup>th</sup> century and they were left largely intact when the surrounding area was developed for housing during the mid-20<sup>th</sup> century. They are an important wildlife site and a valuable community asset.
4. The woods are appreciated by many local people for their wildlife and as a place for quiet recreation and 'natural play'. They are also used for educational activities, notably Forest Schools.
5. Despite this, the woods have suffered from anti-social behaviour, especially fly-tipping and a lack of a consistent management approach.
6. During the 1990s, 8 LNRs were designated in Norwich. The WEW were listed for LNR designation at this time, but this never actually occurred and since then no further LNRs have been designated in Norwich.
7. The Friends of West Earlham Woods, a local community-based group, asked the city council to pursue LNR designation for the site.
8. The designation process requires a wildlife survey to be carried out and a management plan to be prepared for the site. This work has been completed.
9. Natural England, the government's wildlife conservation advisor responsible for overseeing LNRs, has given its official support for the LNR designation.
10. LNR designation for the WEW would provide several key benefits, and it would be consistent with the following key actions in Norwich City Council's current corporate strategy:
  - Safe, clean and low carbon city
  - Prosperous and vibrant city
  - Healthy city



11. LNR status offers strong legal protection to sites and their associated wildlife, and it helps to raise their profile with both the public and potential funding bodies.
12. Designation would highlight Norwich City Council's continuing commitment to biodiversity conservation; and enhanced its reputation with regards to protecting the natural environment.
13. Building on the work of the local Friends group, LNR designation could also engender community pride in what is currently an area of social deprivation. In turn, this may lead to positive changes in behaviour and increased respect and appreciation for the woodlands.
14. Previous LNR designations have not resulted in the council incurring extra costs, or any other adverse impacts. In the past additional external funding has been obtained due to the sites' LNR status.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	
<b>Director / Head of service</b>	Adrian Akester
<b>Report subject:</b>	West Earlham Woods: proposed Local Nature Reserve designation
<b>Date assessed:</b>	21/11/16
<b>Description:</b>	An assessment of the impacts of the proposed Local Nature Reserve designation

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Local Nature Reserve designation may help to improve the overall image of the area, and thus improve prospects for local business investment .
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Local Nature Reserve designation will help to highlight the value of the woodlands for healthy exercise and mental well-being.

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Activiites organised in the woodlands have already helped to bring local people together. Local Nature Reserve designation would raise the profile of the two sites and create more opportunities for this to happen.
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Local Nature Reserve designation may encourage more people to use the woods as a walking route to local facilities rather than drive.
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Local Nature Reserve designation is specifically aimed at maintaining and enhancing the natural environment, as well as raising public awareness of 'nature on your doorstep'.
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	It is hoped that Local Nature Reserve designation might help to change attitudes about the woodlands and to discourage fly-tipping.
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Energy and climate change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Woodlands are valuable for carbon storage, and for helping to cool the atmosphere in urban areas during high summer temperatures.. Local Nature Reserve designation will ensure that the woods are able to continue this function through being protected and properly managed.
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Impact either neutral, or a slight positive in that Local Nature Reserve designation may enhance the council's reputation.

## Recommendations from impact assessment

### Positive

The overall impact of the proposed Local Nature Reserve designation for the West Earlham Woods is positive. The potential benefits could be achieved at minimal effort and at no extra cost to the council.

### Negative

It is not envisaged that there would be any negative impacts of Local Nature Reserve designation for the West Earlham Woods.

### Neutral

LNR designation would have a neutral impact on most of the IIA indicators.

Issues

**Report to** Cabinet  
14 December 2016  
**Report of** Director of neighbourhoods  
**Subject** Award of contract for structural repairs to council homes

**Item**

10

## KEY DECISION

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### Purpose

To advise cabinet of the tender process for a contract for structural repairs and improvements to council homes and to consider the award of the contract.

### Recommendation

To approve the award of the structural repair and improvement contract:

Derby St Phase 3 & 4 – Structural repairs to external stairs and landings at Russell St, Clifton St, Napier Place, Old Palace Rd and Goodman Square

### Corporate and service priorities

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

### Financial implications

The financial consequences of this report are the award of a contract for structural repairs and improvements with a tendered cost of £390,370.38, which is included within the Housing Revenue Account financial forecasts and budgets for this financial year (2016/17).

