

Cabinet

Date: Wednesday, 12 December 2018

Time: 17:30

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

Committee members:

Councillors:

Waters (chair)
Harris (vice chair)
Davis
Jones
Kendrick
Maguire
Packer
Stonard

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Agenda

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1 Apologies

To receive apologies for absence

2 Public questions/petitions

To receive questions / petitions from the public.

Please note that all questions must be received by the committee officer detailed on the front of the agenda by **10am on Friday 7 December 2018**.

Petitions must be received must be received by the committee officer detailed on the front of the agenda by **10am on Tuesday 11 December 2018**.

For guidance on submitting public questions or petitions please see 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

7 - 20

To approve the accuracy of the minutes of the meeting held on 14 November 2018.

5 Fit for the future update

21 - 60

Purpose - To consider the progress made since last year when Cabinet received an update on a range of corporate initiatives designed to set the future direction for the council and make Norwich City Council "fit for the future" within the context of the approved four year financial sustainability plan.

6 Emerging 2019-20 Budget, Medium Term Financial Strategy and HRA business plan.

61 - 92

Purpose - This report summarises the emerging position, as currently known, for the General Fund revenue budget, the HRA Business Plan, and the council's capital programme.

7 Performance report Q2

93 - 108

Purpose - To report progress against the delivery of the corporate plan priorities and key performance measures for quarter 2 of 2018 – 19.

8	Revenue and capital budget monitoring 2018-19 - Period 7 Purpose - To update cabinet on the financial position of the council as at 31 October 2018.	109 - 128
9	Treasury management mid-year review 2018-19 Purpose - This report sets out the Treasury Management performance for the first six months of the financial year to 30 September 2018. This is in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management and Prudential Codes.	129 - 146
10	Scrutiny recommendations report Purpose - To consider the recommendations from the scrutiny committee held on 22 November 2018.	147 - 154
11	Procurement of a housing structural repairs contract - Key Decision Purpose - To advise cabinet of the procurement process for a housing structural repairs contract and to seek approval to award the contract.	155 - 162
12	Procurement of district heating works at Meadowsweet sheltered housing scheme - Key Decision Purpose - To advise cabinet of the procurement process for installing a new heating system at Meadowsweet sheltered housing and to seek approval to award the contract.	163 - 170
13	Procurement of demolition and remediation of the former Mile Cross depot - Key Decision Purpose - To inform Cabinet of the procurement process for the clearance, demolition and ground remediation of the former depot site at Mile Cross Road, Mile Cross and to seek approval to delegate authority to award the contract.	171 - 178
*14	Exclusion of the public 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.

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***15 Fit for the future update - exempt appendix (paras 3 and 5)**

- This report is not for publication because it would disclose information in respect of which a claim to legal professional privilege could be maintained in legal proceedings as in para 5 of Schedule 12A to the Local Government Act 1972.
- 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.

***16 Commercial Services Strategy - Key decision (paras 3, 4 and 5)**

- 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.
- This report is not for publication because it would disclose information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority as in para 4 of Schedule 12A to the Local Government Act 1972.
- This report is not for publication because it would disclose information in respect of which a claim to legal professional privilege could be maintained in legal proceedings as in para 5

of Schedule 12A to the Local Government Act 1972.

***17 Establishment of a new council owned company to manage private sector rental income collection - (para 3)**

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

***18 Commercial property investment strategy - Key Decision - (Para 3)**

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

Date of publication: **Tuesday, 04 December 2018**



CABINET

17:30 to 19:35

14 November 2018

Present: Councillors Waters (chair) Harris (vice chair), Jones, Kendrick, Maguire, Packer and Stonard

Apologies: Councillor Davis

Also present: Councillors Carlo and Wright

1. Public questions/petitions

Four questions had been received:

Question 1

Mr Jon Neville-Jones, chair of Norwich Leaseholders Association

“The Norwich Leaseholders Association recently submitted, under the Norwich City Council Corporate Complaints Procedure, a Stage 2 formal complaint regarding 11 Penn Grove. The response from Norwich City Council failed to answer specific questions in the complaint, and it was clear from the details in the response that the writer had not carried out a proper investigation into the case. Most importantly, virtually every part of the response has been shown by subsequent Norwich City Council letters and admissions to have been incorrect and untrue.

The Norwich City Council response did not uphold the complaint, but as soon as tribunal proceedings started, Norwich City Council changed position, admitted the truth, and agreed to refunds of circa £70,000 to Leaseholders. This in itself shows that questions must be asked about the previous Norwich City Council response to the complaints.

Given that the recent Norwich City Council response to a Stage 2 Formal Complaint made statements that Norwich City Council have subsequently admitted were incorrect and untrue, failed to address key questions asked, and failed to carry out a proper investigation, what changes does Norwich City Council intend to make to ensure that in future Norwich City Council has a Corporate Complaints Procedure which is valid, functioning and fit for purpose, rather than a whitewash?”

Question 2

Mrs Diana Neville-Jones

“The Nolan Principles include honesty, openness, integrity and accountability.

The service charges levied by the homeowner’s team against 11 Penn Grove and 22 other properties have been questioned, by the leaseholder and others, for more than a year. During this period, in meetings and extended correspondence, the Norwich City Council homeowners team stonewalled, changed position, and changed explanation.

If the homeowner’s team had exhibited the Nolan principles of honesty, openness, integrity and accountability, then the truth would have become clear a year ago. Instead, it took the opening of tribunal proceedings for the homeowners team to change their position and their explanations, agree that charges should not have been made, and agree refunds of circa £70,000 plus tribunal costs.

What changes does Norwich City Council intend to take to ensure that in future the Norwich City Council homeowners team will adhere to the Nolan Principles, to avoid others only being able to achieve honesty, openness, integrity and accountability by resorting to a tribunal?”

Laura McGillivray, chief executive officer’s response:

“The director of neighbourhoods and myself met Jon Neville-Jones and Diana Neville-Jones on Monday to listen to a number of concerns they had raised directly with me as chief executive officer.

The meeting was useful and we hope productive for those attending. A number of points were discussed and these will be looked at in more detail with the relevant officers from the council and NPS Norwich. These include:

- The preparation of an action plan to see an improvement in relations between the council and the Norwich Leaseholders Association and individual leaseholders
- The scoping of major works and the consultation that is undertaken with leaseholders
- The communication with leaseholders when the scope of works change due to site conditions and which lead to increased costs
- The records held on works undertaken on council and leasehold properties
- The apportionment of the cost of works between properties
- The administration of works undertaken and the issuing of warranties for works completed

It is important that the council provides a good service to leaseholders and leaseholders are treated fairly with clear, effective and timely communication and information.

Our discussion also centred on how the council and Norwich Leaseholders Association can have an improved working relationship and some possible areas were touched on where the two parties can work more collaboratively.

It was the view of the director of neighbourhoods and myself that the council's complaints process was fit for purpose but in the case discussed, it had not been used effectively.

We are confident that the council and NPS Norwich officers had provided information honestly based on what was available or had been provided to them at the time.

There are a number of lessons that can be learnt from this case and we are confident that they will be implemented in future."

In response to a supplementary question from Mr Neville-Jones, the chief executive officer said that staff had responded with the information they had available, it proved later that this information was incorrect. The process had been too reliant on the recall of officers and this was why one of the action points identified was to look at the records held on works undertaken on council and leasehold properties.

In response to a supplementary question from Mrs Neville-Jones, the chief executive officer said that the response provided gave the actions the council proposed to take.

Councillor Harris, cabinet member for social housing said that the council wanted a positive relationship with leaseholders and the Norwich Leaseholders Association. She acknowledged that some households might not understand the future charges they would be responsible for when they exercised their right to buy and went on to struggle to pay charges. She said it was important to explain these implications to households when they were considering right to buy.

She highlighted that the recent safety work on tower blocks doors which the council had completed had not been recharged to leaseholders. She emphasised that the council sought best value when undertaking repairs and maintenance works.

She thanked Mr and Mrs Neville-Jones for raising important points and looked forward to a positive future relationship with Norwich Leaseholders Association.

Question 3

The chair said the third public question was received from Mr Conrad Jones who was unable to attend to ask his question in person.

Mr Conrad Jones

"The recent 'Lethal but legal' air pollution report from the Institute for Public Policy Research (October 2018) says that "Of the 40,000 deaths linked to air pollution in the UK every year, 29,000 are caused by exposure to the pollutant PM2.5". Domestic wood burning accounts for nearly three times more of these small particulates than road traffic, yet it is not mentioned in the council's 2018 air quality report. Whilst efforts to reduce emissions from traffic should

continue, can the council outline its strategy for tackling this even more deadly source of air pollution?”

Councillor Maguire, cabinet member for safe city environment’s response:

“At present the council is not required to have a strategy to reduce pollution from domestic wood burning. There are, however, 3 nominated smoke control areas in Norwich (Bowthorpe, Airport area, and parts of the city centre). In these areas householders are required to burn only specific smokeless fuels; if they are using unauthorised fuels, such as wood, they are required to use equipment specified in a list provided by DEFRA.

The 2018 Air Quality Annual Status Report on the council website in Section 2.3 and Table 2.2 does, however, give details of the action currently being taken in relation to non-domestic PM2.5 which includes:

- Monitoring PM 2.5 at the AURN station at Lakenfields and our own roadside monitoring unit:
- Working with partners within the Norfolk Environmental Protection Group to ensure regular two way engagement with representatives of Public Health England and the Director of Public Health at Norfolk County Council
- Keeping up a direct dialogue with Norfolk county council highways’ department regarding changes to road traffic layout where PM 2.5 exposure will be considered alongside other pollutants as part of this dialogue
- The minimisation of airborne particulates will continue to be an important factor in all planning application considerations. Developers are encouraged to be part of the considerate contractor scheme and have a fully adhered-to onsite Environmental Policy
- Table 2.2 in the 2018 air quality annual status report provides more detailed information on the action progress.

The council recognises that, in the future, work will be required in the light of recent studies into PM 2.5s. The government recently went out to consultation on the use of cleaner fuels for domestic burning which included a section on domestic wood burning. Details can be found on the following web pages:

<https://www.gov.uk/government/consultations/air-quality-using-cleaner-fuels-for-domestic-burning>

Norwich City Council's Air Quality Action Plan is due for renewal in 2020. This will give opportunity for us to update our actions where appropriate according to the latest studies and any changes to legal requirements that come out of the consultation. In the meantime as well as the smoke control areas, the council has published a leaflet advising residents

on how to use wood burning stoves correctly thereby reducing particulates and smoke. This can be found on our website as follows:"

https://www.norwich.gov.uk/downloads/file/4278/open_fires_and_wood_burning_stoves

Question 4

Councillor Ben Price, chair of audit committee

"My question is in reference to item 5 on the cabinet's agenda, the Introduction of a Community Infrastructure Levy Exceptional Circumstances Relief Policy.

As the chair of the audit committee and in the interest of establishing fairness, transparency and governance, over which that role has jurisdiction, I am asking the cabinet to show that an appropriate governance process has been undertaken in relation to this proposed policy.

Specifically, can the cabinet show the process followed for establishing that there is a need for this policy, and also, guarantee fairness and transparency in the future application of the policy? This governance process should also include the consultation of internal audit officers so that they can provide reassurance to the audit committee in the future.

Can the cabinet member explain in absolute detail how these conditions have been considered and implemented so that we can be in no doubt whatsoever that there are no governance issues, that the policy is transparent and that it will be implemented fairly?"

Councillor Waters, leader of the council's response:

"The process followed for bringing forward the policy has been in accordance with the requirements of the constitution, being brought to cabinet and then to council at the end of this month. Internally the report went through the normal process with senior officers being able to comment on emerging drafts. In terms of specific consultation with internal audit officers this is not a requirement for cabinet reports. Items for cabinet are advertised in the public domain prior to any meeting and all reports are available for audit to review should they so wish.

The report to cabinet in September noted that when a Community Infrastructure Levy (CIL) was introduced in 2013 a Community Infrastructure Levy Exceptional Circumstances Relief Policy was not introduced but that this would be kept under review. That cabinet report also noted that the council had become aware of a small number of pipeline development schemes with complex issues that may be unviable if they are required to pay CIL in full. The policy was proposed as a way to avoid rendering sites with specific and exceptional cost burdens unviable. Before Exceptional Circumstances Relief (ECR) would be granted a viability assessment showing that schemes would not be viable if obliged to pay CIL would need to be completed and these

would be in the public domain. This is illustrated by the flowchart in the cabinet report on page 16.

It should be remembered that many authorities who have a CIL in place do also have an ECR policy in place too, as evidenced by the report brought to cabinet tonight. These policies are not rare, however, as they are only there to allow genuinely exceptional development to proceed which would be prevented by CIL there are few examples of where the policy has been applied.

Transparency is maximised and governance issues are addressed by the proposal for planning applications committee to consider and determine every application for ECR. The committee would benefit from the district valuer's viability assessment and the role of the independent advisor and as the committee is conducted in public people are able to observe proceedings.

I welcome your question and will incorporate the extra points raised in this response into the report if approved tonight at cabinet for full council to consider to clarify the roles of the district valuer and independent advisor in the flowchart."

In response to a supplementary question the chief executive officer said that the impact of ECR on the council's medium term financial strategy would occur only where CIL was built into budget. She highlighted later that as CIL contributions were pooled across the Greater Norwich area the funds were not allocated in the council's budgets until allocated out of the pool. Therefore ECR could not impact on planned budgets.

2. Declarations of interest

Councillor Kendrick declared an 'other' interest in items 13, 14, *16 and 17 in that he was a director on the board of Norwich Regeneration Limited.

The chair noted that Councillor Stonard would be late to the meeting but had an 'other' interest in items 13, 14, *16 and 17 in that he was chair of the board of Norwich Regeneration Limited.

The chief executive officer said that on item 13, the managing director of Norwich Regeneration Limited was available to answer any member questions but he had an 'other' interest in that he was an employee of the company.

3. Minutes

RESOLVED to agree the accuracy of the minutes of the meeting held on 10 October 2018.

4. Introduction of a Community Infrastructure Levy Exceptional Circumstances Relief Policy

Councillor Waters, leader of the council presented the report. He said the report identified how Exceptional Circumstances Relief policies (ECR) were applied elsewhere; including the costs for applications for ECR and where these costs would

lie. The report proposed that the costs of an independent assessor, and officer time for the work on any application would be borne by the applicant.

He highlighted that there were a mix of councils operating ECR policies. He said a greater number of these were urban authorities inevitably, because they had brown field sites which required development.

He emphasised that the adoption of the policy would enable complex development sites to go forward. These sites would not go forward without ECR and logically there could be no loss of Community Infrastructure Levy income as they would not progress without relief.

This policy was for exceptional cases. The bar to accept an application would be high; the council's planning applications committee would need to be convinced of the wider regeneration benefits of a development and satisfied there was a genuine financial need for relief to be granted. The applicant would have no right of appeal for any refusal to grant relief, they could ask for reconsideration only. It would be possible following an assessment of an application to grant full relief or a proportion of that.

He said that the report to council would include greater detail on how transparency would be achieved, a descriptor of wider regeneration and greater detail on the process for appointing an independent viability assessor.

In response to member questions the head of planning said that it was theoretically possible for a planning application to be granted and then an application for ECR to be made. However, it was anticipated that in the vast majority of cases, bearing in mind these applications were envisaged to be rare, that the planning applications committee would know that an application for ECR was to be made when considering a planning application. There was provision in the policy to stop a site being sold to another developer once ECR was granted.

The head of planning said as the policy would be used in exceptional circumstances it was difficult to have in place a criteria for the type of development which would qualify. The research conducted showed there were many examples of councils adopting an ECR policy but few examples of the policy being used. The sites where it had been used were not of one particular type or characteristic and due to the exceptional nature of applications the councils where ECR was in place did not set a great deal of criteria for determining applications. He referred to appendix 1 of the report and noted that most councils with an ECR policy did not include a paragraph on regeneration as Norwich had.

He said that there was no rule within the proposed ECR policy to stop a developer applying for other sources of funding but the expectation would be that these would have been applied for prior to an application for ECR being made. It was not possible to determine which sites in Norwich had not been developed due no ECR in place. However, it was possible to highlight a number of sites in Norwich which had not been developed.

He clarified that before ECR could be granted a planning permission would have to be in place. Part of determining a planning application included the consideration of section 106 funding to provide the necessary infrastructure for a development to go ahead.

RESOLVED to:

- 1) recommend that council approves the introduction of the Community Infrastructure Levy Exceptional Circumstances Relief Policy, as set out in appendix 1 of the report to September cabinet as amended and reattached as part of Appendix 3;
- 2) resolve that should council approve the introduction of the policy that authority is delegated to the director of regeneration and development, in consultation with the portfolio holder for sustainable and inclusive growth to introduce a charging policy similar to the one described in para 18 of this report; and
- 3) recommend that council amends appendix 4 to the council's constitution to include the "Power to determine applications for Exceptional Circumstances Relief from the Community Infrastructure Levy" within the list of powers available to planning applications committee.

(Councillor Packer left the meeting at this point)

5. Norfolk County Council's consultation on early childhood and family Service transforming children's centres

Councillor Waters, leader of the council presented the report. He thanked the scrutiny committee for their work which provided a valuable contribution to the council's response. He said the plan to reduce the number of children's centres in Norwich to one was a massive reduction in provision which would have a real impact on families. There were also potentially serious consequences in terms of cost shunting.

Valuable outcomes were achieved by having early years provision located in buildings. A member said that the value of having a building was that other services started to deliver from that location and it became a hub enabling joint working and information sharing to take place. Another member commented that the loss of provision would impact detrimentally on early diagnosis and prevention of issues within families. A member noted that it would have been of benefit to be notified in advance of the proposals as suggestions that services could be delivered from community centres had not been discussed.

In response to a member's question the director of neighbourhoods said the council response to the consultation said that its view was that no centres should close. He said buildings were required to provide a facility for families to build their confidence within; this was not always possible on an outreach basis. Norwich was in a different position to the rest of Norfolk due to its high levels of child poverty.

(Councillor Stonard entered the meeting at this point)

RESOLVED to approve the council's response to Norfolk County Council's consultation on proposals to redesign children's centres and early childhood and family services as described in the report.

6. Norfolk Strategic Infrastructure Plan refreshed for 2018

Councillor Waters, leader of the council presented the report. He said it was a strategic document which worked in conjunction with other partners to improve infrastructure across the county.

In response to a member question the director of regeneration and development said that the document incorporated a compendium of projects that were reviewed and updated constantly. There would be opportunities to engage with environmental considerations as projects moved forward.

RESOLVED to:

- 1) endorse the strategic and inclusive approach to infrastructure planning; and
- 2) agree the Norfolk Strategic Infrastructure Plan

7. Scrutiny committee recommendations

Councillor Kendrick, cabinet member for resources asked Councillor Wright in his role as chair of scrutiny to present the report.

Councillor Wright said that the scrutiny committee had considered actions the council could take which would impact on County Lines and Operation Gravity and decided on a number of recommendations.

The chief executive officer said that the Norfolk Community Safety Partnership had identified County Lines as its top priority for collaborative working. She suggested a further recommendation be considered to provide safeguarding training to Norwich City Council councillors on safeguarding and the process for reporting concerns.

RESOLVED to consider addressing the issues of County Lines through the city council's services and influence, as follows:

- 1) liaise with contractors to provide front line staff with training on safeguarding and awareness of County Lines and that there is a process for reporting incidents to contribute to intelligence gathering;
- 2) provide Norwich City Council Councillors with training on safeguarding and awareness of County Lines and that there is a process for reporting incidents to contribute to intelligence gathering;
- 3) following consultation with the police, that the council explores the removal of tags which demarcate the territories of drug gangs;
- 4) review the licensing policy and procedures to ensure that County Lines' activity is captured particularly in relation to the fit and proper test in relation to licences for private hire drivers and hackney carriage drivers; and
- 5) review tenancy agreements and procedures for rapid response to County Lines' activities and treatment of vulnerable tenants "cuckooed" by criminals.

8. Procurement of Energy White Label - key decision

Councillor Maguire, cabinet member for safe city environment presented the report.

He said that price rises for electricity disproportionately affected the poorest households. The procurement of White Label Energy aimed to help those vulnerable households at risk of fuel poverty whilst also being environmentally sound. A number of projects had been considered but White Label had been deemed the best. The supplier chosen, ENGIE, was a living wage employer and the energy provided was 100% renewable both for the gas and electricity.

One of the tariffs households could choose offered the option to contribute funds to another local household experiencing fuel poverty.

In response to a member's question the environmental strategy manager said ENGIE planned to explore local options for bio gas generation such as farm waste and water treatment plants.

RESOLVED to award the energy white label contract to ENGIE Power Ltd.

9. Procurement for the supply, installation and commissioning of new boilers and equipment at Fellowes Close sheltered housing - key decision

Councillor Harris, cabinet member for social housing, presented the report.

RESOLVED to award the contract to install a new heating system at Fellowes Close sheltered housing to Panks Engineering Ltd.

10. Procurement of works to refurbish the grounds maintenance storage and welfare facilities at Eaton Park - key decision

Councillor Kendrick, cabinet member for resources presented the report.

RESOLVED to delegate approval to the director of neighbourhoods in consultation with the portfolio holder for resources to award the contract for refurbishing the grounds maintenance storage and welfare facilities at Eaton Park

11. The award of contract for closed circuit television system upgrade and control room relocation - key decision

Councillor Maguire, cabinet member for safe city environment presented the report. He highlighted that since the introduction of a surveillance camera commissioner the justification for locating CCTV cameras had to demonstrate that the balance between public protection and privacy had been considered.

RESOLVED to delegate authority to the director of neighbourhoods, in consultation with the cabinet member for safe city environment, to award a contract for closed circuit television system upgrade and control room relocation.

12. The award of a contract for works to private sector leasing scheme properties - key decision

Councillor Harris, cabinet member for social housing, presented the report. She noted that the costs incurred on the contract would be recharged to property owners and tenants.

RESOLVED to approve the award of a contract for works to private sector leasing scheme properties to Gasway Services Ltd.

13. Norwich Regeneration Ltd - feasibility work on additional projects

(Councillors Stonard and Kendrick had declared an 'other' interest in this item)

Councillor Harris, cabinet member for social housing, presented the report.

In response to a member question she said that building and construction methods had changed and this enabled feasibility work to be considered for building on Argyle Street.

RESOLVED to agree that feasibility work (as set out in paragraph 2 of the report) is carried out on the following projects to be taken forward by Norwich Regeneration Ltd:

- 1) Argyle Street
- 2) Bullard Road
- 3) Mile Cross
- 4) Investigation into a design guide

14. Bullard Road redevelopment project - key decision

(Councillors Stonard and Kendrick had declared an 'other' interest in this item)

Councillor Harris, cabinet member for social housing, presented the report. She highlighted the high demand for social housing which existed in Norwich and that there were a limited number of larger properties within the council's housing stock. It was important that once the Norwich City Council offices at Bullard Road were vacated that the building not be left vacant. She noted that any redevelopment was subject to normal planning application procedures.

RESOLVED to:

- 1) approve the refurbishment and development of new council homes on the Bullard Road office site; and
- 2) awards a contract for the proposed works to Norwich Regeneration Limited, subject to budgetary provision being agreed by Council; and

Recommend to council to allocate a total of £1,100,000 in the housing revenue account capital programme for the proposed works, by increasing the 2018/19 housing revenue account capital programme by £300,000 with the remaining £800,000 to be spent in 2019/20.

***15. Exclusion of the public**

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

***16. Mile Cross Depot Redevelopment – key decision (paragraph 3)**

(Councillors Stonard and Kendrick had declared an 'other' interest in this item)

Councillor Stonard, cabinet member for sustainable and inclusive growth, presented the report.

(The public were re-admitted to the meeting)

17. Mile Cross Depot Redevelopment – key decision

(Councillors Stonard and Kendrick had declared an 'other' interest in this item)

Councillor Stonard, cabinet member for sustainable and inclusive growth, presented the report. He said the recommended option would ensure the development of much needed housing in the area, 33% of which would be affordable housing. It would also provide leisure and community facilities.

In response to a member question the chief executive officer said that the scheme was eligible for funding from One Public Estate because it sought to bring partners together in terms of the provision it would provide.

RESOLVED to:

- a) further investigate the viability of providing leisure and community facilities on part of the Mile Cross depot site;
- b) agree that the resultant costs of further exploring option 3 of £220k is funded from the spend to save reserve. A grant of 50% is currently being sought from One Public Estate;
- c) agree in principle that part of the Mile Cross depot site is transferred to the ownership of Norwich Regeneration Limited for housing development with the final decision bought back for cabinet approval in May 2019;
- d) agree that £0.9m of the remaining approved loan facility between the council and Norwich Regeneration Limited, of £1.882m, can be utilised by the company to fund the costs of obtaining detailed planning consent for the housing development.
- e) delegate the approval of an updated loan agreement to the Chief Executive in consultation with the Chief Finance Officer and the Portfolio Holder for Resources.