**Ward/s:** Mancroft

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

### Contact officers

Gary Atkins, Associate Director of Operations 01603 227903

Carol Marney, Head of Operational Property Management 01603 227904

### Background documents

None

# Report

## Background

1. The council has a programme of structural repairs and improvements deemed necessary in order to ensure the housing stock remains in a good state of repair and tenants have quality homes to live in. The contract covered in this report forms a part of this programme of works.
2. The scope of the contract is the structural repair to external stairs and landings at Russell St, Clifton St, Napier Place, Old Palace Rd and Goodman Square.

## Tender process

3. The contract was advertised on the council's e-tendering portal and Business Link/Contracts Finder on 8 September 2016 with a return date of 12 October 2016.
4. Suppliers were asked to submit details of their organisation in terms of finance, contractual matters, insurances, quality assurance, environmental standards, health and safety, equality and diversity credentials, references and previous experience. These aspects were then evaluated to ensure that suppliers met the Council's basic requirements.
5. At the same time suppliers submitted details in the form of method statements proposing how they would meet the requirement for the work package and the price that they would charge to carry out this work. These method statements were evaluated once it had been confirmed that the supplier had met the Council's basic requirements.
6. Four tenders were returned from the following companies (in alphabetical order):

Foster Property Maintenance Ltd  
Gunita (Eastern) Ltd  
JB Specialist Repairs Ltd  
Thomas Sinden Ltd

## Tender evaluation

7. The supplier selection process required suppliers to complete a questionnaire. The responses given were evaluated against pre-determined criteria. This quality assessment carried a maximum of 65% of the marks. The lowest price was allocated 35% of the marks and marks were then deducted, pro-rata, with each increasing tender price.
8. The supplier with the highest cumulative score is deemed the best value submission. The resulting scores are shown below:

98.12  
90  
89.71  
84.79



9. Prices submitted were (in increasing order):

Submitted amounts	
£	390,370.38
£	364,968.50
£	413,191.63
£	458,123.63

10. The highest scoring company was JB Specialist Repairs. It is recommended that they are awarded the contract at the submitted price of £390,370.38.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	14 December 2016
<b>Head of service:</b>	Head of neighbourhood housing services
<b>Report subject:</b>	Award of contract for structural repairs to council homes
<b>Date assessed:</b>	1 December 2016
<b>Description:</b>	Repair of external concrete staircases and landings to low rise flats

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

	Impact			
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Environmental (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The contract will ensure the built environment is maintained and improved to a high standard.
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"/>	
<b>(Please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>

	Impact			
<b>Risk management</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>1. There is a risk of challenge from an unsuccessful supplier. This risk is mitigated by the fact the value of contracts is below the thresholds in the Public Contracts Regulations. Also the tender has followed an open process with award criteria being based on the lowest compliant tender, but there is always a risk of challenge from unsuccessful suppliers.</p> <p>2. There is a risk that the appointed supplier could fail during the duration of the contracts. This is low risk due to the relatively short nature of the contracts and the planned nature of the works. In addition to this the Council is not investing in the supplier and so the risk is one of service continuity rather than financial, which is further mitigated by the fact the work is planned not responsive in nature.</p>

Recommendations from impact assessment	
<b>Positive</b>	
Value for money and the built environment.	
<b>Negative</b>	
<b>Neutral</b>	

Issues

**Report to** Cabinet  
14 December 2016  
**Report of** Director of customers and culture  
**Subject** Award of event support services framework contract

**Item**

11

## KEY DECISION

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### Purpose

To advise cabinet of the tender process for the event support services framework contract carried out by the events and procurement teams and seek authority to award the contract to the selected suppliers.

### Recommendation

To approve the appointment of suppliers as detailed in the report to the contract standing list for a period of up to four years (2 years with an option to extend for another 2 years) from 1 April 2017.

### Corporate and service priorities

The report helps to meet the corporate priority 'value for money services' and the service plan priorities to help make Norwich a prosperous and vibrant city.

### Financial implications

The financial consequences of this recommendation are likely to be positive. From 2012 to 2016 the council has been consolidating their event support service requirements through a framework contract agreement. This has proved to be very satisfactory so the decision has been taken to repeat the process.

The budget set aside for council events has reduced so it is essential to achieve best value for money for all support services whilst ensuring the quality of service remains high. The budget for the next four years has been advertised as around £300,000 to £350,000 although no actual amounts of work have been guaranteed to suppliers.

**Ward/s:** All wards

**Cabinet member:** Cllr Mike Stonard – member for resources and business liaison

### Contact officers

Nikki Rotsos – Director of customers and culture 01603 212211

Helen Selleck – Culture & events manager 01603 212137

### Background documents

None

# Report

## Event support services framework contract award

1. Since 1 April 2012 the authority have been in contract with specific individual suppliers to provide support services for events such as Big Boom, Lord Mayor's Celebration and the Christmas light switch on. These contracts have had a value of approximately £140,000 per annum and are due to expire on 31 March 2017. New arrangements for provision of these services with a reduced budget) need to be put in place.
2. As mentioned above, for the last 4 years the council have operated with an approved list of suppliers across all event services and this has encouraged best value for money through competition as companies have to submit a quote for each event. We seek Cabinet approval for this approach to be agreed for the next 4 years which has a caveat of 2 years offering the option to extend it another 2 years.
3. Research established that an effective way of encouraging competition amongst suppliers, meeting our developing requirements and reducing the impact of supplier failure was for the authority to procure services from an existing framework contract or form our own. A number of framework contracts already exist but it was decided not to join them as their membership did not contain many local suppliers and none of them provided all of the services required.
4. The Public Contract Regulations state that required services are covered by the "light touch regime" and as such do not need to be advertised in the Official Journal of the European Union (OJEU). The opportunity was advertised on the council's e-tendering portal and contracts finder on 25 October 2016. A total of 45 companies expressed an interest in this opportunity. Of these, 24 were returned completed for evaluation. Several of the companies who returned tenders asked to be considered for multiple categories of service provision.
5. Evaluation of the tender returns involved establishing the suppliers organisational, quality, social, environmental, technical and service specific ability to provide the service required. The ITTs were marked in accordance with published criteria and the three to five highest scoring suppliers from each of the 11 categories identified. It is proposed to invite these identified suppliers to join the contract framework.
6. Of the 18 suppliers shown on Appendix A (who will be invited to join the framework in their chosen categories depicted with an x), the majority are small to medium enterprises (SMEs) with 13 based in East Anglia and 11 in the 'NR' post code area.



## Appendix A - Evaluation Results

Supplier	Barriers	Road closure signs	Genes distribution and electricians	Marquees	PA Services	Radios	Security SIA	Staging	Stage Lighting	Tracking	First Aid & Medical Services	Temporary Bar Facilities (income generation)
APMS Ambulance Ltd											x	
AA Media Ltd t/a AA Signs		x										
Wallace Outside Bars												x
CTR Secure Services							x					
ETS Sales & Hire Ltd					x				x			
HPSS Ltd					x			x	x			
Ideal Hire Ltd				x				x	x			
Link Radio Services						x						
Logic Services Management Ltd							x					
Ninehundred Communications Group Ltd						x						
One Big Star Ltd					x			x	x			
Production Bureau Ltd					x							
Production Services entertainment Ltd				x	x			x	x			
Security Solutions Yes Ltd	x	x	x	x		x	x		x	x	x	
SkillsTEC Ltd	x	x										
Stuart Group			x						x			
TSE Productions					x			x				
VTS Medical											x	



### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	14 December 2016
<b>Head of service:</b>	Nikki Rotsos
<b>Report subject:</b>	Event support services framework contract award
<b>Date assessed:</b>	05 December 2016
<b>Description:</b>	To advise cabinet of the tender process for the event support services framework contract carried out by the events and procurement teams and seek authority to award the contract to the selected suppliers.