***18. Exclusion of the public**

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

***19. Managing assets (housing) - key decision - (paragraph 3)**

Councillor Harris, cabinet member for social housing, presented the report.

RESOLVED to approve:

- 1) the disposal of the freehold interest in the asset; and
- 2) that the capital receipt from the disposal be reinvested in the housing capital program for improving, repairing and maintaining our housing stock or for enabling new affordable housing.

CHAIR

Report to Cabinet
12 December 2018
Report of The Chief Executive Officer
Subject Norwich City Council Fit for the Future Update

Item

5

Purpose

To consider the progress made since last year when Cabinet received an update on a range of corporate initiatives designed to set the future direction for the council and make Norwich City Council “fit for the future” within the context of the approved four year financial sustainability plan.

Recommendation

To:

- 1) endorse the progress made to date on developing a new vision, corporate plan and operating model for the council; and
- 2) continue with the approach previously agreed to balance future budgets within the MTFS.

Corporate and service priorities

The report helps to meet all corporate priorities and should be read in conjunction with the Emerging 2019/20 Budget, Medium Term Financial Strategy (MTFS) and HRA Business Plan report.

Financial implications

This report sets the approach towards balancing the budget and meeting the requirements of the Medium Term Financial Strategy. Invest to save funding is being used to support the programme.

Ward/s: All wards

Cabinet member: Councillor Waters - Leader

Contact officers

Laura McGillivray - Chief Executive Officer 01603 212001

Helen Chamberlin - Head of Strategy and Transformation 01603 2122356

Background documents

None

Report

Background

1. Over the last 10 years Norwich City council has faced significant financial challenges. The council has responded with a planned and carefully managed approach, looking ahead to smooth required savings out across future years, and seeking to protect front line services wherever possible.
2. In June 2016 Cabinet resolved to adopt a forward looking approach to ensure it had the best possible opportunity to meet these financial challenges and match the shape and style of the council to the resources available noting in particular that *“the council has reached the point where the potential for reconfiguration of services is increasingly limited and a redesign of the council is necessary. With the resources available to the council in future it will not be able to meet the aspirations of the corporate plan and new priorities need to be set that can be delivered within the resources available”*.
3. A report was approved by Cabinet to initiate a process to:
 - Work with partners in the public, private, voluntary and community sector to develop a new city vision
 - Develop a revised corporate plan, priorities and performance measures which reflect that council's part in supporting that vision
 - Determine a new blueprint or operating model to guide how the council works in future, which reflects available resources.
 - This report is designed to update on progress against this approach since the last update report, provided to Cabinet in December 2017.

Financial and wider context

4. The accompanying report, Emerging 2019/20 Budget, Medium Term Financial Strategy (MTFS) and HRA Business Plan, summarises the emerging financial position including proposed savings for 2019/20. Whilst the housing revenue account appears to be reasonably stable at this time due to changes in Government policy, the report also sets out medium term financial projections to 2022/23, showing an annual smoothed gross savings requirement for the general fund of £2.64m each year.
5. However, next year, 2019/20, represents the final year of a four year funding settlement for the general fund which was designed to give local authorities greater certainty and confidence in funding levels subject to the submission of a “financial sustainability plan”. A number of factors make funding after 2019/20 particularly uncertain, including the government's Fair Funding Review, the outcomes of Spending Review 2019 and expected business rates changes including retention levels, tier splits and changes to the business rates baseline, not to mention Brexit
6. The context in which the council is operating is also becoming more complex and uncertain. Appendix 1 refers to a report on the impact of austerity in the UK from the UN special rapporteur on extreme poverty and human rights. Locally, public sector organisations are withdrawing programmes and cutting

services that affect the residents of Norwich, increasing pressure on council services. The evidence that has been gathered as part of the city vision process, on which further detail is set out below, demonstrates the challenges facing the city, including increased rough sleeping, poor social mobility and high levels of inequality. Appendix 2 is the latest 'State of Norwich' report.

7. This financial uncertainty and the broader public sector and societal context make it all the more important that the council continues to plan ahead and to think boldly about the council's role in the city and how the council should operate, to ensure it can continue to deliver for Norwich despite the challenges it faces.

City Vision – progress

8. Significant progress has been made here and the Norwich 2040 city vision was launched in November at a conference, one year on from the city vision launch conference.
9. Around 160 representatives from businesses, organisations and community representatives attended. Delegates heard from speakers from the city and county councils, St Martins Housing Trust, Norwich Business Improvement District, Create Norwich, as well as co-chairs Councillor Alan Waters and Jasmine Mickleburgh, chair of Norwich Youth Advisory Board. They were taken through examples of work that is already underway – and called on to join together and take action – to make the city we want it to be in 2040.
10. There was much positivity amongst delegates and a real understanding for the need to work together to achieve the aims and aspirations of the vision.
11. The vision themes: creative, liveable, fair, connected and dynamic, were developed from evidence gathered from a wide ranging set of public engagement events and consultation over the last year including:
 - A youth conference, held in May, to ensure the voices of young people could be heard within the vision. This involved around 40 delegates. Their views largely aligned with those expressed elsewhere in the public consultation process, but with additional themes around young people having a voice, and challenges around:
 - cleanliness in the city centre
 - more free activities for 11-18-year olds
 - mental healthcare provision
 - improving the digital infrastructure
 - sustainability
 - living a healthy lifestyle
 - closing the gender pay gap
 - crime
 - transport
 - The completion of a series of focus groups including with the general public, staff, and members

- 1,600 responses to a public consultation on strengths and challenges facing the city
 - In depth stakeholder interviews with businesses, voluntary and community groups education providers, and statutory agencies, including health and probation
 - The continuation of a series of meetings with city leaders including the Vice chancellors of UEA and NUA, the Dean of the Cathedral, the chair of the Norwich Business Improvement District, the Chief Executive of the Forum and a senior Director of Aviva.
12. This wide ranging engagement and consultation has enabled the creation of a vision that is shared by key organisations and citizens and allows us to collaborate across the city to tackle the major issues that need to be resolved to reach our ambitious vision for in 2040.
13. The themes (see appendix 3) included in the city vision are:
- A creative city – Norwich is a place where culture and creativity play an important part in how the city feels about itself and others perceive it. In 2040, Norwich will be world-renowned for its creativity – a leader in innovation, culture, education and invention.
 - A liveable city – The city takes pride in being a place with a great local environment that people value. We are committed to shifting to clean energy by 2040 (carbon-neutral by 2050). We will support and promote sustainable living – where today's citizens meet the needs of the present without compromising future generations.
 - A fair city – Norwich is a place where many already enjoy a great quality of life. By 2040, the health, wellbeing and life chances of all our citizens will be improved. We will remove barriers to achievement and a high standard of living will be enjoyed by everyone.
 - A connected city – At the heart of any good city is how well it connects with both its citizens and the world at large. In 2040, Norwich will have a modern transport system, be at the forefront of digital connectivity and create opportunities for all residents to link with each other.
 - A dynamic city – Today Norwich has two successful universities and thriving life sciences, creative, tech, leisure and retail sectors. In 2040, Norwich will be a place where entrepreneurs, social enterprises, national and global companies choose to provide good jobs, prosperity and success.
14. Some future gazing work around the themes is needed in order to understand what the possibilities are for Norwich in 2040. Therefore, over the coming weeks and months officers will orchestrate collaborative approaches to specific pieces of work that contribute to the delivery of the vision themes. This will include:
- working with cultural organisations and individuals to identify and create cultural opportunities for all
 - developing a local response to the national and global challenges of climate change
 - identifying what will a well-connected city of the future look like and commission research on what connectivity means for the city in 2040

- determining how we develop an inclusive economy, what it means for Norwich and what changes are needed, using the low wage economy research as a starting point for change
 - working with marketeers to develop a brand, set of shared principles and messages to promote Norwich.
15. Regular updates and details of projects, opportunities and success stories will be sent out to stakeholders via the Norwich2040 mailbox as well as holding another event to showcase our successes and develop the next phase of the vision. Information will also be placed on the vision website

A new corporate plan – progress

16. Over the last two years the narrative within the corporate plan has been refreshed to better reflect the context in which the council is working, but the priorities have remained. To reflect the city vision, the financial context and ongoing wider challenges across the public sector the council's corporate priorities will be changed for 2019/20.
17. Three new priorities are proposed:
- People live well
 - Great neighbourhoods, local environment and housing
 - Inclusive economy
18. The priorities are being developed to recognise their interconnected nature and the likelihood that many areas of work will impact on two or three of them, or require trade -offs between them. The strategies behind each priority are also being developed to recognise the different roles the council may play: delivery, enabling and influencing, linking back to the collective responsibilities of the city vision.
19. Employee engagement and clarity around their roles in delivering these new objectives will be important. Consequently the strategies that sit underneath these priorities are being developed in a collaborative way with colleagues from across the council. Service plans will be replaced by cross cutting strategies and team plans will be adapted to ensure a golden thread from each employee up to the corporate priorities and encourage a more joined up way of working as envisaged in the new operating model.
20. Alongside changes to the corporate plan, the council is also developing a new performance framework to better measure its impact and to ensure the link to the wider city vision is maintained. It is proposed that this should include output measures; quality or quantity measures of the council's own activities, and outcome measures; measures of the "real world" position. The current performance framework includes a mixture of output and outcome measures and showing them separately will allow for greater clarity around how the council is delivering its own activities, whilst ensuring a continued focus on the real world impact and identification of areas where an enabling or influencing role could be adopted.
21. A draft of the corporate plan will published on 5 December for scrutiny committee on 11 December, and will go to Cabinet on 16 January and Budget Council.

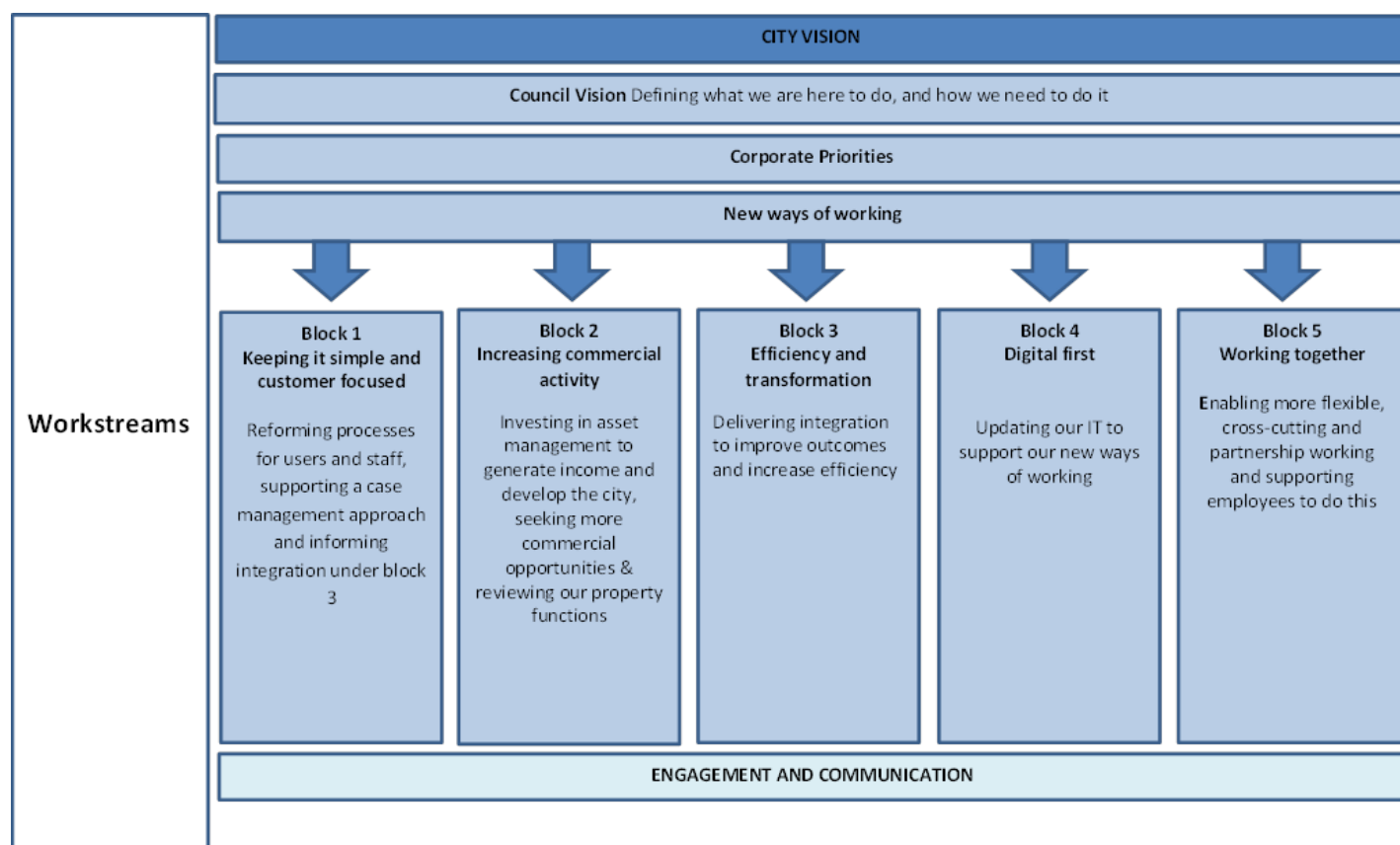
A new blueprint or operating model – progress

22. As set out in the fit for the future update to Cabinet in December 2017, work to develop a new operating model commenced in September 2017 facilitated by an external company, Ignite. The first phase, which concluded in February 2018 included:

- consideration of the principles that should inform this work; for example the customer experience and building customer capability
- analysis of activity across the council and the consideration of job functions
- consideration of how processes could be re-designed to support new ways of working
- testing the operating model against a “future model”

23. A second phase of work was undertaken internally between March and July 2018 to analyse the findings from phase one, consider the impact of the city vision and the development of new corporate priorities on operating model options and run sessions with representatives from each service area to consider their views.

24. From this work, a new vision of the way in which the council needed to work was developed; summarised in appendix 4. Service representative views were sought on what would enable them to work in this way, and what the barriers were. Those views, combined with the Ignite and other analysis, enabled the development of a work programme to deliver this new way of working; an overview is shown in the table below:



25. Progress against the city vision and corporate plan areas of the fit for the future programme has already been described. The following section describes progress around the five blocks to deliver the new ways of working.

Block 1: Keeping it simple and customer focused

26. Whilst significant progress has been made over recent years to streamline council processes and enable those customers who can to self-serve, both Ignite and service representatives involved in helping to shape the new operating model identified that more work was needed, to place the customer at the heart of council processes, and to streamline these as far as possible.
27. A programme of customer journey mapping will be undertaken to consider customer's ideal journeys and identify the process, IT changes, structures or job function changes that would be required to deliver them. The aim is to enable greater self-service, improve the experience for customers and create more efficient processes, with consequent potential for savings.
28. Eight employees have volunteered to act as advisors and facilitators to customer journey mapping, and for each customer journey area, service area experts will be involved. The aim is to also ensure the customer can be involved in the process, though this may not always be possible.
29. The decision to use volunteers rather than external support was driven by the desire to ensure an understanding of customers is embedded across the organisation. This will also support employee development through the training provided and the opportunity that arises from undertaking analysis and facilitation in areas outside of the volunteers own service area.
30. A methodology for customer journey mapping has been developed and volunteers have been given two days of training. Three pilot areas have been established to test the methodology and process, and data analysis is being undertaken to determine the first priorities for customer journey mapping once the pilots are complete. The full programme of customer journey mapping will commence in January.

Block 2: Increasing commercial activity

31. The council is increasingly reliant on income from commercial property to support the delivery of its services, and has an ambitious programme of regeneration projects to deliver housing, employment and public realm opportunities across the city. These will contribute to its corporate objectives and the city vision and support a growing council tax and business rates base. The cabinet report "Commercial property investment strategy 2018/19-2020/21" provides some further detail.
32. The council has made good progress in this area over recent years, but to meet its ambitions for the future an assessment is now needed of the skills and capacity required to take these programmes forward, and of the best structures in which to do so.
33. The first stage has been to define the council's strategy and ambition in this area; the aforementioned report contributes to this and work has also been undertaken to prioritise the current programme of regeneration sites. The next stage will be to undertake an independent analysis of the skills and capacity

required to successfully deliver these programmes, and of the options to deliver this.

Block 3 Efficiency and transformation

34. Some of the key objectives of the council's new operating model are to encourage a greater focus on outcomes and the needs of customers and citizens, to enable more joining up across teams and with external partners to deliver effectively, and to encourage a more adaptable approach, to ensure the council is able to respond to emerging issues. Much of this will be supporting through block 1, keeping things simple and customer focused and block 5, working together. However, it is anticipated that some restructuring will be required to better integrate teams where they are working on similar issues, and to introduce more themed working around key issues. In doing so the aim will be to improve delivery, but also to deliver efficiencies across the organisation.
35. It is not possible to say at this stage exactly what changes will be implemented as further work, including through customer journey mapping under block 1, is required to analyse the options. This analysis is underway and any restructures will be managed in the normal way and in line with all relevant HR policy and best practice.

Block 4 Digital first

36. The council's IT and digital infrastructure will be a critical element in supporting the new operating model. Back office systems at the moment are not always able to "talk" to each other, limiting the amount of joined up analysis and working that can be done, the use of data and the use of mobile technology. This can also lead to duplication of work to input information into each system.
37. A proposal for a new digital platform has been developed. This is an additional infrastructure layer that acts as a communications 'broker' for all systems and applications. The digital platform holds all of the rules defining how data and services should be processed, and manages that processing. Currently, all the various, complex, many-to-many interactions between systems are maintained individually and in the main manually (double entry of data) – a change in one system will require multiple changes across the other impacted systems. By bringing all that complexity into a single managed platform, the impact, cost, and risk of change is greatly reduced – a change in one system will only require a parallel change in the digital platform and will be invisible to all the other systems.
38. A pilot of this new digital platform is being undertaken, to test its functionality and fit with other systems. The aim is for the trial to conclude in April and May but expect to have sufficient information to inform longer term decisions on the digital platform by February.

Block 5 – Working together

39. As set out under block 3, much of the change in the council's operating model will be around culture and behaviour: supporting employees to work in a more joined up way internally and externally, with the customer and citizen at the heart of their thinking and with a problem solving and flexible approach.

40. To understand how best the council can support employees towards these outcomes, several sessions were held with service representatives to understand what lessons can be learned from where this approach is already in place within the council and what barriers get in the way of employees working in this way.
41. Much of the fit for the future programme has been designed to remove the barriers service representatives mentioned; for example with changes to IT under block 4 and improved processes under block 1. In addition, it is anticipated that projects will be undertaken within block 5 to:
- pilot new ways of working and share lessons
 - adapt the “soft” infrastructure of the organisation, for example job descriptions, appraisal and recruitment processes to better align to this new way of working and
 - to provide guidance and training to employees to support the change.
42. Work under this block will commence once HR organisational development resource is in place. This expertise is important to ensure the projects undertaken focus on the right areas to best enable employees to work in line with the new operating model. It is anticipated that work will be able to commence early in the new year.

Employee engagement and communication

43. Communication and engagement with employees throughout the development of the fit for the future programme has been, and will continue to be, critical. Employee views on what the council is here to do and how it should operate is needed to shape the programme, and their involvement and engagement in its delivery will be central to its success.
44. Through the Ignite process around 35 employees volunteered to act as service representatives, filling in activity analysis sheets, attending workshops and feeding back to their colleagues. Once the Ignite work finished this group was expanded to 58 employees who have been involved in defining the new operating model, shaping the programme to deliver that model, and identifying, in particular:
- priority process areas for Block 1: keeping it simple and customer focused
 - barriers and enablers to new ways of working that need to be tackled through Block 3, transformation and efficiency:
 - the requirements to be delivered under Block 4, Digital First:
 - the barriers and enablers to be tackled through Block 5, working together.
45. Other activities to ensure employees have been kept up to date have included:
- the continuation of regular all employee briefings from the Chief Executive; the most recent briefings took place over July and August
 - managers Forum briefings on areas including the corporate plan and progress against developing a new operating model
 - the creation of a Fit for the Future page on the intranet which is regularly updated

- monthly e-bulletins to highlight recent Fit for the Future activity
- drop in sessions for all employees, where members of the transformation team are available to talk through the programme in more detail and answer questions
- a transformation mailbox, to which employees can email with questions or suggestions.

46. These engagement and communication methods will continue through the programme and additional communications resource is being recruited to ensure this can continue.

Conclusion

47. The council faces significant uncertainty in future years given expected changes to local government funding arrangements. Furthermore, the wider social context in which the council is operating is becoming more challenging, placing greater demand on council services.

48. Despite these challenges the council wishes to continue to be ambitious for Norwich and its people, working with others across the city to deliver a bright vision for the future as described in our new city vision.

49. It is anticipated that the plans here will enable the council to better serve its city in challenging times, and contribute savings towards the financial gap detailed in the Emerging 2019/20 Budget, Medium Term Financial Strategy (MTFS) and HRA Business Plan report

Integrated impact assessment



NORWICH
City Council

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

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

Report author to complete

Committee:	Cabinet
Committee date:	12 December
Director / Head of service	Chief Executive Officer
Report subject:	Norwich City Council Fit for the Future update
Date assessed:	23 November 2018

	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"/>	
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

UN report on Guardian front page – 17 November 2018



The Guardian

Saturday
17 November 2018
Issue N° 53,569
£2.90

Austerity has inflicted misery on people – UN

PM brings back Rudd to shore up support

Government under fire for 'callous' policies that have left a fifth of the population in poverty

Robert Booth and Patrick Butler

The government has inflicted "great misery" on its people with "punitive, mean-spirited, and often callous" austerity policies driven by a political desire to undertake social re-engineering rather than economic necessity, the United Nations poverty envoy has found.

Philip Alston, the UN's rapporteur on extreme poverty and human rights, ended a two-week mission to Britain with a stinging declaration that despite being the world's fifth largest economy, levels of child poverty are "not just a disgrace, but a social calamity and an economic disaster".

About 14 million people, a fifth of the population, live in poverty, and 1.5 million are destitute, unable to afford basic essentials, he said, citing figures from the Institute for Fiscal Studies and the Joseph Rowntree Foundation.

He highlighted predictions that child poverty could rise by 7% between 2015 and 2022, with forecasts of child poverty rates as high as 40%.

"It is patently unjust and contrary to British values that so many people are living in poverty," he said, adding that compassion had been abandoned during almost a decade of austerity policies that had been so profound that significant elements of the post-war social contract, devised by William Beveridge more than 70 years ago, had been swept away.

In an excoriating 24-page report, which will be presented to the UN human rights council in Geneva next year, the eminent human rights lawyer said that in the UK "poverty is a political choice".

He told reporters at a press conference in London:

- Austerity Britain was in breach of four UN human rights agreements relating to women, children, disabled people and economic and social rights. "If you got a group of misogynists in a room and said how can we make this system work for men and not for women they would not have come up with too many ideas that are not already in place," he said.
- The limit on benefits payments to only the first two children in a family was "in the same ball park" as China's one-child policy because it punished people who had a third child.
- Cuts of 50% to council budgets were slashing at Britain's "culture of local concern" and "damaging the fabric" of society.
- The middle classes would "find themselves living in an increasingly hostile and unwelcoming society because community roots are being broken".

The government said that it "completely disagreed" with Alston's analysis.

A spokesperson said household incomes were at a record high, income inequality had fallen and that universal credit, which

14m
The number of people who live in poverty in the UK, about a fifth of the population

1.5m
The number who are destitute, meaning they do not have the money for basic essentials

7%
The predicted increase in child poverty in the seven years to 2022, with up to 40% of children affected

Heather Stewart

Theresa May drafted her staunch supporter Amber Rudd back into the cabinet last night as work and pensions secretary, and took personal control of the final phase of Brexit negotiations.

The prime minister sought to shore up her support hours after Michael Gove decided to remain in cabinet, despite telling her on Thursday that her Brexit deal was "not a runner" and would not get through parliament.

Amid the threat of a no-confidence vote, as ardent Brexiters gathered letters calling for her to be ousted, No 10 sought to show it was business as usual, replacing ministers who had quit in protest at her Brexit deal.

Rudd, who resigned only seven months ago over the botched handling of the Windrush scandal, will now oversee the rollout of the controversial universal credit system.

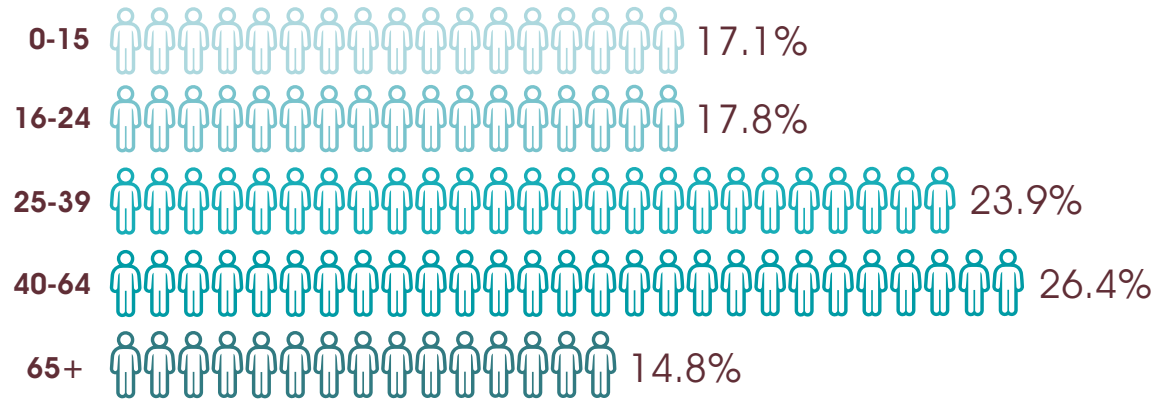


THE STATE OF NORWICH

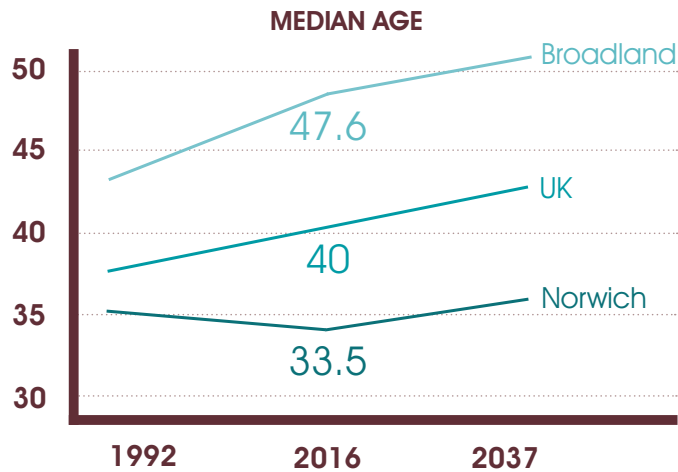
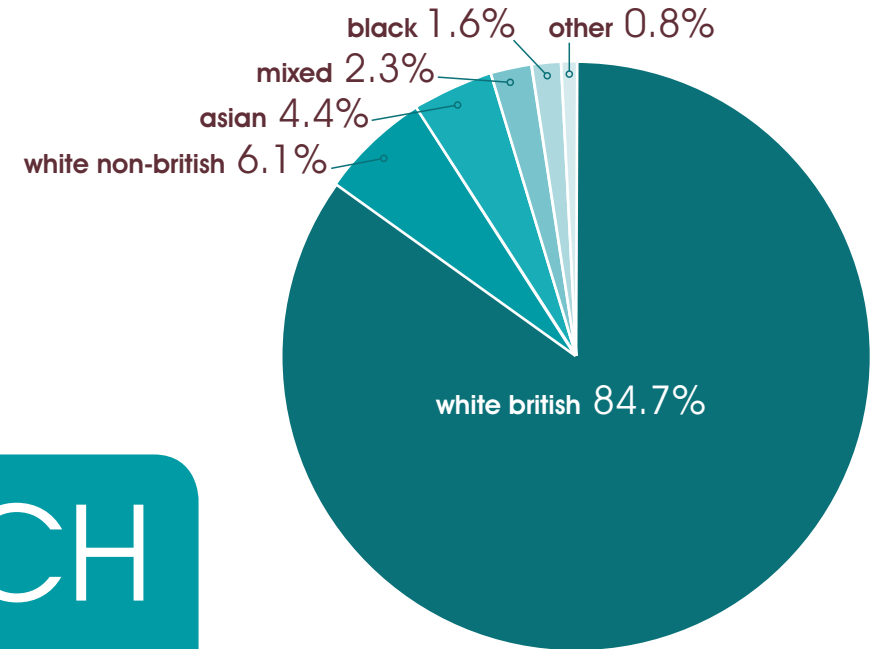
People, Place, Economy, Wellbeing

August 2018

AGE



ETHNICITY



NORWICH people

139,900 RESIDENTS
65,944 HOUSEHOLDS



CHILD POVERTY



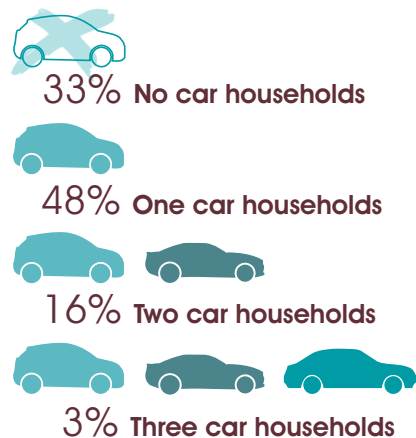
PENSIONER POVERTY



CO₂ EMISSIONS tonnes per capita



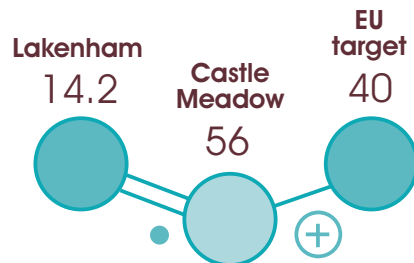
CARS PER HOUSEHOLD



PEOPLE KILLED OR SERIOUSLY INJURED ON ROADS



NO₂ EMISSIONS micrograms/cubic m



FUEL-POOR HOUSEHOLDS



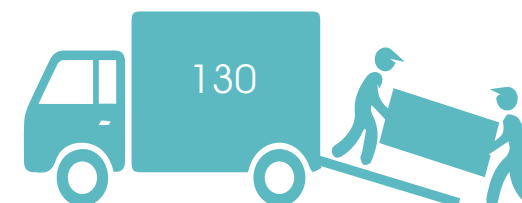
NORWICH place

AVERAGE MONTHLY RENT (2beds)

Norwich £778
Norfolk £711



NEW HOMES COMPLETED



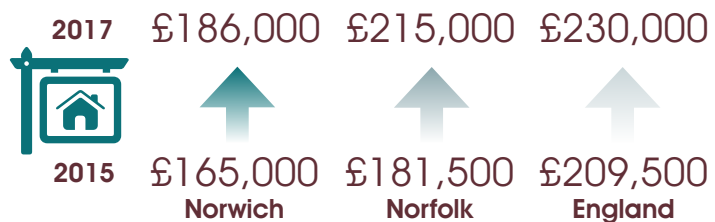
RATIO OF LOWER QUARTILE HOUSE PRICES TO LOWER QUARTILE INCOME

8.21
Norwich

8.86
Norfolk

7.26
England

AVERAGE HOUSE PRICES



HOUSING BY TENURE (%)

	Owner-occupied	Council rented	Social rented	Private rented
Norwich	44.5	25.2	7.4	22.8
Norfolk	68.6	5.8	8.7	16.9
East Anglia	68.3	7.8	7.9	16.0
England & Wales	64.3	9.4	8.2	18.0



CLAIMANT COUNT

December 2017 1.6%
December 2016 1.7%



HOUSEHOLDS EARNING
BELOW £15,000/YEAR

18,384



MEDIAN HOUSEHOLD INCOME

£ 24,490

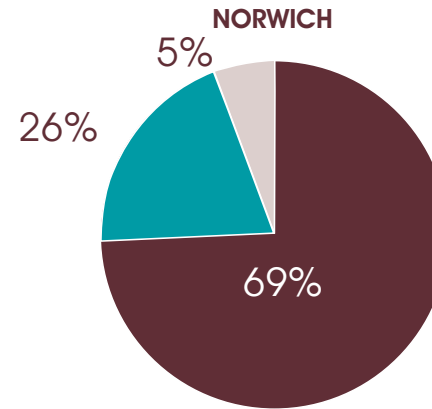
highest ward
£37,146



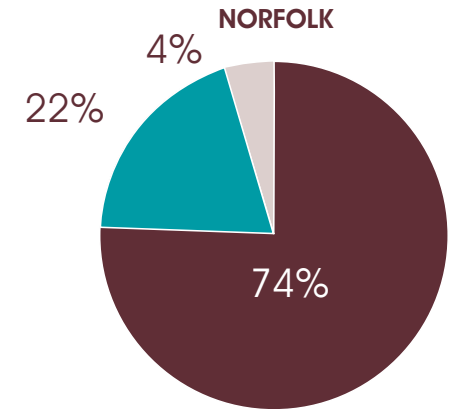
lowest ward
£19,668

NORWICH economy

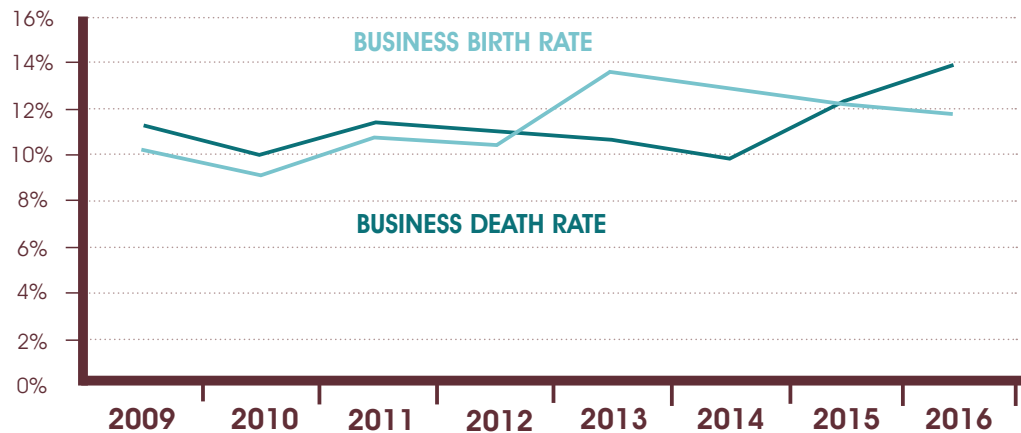
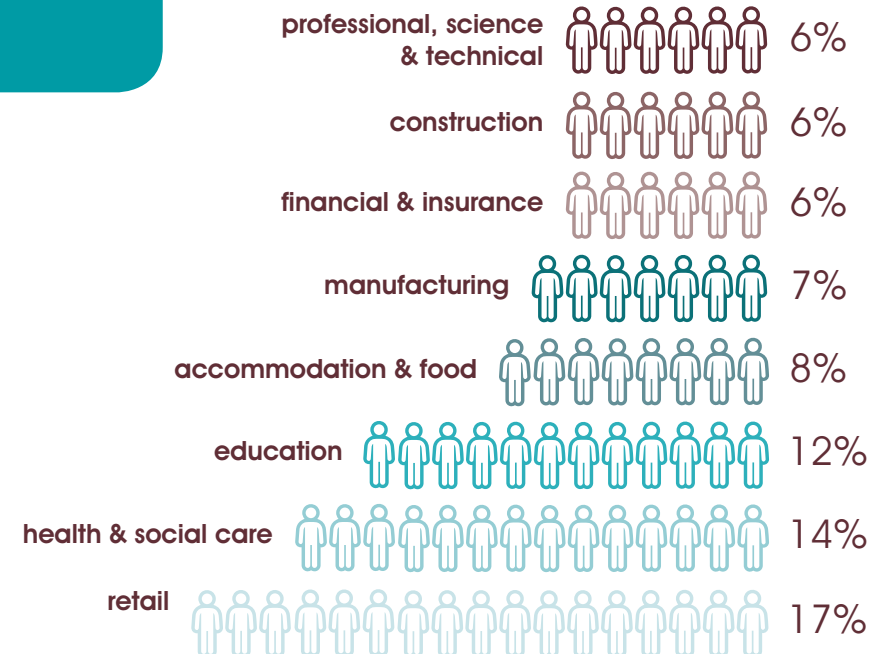
ECONOMIC ACTIVITY (AGES 16-64)



employed unemployed
economically inactive



75% OF RESIDENTS EMPLOYED IN...



AVERAGE LIFE EXPECTANCY

female 82.9
male 78.9



gap between most deprived
and least deprived wards are:

female 7.8 years
male 9.8 years

EDUCATION LEVELS

	Highest ward	Lowest ward	Norwich	England
KS2 level 4+ reading	90.5%	48.1%	62.2%	66%
KS2 level 4+ writing	91.7%	65.7%	79.2%	74%
KS2 level 4+ maths	86.5%	43.2%	59.8%	70%
5+ GCSEs A+-C incl english and maths	85.3%	25.6%	43.8%	56.6%



HOSPITAL STAYS/per 100,000 population



self harm 229.8
alcohol related harm 805

CRIME AND ANTI SOCIAL BEHAVIOUR

ASB incidents 5,116
all crimes 13,350
110.1/per 1000 population (Norfolk 56.9)
hate crimes 372
hate incidents 190



NORWICH wellbeing

GOOD LEVEL OF DEVELOPMENT - AGE 5



NORWICH

65.7%

Nelson 82.9% Wensum 54.4%

ENGLAND

69%

WEIGHT



	Highest ward	Lowest ward	Norwich	England
low birth weight	3.8%	2.1%	3.1%	2.8%
overweight (R)	25.7%	17.2%	23%	22.2%
obese (R)	11.6%	6.6%	9.1%	9.3%
overweight (Yr6)	36.5%	12.3%	32.2%	33.6%
obese (Yr6)	24.6%	12.6%	17.9%	19.3%
obese adults	27.8%	12.8%	21.7%	24.1%

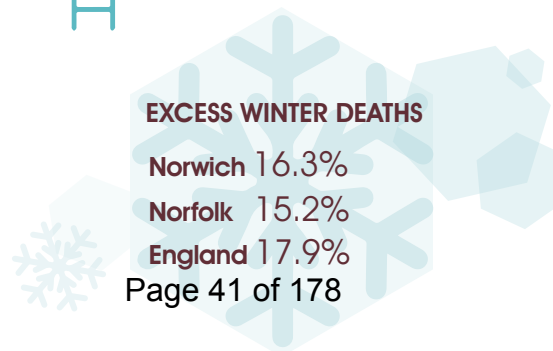
SOCIAL MOBILITY

Bottom 10% of
areas in the country
for social mobility



EXCESS WINTER DEATHS

Norwich 16.3%
Norfolk 15.2%
England 17.9%



LIFE SATISFACTION (out of 10)

Norwich 7.78
Norfolk 7.73
England 7.69

HAPPINESS (out of 10)

Norwich 7.75
Norfolk 7.51
England 7.53



Sources

	Measure	Source	Date range
PEOPLE	Total Population	ONS - Mid Year Estimates	2016
	Age Profile	ONS - Mid Year Estimates	2016
	Ethnicity	Census 2011 Table KS201EW	2011
	Median Age	ONS - Population Projections	2016
	Child poverty	HM Revenue and Customs	2015
	Pensioner poverty	Indices of Multiple Deprivation 2015	2012-2013
	Residents/Households	ACORN CACI Paycheck	2017
PLACE	Tenure	Census 2011	2011
	PS Rents	Home.co.uk	2018 (Live Data)
	House Sales/Prices	Department of Communities and Local gov.	2015-2017
	New homes	Department of Communities and Local gov.	2016-2017
	Fuel poverty	Norfolk Insight	2015
	Transport	Census 2011	2011
	KSI (Road Traffic Casualties)	Norfolk Insight	2016
	CO2 Emissions	DECC	2015
	N02 Emmisions	DEFRA	2016
	Lower Quartile, House Price - Earnings ratio	ONS - Mid Year Estimates	2017
ECONOMY	Unemployment rates	NOMIS	2017
	Business Births/Deaths	ONS - Business Demography	2016
	Economic Activity	NOMIS	2017
	Industry of Employment	Census 2011	2011
	Average income	ACORN CACI Paycheck	2017
	Households below average income	ACORN CACI Paycheck	2017
	New company registrations	Start-up Britain	2016
WELLBEING	Life Expectancy at Birth - Male (Years)	ONS	2014-2016 (A)
	Life Expectancy at Birth - Female (Years)	ONS	2014-2016 (A)
	Inequality in Life Expectancy at Birth - Male (Years)	ONS	2014-2016 (A)
	Inequality in Life Expectancy at Birth - Female (Years)	ONS	2014-2016 (A)
	Mental health	Public Health Profiles	2016-2017 (A)
	Alcohol Related Admissions	Public Health profiles	2016-2017 (A)
	Excess Winter Deaths	Health profiles	2013-2016 (A)
	Obesity	Health profiles	2013-2016 (A)
	Life Satisfaction	ONS	2016-2017 (A)
	Happiness	ONS	2016-2017 (A)
	All Crime	Norfolk Insight	2016-2017
	Hate crime	NCC Equalities Information Report	Nov 16 - Nov 17
	GCSE Attainment	Norfolk Insight	2016
	Literacy	Norfolk Insight	2016
	Low Birthweight	Public Health Profiles	2011-2015
	Development at 5	Norfolk Insight	2016
	Social Mobility Index	Social Mobility Commission	2017

Norwich 2040 City Vision

NORWICH HAS A LONG HISTORY OF BEING A RADICAL, INNOVATIVE CITY. THE LIST OF 'FIRSTS' STANDS PROUD IN OUR PAST AND CONTINUES TO BE WRITTEN.

Identified today by think-tank Centre for Cities as one of the five 'fast growth cities' in England, we are increasingly recognised for our strong economy, quality of life and vibrancy.

But we know there are some parts of our city where there is inequality and poverty that we must continue to challenge and tackle.

IN THE NEXT
20 YEARS THERE
WILL BE INCREASING
PRESSURE ON OUR
CITY ENVIRONMENT
AND INFRASTRUCTURE.
THERE WILL BE HUGE
CHANGES TO HOW
PEOPLE WORK, LEARN,
LIVE AND TRAVEL.

Norwich needs to be leading change, not following it. Against a backdrop of huge national and international issues like climate change, Brexit and the need to redress inequality, we need to make sure that this city is seen as a shining example for medium-sized cities across the globe.

This is not something that any one organisation can do alone. The whole city, its people, businesses and institutions will need to work together to make the Norwich of 2040 the best place to be.



Over the last year, the public, and representatives from businesses, organisations and community groups were asked what they value in Norwich and what they see as the future challenges – what sort of city they want to see in 2040.

FOCUS GROUPS,
PUBLIC AND
STAKEHOLDER
INTERVIEWS AND
TWO CONFERENCES
HAVE ALL FED INTO
THE STORY OF NORWICH
AS IT IS NOW, AND AS IT
SHOULD BE IN THE FUTURE.

“ A key thing for the future for Norwich and the world is about the environment and becoming more sustainable. ”

“ Norwich needs to attract different industries to create more opportunities. ”

“ The city is creative, creativity is celebrated. ”

“ Housing in the future needs to be inclusive, created for all needs – where older people, disabled people, families and everyone can live together. ”

“ It’s a great place to make a life. ”

“ We need to attract young new ideas and energy. ”

FROM THIS CONVERSATION IT HAS
BEEN POSSIBLE TO CREATE THE
THEMES OF OUR CITY VISION.

THE THEMES



A CREATIVE CITY

Norwich is a place where culture and creativity play an important part in how the city feels about itself and others perceive it. In 2040, Norwich will be world-renowned for its creativity – a leader in innovation, culture, education and invention.



A LIVEABLE CITY

The city takes pride in being a place with a great local environment that people value. We are committed to shifting to clean energy by 2040 (carbon-neutral by 2050). We will support and promote sustainable living – where today's citizens meet the needs of the present without compromising future generations.



A FAIR CITY

Norwich is a place where many already enjoy a great quality of life. By 2040, the health, wellbeing and life chances of all our citizens will be improved. We will remove barriers to achievement and a high standard of living will be enjoyed by everyone.



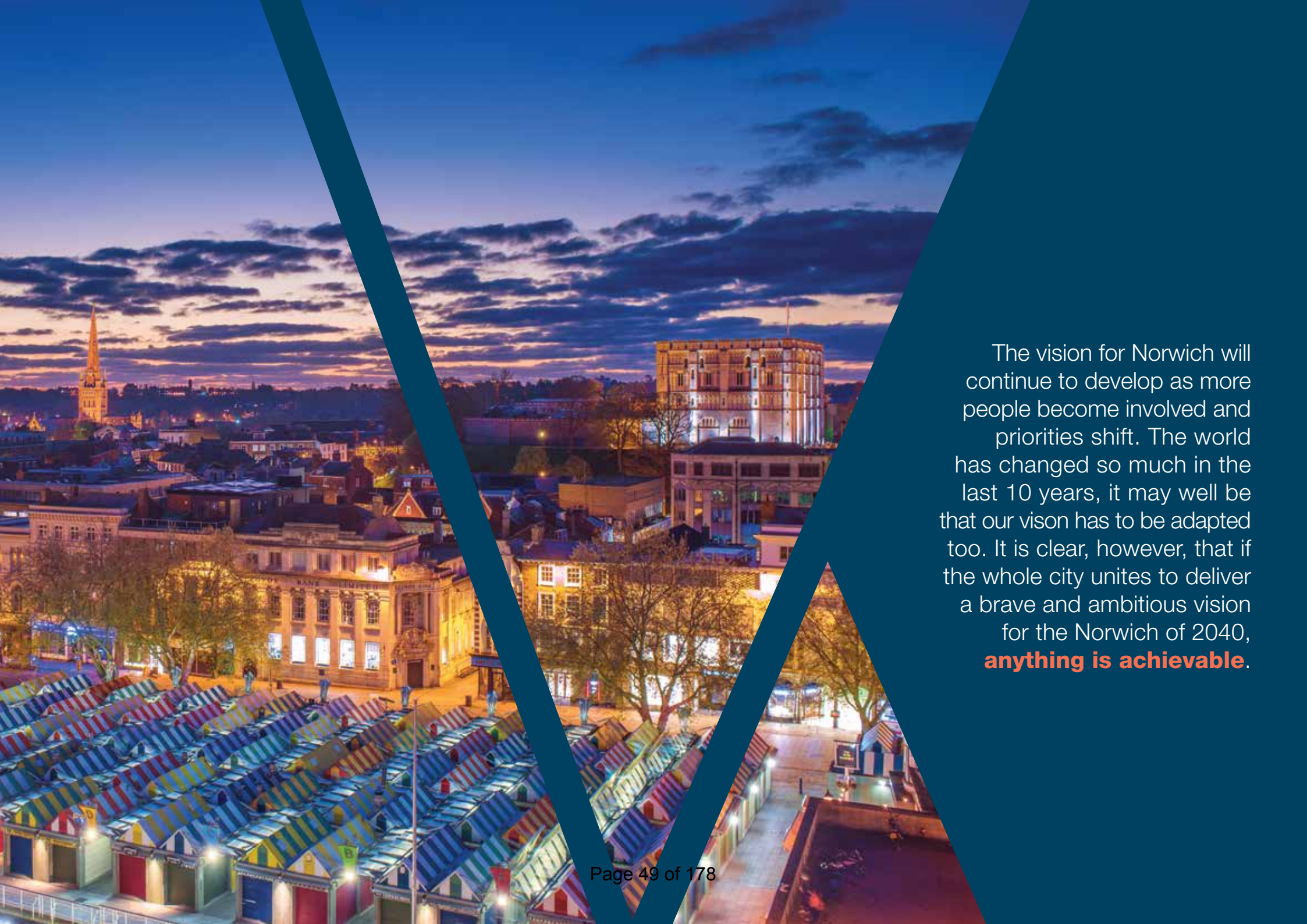
A CONNECTED CITY

At the heart of any good city is how well it connects with both its citizens and the world at large. In 2040, Norwich will have a modern transport system, be at the forefront of digital connectivity and create opportunities for all residents to link with each other.



A DYNAMIC CITY

Today Norwich has two successful universities and thriving life sciences, creative, tech, leisure and retail sectors. In 2040, Norwich will be a place where entrepreneurs, social enterprises, national and global companies choose to provide good jobs, prosperity and success.



The vision for Norwich will continue to develop as more people become involved and priorities shift. The world has changed so much in the last 10 years, it may well be that our vision has to be adapted too. It is clear, however, that if the whole city unites to deliver a brave and ambitious vision for the Norwich of 2040, **anything is achievable.**

A CREATIVE CITY THAT:

is cutting edge...

offers a unique experience for all...

is a cultural innovator...

combines the best of modern and historic...

is a leading creative destination...