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The financial consequences of this recommendation are likely to be positive. Consolidating the authority's event support service requirements through a framework contract agreement provides the opportunity to manage the arrangements effectively and realise cashable savings through increased competition.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Local people enjoy the events put on by the council and as the events are free to attend everybody can benefit greatly for the enjoyment.

	Impact			
<b>Equality and diversity (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Environmental (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
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>Risk management</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The risks associated with this recommendation have been assessed as low. The main risks are as follows:</p> <p>(a) Challenge to the tendering process by an unsuccessful supplier. This is unlikely as the procurement procedure as specified by the Public Contracts Regulations 2006 have been strictly followed.</p> <p>(b) The restricted number of suppliers appointed to the framework contract agreement colluding to inflate quotes to the authority in a cartel type arrangement. The risk of this has been reduced by adopted the Office of Fair Trading guidelines which includes continued monitoring of quotes against prevailing market conditions once the contract has been awarded.</p> <p>(c) There is a risk that suppliers may cease trading during the life of the framework contract. The impact of this risk is mitigated by having at least 5 individual suppliers for each category of service as it is unlikely that all will cease trading.</p>

Recommendations from impact assessment	
<b>Positive</b>	
<b>Negative</b>	
	Reduce the risk of framework members forming a cartel by continued monitoring of quotes against prevailing market conditions once the contract has been awarded.
<b>Neutral</b>	
<b>Issues</b>	

**Report to** Cabinet  
14 December 2016  
**Report of** Chief finance officer  
**Subject** Adjustment to Housing Capital Programme

**Item**

12

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**Purpose**

To seek cabinet approval for the virement of funds from the bathroom upgrades budget to the whole house improvement and Goldsmith Street new build social housing budgets, within the Housing Capital Programme.

**Recommendations**

To approve the housing capital budget virements, set out in paragraphs 3-6.

**Corporate and service priorities**

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

**Financial implications**

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

**Ward/s:** All wards

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

**Contact officers**

Justine Hartley, chief finance officer 01603 212440

Shaun Flaxman, group accountant 01603 212805

**Background documents**

None

## Report

1. The housing and non-housing capital programmes for 2016-17 were approved by cabinet and council on 3 and 23 February 2016 respectively.
2. The carry-forward of unspent 2015-16 capital budgets into the 2016-17 capital programme was approved following delegation to the executive head of regeneration and development, executive head of neighbourhoods and chief finance officer, in consultation with the portfolio holder for resources and business liaison, by cabinet on 8 June 2016.

### Housing capital programme virement

3. Cabinet is asked to approve the following capital virements relating to the neighbourhood housing element of the housing capital programme.

Scheme	Current budget	Virement	Revised Budget
Bathroom Upgrades	5,538,714	-700,000	4,838,714
Whole House Improvements	905,690	400,000	1,305,690
Goldsmith Street New Build Housing	8,736,801	300,000	9,036,801
<b>Total</b>	<b>15,181,205</b>	<b>0</b>	<b>15,181,205</b>

4. In accordance with paragraph 2(d) of the Financial Procedures, Cabinet approval is sought for the above virements as the value exceeds £200,000.
5. There has been a significant increase in the requirement for whole house improvements due to an increase in the number of dwellings becoming void where improvement work was previously refused by tenants. This work is required to ensure dwellings are re-let as soon as possible.
6. It has been advised that the contingency element for the Goldsmith Street new build housing project should be increased by £300,000 to provide a prudent level of cover. Further background detail is provided in Appendix 1 to this report.
7. The cost of both elements of this additional work can be covered from a projected underspend generated from contract savings against the bathroom upgrades budget.



<b>Report author to complete</b>	
<b>Committee:</b>	Cabinet
<b>Committee date:</b>	
<b>Head of service:</b>	Justine Hartley, Chief Finance Officer
<b>Report subject:</b>	Housing Capital Programme - budget virement request – period 7
<b>Date assessed:</b>	
<b>Description:</b>	To seek cabinet approval for the virement of funds within the Housing Capital Programme.

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

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