This means:

- increasing the diversity of employers across the city and becoming more entrepreneurial
- fostering collaboration between cultural organisations and individuals to identify and develop more creative and artistic opportunities for all
- promoting innovative development and the regeneration of urban spaces and communities
- developing the city centre experience and its unique mix
- maximising the use of our heritage assets
- celebrating our diverse neighbourhoods and communities
- attracting and retaining ambitious young people through our universities
- using creativity to transform the perception of Norwich.

A LIVEABLE CITY THAT:

adapts and undergoes renewal...
works together to combat climate change...
values green and open spaces...
has excellent air quality...

This means:

- using our local natural resources effectively
- creating efficient, good quality, low-emission and affordable transport options
- protecting and maintaining our green and open spaces to improve biodiversity and air quality
- developing an alternative approach to energy
- reducing the amount of plastic in use
- achieving high levels of reuse and recycling
- growing and buying local.



A FAIR CITY WHERE:

people care about equality...

there is a fair system...

communities are diverse...

citizens have better physical and mental health...

education is outstanding and linked to vocational training,
lifelong learning and local job opportunities...

This means:

- developing an inclusive and joined up approach to service delivery, ensuring residents have access to all the city has to offer
- promoting the independence and diversity of all of our citizens
- adopting innovative approaches to bring about individual and community physical and mental wellbeing
- making the best use of our public spaces for physical activity
- ensuring children and young people are ambitious and able to realise their full potential through outstanding education and training
- providing appropriate lifelong learning, training and upskilling opportunities for those who live and work here
- maximising the resilience of individuals, their families and communities
- providing housing that is fit for the future and meets the changing needs of our people.



A CONNECTED CITY THAT:

has a modern transport system...

is at the forefront of digital connectivity...

is a place where people can exchange ideas and help shape the city...

This means:

- having the transport infrastructure to link us to the region, country and world
- being a great city for walking and cycling
- having a clean, affordable, integrated transport system
- the whole city having access to the latest smart technology
- having spaces and opportunities for people to come together, understand, share and exchange with each other and their communities.



A DYNAMIC CITY WITH:

new and growing businesses...

thriving universities...

jobs of the future...

creative and thoughtful leadership...

greater immunity to global changes...

This means:

- working with residents and businesses to create an inclusive economy and growth
- attracting and generating more investment in and support of independent businesses
- increasing the number of multi-national businesses to compliment the independent sector
- maximising growth industries where we have competitive strengths
- shaping economic development to create more higher paid local jobs
- making Norwich a place for ambitious young people.



THIS IS JUST THE BEGINNING...

Over the last year we've joined forces to find out what matters most to the city and the aspirations we hold for the future. The result of this is five themes which form the foundation of our shared Norwich 2040 vision.

The next questions are “what’s possible?” and “how do we get there?”

We will need to:

- **work together as a city**
- **share ideas**
- **commission research to inform our actions**
- **celebrate our successes**

...LET'S
WRITE A
NEW LIST
OF NORWICH
'FIRSTS'
TOGETHER...

WE MUST ALSO ADDRESS SOME OF THE IMMEDIATE PRIORITIES THAT PEOPLE IDENTIFIED



TACKLING ROUGH SLEEPING

A consortium of eight local organisations has been awarded £758k by Norwich City Council over the next three years to address rough sleeping and support people with complex needs. The new project, called Pathways, will use the combined strength of its members to offer a pioneering and collaborative model. The consortium members will take the innovative approach of stepping out of their individual organisations to form one team, taking the new service to those people who need it most.



A STRONG VOICE FOR YOUNG PEOPLE

Working with the Norwich Youth Advisory Board, the social mobility opportunity area board, community organisations, schools, colleges, universities and businesses to identify specific projects that will make a difference here and now. Ensure that young people help shape the Norwich of the future.



PROMOTING NORWICH

Working together to provide the tools we need to promote Norwich as a place to visit, work, learn, invest and live. Collaborating with agencies, authorities, institutions and businesses to produce and deliver a consistent and positive modern message about the city. One voice, bigging up the city.

IMPROVING TRANSPORT

Through the Transforming Cities Fund Transport for Norwich is in line for a share of a £1.2bn pot of money specifically for promoting intra-city connectivity – aiming to make it easier for people to access jobs, training and retail. At the heart of the bid, is a new high-quality, integrated public transport network for the greater Norwich area. Smart ticketing, cleaner vehicles, real-time information and faster journey times are all features outlined in the bid.

This document was produced in
2018 by Norwich City Council.

For more information:

norwich2040@norwich.gov.uk

www.norwich.gov.uk/vision

Council Vision, Mission and Values

Vision, Mission and Values

The corporate vision – To make Norwich a fine city for all

The corporate mission – To put people and the city first

The mission statement

Norwich City Council is at the heart of the city of Norwich.

We work creatively, flexibly and in partnership with others to create a city of which we can all be proud.

We provide good services to our residents, visitors and businesses, whilst enabling people to help themselves and ensuring that those who need extra help can access it.

We aim to be financially self-sufficient, to ensure the sustainability of our services.

Characteristics of the council

This means that we:

Understand our city and our customers, recognising the interconnected nature of the objectives we are seeking to achieve.

Take decisions based on a full understanding of the evidence and risks

Build relationships proactively and work collaboratively internally and externally and leverage resource where possible to deliver the best outcomes

Are agile and adaptable, to enable us to adjust our resources to deliver our priorities

Adopt commercial approaches where appropriate

Value and trust our staff and our partners and respect PACE values

Putting the characteristics into practice

Change is likely to be a constant in the future, and so putting this vision into practice will require us to create an organisation which is not rigid, but which is adaptable and can respond to change. And all this will require changes to our culture and skills, internal infrastructure and relationships with partners and citizens which need to be clearly articulated and shared across the organisation.

Report to	Cabinet	Item
	12 December 2018	
Report of	Chief finance officer (Section 151 Officer)	6
Subject	2019/20 Budget, Medium Term Financial Strategy (MTFS) and HRA Business Plan Update	

Purpose

This report summarises the emerging position, as currently known, for the General Fund revenue budget, the HRA Business Plan, and the council's capital programme.

Recommendations

To note the direction of travel currently being taken to establish robust and balanced budget proposals.

Corporate and service priorities

The report helps to meet all the corporate priorities.

Financial implications

The report is about the emerging budget for 2019/20 and the medium term planning horizon. Consequently the whole report contains financial implications.

Ward/s: All Wards

Cabinet member: Councillor Kendrick - Resources

Contact officers

Karen Watling, chief finance officer	01603 212440
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Background documents

None

Report

Introduction

1. This report summaries the emerging position, as currently known, for the General Fund revenue budget, the HRA Business Plan, and the council's capital programme.
2. It contains initial proposals for budget savings, capital investment, and Council Tax and HRA rental levels. The views of citizens, HRA tenants, and local businesses will be sought on these proposals, via the public budget consultation exercise, before the budget is discussed and approved by Council on 19 February 2019.
3. Some of the figures contained in this report are likely to change when the budget and MTFS are formally presented to council for approval. A full list of items still to be finalised are shown in paragraph 15.

Report Contents

- Local Government finance – economic and statutory context
- 2019/20 General Fund Revenue Budget and MTFS – 2019/20 to 2023/24
- Housing Revenue Account (HRA) Business Plan
- Capital Programme – 2018/19 to 2022/23
- Public consultation and next steps

Local Government Finance – Economic & Statutory Context

2018 Chancellor's Autumn Budget Statement

4. The Chancellor announced his Autumn Budget on 29 October 2018. Key points included:
 - The budget set out a new path for total public spending ahead of the Comprehensive Spending Review in 2019 with a promise that public sector austerity was coming to an end. Figures are not yet provided for individual departments, only for the whole public sector, and therefore the impact on local authorities is still to be confirmed. It is unlikely however that district councils will receive significant increases in future funding from government given funding promises already made to other areas such as the NHS.
 - The OBR (Office for Budget Responsibility) expects the UK economy to continue to grow in every year of the forecast, and has revised up its forecast for cumulative growth compared to Spring Statement 2018.
 - Consumer Prices Index (CPI) inflation stood at 2.4% in September, a decrease from August's figure of 2.7%, and below its recent peak of 3.1% in November 2017.

5. In terms of the wider local authority landscape, the budget announced: £650m additional grant funding for adult social care in 2019-20, £45m for DFG (Disabled Facilities Grant) in 2018-19, and £84m on 5 years on children's service programme. There is also £450m in 2018-19 for potholes that will be allocated to highways authorities. Longer term decisions on overall local government funding will be made in the 2019 Comprehensive Spending Review.
6. The major announcement on business rates was a cut in business rates by one-third for retail properties with a rateable value below £51,000, benefiting up to 90% of retail properties, for 2 years from April 2019 (subject to state aid limits). The government will as they have done in the past reimburse local authorities with the loss of income arising from these policy decisions.
7. There will be £657m co-funding to help local authorities manage the changing pressures on the local high street. Local authorities will be asked to draw-up plans to change under-used retail areas to residential use, and these will be accompanied by changes in the rules of compulsory purchase orders and use orders. £65m of the funding will be revenue and starts in 2019-20. The remainder is capital, with the largest amounts (£200m and £240m) in 2022-23 and 2023-24. We do not yet know how this grant will be allocated.

Local Government Finance Settlement

8. The provisional local government is due to be announced on 6th December. The 2019/20 settlement is the last year of the current 4-year funding settlement agreed with local authorities.
9. The technical consultation on the finance settlement was issued in July 2018. This highlighted:
 - The Government's intention to allow shire district councils to increase their Band D council tax rate by up to 3%, or up to and including £5, whichever is higher (referendum limit).
 - A potential increase to the baseline growth required (currently 0.4%) to qualify for New Homes Bonus. This will be confirmed in the Finance Settlement in December.

General Fund Revenue Budget & Medium Term Financial Strategy

Forecast 2019/20 Outturn

10. The latest position on the General Fund, as at period 7, shows a forecast underspend of £1.0m. This underspend has not at this stage been factored into the MTFS reserves position shown later in this report.
11. A significant element of the forecast underspend relates to additional net income from commercial property purchased in year. As per Council decision in February 2018 any surplus will be credited to the commercial property

earmarked reserve, providing future funding for any void and rent free periods as well as any landlord repairs/upgrades. This is designed to safeguard the future value of the investment, thereby minimising the risk of holding these assets and of fluctuations in the income return.

12. Any remaining underspend will be transferred to the earmarked invest-to-save reserve. This reserve will be used to support the delivery of savings and efficiencies through the fit for the future programme.

Provisional 2019/20 Revenue Budget

13. The provisional 2019/20 budget has been set following discussions with budget managers to determine achievable service budgets. All savings and growth items have been reviewed by the Corporate Quality Assurance Group chaired by the Chief Finance Officer.
14. Table 1 below summaries the key movements in the base budget (i.e. the current year's approved budget) to arrive at the provisional 2019/20 budget.

Table 1: Movements from the base 2018/19 budget – Figures are in £000s

2018/19 Budget Requirement	15,696
<i>Budget movements:</i>	
Inflation	1,025
Additional income (Appendix 1)	(1,078)
Savings (Appendix 1)	(757)
Service growth (Appendix 1)	777
Service growth linked to specific new grants (cost neutral)	424
Rough sleeper Initiative grant funding (offsetting costs)	(340)
Increase in flexible homelessness support grant (offsetting costs)	(91)
Increase in revenue contribution to capital funding	250
Increase in pension deficit contributions	265
Increase in Minimum Revenue Provision	65
Reduction in housing benefit overpayment income following improved processing performance	297
Reduced in pension costs from end of the Airport PPP agreement	(148)
Reduction in New Homes Bonus grant	317
Loss of Second Homes grant income	36
Movements in other grants	79
Increase in contribution from general reserves	(66)
Movement in recharge income relating to corporate costs and services provided directly to the Housing Revenue Account	(413)
2019/20 Budget Requirement	16,338

2018/19 Budget Resources	(15,696)
<i>Budget movements:</i>	

Reduction in revenue support grant	769
Increase in retained business rates	(1,029)
Increase in council tax income	(382)
2019/20 Budget Resources	(16,338)

15. As at the time of writing this report the following figures included in the provisional budget are indicative for the reasons stated:

Information required to finalise the budget position:	Budget items impacted:
Final figures from Government to be released in the 2018/19 Local Government Financial Settlement	<ul style="list-style-type: none"> 2019/20 New Homes Bonus allocations Housing Benefit Administration Grant Universal Credit New Burdens funding
The 2016-18 pay agreement included a commitment to a future restructure of pay spines to meet the national living wage future challenge. Awaiting confirmation of the 2019/20 pay scale points, following application of the National Joint Council guidance. An estimated impact has been made in the provisional budget figures.	<ul style="list-style-type: none"> 2019/20 salary costs and future year projections.
Final contractual & living wage payment figures where linked to inflation indices.	<ul style="list-style-type: none"> Citywide Services expenditure
Revenue & Benefits will update forecasts by end of January 2018 for the NNDR1 return	<ul style="list-style-type: none"> Income from Business Rates currently in MTFS is very preliminary
Final council tax base figures	<ul style="list-style-type: none"> Income from Council Tax

2019/20 Growth and Savings Proposals

16. The MTFS approved by Council in February 2018 set out a net savings target for 2018/19, based on a 5-year smoothing savings strategy, of £1.760m (gross savings of £2.5m per annum).
17. At the time of writing this report, £1.058m of net savings are proposed (**Appendix 1**). The shortfall against the target reflects the increasing difficulty of finding further efficiencies and income generation opportunities to balance the budget rather than making budget savings by reducing front line services.
18. The MTFS has been updated on the basis of the 19/20 shortfall as well as movements in other assumptions. There have been favourable movements

in income from business rates and council tax as well as recharges. This means that despite the shortfall in the savings target, when considered in line with other budget updates the required use of reverses is £370k lower than expected in last year's budget paper.

19. It should be noted that some of the beneficial movements in assumptions only have a one year impact and therefore the future annual net savings requirement has increased to £1.890m in future years (further detail in paragraph 37).
20. The net savings include £0.8m of budget growth (i.e. increases to the budget). The growth includes reductions in property rental income associated the approved asset review and disposal programme, as well as additional costs to support IT transformation.
21. A summary of the proposed budget savings and growth is shown in **Appendix 1**, with items categorised as either revenue generation, service efficiencies, or accounting changes.
22. In addition to the ongoing general fund base budget, one-off invest-to-save funded expenditure has been allocated to support the Fit-for-the-Future programme. The total planned expenditure is £858k of which £711k is to be funded from the General Fund Invest-to-Save earmarked reserve and £147k from the HRA Invest-to-Save reserve. Spend includes investment in IT mobile-working technology, project management and HR resource.

Medium Term Financial Strategy (MTFS)

23. Table 2 below shows the proposed budget for 2019/20 and the medium term financial projections for the 5 years to 2023/24.
24. The key issues to highlight in the MTFS are:
 - A significant growth in the Council's payroll cost (assuming current levels and numbers of staff employed).
 - The assumed loss of Formula Funding (RSG) and New Homes Bonus (NHB) during the five year period.
 - The planned use of reserves over the next five years to help balance the budget whilst ensuring the prudent minimum level of £4.2m is retained.
 - The proposal that Council Tax should rise by 3% or an additional £5 per annum, whichever is the higher, over the life of the medium term planning horizon (paragraph 75).
 - Annual smoothed gross savings requirement of £2.640m each year from 2021/22 to 2023/24 (net savings of £1.890m).

Table 2: Medium Term Financial Projections 2019/20 to 2023/24 – Figures are in £000s

	2019/20	2020/21	2021/22	2022/23	2023/24
Employees	20,876	21,729	22,698	23,594	24,518
Premises	10,537	10,769	11,005	11,248	11,495
Transport	261	267	273	279	285
Supplies & Services	16,832	17,135	17,512	17,897	18,291
Capital Charges	3,216	3,245	3,275	3,306	3,338
Housing Benefit Payments	57,906	57,906	57,906	57,906	57,906
Benefit Subsidy	(57,905)	(57,905)	(57,905)	(57,905)	(57,905)
Third Party Payments	4,476	4,574	4,675	4,777	4,883
Net recharge income	(8,985)	(8,985)	(8,985)	(8,985)	(8,985)
Contribution to Capital	1,050	1,300	1,550	1,800	1,800
Fee, charges, rental income	(27,794)	(28,175)	(28,564)	(28,958)	(29,384)
New Homes Bonus	(520)	(119)	(32)	0	0
Benefit/CTS Admin grant	(879)	(836)	(796)	(758)	(694)
Other Grants	(1,163)	(1,026)	(1,026)	(1,026)	(1,026)
Assumed non-inflationary growth cumulative		750	1,500	2,250	3,000
Subtotal budgets (no savings)	17,908	20,629	23,086	25,425	27,522

Business Rates	(6,327)	(5,704)	(5,824)	(5,947)	(6,072)
Formula Funding (RSG)	(213)	0	0	0	0
Council Tax	(9,798)	(9,890)	(10,234)	(10,590)	(10,958)
Total funding	(16,338)	(15,594)	(16,058)	(16,537)	(17,030)

Budget Gap	1,570	5,035	7,028	8,888	10,492
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Gross savings needed (cumulative)	0	(2,640)	(5,280)	(7,920)	(10,560)
Planned use of reserves	(1,570)	(2,395)	(1,748)	(968)	68
Funding the budget gap	(1,570)	(5,035)	(7,028)	(8,888)	(10,492)

25. There are a number of key assumptions in the MTFs; the main ones are outlined below. More detail on all assumptions will be provided in the February Budget paper.
26. **Payroll:** A significant growth in the Council's payroll cost (assuming current levels and numbers of staff employed). Payroll-related inflation has been estimated at 2.5% in 2020 and beyond to allow for an annual pay settlement, payroll drift and the impact of the Living Wage. Additional estimates have been included for expected increases to pension deficit contributions;

although these will be subject to the outcome of future triennial valuations of the pension scheme (the next one will take effect in 2020/21).

27. **Revenue contribution to Capital:** In line with the 2017/18 MTFS, an additional £250k has been included in the budgeted revenue contribution to capital in 2019/20. The updated MTFS continues to increase the budgeted over the life of the MTFS, by £250k per annum, so that by 2022/23 £1.5m is provided as a funding source to the capital programme along with a £300k contribution to cover the costs of the Homes Improvements Agency team.
28. **Inflation:** based on advice from the Office for Budget Responsibility (OBR) inflation has been included on premises costs, supplies and services, and transport throughout the MTFS planning timeline. Inflation on income however is prudentially set at 1.5% to run approximately 1% below expenditure inflation.
29. **Government Grants:** The 2019/20 budgets reflect the final year of the 4-year funding settlement deal. No RSG (Revenue Support Grant) is assumed from 2020/21 and no additional New Homes Bonus is included in the MTFS in light of uncertainty over the future of the grant. Information about the current state of knowledge on the government's Fairer Funding Review for local government will be supplied in the February budget report.
30. Grants for future years have been estimated at 2018/19 levels, with the exception of Housing Benefit, Universal Credit, and Local Council Tax Support Administration Grants. These grants have been estimated based on the experience of the Head of Service for Revenues and Benefits in line with trends for other authorities moving to full universal credit service.
31. **Business rates:** The draft budget reflects the current estimate of retained business rates income for 2019/20. The budgets will be revised before Council in February to reflect any amendments to the baseline in the 2019/20 Financial Settlement and also the updated estimates as per the NNDR 1 return, due to Government by the end of January 2019.
32. The forecasts for retained Business Rates income from 2020/21 assume current baseline amounts and do not take into account, as they are currently unknown, the potentially significant changes in funding arising from 75% Business Rates Retention and the Fairer Funding Review.
33. Norwich City Council has agreed to be included in an application from all Norfolk Councils to be part of the Department for Communities and Local Government's 2019/2020 75% business rate retention pilots. Norfolk councils will know if they have been successful in December when the Local Government Finance Settlement is released.
34. **Council Tax:** Any increase in the level of council tax is limited by referendum principles, which for a district council looks likely to be set at a maximum of 3% or £5 each year. A 2.99% increase to the Band D rate is assumed in the 2019/20 budget figures (£275k additional income) with the maximum increase allowed included in the amounts shown in years 2 to 5. An increase in the

council tax base of 0.5% is assumed for each year of the MTFS arising from estimated growth in the number of dwellings in the Council's area.

35. The proposed 2019/20 Band D rate is therefore £264.13 compared to the current year rate of £256.46. This is for the Norwich City Council share of total council tax only and does not include the amounts required from preceptors - Norfolk County Council and the Office of the Police and Crime Commissioner for Norfolk.
36. A collection fund surplus receipt of £315k has been estimated for 2019/20 and £75k each year thereafter has been built into the MTFS. This will continue to be reviewed each year and distributions made to the precepting authorities.

Budget savings required over the life of the MTFS

Table 3: Smoothed net savings required 2020/21 to 2023/24

	2020/21	2021/22	2022/23	2023/24
	£000s	£000s	£000s	£000s
Assumed annual budget growth	750	750	750	750
Gross saving requirement	(2,640)	(2,640)	(2,640)	(2,640)
Net annual saving requirement	(1,890)	(1,890)	(1,890)	(1,890)

37. The MTFS now shows a need to make further gross savings of £10.6m over the next four years, assuming demand-led growth of £0.75m per annum. Following the existing "smoothed" approach this equates to gross savings of £2.6m each year to 2023/24.
38. The council currently has in progress a number of initiatives under the fit for the future programme that will deliver savings and efficiencies over the life of the MTFS planning horizon. These are discussed in the Chief Executive's report on this Cabinet agenda. At this point in time, and given the preliminary estimates of the savings and income benefits, this programme is anticipated to meet only 30% of the required savings needing to be made by 2023/24. There is the potential for further savings and efficiencies but it is almost inevitable, given current financial planning and funding assumptions that the council will need to consider significant service reductions over the 3 year period 2020/21 to 2022/23 and a move towards providing core statutory services only.

General Fund Reserves Position

39. The prudent minimum level set for the general fund reserve remains unchanged at £4.2m. The smoothed MTFS brings the forecast reserves down to around Prudent Minimum Balance plus 20% by the end of 2023/24.

Table 4: Estimated General Fund Reserves Position

	2019/20	2020/21	2021/22	2022/23	2023/24
	£000s	£000s	£000s	£000s	£000s

Balance B/Fwd.	11,652	10,082	7,687	5,939	4,971
Use of reserves	(1,570)	(2,395)	(1,748)	(968)	69
Balance C/Fwd.	10,082	7,687	5,939	4,971	5,038

40. After 2024 savings will still need to be required to the extent that any inflationary increases in costs are not able to be offset by rises in council tax and business rates. These savings will need to be made without relying on reserve contributions to balance the budget.

HOUSING REVENUE ACCOUNT AND BUSINESS PLAN

Forecast 2018/19 Outturn

41. The latest position on the Housing Revenue Account, as at period 7, shows that it is forecast to underspend by £1.494m.

Provisional 2019/20 Revenue Budget

42. The provisional 2019/20 budget has been set following discussions with budget managers to determine achievable service budgets. All savings and growth items have been reviewed by the Corporate Quality Assurance Group led by the Director of Neighbourhoods.
43. The table below shows the proposed HRA revenue budget for 2019/20:

Table 5: Movements from the base HRA 2018/19 budget – Figures are in £000s

Division of Service	Original Budget 2018/19	Draft Budget 2019/20	Change
Repairs & Maintenance	13,487	13,760	273
Rents, Rates, & Other Property Costs	6,501	6,227	(274)
General Management	11,965	12,686	721
Special Services	4,819	4,420	(399)
Depreciation & Impairment	21,805	22,027	222
Provision for Bad Debts	190	170	(20)
Adjustments & Financing Items	890	0	(890)
Gross HRA Revenue Expenditure	59,657	59,291	(366)
Dwelling Rents	(56,968)	(56,504)	464
Garage & Other Property Rents	(2,228)	(2,369)	(141)
Service Charges – General	(8,414)	(8,150)	264
Miscellaneous Income	(115)	(82)	33
Adjustments & Financing Items	0	(176)	(176)
Amenities shared by whole community	(427)	(446)	(19)
Interest Received	(100)	(100)	0
Gross HRA Revenue Income	(68,252)	(67,827)	425
Total Housing Revenue Account	(8,595)	(8,537)	58

Revenue contribution to capital	11,144	8,537	(2,607)
Contribution to/(from) HRA reserve	(2,550)	0	2,550
Total	0	0	0

***See paragraph 44**

44. The gross expenditure of £59.29m and gross income of £67.83m generates a surplus of £8.54m. This will be utilised to make a revenue contribution towards the funding of the HRA capital programme.
45. The 2016-18 pay agreement included a commitment to a future restructure of pay spines to meet the national living wage future challenge. The 2016-18 pay agreement included a commitment to a future restructure of pay spines to meet the national living wage future challenge. At the time of writing this report, confirmation of the 2019/20 pay scale points is awaited. An estimated impact has been made in the provisional budget figures.

Council Housing Rents

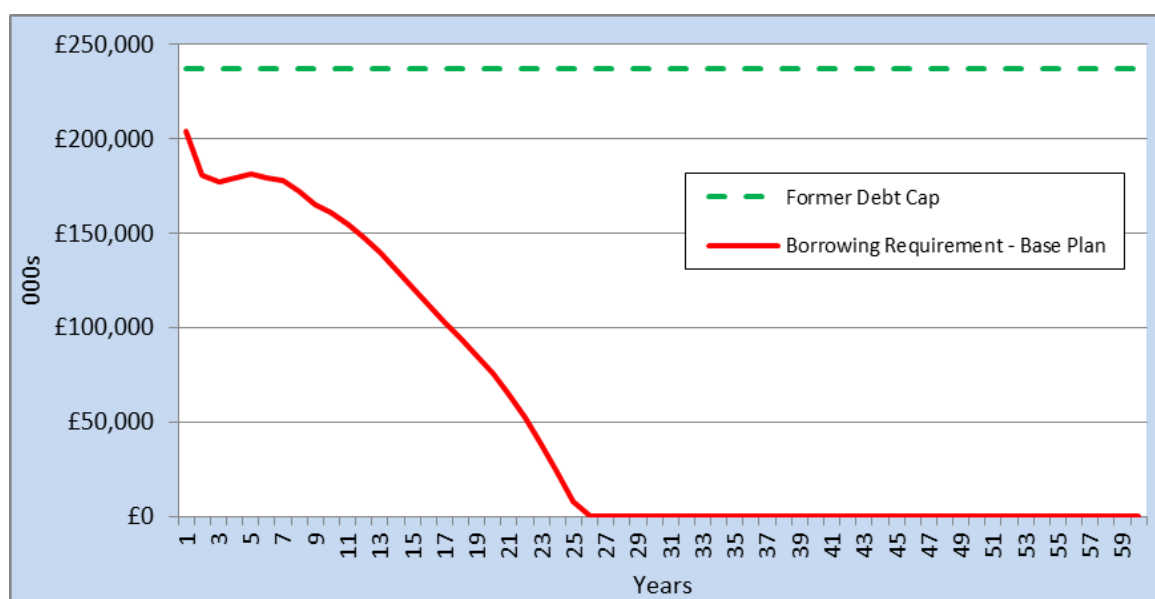
46. Historically, the level at which council housing rents were set was decided by Council in line with guidance set out by the government and information provided by the HRA Business Plan. However, in 2016/17 the government's rent policy was replaced by a mandatory minimum 1% reduction in rent for a four year period until March 2020, as set out in the Welfare Reform and Work Act 2016.
47. The enforced 1% rent reduction continues for the final year in 2019/20, which means that for HRA tenants, the average weekly rent will be £76.65 equating to an average reduction of £0.77.
48. It is proposed that garage rents are increased by 3.4%. This is in line with the government formula for dwelling rents prior to the implementation of the mandatory rent reduction, based on CPI as at the preceding September (2.4%) plus 1%.
49. In accordance with the constitution, levels of tenants' service charges will be determined by officers under delegated powers, in consultation with the portfolio holder and after engagement with tenant representatives.

HRA Business Plan

50. Financial planning for the HRA is based upon a business plan, which measures planned expenditure and income against the ability to repay borrowing, based upon a combination of known and assumed economic factors and government announcements.
51. The Housing and Planning Act 2016 made provision for a determination to be imposed on Housing Revenue Accounts in order to compensate Registered Providers for financial losses incurred as a result of extended Right to Buy legislation. However, the government has now confirmed that this will no longer proceed.

52. The government has issued a consultation confirming its intention to introduce a new rent policy, ending the four year mandatory rent reduction and enabling social housing rents to increase by CPI plus 1% from 2020/21. This has been included within the HRA business plan.
53. On 29th October 2018, the government abolished the HRA borrowing cap, with HRA borrowing to be controlled by the existing Prudential Code.
54. The chart below illustrates the impact on the draft HRA business plan and HRA borrowing requirement of the draft proposed 2019/20 budgets and HRA capital programme. This demonstrates that the borrowing could be repaid with 26 years.

Table 6: Ability to repay HRA borrowing



HRA Reserves Position

55. The draft proposed budgets will impact on the HRA balance as follows:

Table 7: HRA reserves

Item	£'000
Brought Forward from 2017/18	(30,988)
Forecast use of balances 2018/19	2,550
Carried Forward to 2019/20	(28,438)
Draft Budget 2019/20	0
Carried Forward to 2020/21	(28,438)

* See paragraph 56

56. The table above assumes the forecast use of balances remaining in line with the 2018/19 budget. A substantial resource continues to exist that could be used to fund HRA capital expenditure.

CAPITAL PROGRAMME

57. The council owns and maintains an extensive range of assets including commercial property, housing, a market, heritage assets, walkways/paths and lighting columns. Major investment in these and new assets is funded from the capital programme, which in turn is resourced from the disposal of surplus assets, revenue contributions, grants and borrowing.
58. All budget proposals included in the proposed capital programme have been assessed and prioritised by the Corporate Quality Assurance Group, after discussion with NPS and/or the Budget Manager, in an attempt to ensure that all schemes have a robust business case, and are achievable in the financial year.
59. As part of the changes required under CIPFA's Prudential Code, the council will be publishing a capital strategy, which will set out the long term context in which capital expenditure and investment decisions are made in line with the council's corporate plan.

General Fund Capital Programme

60. Budgets within the capital programme have broadened in recent years to include activity such as providing loans and acting as an agent for funds delegated from government departments that are utilised by other organisations. Although these budgets continue to remain within the capital programme, to ensure the clarity of budget monitoring, the general fund capital programme has been classified into the following groups:
 - General capital expenditure
 - Section 106/Greater Norwich Growth Partnership/Community Infrastructure Levy
 - Capital expenditure not controlled by NCC
 - Commercial property Investment fund
 - Capital Contingency
 - Capital Loans
61. The current proposed General Fund capital programme for 2019/20 to 2023/24 is set out below and provided in full detail in appendix 4.

Table 8: Proposed GF Capital Programme 2019/20 – 2023/24 – Figures are in £000s

General Fund Programme	2019/20	2020/21	2021/22	2022/23	2023/24
General - capital envelope - capital receipts/RCCO	1,876	1,326	1,098	574	601
General - capital receipts/RCCO	704	-	-	-	-
General - grant funded	921	-	-	-	-
Contingency - capital envelope - capital receipts/RCCO	150	150	150	150	150

Section 106/Greater Norwich Growth Partnership/Community Infrastructure Levy	2,315	1,325	1,528	1,833	1,770
Commercial property acquisition - borrowing	25,000	25,000	-	-	-
Capital expenditure not controlled by NCC – grant funded	2,510	1,382	1,150	1,150	1,150
Capital spend to save - RCCO	200	-	-	-	-
Total General Fund Capital Programme	33,676	29,183	3,926	3,707	3,671

62. In addition to the schemes included above and detailed appendix 2, there are a number of other significant potential schemes that form the council's capital ambition programme. These will require detailed business cases, which once approved will be submitted to cabinet for recommendation to council for inclusion within the capital programme in the future. A discussion and prioritisation of these schemes will be included in the capital strategy report to Council in February 2019.

Schemes funded by external borrowing

63. The only proposed expenditure to be funded from borrowing is the commercial property acquisition fund. A separate report on this Cabinet's agenda sets out how the principals and criteria the council will apply when making commercial property investments.

Schemes funded from Capital Receipts and Revenue Contributions to Capital Outlay (RCCO)

64. The council's extensive and diverse asset portfolio presents a significant maintenance and upgrade liability, requiring continual investment. As many of these assets do not generate an income, it is not possible to fund the investment from borrowing and provision must be made to cover the costs from capital receipts or a revenue contribution instead.
65. To mitigate against the anticipated reduction in future capital receipts, the council has continued to make a revenue contribution to capital outlay (RCCO). For 2018/19 this amounted to £800,000 and it is proposed to continue to increase this annually by £250,000 until it reaches £1.8m. Although this presents a strain on the General Fund revenue budget, it is considered essential that it is preserved if the Council's extensive range of assets is to be maintained in the future.
66. In line with the planned future available funding and the intention to only include schemes that are achievable within the financial year, it is proposed to continue to limit the more "routine" capital upgrade schemes to be funded from capital receipts and revenue contributions within a capital "envelope" totalling £1.8m per annum.

67. For 2019/20 only, it is proposed to extend the capital “envelope” to £2.03m, to enable an additional parks tennis expansion scheme to be undertaken and works to commence on City Hall heating and hot water system. The completion of the parks tennis expansion scheme within the financial year will facilitate the utilisation of grant funding and should lead to a reduction in revenue costs in the longer term.
68. On occasions, as projects progress, it becomes apparent that due to unforeseen costs, it may be necessary for expenditure to slightly exceed the allocated budget. This can cause project delays as surplus funds are identified from alternative budgets or approval sought from Council to increase the capital programme. For 2019/20, it is proposed to continue to provide a capital contingency budget of £150,000, which can be utilised to vire small additional amounts to increase budgets as required, subject to the approval procedures set out in the Financial Procedures.

Grants, Section 106 and Community Infrastructure Levy

69. Schemes that are proposed to be funded from grants form part of the work carried out by the Homes Improvement Agency which is funded by the Better Care Fund (including the Disabled Facilities Grant) received from Norfolk County Council.
70. Section 106 and CIL schemes are funded from existing resources earmarked for specific purposes.

HRA Capital Programme

71. The current proposed HRA capital programme for 2019/20 to 2023/24 is based on the following neighbourhood housing primary goals and set out in the table below:

- Meeting housing need - delivering new homes
- Maintaining and improving condition of existing housing
- Improving the use and management of our existing housing stock
- Improving our neighbourhoods.

Table 9: Current Proposed HRA Capital Programme 2019/20 – 2023/24 – Figures are in £000s

Project	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)
Meeting housing need - delivering new homes					
New Social Housing	3,858	6,288	180	-	-
Site Development	50	50	50	50	50
Grants to Registered Housing Providers	2,000	2,000	2,000	2,000	2,000
Maintaining and improving condition of existing housing					

Preventative Upgrades	9,710	8,324	6,550	6,400	5,095
Home Upgrades	6,310	6,300	5,650	4,700	5,384
Window & Door Upgrades	2,652	2,900	2,450	3,450	720
Improving the use and management of our existing housing stock					
Independent Living Upgrades	990	700	650	550	350
Sheltered Housing Regeneration	-	100	100	100	-
Heating Upgrades	3,795	4,900	3,000	3,000	3,000
Thermal Upgrades	934	1,000	1,000	800	500
Improving our neighbourhoods					
New CCTV system	10	-	-	-	-
Community Upgrades	1,340	1,000	1,000	1,000	550
Fees	710	710	710	710	710
Total Proposed HRA Capital Programme	32,359	34,271	23,339	22,760	18,359

72. The proposed council house upgrade programme continues to maintain the Norwich Standard of improvement and the structural integrity of tenants' homes.
73. The new social housing budget includes the development of 12 additional homes at Goldsmith Street by the HRA and the purchase of 9 homes at Northumberland Street and 55 homes from Norwich Regeneration Ltd (30 at Three Score, 18 at Argyle Street and 7 at Bullard Road).
74. Grants to Registered Housing Providers are funded from retained one-for-one Right to Buy receipts in accordance with the principles agreed by cabinet on 7 October 2015.
75. All proposed HRA capital and revenue budgets are incorporated into the HRA Business Plan projections, which indicates that the planned expenditure remains affordable whilst maintaining the ability to repay borrowing within 30 years.

PUBLIC CONSULTATION AND NEXT STEPS

76. In line with the approach used in previous years, citizens, HRA tenants, partners and local businesses will be consulted on the proposed approach to meeting the savings target for 2019/20 and the proposed Council Tax and HRA rental levels. This consultation will also include the council tax reduction scheme despite there being no significant changes proposed for the scheme in 2019/20. The consultation will run from 7 December 2018 until 6 January 2019.
77. The next steps for the budget and MTFS proposals are set out below:

Scrutiny to consider the proposed General Fund revenue budget and MTFS, HRA Business Plan, capital strategy,	31 January
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investment strategy and capital programme	
Cabinet to recommend the General Fund revenue budget and MTFS, HRA Business Plan and capital programme	6 February
Cabinet to recommend the 2018/19 Council Tax Reduction Scheme	6 February
Council to approve the General Fund revenue budget and MTFS, HRA Business Plan and capital programme	19 February
Council to approve the 2018/19 Council Tax Reduction Scheme	19 February

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 the completion of the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:	Cabinet
Committee date:	12 December 2018
Director / Head of service	Karen Watling
Report subject:	2019/20 Budget, Medium Term Financial Strategy (MTFS) and HRA Business Plan Update
Date assessed:	28 November 2018
Description:	This integrated impact assessment covers the emerging position, as currently known, for the General Fund revenue budget, the HRA Business Plan, and the Council's 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"/>	The emerging budget will secure continuing value for money in the provision of services to council tax payers and other residents of the city, as well as the provision of works and services to council tenants.
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"/>	The emerging budget and savings within this paper covers a wide range of council activity and spend. As a result it is not possible to provide a detailed assessment of, for example, the impact on residents and others with protected characteristics under The Equality Act at this level. Existing council processes for equality impact assessments should continue to be carried out at an appropriate time for the individual projects, activities and policies that constitute this budget and transformation programme.
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The proposed capital programme will provide for improvements to the council's assets and the surrounding environment.</p> <p>The proposed housing capital programme will provide for the Norwich Standard for properties to be completed.</p>
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The proposed capital programme will provide for improvements in thermal and carbon efficiency.
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The risks underlying the emerging budgets, council tax and capital programme have been assessed and prudent provision made for the financial consequences of those risks both within the budgets and the recommended prudent minimum level of general fund and housing revenue account reserves.

Recommendations from impact assessment
Positive
None
Negative
None
Neutral
None
Issues
None

Summary of General Fund Net Savings

	Project name	Description	Current budget context	£'000
Additional income generation				
1	Commercial property acquisition	<p>Additional net income from the acquisition of new commercial property in line with the Council's strategy to generate income and maximise returns from assets, as agreed in the four year financial sustainability plan. Currently approximately £285k of the net income has been secured or in the process of completion. The net income includes an allowance for external borrowing interest costs and minimum revenue provision expense. The net internal rate of return on the investment assumed in the MTFS is 2%</p> <p>The Council will continue to set aside a proportion of the new net income generated into an ear-marked reserve. This will be used to provide funding for any future void and rent free periods as well as any repairs/upgrades required to the property to help safeguard the future value of the investment and the rental income stream, thereby minimising the risk of holding these assets and of fluctuations in the income return.</p>	Existing gross rental from commercial property of £2.9m	(500)
2	Commercial property rental income	Additional income already achieved from a commercial property purchased at the start of the 2018/19 financial year along with additional income from rent reviews of the existing property portfolio.	Existing gross rental from commercial property of £2.9m	(212)

3	Citywide Services Income	<p>Increase to the budgeted income from integrated waste management services based on current performance levels:</p> <ul style="list-style-type: none"> • Garden waste income (£33k) • Replacement bin income (£29k) • Recycling credits (£45k) • Contract discount (£75k) • Bulky waste income (£6k) <p>Additional income is partially offset by increased citywide contract costs.</p>	<p>Existing income budgets:</p> <ul style="list-style-type: none"> • Garden waste (£450k) • Replacement bin (£16k) • Recycling credits (£1,055k) • Contract discount (£300k) • Bulky waste (£48k) 	(188)
4	Car park additional income from approved tariff increase	Growth in income associated with tariff reviews and increased usage of Rose Lane car park. Based on current performance.	Existing off-street and multi-storey car park gross income of £5.8m	(130)
5	Office rental	Additional income from the letting of office space above the Rose Lane car park.		(24)
6	Legal profit share	Net increase in income from a higher profit share from Nplaw (legal services) shared service offset against higher legal costs from increased usage.		(13)
7	Planning consultancy income	Increase in budgeted income; planning pre-application consultancy income in line with current performance.	Current income budget of £100k.	(10)
8	Other income	Budget income increases (individually below £5k).		(1)
Total Additional income generation				(1,078)

Service reviews and efficiencies

	Mile Cross Depot Demolition	<p>The Council successfully bid for £980k from the Land Release Fund to clear and decontaminate the Mile Cross site. The grant condition requires this to be used so as to make the site “released” for housing redevelopment by 2020.</p> <p>In September 2018 Council approved the decision to proceed with the demolition of the depot and the decontamination of the site given the lead in time required to procure and undertake the necessary works and the need to have the site cleared and decontaminated by the deadline of 2020.</p> <p>Revenue savings will be made through the exemption from business rates once the site is cleared and also reduced site security.</p>		(122)
	Vacancy factor	<p>In recent years a significant element of the year-end underspends against budget has been due to staff salary underspends. These often arise due to the time lag in recruiting into vacant posts. The vacancy allowance is recognition of this expected underspend at the corporate level. It does not translate into service area targets for holding any vacancies, teams are budgeted for at their full establishment enabling them to recruit to all vacant posts during the year.</p> <p>The increase to the vacancy allowance this year reflects the recent levels of underspend. Within the MTFS the allowance is then slowly reduced over the next three years as the Fit for the Future structures are agreed and implemented.</p>	Increase to the current allowance of £150k.	(200)

	Re-basing of expenditure budgets in line with actual spend	Budget reductions based on expenditure areas with historic levels of underspend. Budgets have been rebased to the current levels of spend. The reductions cover budgets relating to advertising, apprentice levy contribution, City Hall, Lakenham area office, printing, promotions & publicity, staff advertising and taxis.		(120)
	Training costs	Reduction in training budgets in line with past year spend and overall reductions in staff numbers. One-off training needs related specifically to the Fit For the Future work can be funded from the Invest-to-Save earmarked reserve.	Existing general fund budget of £229k. Separate existing HRA budget of £65k.	(56)
	Reduction in contingency	Reduction in the General Fund contingency budget to reflect past years requirements. General reserves also provide additional contingency for any significant unexpected costs.	Existing General Fund contingency budget of £500k.	(100)
	Economic Development	Reduction in the project budget in the economic development team. The budget has tended to be used for one-off pieces of work and been underspent in recent years. Proposed that any specific projects that cannot be funded within the current budget would be subject to a request to the contingency fund.	Reduction in budget from £170k to £114k.	(56)
	CCTV maintenance	Reduction in CCTV maintenance costs following capital investment in equipment.	Existing budget of £65k.	(34)
	Snow clearing	Reduction in snow clearing budgets in line with actual spend in recent years. Any additional costs arising from a severe winter would need to be met from the contingency budget.	Existing budget of £39k.	(29)

	LGSS overhead	Reduction in LGSS overhead cost arising from a change in arrangements for processing external audit costs.	Existing budget of £268k.	(8)
	Other savings	Budget savings (individually below £5k).		(31)
Total Service reviews and efficiencies				(757)

GROSS SAVINGS				(1835)
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	Growth			
	Property rental	Loss of property rental due to planned disposals of lower income -generating property and vacant properties. This is in line with the approved disposal programme and review of the property portfolio.		198
	IT transformation costs	Additional costs to support digital solution investment in IT infrastructure. This will support service redesign and digitalisation (benefits to be identified via customer journey mapping). In the longer term this is designed to enable a full line of business review including the replace / removal of legacy systems.		95
	IT business-as-usual costs	Additional costs associated with Microsoft licences (£50k), the roll out of corporate WIFI across City Hall and The Halls (£23k) and additional annual support costs for a new CCT management systems after the current solution goes end-of-life in 2019 (£15k).		88
	Living wage	The council is committed to paying the living wage as set by the living wage foundation. This is announced in November. The provisional draft budget has assumed a 30p per hour rise. This will be updated for the final costs in the February budget report.		88

	NEWS costs	Additional costs associated with the NEWS joint venture as a result of the exceptional volatility of the recycling markets.	85
	Finance	Commercial Finance Business Partner to be provided via the LGSS contract. The post holder will be expected to play a key role in the Council's commercialisation agenda by providing commercial financial advice to senior officers and project teams and by developing robust Business Cases for possible new income streams.	83
	Working hours changes	Adjustments to salary budgets to match establishment.	42
	Contaminated waste income	Reduction in contaminated waste shared income.	25
	Events storage	Events Team requires storage for a variety of bulky equipment which is essential to the service. Following the clearing of the Mile Cross Site, alternative storage premises are required.	18
	Income from shared post	Removal of contribution from Breckland Council for a support officer in the Citywide team. The post is not currently filled, and the work has gone to Breckland council, therefore no more contribution.	15
	HMO licensing team	Required staffing growth to enable the council to meet its statutory duty to deliver the recently extended statutory HMO licensing scheme. Majority of the costs of these posts are recoverable through the licence fee. The increase is sufficient to cover 2 additional posts. The second post will not be recruited until there is more clarity over the number of licensable HMOs and associated work load in Summer 2019.	10

	Subscriptions	Increased subscription to PS Tax providing advice on a range of tax issues including VAT, stamp duty and corporation tax. Without appropriate tax knowledge there is risk that the council's commercial and redevelopment activities will not be managed for maximum effectiveness and value in regards to tax or incorrect decisions being taken. Additional CIPFA network subscriptions to support the increasing commercialisation strand of the Fit for the Future work stream.	10
	City Hall hire fee income	Reduction in budget for City Hall hire fee income. The £11k target has not been achieved for some years and income is diminishing each year. There is little demand from external parties who are prepared to pay hire fees.	10
	Syrian refugees	In September 2018 Cabinet agreed to support an extension of the existing Syrian vulnerable person's resettlement scheme. As part of this proposed extension, the county council approached the city council about housing a further one hundred refugees over a further two year period through LetNCC. As a result of the extension the maximum contribution of Norwich City Council to the cover any rent shortfall as a result of the benefit cap has increased by £4,300.	4
		Other minor growth (less than £5k individually)	7
Total Growth			778

NET SAVINGS	(1,057)
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Proposed General Fund Capital Programme

Funding	GF Prog	Project	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)
Capital Receipts /RCCO	General Capital	IT Investment in infrastructure & telephony.	525	295	200	200	200
Capital Receipts /RCCO	General Capital	St Andrews MSCP Roadway Lighting - Installation of replacement LED lighting.	-	30	29	29	29
Capital Receipts /RCCO	General Capital	City Hall Heating System - Replacement of boiler plant & controls.	92	315	-	-	-
Capital Receipts /RCCO	General Capital	Riverbank Stabilisation Yare & Wensum - Including repairs to piling & quay headings.	33	33	33	-	-
Capital Receipts /RCCO	General Capital	Riverside Footpath District Lighting - Installation of replacement LED lighting.	21	21	21	-	-
Capital Receipts /RCCO	General Capital	Non Trafficked Pedestrian Bridges - Major upgrades.	33	33	33	-	-
Capital Receipts /RCCO	General Capital	Strangers Hall Stores Roof - Replacement of existing roof.	28	-	-	-	-
Capital Receipts /RCCO	General Capital	Earlham Cemetery Railings - Replacement of original railings.	-	142	142	-	-
Capital Receipts /RCCO	General Capital	Eaton Park Path Replacement - Replace worn & uneven paths.	45	45	45	45	-
Capital Receipts /RCCO	General Capital	Wensum Park Stone Wall - Replacement of dry stone walls.	20	20	20	-	-
Capital Receipts /RCCO	General Capital	Cemetery Gates - Refurbishment of damaged ornamental gates.	-	28	-	-	-
Capital Receipts /RCCO	General Capital	Community Centres - Electrical, heating lighting upgrades and external joinery repairs.	102	-	-	-	-
Capital Receipts /RCCO	General Capital	Motor Cycle Park - Works to protect concrete deck above public toilets & shops.	39	-	-	-	-
Capital Receipts /RCCO	General Capital	Rosary Cemetery Gate - Refurbishment of ornamental gates and surrounding railings.	-	11	-	-	-
Capital Receipts /RCCO	General Capital	Riverside Leisure Centre Plant - Replacement of heating system plant & equipment.	56	-	264	-	72

Funding	GF Prog	Project	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)
Capital Receipts/ RCCO	General Capital	CCTV - New CCTV system for public spaces and tower blocks.	24	-	-	-	-
Capital Receipts/ RCCO	General Capital	Grounds Maintenance Equipment	170	-	-	-	-
Capital Receipts/ RCCO	General Capital	City Hall Kitchens & Toilets - Improve kitchen & toilet facilities for staff.	65	54	11	-	-
Capital Receipts/ RCCO/ S106/ Grant	General Capital	Norwich Parks Tennis expansion - Grass court replacement & hard court upgrade.	435	-	-	-	-
Capital Receipts/ RCCO/ Grant	General Capital	Home Improvement Agency Works - Including provision of Disabled Facilities Grants.	1,450	1,450	1,450	1,450	1,450
Capital Receipts/ RCCO/ Grant	General Capital	Earlham Park Toilets - Replacement and provision of disabled facilities.	77	-	-	-	-
Capital Receipts/ RCCO	General Capital	Capital Contingency	150	150	150	150	150
Capital Receipts/ RCCO/ Grant	General Capital	Mile Cross Depot - Demolition and decontamination.	1,425	-	-	-	-
Borrowing	Asset Investment	Property Acquisition - Commercial property acquisition.	25,000	25,000	-	-	-
CIL	S106/CIL/ GNGB	Corporate Infrastructure Levy - Strategic Pool contribution.	1,198	1,019	1,378	1,833	1,770
CIL	S106/CIL/ GNGB	George Fox Way Wooded Area - Hedgerow/access improvements.	3	-	-	-	-
CIL/ GNGB	S106/CIL/ GNGB	Ketts Heights - Restoration of structures. Improved access.	105	-	-	-	-
CIL	S106/CIL/ GNGB	West Earlham Woods - Community led project to improve management.	5	-	-	-	-
CIL	S106/CIL/ GNGB	Netherwood Green - Improve access & biodiversity. Reduce ASB.	29	-	-	-	-
CIL	S106/CIL/ GNGB	Mile Cross Pedestrian & Cycle Links - Enhancements Norman Centre / Mile Cross School	20	-	-	-	-
CIL	S106/CIL/ GNGB	CIL Neighbourhood - Future Programme	-	150	200	200	225

Funding	GF Prog	Project	2019/20 (£'000)	2020/21 (£'000)	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)
GNGP	S106/CIL/ GNGB	Earlham Millennium Green Phase 3 - Path and other access improvements.	18	-	-	-	-
GNGP	S106/CIL/ GNGB	Wensum Park Play Area - Redevelopment including new play equipment.	-	-	115	-	-
GNGP	S106/CIL/ GNGB	CIL Football Pitch Improvements.	40	40	35	-	-
GNGP	S106/CIL/ GNGB	Riverside Walk - Improvements to allow access for all and better wayfinding.	180	-	-	-	-
GNGP/ S106	S106/CIL/ GNGB	Castle Gardens - Restoration and improvement works.	212	-	-	-	-
GNGP	S106/CIL/ GNGB	Yare - Wensum Green Infrastructure - Improved links for walking, cycling & wildlife.	75	95	-	-	-
GNGP/ Grants	S106/CIL/ GNGB	Riverside Walk Adj NCFC - Construction of new cycle/pedestrian route.	-	302	-	-	-
GNGP/ Grants	S106/CIL/ GNGB	UEA to Eaton boardwalk - Extension of existing boardwalk.	90	-	-	-	-
Section 106	S106/CIL/ GNGB	Bunkers Hill - Entrance & path improvements. Tree works.	59	-	-	-	-
Section 106	S106/CIL/ GNGB	Bowthorpe Southern Park - Install new gates and replace fencing.	5	-	-	-	-
Section 106	S106/CIL/ GNGB	St George's open space and play improvements Redevelopment.	88	100	-	-	-
Section 106	S106/CIL/ GNGB	Wensum Park Play Area - Redevelopment including new play equipment.	62	-	-	-	-
Section 106	S106/CIL/ GNGB	Bowthorpe to Clover Hill Access - Improve pedestrian access from Rayne Park.	69	-	-	-	-
Section 106	S106/CIL/ GNGB	St Stephens Towers Public Realm - City Wall and pedestrian route works.	70	-	-	-	-
Grants	Not controlled	DfT CCAG Safety Schemes - Earlham Road & Fiveways roundabout.	1,360	-	-	-	-
Capital Receipts/ RCCO	Spend to Save	IT Transformation - Digital platform development	200	-	-	-	-
Total Proposed GF Capital Programme			33,676	29,333	4,126	3,907	3,896

Report to	Cabinet	Item
	12 December 2018	
Report of	Strategy Manager	7
Subject	Quarter 2 Corporate Performance Report for 2018-19	

Purpose

To report progress against the delivery of the corporate plan priorities and key performance measures for quarter 2 of 2018 – 19.

Recommendations

To:

- 1) consider progress against the corporate plan priorities for quarter 2 of 2018-19; and
- 2) suggest future actions and / or reports to address any areas of concern.

Corporate and service priorities

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

Financial implications

The direct financial consequences of this report are none.

Ward/s All wards

Cabinet member Councillor Waters - Leader

Contact officers

Adam Clark, Strategy Manager	01603 212273
Ruth Newton, Senior Strategy Officer	01603 212368

Background documents

None

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 fourteenth 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 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. Methodological changes for some survey derived measures have been included to improve the robustness of the results as agreed at cabinet on 8 November 2017. These include a new methodology and the weighting of measures that are derived from the Local Area Survey and a new text based methodology for overall satisfaction with council services. These improve accuracy but have an impact on reported performance, as can be seen from this quarter and previous quarters' performance.
4. 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.
5. 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.
6. A copy of the full performance report can be found at appendix A.

Headlines for quarter 2 performance

7. Overall performance this quarter has remained similar to last quarter's with two of the council priorities showing amber (safe, clean and low carbon city and healthy city with good housing). However, there are still some specific areas where the council is performing well and exceeding its targets but there are also some specific issues highlighted below. Each of the performance measures are provided within the relevant section of the performance report at appendix A.
8. The following areas of performance are brought to your attention:
 - a) There are a number of customer satisfaction indicators which are under target for the quarter, including residents satisfied with parks and open spaces, the local environment and opportunities to engage with the Council. These remain under target following the change in methodology to a text survey. These will continue to be monitored to further understand any trends.
 - b) Though it is below target for Q2 2018/19, the percentage of residents satisfied with opportunities to engage with Council is at 41%, an

improvement compared to the previous quarter. Further analysis will be undertaken to understand the drivers behind the change.

- c) One indicator from the text survey which is again above target for the quarter is the percentage of people feeling safe. This measure takes into account the perceptions of residents during the day and at night-time.
- d) The percentage of residential homes on a 20 mph street has not reached its target for this quarter. However, the number of homes in a 20mph area is still due to be met by the end of the year as approval has been given for extensive rollouts of 20mph restrictions in the northern suburbs, Eaton and Lakenham and will be implemented in Q4.
- e) 211 new jobs have been created or supported through Council funded activity in the last six months, above the target of 150. The majority have come through businesses which are growing with support from the New Anglia LEP's grant schemes.
- f) The delivery of the Council's capital programme is green for the quarter, with 89% of projects on track. Reasons for projects not being green include funding issues and legal actions arising from land ownership.
- g) For Q2 2018/19, 84% of all planning applications were processed on time and is above target for the quarter. The service has recently introduced a customer survey to provide further feedback regarding the process and this will be used to track and further understand planning performance.
- h) This was the second quarter of the Digital Inclusion plan for 2018-20, and is on target for the year. There was sharp intake of Get Digital grants with one grant released and three more submitted for assessment. Volunteer training and outreach activities were run in the build-up to the launch of Universal Credit going fully live in Norwich. Overall, the number of learners has remained steady throughout the summer.
- i) The data showing improved wellbeing due to social welfare advice shows improvements for most beneficiaries; however the data is not sufficient at this stage to give a statistically robust figure. This will be available for Q4.
- j) Norwich City Council has made an additional reduction of 2.9% in the carbon emissions from its own operations, taking total reductions up to 57% against its target of 40% by 2019.
- k) Tenant satisfaction with the housing service is slightly below target for the quarter by one percentage point. The survey is now a rolling survey done quarterly and will now offer a more timely assessment of tenant satisfaction.
- l) The number of private sector homes made safe is below target for the quarter; however this is due to significant enforcement action at a block of 47 flats. This is expected to be completed as one batch later in the year.
- m) The percentage of residents satisfied with the service they received from the Council is slightly below target for the quarter. The customer service team are bedding in a significant restructure which has impacted upon resources and knowledge across the team. The information is being used to improve services and efficiency across the Council.

- n) The General Fund revenue budget is forecast to underspend by £932,000 and is green for the quarter. This is mainly arising from higher than budgeted income from property acquisitions and from staff vacancies.



Report author to complete

Committee:	Cabinet
Committee date:	12 December
Head of service:	Adam Clark
Report subject:	Quarter 2 performance report 2018/19
Date assessed:	November 2018
Description:	This report sets out progress against the key performance measures that are designed to track delivery of the Corporate Plan priorities for quarter 1 of 2018/19.

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)		<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	
The range of council activity represented by this report means that it is not possible to identify the aggregate impact; this is covered by the individual impact assessments that are conducted as part of routine council business	



Comments

Overall performance this quarter has remained similar to last quarter's with two of the council priorities showing amber (safe, clean and low carbon city and healthy city with good housing). However, there are still some specific areas where the council is performing well and exceeding its targets but there are also some specific issues highlighted in the report.

The Council has made additional reductions to carbon emissions from its own activity with a total of 57% against a target of 40% to be reached by 2019. The number of accidents on Norwich roads has decreased further for another quarter. However there have been challenges including the number of streets found clean on inspection which is below target for the quarter.

The number of jobs created or supported over the last 6 months is again above target for the quarter, as is the percentage of people satisfied with our leisure and cultural facilities. The percentage of upgrades complete in our housing stock is below target for the quarter as is the number of private sector homes made safe. However, preventing homelessness continues to be above target as does the re-let times for council housing. Though tenant satisfaction is slightly below target for the quarter.

The percentage of residents satisfied with the service they received from the Council is slightly below for the quarter. However, the percentage of avoidable contacts with the Council and channel shift indicators are green for quarter 2.

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

For more information please contact the Strategy & Transformation team on ext 2535 or email strategy@norwich.gov.uk

Key to tables (following pages) :

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



	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	Date Measured
SCL06 % of residential homes on a 20mph street	42.0%	50.0%	▲	➡	42.0%	50.0%	▲	09/18
Comments: While there has been no increase in the number of homes in a 20mph street this measure remains on course to exceed its target by year end. Approval has been given for extensive rollouts of 20mph restrictions in the northern suburbs, Eaton and Lakenham and these will be implemented in Q4.								
SCL11 % of people satisfied with parks & open spaces (Q)	80.0%	85.0%	▲	➡	77.1%	85.0%	▲	09/18
Comments: Satisfaction with parks and open spaces has been consistently just below target since the new methodology came into effect last year. Work is continuing with our partners and community groups to maintain our parks.								
SCL04 Residual household waste per household (Kg)	104.2	93.8	▲	➡	206.6	187.5	●	09/18
Comments: Although this indicator is currently static it is low in comparison to similar urban authorities and our mixed dry recycling rate is encouragingly above average for similar authorities. Food waste capture and participation has also significantly improved in the last quarter.								

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
SCL01 % of streets found clean on inspection	83.8%	88.0%	●	➡	83.4%	88.0%	●	09/18
Comments: As with last quarter levels of litter are much lower than the levels of detritus. The level of down time in the sweeper fleet has improved recently, however it was not soon enough to affect the results for Q2.								
SCL12 Percentage of people satisfied with their local environment	70.2%	75.0%	●	➡	67.4%	75.0%	▲	09/18
Comments: Compared to Q1, this quarter has seen an improvement in people's satisfaction with their local environment. However, it remains amber for the current period and monitoring will continue to understand if the variation is related to any specific issues.								

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
SCL02 % of people satisfied with waste collection	90.9%	85.0%	★	➡	80.7%	85.0%	●	09/18
Comments: It is encouraging that over 90% of respondents are satisfied with the service and reflects the efforts made by Biffa and the council to continually improve services for residents.								
SCL03 % of people feeling safe	62.5%	60.0%	★	➡	61.8%	60.0%	★	09/18
Comments: Compared to Q1 performance has again improved and is slightly above target. The indicator will be monitored closely in conjunction with the Norfolk Constabulary to understand if this change relates to any specific activities or trends.								
SCL05 % of food businesses achieving safety compliance	96.0%	94.0%	★	➡	96.0%	94.0%	★	09/18
Comments: The hygiene standard of food premises in the City remains steady at approximately 96%. Further support for businesses is being developed with the introduction of business advice visits which are linked to inspections for new businesses and businesses with a good hygiene rating history								

SCL07 Number of accident casualties on Norwich roads	335	400	★	➡	335	400	★	09/18
Comments: it is pleasing to see that the reduction in the number of accidents has been sustained for a second quarter. The network safety team are continuing to try and identify the reasons behind this drop, and whether they are genuine or a statistical blip (Currently only data up to August is available)								
SCL09 CO2 emissions for the local area	11.6%	2.4%	★	➡	11.6%	2.4%	★	04/18
Comments: The figures for 2016 were released at the end of June 2018.								
During the period Norwich had the lowest per capita emissions (joint with Great Yarmouth) of any Norfolk LA at 3.80 tonnes/capita.								
Norwich achieved a per capita emissions reduction of 11.6% in 2017/18, for the year 2016.								
In the period 2005 to 2016 Norwich achieved a total per capita emissions reduction of 44%. This compares favourably against reductions made in other Norfolk LA areas: Breckland (-33%), Broadland (-25%), Great Yarmouth (-35%), KL&WN (-30%), North Norfolk (-31%), South Norfolk (-30%).								
SCL10 CO2 emissions from local authority operations	2.9%	2.2%	★	➡	2.9%	2.2%	★	04/18
Comments: Using the 2017 DEFRA conversion factors, Norwich City Council has made an additional 2.9% reduction in its carbon emissions taking the total reductions to 57% saving against its target of 40% by 2019.								

SCL CPlan White 15-16								
Performance measures not contributing to the performance score for this quarter								
- Measure								
CPlan15-20 Safe, Clean & low carbon city : SCL13 % change in the number of cyclists counted at automatic count sites								
Comments:								
SCL08 % of adults cycling at least 3x per week for utility purposes								
Comments:								



	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	Date Measured
PVC09 Amount of visitors at council run events	101,120	85,200	★	🟢	101,120	85,200	★	09/18
Comments: The rolling yearly figure is above target as of Q2 (101,120) as there have been record crowds with the Xmas and Big Boom events.								
PVC03 Amount of funding secured by the council for regeneration activity (4 year rolling average)	£2,906	£2,000	★	➡	£2,906	£2,000	★	09/18
Comments: Same as Q1. This indicator is based on a four year rolling average to account for any fluctuations in funding and is above target for the period. As of Q1 2018/19 a further £67,491 was awarded to support staff costs and studies at key sites such as Mile Cross, rear of City Hall, Mountergate West and Norwich Airport Industrial Estate. Further funding is expected later in the year.								
CPlan15-20 Prosperous and vibrant city : PVC1 Number of new jobs created/ supported by council funded activity	211	150	★	🟢	211	150	★	09/18
Comments: A majority of these jobs have been created by businesses which are growing with support from the New Anglia Lep's grant schemes.								
PVC8 % of people satisfied with leisure and cultural facilities	98.0%	95.0%	★	🟢	98.0%	95.0%	★	09/18
Comments: Overall it is above target for the quarter, the Norman Centre achieved "Quest Entry" accreditation in October 2018.								
CPlan15-20 Prosperous and vibrant city : PVC2 Delivery of the council's capital programme	89%	80%	★	🟢	89%	80%	★	09/18
Comments: Green overall for the quarter. The main reasons for projects not being green are due to funding issues, legal actions arising from land ownership related matters, delays with companies, resourcing and a delay in agreeing a strategy for updating the City Hall telephony platform.								
PVC6 Planning service quality measure	84%	83%	★	🔴	84%	83%	★	09/18
Comments: 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. Outputs will soon include both these measurements of speed of processing and quality of service by way of feedback received from a customer survey process. The survey data captures planning applications decided from April 2018 onwards. We will soon analyse the survey responses and will agree how the data will be presented and how it will be targeted.								

Performance measures not contributing to council performance this quarter

Measure
PVC07 No. of priority buildings on the 'at risk register' saved from decay by council interventions
Comments: The target for 2017/18 was to save one priority buildings on the 'at risk register' from decay and dereliction through the intervention of the city council.
This target was achieved when Howard House on King Street was removed from the register following an intensive period of collaborative working between the city council conservation team and Orbit Housing.
Other non-priority buildings that were removed from the register during 2017/18 were Waterloo Park Pavillion and Weavers House on Mountergate.



	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	Frequency	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
CPlan15-20 Fair city : FAC02 % of people who felt their wellbeing had been improved following receiving advice	Biannual	?	?	?	?	?	?	?	09/18
Comments: The data showing improved wellbeing due to social welfare advice shows improvements for most beneficiaries, however the data is not sufficient at this stage to give a statistically robust figure. This will be available by Q4.									

Measure	Frequency	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
FAC1 Delivery of the reducing inequalities action plan	Quarterly	49.0%	50.0%	●	🔴	49.0%	50.0%	●	09/18
Comments: Work has been progressing in a number of areas as part of the council's reducing inequalities action plan. These have included an update to the State of Norwich report, summarising key data about the local economy and people, and the development of a food partnership to bring together organisations working to prevent and alleviate food poverty across the city.									
FAC4 Timely processing of benefits	Quarterly	94.0%	100.0%	●	🔴	94.0%	100.0%	●	09/18
Comments: Change of circumstances, appeals and discretionary housing payments are all on target but new claims processing is slightly outside of target at just under 23 days average compared to the target of 21 days. New claims processing is improving and moving back towards the 21 day processing target so this is a short term deviation from target.									

Measure	Frequency	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
FAC3 Delivery of the digital inclusion action plan	Quarterly	50%	50%	★	➡	50%	50%	★	09/18
Comments: This quarter saw a sharp uptake in our Get Digital grants - we released one grant, and have three more applications submitted, ready to assess. We gathered opinions on the effectiveness of our Digital Inclusion External Steering Group and ran a successful meeting with multiple partners in September. In the run up to Universal Credit going fully live in Norwich we ran some volunteer training and outreach activities, and have been working with IT to ensure that there is the right digital access solution for UC customers who may visit city hall to self-serve. Another digital coaches training session took place this quarter to train up more frontline staff to assist in the newly refurbished Customer Contact Centre. The numbers of learners engaging with the project has remained steady throughout the summer.									
FAC5 No of private sector homes where council activity improved energy efficiency (YTD)	Quarterly	141	82	★	🔴	141	82	★	09/18
Comments: YTD we have completed 141 measures (Small measures, loft and cavity wall insulation, boiler replacements).									

Performance measures that are not contributing to performance this quarter

Measure
CPlan15-20 Fair city : FAC06 % of comm. org. who pay the living wage for services delivered on behalf of NCC
Comments: The few community organisations which do not currently pay the living wage to all staff are striving to achieve this.



	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	Frequency	Actual	Target	▲ RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
HCH04 Affordable Homes measure	Quarterly	160	350	▲	🟢	160	350	▲	09/18
Comments: 93 further units are expected by the end of Q4 with the completion of Goldsmiths Street. Estimated total delivery for 2018-19 is currently 212.									
% of upgrades complete	Quarterly	31%	55%	▲	🔴	31%	55%	▲	09/18
Comments: Heating: 33% of the projected annual figure of 704 is complete. The contractors are looking to increase numbers from November to ensure completion by the end of the year. There was some delay with mobilization, due to two new contractors.									
Kitchens and bathrooms: 52% and 55% respectively of the projected annual figure are complete. The contractors have requested an additional 87 kitchens and 119 bathrooms to be added to the programmes to meet the budget target.									
Composite doors: 32% of ABP's work is complete and 19% of Ashfords, having had quality issues, and delays starting, respectively. Fire door installations have been suspended until new test requirements can be satisfied (a national issue). As yet, NPS is unable to give a timescale or budget forecast due to this delay, which might not be concluded until the new financial year.									
Electrical: More than 50% of the projected annual work has been completed.									
HCH9 No of private sector homes made safe	Quarterly	40	50	▲	🔴	40	50	▲	09/18
Comments: Below target for the second quarter running but this is explained by significant current enforcement action at a block of 47 flats which are expected to be completed as one batch later in the year.									

Measure	Frequency	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
HCH1 Delivery of the Healthy Norwich action plan	Quarterly	49%	50%	●	🔴	49%	50%	●	09/18
Comments: Work has begun on a Heartsease Healthy Living project to increase activities in the neighbourhood which support residents to live a healthy lifestyle. Other projects have continued to progress led by or supported by Healthy Norwich, including the Daily Mile for schools project, the Breastfeeding Friendly GP scheme and the roll out of social prescribing across the city.									
HCH8 % of tenants satisfied with the housing service	Quarterly	83%	84%	●	🔴	83%	84%	●	09/18
Comments: 1,000 council tenants have participated in this telephone survey over the last 12 months, conducted quarterly at a rate of 250 per quarter. This is the recommended sample size for a landlord of our size, and results can be considered representative of the wider tenant body. Satisfaction is one percentage point below target at 83%.									

Measure	Frequency	Actual	Target	▲ RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
<div> <div></div> <div>HCH2 Relet times for council housing</div> </div>	Quarterly	15	16	★	🔴	15	16	★	09/18
Comments: More than 200 council homes were let in the previous quarter, taking 15 days on average to re-let. Despite a slight increase in September to 18 days, turnaround time is within the 16 days target for quarter 2 and year-to-date. With the current shortage of social housing it is important re-let times are kept to a minimum. Performance will continue to be monitored closely to ensure this is maintained.									
<div> <div></div> <div>HCH6 % of people who feel that the work of the HIA has enabled them to maintain independent living</div> </div>	Quarterly	100	90	★	➡	100	90	★	09/18
Comments: Continues to exceed the target.									
<div> <div></div> <div>HCH5 Preventing homelessness</div> </div>	Quarterly	83.3%	60.0%	★	🔴	84.7%	60.0%	★	09/18
Comments: New working practices and more accurate recording mechanisms introduced in April 2018 as part of the Homelessness Reduction Act have continued to have a positive impact on homelessness prevention statistics. The latest figures illustrate that, despite high volumes, the council's commitment to providing a high quality, accessible and person-focused housing advice service is achieving successful outcomes for our clients.									
<div> <div></div> <div>HCH03 No of empty homes brought back into use</div> </div>	Quarterly	28	20	★	🟡	28	20	★	09/18
Comments: There have not been sufficient resources to carry out any empty homes work in the last two quarters. This is because the private sector housing team has had to prioritise the new extended HMO licensing scheme and has also been dealing with a significant enforcement case.									

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

▲ Measure

HCH7 % of council properties meeting Norwich standard

Comments:



	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	Date Measured
VFM8 % of customers satisfied with the opportunities to engage with the council	41%	54%	▲	✱	27%	54%	▲	09/18
Comments: The percentage of people satisfied with opportunities to engage with the council has increased significantly this quarter when compared to Q1. Given the variation, some analysis will be undertaken to understand what might be the wider drivers of these changes.								

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
VFM1 % of residents satisfied with the service they received from the council	71.0%	75.0%	●	✱	72.5%	75.0%	●	09/18
Comments: The performance for the second quarter is below target and take up of the survey has reduced. The customer service team are bedding in a significant restructure which has impacted on resources and knowledge across the new team. Information being captured through this survey is being used to help improve services and efficiency across the authority.								

Measure	Frequency	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
VFM5 Channel shift measure	Quarterly	21.71%	20.00%	★	✱	22.39%	20.00%	★	09/18
Comments: Quarter 2 performance against our current target is good but we are reviewing the current target in order to support the behavioural change that is needed both internally and externally to deliver value for money services and improve the customer experience. The measure needs to be sustainable and relevant.									
VFM4 Avoidable contact levels	Quarterly	32.4%	35.0%	★	✱	30.5%	35.0%	★	09/18
Comments: Quarter 2 performance is very encouraging overall but it remains an important target that needs to underpin the way we all continue to deliver services to our customers.									
CPlan15-20 Value for money services : VFM 10 Council on track to remain within General Fund budget	Quarterly	-£932,000	£250,000	★	✱	-£921,500	£250,000	★	09/18
Comments: The General Fund revenue budget is forecast to underspend by £0.932m, mainly arising from higher than budgeted income from new property acquisitions and staff vacancies.									

Report to	Cabinet	Item
Report of	Chief finance officer (Section 151 Officer)	8
Subject	Revenue and capital budget monitoring 2018/19 – Period 7	

Purpose

To update cabinet on the financial position of the council as at 31 October 2018

Recommendation

To:

- 1) note the forecast outturn for the 2018/19 General Fund, HRA and capital programme;
- 2) note the consequential forecast of the General Fund and Housing Revenue Account balances;
- 3) approve the addition to the capital programme, as detailed in paragraph 11; and
- 4) note the General Fund and HRA capital programme virements, as detailed in paragraph 12 & 13

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 revenue budget is forecast to underspend by £1.005m.
The Housing Revenue Account budget is forecast to underspend by £1.494m.
The General Fund Capital Programme is forecast to underspend by £42.039m.
The Housing Revenue Account Capital Programme is forecast to underspend by £15.471m.

Ward/s: All Wards

Cabinet member: Councillor Kendrick - Resources

Contact officers

Karen Watling, chief finance officer
Adam Drane, finance business partner

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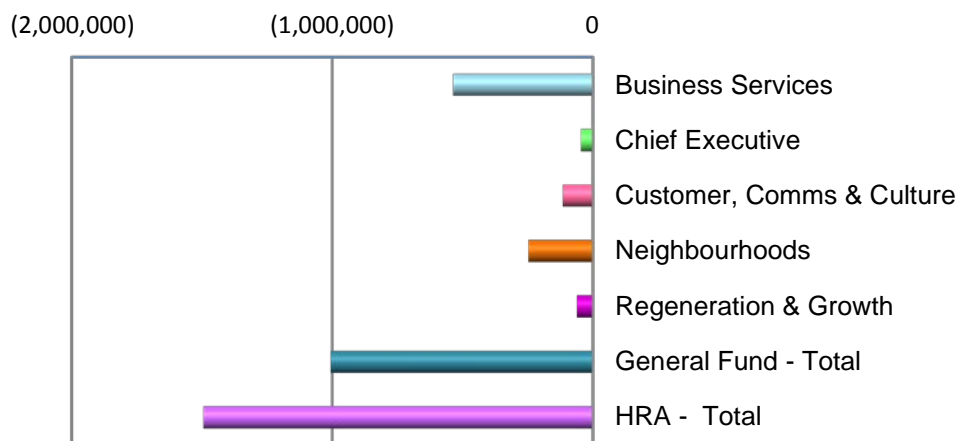
Background documents

None

Financial Position – Period 7 2018/19 Figures in 000s

General Fund	Current budget	Forecast outturn	Forecast variance
Expenditure	154,235	154,351	115
Income	(55,111)	(54,910)	201
Grants and subsidies	(99,125)	(100,309)	(1,322)
Total	0	(1,005)	(1,005)

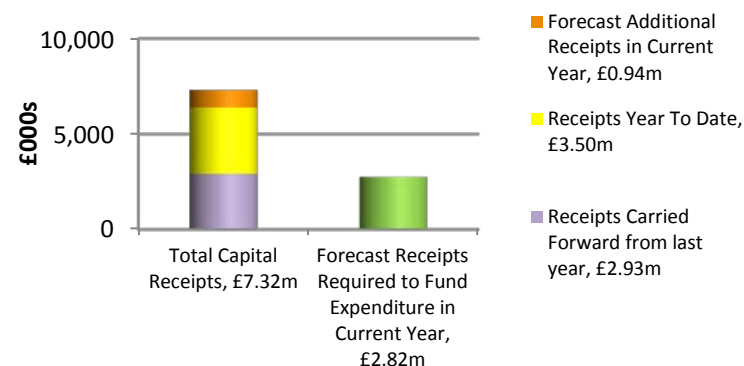
Forecast variances by service area (under) and overspends



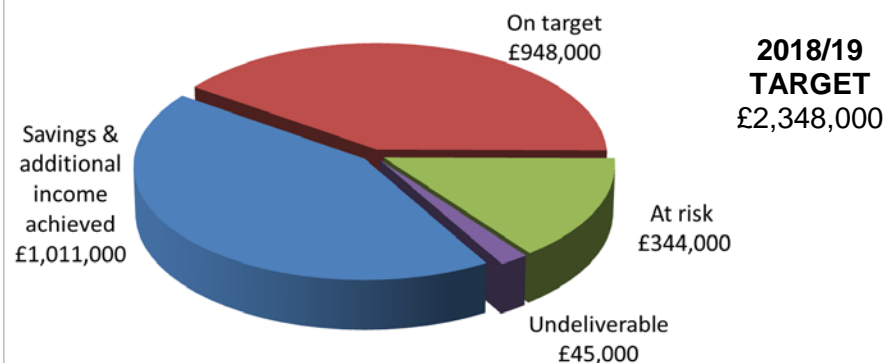
Housing Revenue Account	Current budget	Forecast outturn	Forecast variance
Expenditure	69,039	67,410	(1,629)
Income	(69,039)	(68,904)	135
Total	0	(1,494)	(1,494)

Capital programme	Current budget	Forecast outturn	Forecast variance
General Fund	80,361	38,322	(42,039)
Housing Revenue Account	45,557	30,086	(15,471)

Non-Housing Capital Receipts



Planned savings



- The General Fund revenue budget is forecast to underspend by £1.005m, mainly arising from higher than budgeted income from new property acquisitions and staff vacancies.
- The HRA is forecast to underspend by £1.494m largely due to savings in the HRA dwellings repair budget.
- The General Fund capital programme is forecast to underspend by £42.039m mainly due to the asset acquisition budget not being fully utilised in 2018/19
- The housing revenue account capital programme is forecast to underspend by £15.471m mainly due to the tower block regeneration project and new build projects re-profiled into the next financial year, reduction in grants to housing associations and an element of the Goldsmith Street development budget not being required.
- Both the General Fund and HRA reserves are expected to exceed their respective prudent minimum balances.

General Fund Revenue Budget

1. The forecast is a £1.005m underspend at the year-end. This equates to 0.65% of the gross expenditure budget.

The key forecast budget variances (those with variances of +/- 100k) are set out below:

Table 1: Key General Fund revenue budget variances (NB: figures in brackets represent savings or increased income)

P5 Forecast Variance £000s	General Fund Service	P7 Forecast Variance £000s	Description and commentary
(519)	Finance	(536)	No external borrowing has been taken in respect of commercial property acquisition resulting in: <ul style="list-style-type: none"> £399k - lower than budgeted interest costs in the short term, £106k - due to the timing of the purchases, the minimum revenue provision expense will not be due until 2019/20
(160)	Citywide Services	(192)	The majority of the variance is due to: <ul style="list-style-type: none"> £116k - vacant posts at the beginning of the year, some of which have now been filled. £26k replacement bin additional income,
0	Customer Contact	(126)	The variance in customer contact is due to vacant posts. Previous budget monitoring reports had not taken full account of the recent customer contact restructure.

Further detail is set out in **Appendix 1**.

Planned Savings

2. The 2018/19 net budget includes £2.348m planned savings. The current forecast indicates that £0.389m (17%) of these are at risk of not being delivered or will not be delivered, however this is offset by £0.700m where the savings have exceeded the target.

Housing Revenue Account

3. Net expenditure on the HRA is forecast to be £1.494m underspent. The key forecast budget variances are set out below in Table 2.

Table 2

Key HRA revenue budget variances (NB: figures in brackets represent savings or increased income)

P5 Forecast Variance £000s	Housing Revenue Account	P7 Forecast Variance £000s	Description and commentary
(1,438)	Repairs & Maintenance	(1,398)	<p>The key variances are:</p> <ul style="list-style-type: none"> £856k forecast underspend on major and minor repairs. Savings have been made on this element of work by changing the method of allocating the work and tightening the specification £255k forecast underspend on drainage as less work carried out in this area with planned work for the remainder of the year also below expected £176k additional income due to increase in amount of rechargeable repairs invoiced £88k underspend on voids work based on actual work to date and work profiled for the remainder of the year
(254)	Rents, Rates, & Other Property Costs	(260)	<p>The key variances are:</p> <ul style="list-style-type: none"> £188k underspend due to Anglian Water actual less that originally budgeted due to more conversions to private meters than anticipated; partially offset by lower income against service charge budgets £25k forecast underspend on empty property charges based on current charges £27k Insurance premiums lower due to change of supplier
(89)	General Management	(158)	<p>The key variances are:</p> <ul style="list-style-type: none"> £112k forecast underspend on salaries for vacant posts in various stages of recruitment £14k forecast saving on professional advice & fees following review of budget as legal costs are included within central corporate recharges. 19/20 budget has been reduced accordingly £12k reduced number of energy performance certificates required as new certificates not issued with each change of occupant as long as original certificate is still valid £14k tenant training forecast to be underspent due to current courses not being filled with a review of alternative courses that can be offered due to be completed.

P5 Forecast Variance £000s	Housing Revenue Account	P7 Forecast Variance £000s	Description and commentary
(483)	Special Services	(565)	<p>The key variances are:</p> <ul style="list-style-type: none"> £374k forecast underspend on district heating & sheltered housing gas costs; partially offset by lower service charge income £76k unbudgeted income from the sale of the Community Alarm Service £50k lower spend forecast on sheltered housing fixtures & fittings pending review of property refurbishment requirements
0	Depreciation & Impairment	506	Based on the 18/19 latest dwelling depreciation charges movement. The increase is due to significant increase in the valuation, meaning higher depreciation on the structural element of the properties
538	Service Charges General	413	<p>The key variances are:</p> <ul style="list-style-type: none"> £270k lower than budgeted district heating income due to reduced gas use; partially offset by underspend against district heating within special services £166k lower than budgeted Anglian Water service charge income due to reduced costs; offset by underspend against rents, rates, & other property costs

Further detail is set out in **Appendix 1**.

Collection Fund

- The Collection Fund includes all income generated from council tax and business rates that is due in the year from council taxpayers and ratepayers.

Council Tax

- Council tax collection is currently forecast to exceed budget. Any surplus or deficit on council tax income will be distributed in subsequent years.

Table 3

	Budget £000s	Forecast £000s	(Surplus) / deficit £000s
Total Council Tax Collection Fund Income	(64,169)	(64,873)	(704)
Norwich City Council Share (14.18%)	(9,100)	(9,199)	(99)

Business Rates

6. The latest forecast shows a projected surplus of £149k on the general fund. This is due to additional unbudgeted Section 31 grant being received in 2018-19 in relation to a central government change in the compensation methodology for the small business rate relief. The forecast takes into account the higher forecast levy payment to the Norfolk Business Rates Pool.

Table 4

	Budget £000s	Forecast £000s	(Surplus) / deficit £000s
Norwich City Council Retained Income Share	(5,298)	(5,447)	(149)

Impact on Balances

7. The prudent minimum level of General Fund reserves has been assessed as £4.232m. The budgeted and forecast outturn's impact on the 2017/18 balance brought forward is as follows:

Table 5

Item	£000s
Balance at 1 April 2018	(13,156)
Budgeted contribution from reserves 2018/19	1,504
Forecast outturn 2018/19	(1,005)
Transfer to commercial property reserve	686
= Forecast balance at 31 March 2019	(11,971)

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

8. The prudent minimum level of HRA reserves has been assessed as £5.844m. The budgeted and forecast outturn's impact on the 2017/18 balance brought forward is as follows:

Table 6

Item	£000s
Balance at 1 April 2018	(30,489)
Budgeted contribution from reserves 2018/19	2,550
Forecast outturn 2018/19	(1,494)
= Forecast balance at 31 March 2019	(29,433)

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

9. An Invest to Save earmarked fund was created to allow the Council to support the delivery of savings and efficiencies, through the Fit for the Future Transformation Programme. The fund was created from revenue budget underspends in 2016-17 and 2017-18. The balance on the fund at 1 April 2018 was £2.6m. The Fit for the Future transformation timeline is nearing completion and future Cabinet reports will show intended spending plans.

Capital Programme

10. The general fund capital programme is forecast to underspend by £42.039m and the HRA capital programme is forecast to underspend by £15.471m in this financial year.

Key capital programme budget variances (NB: figures in brackets represent savings or increased income)

Table 7

P05 Forecast Variance £000s	Capital Programme Group	P07 Forecast Variance £000s	Description and commentary
(983)	GF Capital Expenditure Programme	(1,041)	<p>The following underspends reported within the GF Capital Expenditure programme-:</p> <ul style="list-style-type: none"> • £94k Grounds Maintenance Equipment. Lower than anticipated purchase costs and delayed acquisition. • £77k Earlham Park toilet replacement. Works programmed for 2019/20. • £878k Three Score Development. Specific costs associated with the Three Score development unlikely to arise in 2018/19
3	GF Capital Section 106/GNGP/CIL	(949)	<p>The following underspends reported within the GF Capital S.106/GNGP/CIL funded programme-:</p> <ul style="list-style-type: none"> • £212k Castle Green & Gardens. Improvements. Project implementation delayed until 2019/20. • £150k Football Pitch Improvements. FA report commissioned and delivered. Project to be implemented in 2019/20. • £90k Riverside Walk Accessibility Improvements. Surveys completed. Outline schemes worked up. Delivery planned in 2019/20. • £305k Riverside Walk (adj NCFC). Delivery delayed pending completion of latest phase of riverside residential development. • £150k CIL Neighbourhood projects. Allocation of budget delayed whilst criteria for awarding funding re-assessed.

P05 Forecast Variance £000s	Capital Programme Group	P07 Forecast Variance £000s	Description and commentary
0	GF Not Controlled By NCC	(415)	The following underspends reported within the GF Not Controlled By NCC programme-: <ul style="list-style-type: none"> £419k City Cycle Ambition Grant. Forecast underspend on programme and schemes still to be completed.
2	GF Asset Investment Programme	(39,634)	Decision taken to temporarily pause the purchase of commercial property until January 2019 when the Commercial Finance Business partner is in post and is able to assist in this programme
(3,028)	HRA Neighbourhood Housing	(5,546)	The following underspends reported within the HRA Neighbourhood Housing Upgrade programme-: <ul style="list-style-type: none"> £897k Tower Block Regeneration. Forecast outturn reflects projects agreed and costed. Scope and timing of delivery of further programme of works being assessed. £237k thermal comfort - issues with planning and delays in structural repairs means fewer addresses available for upgrade this year. £267k bathroom upgrades - Programme delayed whilst quality issues resolved with contractor. £322k Boiler Replacement (Domestic) - lower unit costs this year has resulted in a forecast saving £285k Boiler Replacement (Communal) - Forecast revised to reflect amended programme for replacements in 2018/19 £387k Kitchen upgrades -Programme delayed whilst quality issues resolved with contractor. £110k Electrical (Domestic) - Forecast revised to reflect amended programme for upgrades in 2018/19 £1,125k Composite Doors - Installation programme delayed pending outcome of safety checks to ensure doors supplied meet revised building regulations. £1,468k Structural. At the time of setting the budget, NPS anticipated that five contracts would be terminated by April. However, they did not end until July, so there was a delay in retendering. The schemes are being re-tendered one at a time to generate a more even workload throughout the year £395k Sheltered Housing whole home and alarm upgrades. Budgets no longer required in 2018/19.

P05 Forecast Variance £000s	Capital Programme Group	P07 Forecast Variance £000s	Description and commentary
(5,886)	New Build Social Housing	(8,316)	<p>The following underspends reported within the New Build Social Housing programme-:</p> <ul style="list-style-type: none"> £5,724k Goldsmith Street - Unrequired element of 2018/19 budget. £1,040K Threescore Phase 2. Delivery of TSC Phase 2 Affordable Housing has been re-programmed. £1,208K Ber Street. Commencement of development delayed. £349K Northumberland Street. Development being delivered in two phases. Second phase programmed for completion in 2019/20.
0	Grants To Registered Housing Providers	(1,609)	<ul style="list-style-type: none"> £1,609K Forecast underspend anticipates delayed completion of two developments by registered providers where grant funding has been approved.

Further detail is set out in **Appendix 2**

11. Addition to 2018/19 GF Capital Programme

Installation of new bus stop shelters The Care Village, Clover Hill Road

The Transportation team have agreed to the installation of shelters at the bus stops serving the 'new' Care Village on Clover Hill Road. Clear Channel will pay to install but the Transportation team will provide the hard standing for the shelters. The cost of the hard standing is estimated at £4K.

It is proposed to fund the cost of the hard standing by utilising S.106 funds which are designated to enhance cycling pedestrian and public transport facilities within the area of the Three Score development.

Cabinet are, therefore, asked to approve the following addition to the 2018/19 GF Capital Programme-:

Table 8

Project	Existing Budget £000s	Proposed Increase £000s	Proposed Budget £000s
Installation of bus shelters on Clover Hill Road	0	4	4
Total	0	4	4

12. The following General Fund capital programme virements were approved by CLT under delegated authority:

Table 9

Scheme	Current Budget	Virement	Revised Budget	Description
Capital contingency	64,500	(15,000)	49,500	Utilisation of capital contingency fund to provide a grant to finance emergency repairs to St Gregory's Church.
Norwich Historic Churches Trust Loan	0	15,000	15,000	
St Giles MSCP Replace Central Battery System	15,750	(1,250)	14,500	Utilisation of confirmed underspends on specified works programme to finance new heating units at Pilling Park Community Centre.
Hewett Yard Resurfacing	25,000	(5,750)	19,250	
Castle Museum Windows	33,000	(3,600)	29,400	
Pilling Park Community Centre Heating Units	0	10,600	10,600	
Total	138,250	0	138,250	

13. The following HRA capital programme virement was approved by CLT under delegated authority:

Table 10

Scheme	Current Budget	Virement	Revised Budget	Description
Windows Replacement Programme	206,424	(160,000)	46,424	Utilisation of forecast underspend on Windows Programme to fund extension to planned roofing repair programme in 2018/19.
Planned Maintenance Roofing	1,086,298	160,000	1,246,298	

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	cabinet
Committee date:	
Head of service:	Chief Finance Officer
Report subject:	Budget Monitoring 2018/19
Date assessed:	27/11/18
Description:	This is the integrated impact assessment for the Budget Monitoring 2018/19 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"/>	

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

Positive

None

Negative

None

Neutral

None

Issues

The council should continue to monitor its budget performance in the context of the financial risk environment within which it operates.

Revenue Budget Monitoring Summary Year: 2018/19 Period: 7 (October)

General Fund Summary

Approved budget	Current budget		Forecast outturn	Forecast variance
5,491,851	5,491,851	Business Services	5,516,151	24,300
462,163	462,163	Democratic Services	438,967	(23,196)
(20,851,765)	(20,932,364)	Finance	(21,454,038)	(521,674)
0	0	Human Resources	(23,932)	(23,932)
0	0	Procurement & Service Improvement	8,756	8,756
(14,897,751)	(14,978,350)	Total Business Services	(15,514,097)	(535,747)
0	0	Chief Executive	(2,965)	(2,965)
204,413	204,413	Strategy & Programme Management	161,732	(42,681)
204,413	204,413	Total Chief Executive	158,767	(45,646)
2,071,779	2,123,331	Communications & Culture	2,133,346	10,015
(9,537)	(28,698)	Customer Contact	(154,327)	(125,629)
2,062,242	2,094,633	Total Customers, Comms & Culture	1,979,019	(115,614)
10,150,063	10,176,756	Citywide Services	9,984,754	(192,002)
1,629,978	1,392,784	Neighbourhood Housing	1,368,567	(24,217)
800,281	836,470	Neighbourhood Services	805,435	(31,035)
12,580,322	12,406,010	Total Neighbourhoods	12,158,755	(247,255)
(2,471,702)	(2,015,111)	City Development	(2,110,870)	(95,759)
0	0	Environmental Strategy	(24,662)	(24,662)
0	0	Executive Head of Regeneration &	(10,053)	(10,053)
1,441,678	1,441,678	Planning	1,498,718	57,040
1,080,798	846,727	Property Services	859,089	12,362
50,774	273,294	Total Regeneration & Growth	212,223	(61,071)
0	0	Total General Fund	(1,005,332)	(1,005,332)

Housing Revenue Account Summary

Approved budget	Current budget		Forecast outturn	Forecast variance
13,487,435	13,487,435	Repairs & Maintenance	12,089,228	(1,398,207)
6,339,289	6,339,289	Rents, Rates, & Other Property Costs	6,078,988	(260,301)
11,965,228	11,965,228	General Management	11,807,430	(157,798)
4,818,963	4,818,963	Special Services	4,254,329	(564,634)
21,805,082	21,805,082	Depreciation & Impairment	22,310,663	505,581
190,000	190,000	Provision for Bad Debts	170,000	(20,000)
(56,968,090)	(56,968,090)	Dwelling Rents	(57,037,477)	(69,387)
(2,227,988)	(2,227,988)	Garage & Other Property Rents	(2,309,037)	(81,049)
(8,414,324)	(8,414,324)	Service Charges - General	(8,000,916)	413,408
(115,000)	(115,000)	Miscellaneous Income	(21,811)	93,189
9,646,135	9,646,135	Adjustments & Financing Items	9,691,283	45,148
(426,730)	(426,730)	Amenities shared by whole community	(426,730)	0
(100,000)	(100,000)	Interest Received	(100,000)	0
0	0	Total Housing Revenue Account	(1,494,050)	(1,494,050)

General Fund summary by type

Approved budget	Current budget		Forecast outturn	Forecast variance
20,556,794	20,559,794	Employees	20,367,556	(192,238)
9,385,168	9,391,747	Premises	9,305,945	(85,802)
282,856	282,856	Transport	265,628	(17,228)
16,090,722	16,191,266	Supplies & Services	17,446,211	1,254,945
4,007,623	3,887,079	Third Party Payments	3,936,489	49,410
83,126,130	83,126,130	Housing Benefits & Business Rates Tariff	85,496,726	2,370,596
(63,298)	871,477	Capital Financing	224,338	(647,139)
800,000	800,000	Rev Contribs to Capital	800,000	0
(27,246,405)	(28,181,180)	Fees, charges and rental income	(28,739,956)	(558,776)
(99,134,946)	(99,124,525)	Government Grants	(102,817,206)	(3,692,681)
1,013,331	1,013,331	Centrally Managed	1,017,724	4,393
18,111,803	18,111,803	Recharge Expenditure	17,860,942	(250,861)
(26,929,778)	(26,929,778)	Recharge Income	(26,169,731)	760,047
0	0	Total General Fund	(1,005,332)	(1,005,332)

Housing Revenue Account summary by type

Approved budget	Current budget		Forecast outturn	Forecast variance
5,679,599	5,679,599	Employees	5,493,848	(185,751)
22,950,924	22,950,924	Premises	20,968,098	(1,982,826)
112,285	112,285	Transport	96,127	(16,158)
2,777,110	2,777,110	Supplies & Services	2,829,706	52,596
3,410	3,410	Third Party Payments	1,560	(1,850)
7,112,273	7,112,273	Recharge Expenditure	7,111,381	(892)
5,131,340	5,131,340	Capital Financing	5,131,340	0
(68,530,117)	(68,530,117)	Receipts	(68,394,867)	135,250
0	0	Government Grants	0	0
(509,224)	(509,224)	Recharge Income	(509,224)	0
11,144,366	11,144,366	Rev Contribs to Capital	11,144,366	0
14,128,034	14,128,034	Capital Financing	14,633,615	505,581
0	0	Total Housing Revenue Account	(1,494,050)	(1,494,050)

Capital Budget Monitoring Summary Year: 2018/19
Period: 7 (October)

GF Capital Expenditure Programme	Current Budget	Forecast Outturn	Forecast Variance
2705 Grounds Maintenance	559,580	465,567	(94,013)
5093 Norwich Parks tennis expansion	0	11,810	11,810
5097 Riverbank stabilisation	82,500	82,500	0
5099 St Giles MSCP - replace central	14,500	14,500	0
5190 Hewett Yard refurb - Communal toilet	6,600	6,600	0
5191 Hewett Yard refurb - Surfacing	19,250	19,250	0
5192 Hewett Yard refurb - Roofing	15,000	15,000	0
5193 Royal Oak Court - Demolition	38,500	38,500	0
5194 City Hall - Fire system detector	45,000	45,000	0
5195 City Hall - Fire System control panels	17,000	17,000	0
5196 Community Centre fire detection	21,000	21,000	0
5198 Earlham Park toilet replacement	86,750	10,000	(76,750)
5199 Eaton Park path replacement	45,000	45,000	0
5345 HR System	63,273	63,273	0
5351 Credit and Debit card upgrade	32,822	32,822	0
5352 Non trafficked pedestrian bridges	55,000	55,000	0
5353 Strangers Hall stores roof	27,500	27,500	0
5354 Riverside Footpath District Lighting	21,000	21,000	0
5355 City Hall heating system	17,250	17,250	0
5356 Castle Museum windows	29,400	23,000	(6,400)
5357 Pulls Ferry quay heading	16,500	16,500	0
5362 St Giles MSCP Lift Controller	35,500	35,500	0
5367 Norwich Historic Churches	15,000	15,000	0
5368 Pilling Park Community Centre	10,600	10,600	0
5020 CCTV replacement	250,935	250,935	0
5324 City Hall 2nd Floor	0	1,220	1,220
5332 City Hall external lighting	5,556	7,016	1,460
5350 Parking Management System	65,825	63,835	(1,990)
5040 Customer centre redesign	440,363	440,363	0
5966 St Giles MSCP	20,000	21,448	1,448
5512 NaHCASP Threescore	942,877	65,013	(877,864)
5317 IT Investment Fund	348,439	348,439	0
5343 Finance System	241,869	241,869	0
5327 Park Depots demolition	282,319	282,319	0
5490 Investment for regeneration	130,000	130,000	0
8475 Mile Cross Depot Site	550,000	550,000	0
Total GF Capital Expenditure Programme	4,552,708	3,511,629	(1,041,079)

GF Capital Section 106/GNGP/CIL	Current Budget	Forecast Outturn	Forecast Variance
5742 Play Sector 3 & 4 improvements	5,815	5,815	0
5835 S.106 Bowthorpe To Clover Hill	25,302	0	(25,302)
5837 St Stephens Towers Public Realm	10,000	10,000	0
5705 s106 The Runnel Play Provision	40,261	34,907	(5,354)
5728 S106 Mile Cross Gardens Play	70,717	70,717	0
5735 s106 Castle Green Play	75,891	13,931	(61,960)
5740 Bowthorpe Southern park	10,000	10,000	0
5801 s106 Hurricane Way Bus Link	32,427	29,816	(2,611)
5813 S106 Green Infrastructure Imps	14,565	14,565	0
5823 BRT & Cycle Route Measures	76,283	76,283	0
5829 S106 UEA CPZ Extension	37,201	37,201	0
5563 CIL GNGB Castle Gardens	150,000	0	(150,000)
5564 CIL GNGB Football Pitch	115,000	0	(115,000)
5565 CIL GNGB Marriotts Way Barn Road	1,760	1,760	0
5566 CIL GNGB Riverside Walk	105,408	15,408	(90,000)
5567 GNGB IIF M Way, A Meadow to	6,000	6,000	0
5569 UEA to Eaton boardwalk extension	30,000	30,000	0
5921 Earlham Millenium Green	25,000	25,000	0
5964 GNGP Bowthorpe Crossing	92,993	92,993	0
5322 Riverside Walk (adj NCFC)	305,189	0	(305,189)
5596 CIL Crowdfunding matched funding	30,000	10,000	(20,000)
5598 Mile Cross cycle and pedestrian links	23,857	3,857	(20,000)
5599 CIL Parish Partnership matched	20,000	20,000	0
5558 Co-CIL Nhood Ketts Heig	7,009	7,009	0
5559 CIL Nhood 20 Acre Wood	9,062	9,062	0
5560 CIL Nhood Chapel Break play area	0	220	220
5562 CIL Nhood Community Enabling	6,993	1,993	(5,000)
5592 CIL neighbourhood - Natural	6,491	6,491	0
5595 CIL neighbourhood - Netherwood	0	806	806
5557 CIL Neighbourhood Projects	150,000	0	(150,000)
Total GF S106/GNGP/CIL Programme	1,483,224	533,834	(949,390)

GF Capital Not Controlled By NCC	Current Budget	Forecast Outturn	Forecast Variance
6018 Disabled Facilities Grant	970,000	908,283	(61,717)
6044 Works in Default	0	7,935	7,935
6047 DFG Residents Contribution	14,075	14,075	0
6050 Strong & Well Project	0	5,763	5,763
6052 HIA - Housing Assistance	0	61,717	61,717
5181 CCAG2 Wayfinding	37,600	37,600	0
5188 CCAG2 20MPH Yellow	203,000	203,000	0
5197 Riverside Leisure Centre - Plant	12,000	2,131	(9,869)
5570 Cycle safety funding	240,000	240,000	0
5571 Cycle Safety Grant	125,000	125,000	0
5580 CIL Contribution Strategic	1,050,000	1,050,000	0
5480 Traveller Site	26,000	26,000	0
5126 PtP - Yellow - Lakenham/Airport	291,947	0	(291,947)
5145 CCAG2 Fifers Lane/Ives Rd/Heyford	30,000	30,000	0
5148 CCAG2 Mile Cross Lane	0	11,578	11,578
5151 CCAG2 Angel Rd	131,872	130,128	(1,744)
5152 CCAG2 Shipstone Rd/Waterloo Rd	0	872	872
5153 CCAG2 Edward Street north	165,295	165,295	0
5154 CCAG2 St Crispins (St Georges -	714,000	714,000	0
5156 CCAG2 All Saints	371,000	370,627	(373)
5157 CCAG2 Lakenham Way	0	0	0
5161 CCAG2 20 MPH areas (Yellow)	300,000	300,000	0
5162 CCAG2 Cycle Parking (Yellow)	20,500	20,500	0
5163 CCAG2 Wayfinding	28,200	28,200	0
5164 CCAG2 Monitoring inf (Yellow)	3,500	3,500	0
5166 Co-CCAG2 A11 north slip	66,000	66,000	0
5168 CCAG2 Bluebell Road (Connector)	64,000	64,000	0
5169 CCAG2 Eaton Centre	518,000	518,000	0
5171 CCAG2 Newmarket Rd (Unthank Rd	29,000	29,000	0
5175 CCAG2 Magdalen Rd	1,250	1,302	52
5177 CCAG2 Chartwell Road/St Clements	151,475	13,108	(138,367)
5178 Co-CCAG2 North Walsham	0	842	842
5179 Co-CCAG2 20 mph areas	1,500	1,500	0
5180 CCAG2 Cycle Parking (Blue)	0	43	43
5182 CCAG2 Monitoring inf (Blue)	18,115	18,115	0
5185 CCAG2 City Centre Strategy for	190,000	190,000	0
5186 CCAG2 Administration	50,000	50,000	0
5187 Co-CCAG2 Magdalen Gates	0	126	126
Total GF Not Controlled By NCC	5,823,329	5,408,240	(415,089)

GF Capital Asset Investment Programme	Current Budget	Forecast Outturn	Forecast Variance
5344 Asset Acquisition 1	28,502	28,502	0
5348 Asset Acquisition 4	9,954,193	9,954,193	0
5364 Asset Acquisition 5	3,997,545	3,997,545	0
5366 Asset Acquisition 6	2,957,250	2,957,250	0
5315 Asset investment for income	49,633,546	10,000,000	(39,633,546)
Total GF Asset Investment Programme	66,571,036	26,937,490	(39,633,546)
GF Capital Expenditure Programme	Current Budget	Forecast Outturn	Forecast Variance
8823 Loan Financing for NRL	1,881,161	1,881,161	0
Total GF Loan Financing For NRL	1,881,161	1,881,161	0
GF Capital Expenditure Programme	Current Budget	Forecast Outturn	Forecast Variance
5358 Capital contingency	49,500	49,500	0
Total GF Capital Contingency	49,500	49,500	0
Total General Fund Capital Programme	80,360,958	38,321,854	(42,039,104)

HRA Capital Programme Group	Current Budget	Forecast Outturn	Forecast Variance
Community Upgrades	812,308	788,308	(24,000)
Heating Upgrades	4,917,192	4,309,283	(607,909)
Home Upgrades	6,144,853	5,381,269	(763,584)
Independent Living Upgrades	1,074,089	834,089	(240,000)
Preventative Upgrades	8,605,033	6,238,923	(2,366,110)
Sheltered Housing Regeneration	258,030	103,212	(154,818)
Thermal Upgrades	1,713,316	1,443,950	(269,366)
Window & Door Upgrades	1,798,156	678,060	(1,120,096)
Site Development	100,000	100,000	0
New Build Social Housing	16,930,877	8,614,865	(8,316,012)
RTB Buyback Programme	250,000	250,000	0
Grants to Registered Housing Providers	2,809,157	1,200,000	(1,609,157)
CCTV Replacement	144,250	144,250	0
Total HRA Capital Programme	45,557,261	30,086,209	(15,471,052)

Report to Cabinet
12 December 2018
Report of Chief finance officer (Section 151 Officer)
Subject Treasury Management Mid-year Review Report 2018/19

Item

9

Purpose

This report sets out the Treasury Management performance for the first six months of the financial year to 30 September 2018. This is in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management and Prudential Codes.

Recommendation

To:

- 1) note the contents of the report, the treasury activity undertaken, and briefing on regulatory updates;
- 2) approve the amendments to the Council's use of AAA rated money market funds to include AAA rated Constant Net Asset Value Money Market Funds (CNAV) and AAA Low Volatility Money Market Funds (LVNAV) due to money market regulatory changes and note that this change is not expected to change the Council's risk appetite; and
- 3) note that there are no longer specific recommended treasury management indicators in respect of interest rate exposures and credit risk; and
- 4) approve the revised maturity structure of borrowing indicator included in this report.

Corporate and service priorities

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

Financial implications

The report has no direct financial consequences however it does report on the performance of the Council in managing its borrowing and investment resources during the first half of 2018/19.

Ward/s: All Wards

Cabinet member: Councillor Kendrick - Resources

Contact officers

Karen Watling, chief finance officer

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Background documents

None

Report

Background

1. This mid-year report has been prepared in compliance with the CIPFA Code of Practice on Treasury Management and covers interest rate forecasts, a review of the Treasury Management Strategy Statement (TMSS) and Annual Investment Strategy, the latest position on the Council's capital expenditure and Prudential Indicators, a review of the investment portfolio for 2018/19, a review of the Council's borrowing strategy and debt rescheduling in 2018/19 as well as compliance with Treasury and Prudential indicators for 2018/19.
2. The original Treasury Management Strategy (TMS) and Prudential Indicators were reported to and approved by Council on 20 February 2018.
3. This Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector and operates its treasury management service in compliance with this Code. This requires that the prime objective of treasury management activity is the effective management of risk, and that borrowing activities are undertaken on a prudent, affordable and sustainable basis.
4. CIPFA issued a revised Prudential Code (which governs local authority capital expenditure) and a revised Treasury Management Code (which governs local authority borrowings, investment, cashflow and risk decisions). Both of the revised codes are in response to developments arising from the Localism Act 2011, namely the fact that councils are using the general power of competence to engage in increased commercial activity. These updated codes became effective from 1 April 2018.
5. As part of the key changes to the 2017 Prudential Code, authorities are required to breakdown their borrowing in excess of 'ten years' into several ranges if significant borrowing is held in these periods, when setting the maturity structure of borrowing indicator. Where in-year revisions are made for periods within 24 months, the time periods will take reference from the start of the financial year. This now applies to both fixed and variable rate borrowing.
6. There is no longer a specific recommended indicator in respect of interest rate exposures, instead authorities are asked to explain their strategy for managing interest rate risks as part of their capital /investment strategy while the management and exposure of interest rates will be part of its treasury management strategy. Authorities are encouraged to set a liability benchmark which measures the projected debt requirement plus a short term liquidity allowance for future periods.
7. Authorised limit must relate to borrowing on the authority's own single entity balance sheet where it has interests in companies. However, authorities must have regard to its financial commitments and obligations when deciding if borrowing is affordable.
8. There is a requirement to produce a capital strategy to strengthen governance and increase transparency over non-treasury related investments, such as commercial property acquisition and lending to third parties.

9. Alongside this, the Ministry for Housing, Communities and Local Government (MHCLG) has updated the Statutory Guidance on Local Government Investments and revised Guidance on Minimum Revenue Provision effective from 1 April 2018. Key changes have been included in para 43 to 46 of this document.
10. However due to the late issuing the updated Codes and the investment guidance (February 2018), both CIPFA and MHCLG recognised that it may not prove practical or cost effective to incorporate the changes into the 2018-19 Strategy, so instead must include the requirements and disclosures in full in the first Strategy presented to full Council or equivalent after 1 April 2018.
11. This was the case for Norwich City Council. The proposed changes to the capital strategy along with the other changes within the TMS and investment strategy will be developed for approval by Council as part of the 2019/20 budget cycle.

Investment Strategy

12. The TMSS for 2018/19, which includes the Annual Investment Strategy, was approved by the council on 20 February 2018. It sets out the Council's investment priorities as being:
 - Security of capital;
 - Liquidity; and
 - Yield
13. No policy changes have been made to the investment strategy, the Council will continue to aim to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity.
14. The Council held £57.8m of investments as at 30 September 2018. Table 1 below shows the movement in investments for the first six months of the year.

Table 1

Investments	Actual 31 March 2018	Investments	Maturities	Actual 30 September 2018
	£'000	£'000	£'000	£'000
Short term				-
Banks	8,000	4,000	(5,000)	7,000
Building Societies	12,000	6,000	(11,000)	7,000
Local Authorities	3,000	3,000	(6,000)	-
Cash Equivalents				-
Banks	6,770	495,200	(488,170)	13,800
Building Societies	1,650	88,170	(86,820)	3,000
Local Authorities	4,250	37,000	(29,250)	12,000
Money Market Funds	15,000	-	-	15,000
Total	50,670	633,370	(626,240)	57,800

15. It is anticipated that cash balances will decrease during the second half of the year to come as they will be used to temporarily fund commercial property acquisitions already in the pipeline and an approved additional loan to Norwich Regeneration Limited (NRL).
16. The corresponding loss of investment income is more than compensated by the net income returns generated by these schemes. The Council continues to undertake appropriate due diligence in the selection of its commercial properties as well as scrutiny of its lending to NRL.
17. The Chief finance officer confirms that all investment transactions undertaken during the first six months of 2018/19 were within the approved limits as laid out in the Annual Investment Strategy.

BALANCE SHEET POSITION

External Borrowing

18. Table 2 below shows the Council has actual external borrowing of £201.617m, most of which relates the Housing Revenue Account (HRA). There has been no new borrowing to date in this financial year.

Table 2

Borrowing Long Term	TMSS	Actual 30-Sep-18	Estimate 31-Mar-19
	£'000	£'000	£'000
Public Works Loan Board	294,973	196,107	194,107
Money Market	5,000	5,000	5,000
3% Stock (Perpetually irredeemable)	499	499	499
Corporate Bonds and External Mortgages	74	11	11
Total	300,546	201,617	199,617

Forward borrowing considerations to mitigate expected future interest rate increases

19. The Council may look to arrange forward borrowing facilities should the future borrowing risk rise or predictions of a significant rate rise is expected. This would enable the Council to lock into borrowing facilities at current low rates and draw down the cash over a period of up to 3 years subject to cashflow demands. It should be noted that some of these facilities may carry brokerage and arrangement fees that will be factored into value for money assessments.

Debt Rescheduling

20. No debt rescheduling was undertaken during the first six months of 2018/19. It is not anticipated that the Council will undertake any rescheduling activity during the remainder of the financial year. However, should borrowing rates fall significantly as a result of Brexit, the Council may consider borrowing to

finance its unfinanced borrowing need as well as rescheduling some of its existing debt if this proves cost effective.

21. Table 3 below shows the interest rate forecast to March 2022.

Table 3

	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	1.75%	2.00%
3 Month LIBID	0.80%	0.90%	1.00%	1.10%	1.20%	1.30%	1.40%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%
6 Month LIBID	0.90%	1.00%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%
12 Month LIBID	1.10%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%
5 Year PWLB Rate	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.80%
10 Year PWLB Rate	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%
25 Year PWLB Rate	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%	3.60%
50 Year PWLB Rate	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.40%

Source: Link Treasury (PWLB rates include adjustments for Certainty rate discounts)

Impact of Brexit on future economic forecasts

22. Current economic forecasts predict Gross Domestic Product (GDP) growth to remain below 2.0% between now and 2021, while the Consumer Price Index (CPI) measure of inflation is currently outpacing that at 2.5% but is expected to fall to 2.00% by 2021. The Bank of England bank rate is forecast to rise to 1.75% by 2021. A peak forecast for 10 year gilt rates, upon which PWLB borrowing rates are based, is currently forecast at 2.0% by 2020. These forecasts are subject to a number of significant risks, the primary of which is the impact a no deal Brexit position for the UK, which could mean tighter monetary policy.

Prudential Indicators

23. This part of the report is structured to provide an update on:

- The changes to the Council's capital expenditure plans;
- How these plans are being financed;
- The impact of 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.

Capital Expenditure

24. Table 4 below shows the 2018/19 original and revised capital programme. A detailed breakdown of capital programme schemes can be found in the capital budget monitoring report.

Table 4

	2018/19 Original	2018/19 Revised
	£'000	£'000
General Fund	42,792	38,322
HRA	31,572	30,086
Capital Expenditure	74,365	68,408
Financed by:		
Capital receipts	5,221	6,571
Capital grant and contributions	3,265	6,272
Capital reserves	0	0
Major Repairs Reserve	14,238	14,739
Revenue	11,641	11,944
Total Resources	34,365	39,526
Net borrowing need for the year	40,000	28,882

25. The forecast outturn of the 2018/19 General Fund and HRA capital programme reported above is as at period 7.

Financing of the Capital Programme

26. The table in paragraph 25 above shows how the revised capital programme will be financed and shows that the net borrowing need for the year has decreased from that anticipated when Council approved the TMS due to scheme slippage. The consequence of this is a decrease in the Council's forecast Capital Financing Requirement (CFR) for 2018/19 as shown in the table below.

27. The principal changes in the financing from the original estimates approved in February 2018 are the reduction in the expenditure forecast thereby reducing estimated borrowing forecast.

The Capital Financing Requirement

28. Table 5 below shows the Council's CFR, which is the underlying external need to borrow for a capital purpose. The second table compares the original and revised forecast debt position against the CFR, the difference representing an under borrowing position. This under borrowed position means the capital borrowing need (the CFR) has not been fully funded with loan debt. Instead cash in hand supporting the Council's reserves, balances, and expenditure has been used as an alternative temporary measure. This strategy is prudent in the current economic climate - as returns achievable from the investment of cash are lower than the cost of raising additional loan debt, and counterparty risk remains elevated – but this will need to be reversed over time when the original requirement for that cash arrives.

Table 5

	2018/19 Original Estimate	2018/19 Revised Estimate
	£'000	£'000
General Fund CFR	133,555	87,401
HRA CFR	185,602	205,717
Total CFR	319,157	293,118
Movement in CFR	37,559	28,483
Movement in CFR represented by:		
Borrowing need for the year	40,000	28,882
Less MRP and other financing adj.	(441)	(298)
Less Leasing MRP		101
Movement in CFR	37,559	28,483

	2018/19 Original Estimate	2018/19 Revised Estimate
	£'000	£'000
Gross borrowing	302,050	200,518
CFR	319,157	293,118
Over/(Under) Borrowing	(17,107)	(92,600)

Prudential Indicators relating to Borrowing Activity

29. **Authorised Limit** – This represents the legal limit beyond which borrowing is prohibited, and needs to be set and revised by Council. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The limit represents the CFR (assumed fully funded by borrowing) plus a margin to accommodate any unplanned adverse cashflow movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The authorised limit has not been breached and no external borrowing has taken place so far this year.

Table 6

	2018/19
Authorised Limit for external debt	£'000
Borrowing	335,000
Other long term liabilities	1,600
Total	336,600

30. **Operational Boundary** – This indicator is based on the probable external debt during the course of the year; it is set deliberately lower than the authorised limit. This limit acts as an early warning indicator should borrowing be approaching the Authorised Limit. This limit may be breached on occasion under normal circumstances, but sustained or regular breaches should trigger a review of borrowing levels. The operational boundary has not been breached and no external borrowing has taken place so far this this.

Table 7

	2018/19
Operational boundary for external debt	£'000
Borrowing	315,000
Other long term liabilities	1,600
Total	316,600

Borrowing Activity

31. The uncertainty over future of Brexit and its impact on interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy.
32. Long-term fixed interest rates are currently low but are expected to rise over the five year treasury management planning period. The Chief Finance Officer, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates or opportunities at the time, taking into account the associated risks e.g. counterparty risk, cost of carry and impact on the Medium Term Financial Strategy as well as risk of interest rate increases.
33. Opportunities for debt restructuring will be continually monitored alongside interest rate forecasts. Action will be taken when the Chief Finance Officer feels it is most advantageous.

Investment Performance

34. The objectives of the Councils investment strategy are firstly the safeguarding of the repayment of the principal and interest of its investments, and secondly ensuring adequate liquidity. The investment returns being a third objective, consummate to achieving the first two.
35. The Council held £57.800m of financial investments at 30th September 2018 and the investment profile is shown in the table in paragraph 14 above.

Risk Benchmarking

36. The Investment Strategy for 2018/19 includes the following benchmarks for liquidity and security.
37. Liquidity – The Council has no formal overdraft facility and seeks to maintain liquid short-term deposits of at least £1 million available with a week's notice.
38. Average return on investment at 30 September 2018 was 0.67% against a 7 Day LIBID benchmark average rate of 0.59%. The weighted time to maturity

(WAM) of investments was 30 days compared to 103 days on 30 September 2017. The decrease in WAM duration was mainly due to uncertainty on commercial property acquisition timing and the need to hold more cash liquid as a result. At 30 September 2018 the Council held £57.8m of cash balances, all of which are invested for periods of less than 364 days. The increase in return has been mainly due to the increase in Bank of England bank rate in August 2018.

39. The Chief Finance Officer can report that liquidity arrangements were adequate during the year to date.
40. Security – The weighted average credit risk of the portfolio at the end of the period was 3.43% (5.53% September 2017). The Council's maximum security risk benchmark for the portfolio as at 30 September 2018 was 0.007%, which equates to a potential loss of £4k on an investment portfolio of £57.8m.
41. This credit risk indicator is lower than the anticipated maximum risk of 0.041% in the Treasury Management Strategy. At 30 September 2018, 100% of the investment portfolio was held in low risk specified investments.
42. The Chief Finance Officer can report that the investment portfolio was maintained within this overall benchmark during the year to date.

REGULATORY UPDATE

Proposed Changes to in the new MRP Guidance issued by MHCLG

43. The Council is required to approve **an MRP Statement** in advance of each year. Council approved the 2018/19 revised MRP guidance in July 2018.
44. MHCLG in February 2018 issued MRP Guidance under S21A of the Local Government Act 2003.
45. The new Guidance sets out that no MRP will be charged in respect of loans to other bodies for capital expenditure purpose. However, the capital receipts generated by the annual repayments on these loans will be put aside to repay debt and MRP will be charged in years where there is no repayment.
46. The Guidance also requires a local authority to fully provide for debt taken on to acquire an asset classified as an investment property. Such assets should not be subject to depreciation.

Proposed Changes to IFRS9 Accounting Standard

47. This accounting standard came into effect from 1 April 2018. The key change is the removal of the category of investments valued under the available for sale category will be removed and any potential fluctuations in market valuations may impact on to the Surplus or Deficit on the Provision of Services, rather than being held on the balance sheet. This change is unlikely to materially affect the commonly used types of treasury management investments but other types of investments like pooled investment vehicles,

third party loans, commercial investments are likely to be impacted. These changes however will not impact on the budget position of the council.

48. The impact on the council's current portfolio of treasury managed investments at 30 September 2018 is summarised in table 8 below.

Table 8

Treasury Investments as at 30 September 2018	Impact of IFRS9
Fixed deposit investments in banks and building societies	Amortised cost – however credit rating default tables will be applied.
Fixed deposit investment in other local authorities	Amortised cost – no impact on budget
Money Market Funds <ul style="list-style-type: none"> Constant net asset value money market fund Low volatility net asset value money market fund 	Amortised cost – no impact on budget
Call and notice accounts	Amortised cost – however credit rating default tables will be applied

Proposed Changes to IFRS16 Leases and likely implications for the Local Authority Accounting Code

49. Although the standard was issued in January 2016, authorities are expected to comply from 1 April 2019 (though consideration is being made to postpone this for one year). The current classification of leases into operating and finance will no longer apply with the exceptions of leases of 12 months or less and leases of low value. This change will therefore impact the Council's CFR, but have no borrowing impact. A lot will depend on the evaluation of contracts and their implications.

Proposed Money Market Fund Regulatory Changes

50. The Money Market Fund sector is now at the last stages of introducing new regulations which will affect the various types of money market funds. The regulatory change which will take effect from 1 January 2019 will now see existing non-government Constant Net Asset Value (CNAV) - which the Council currently invests in - convert to Low Volatility Net Asset Value (LVNAV) pricing. The reason for the change in classification is that constant (of CNAV) implies no risk to capital invested, when in reality if placed under extreme stress the fund may have to pass losses to clients. The new category of LVNAV explicitly sets out that, although the funds continue to operate in the same manner as before, there is a minor low-exposure to volatility. There is no impact on the Council as this change does not represent taking on additional risk.

51. All money market fund managers servicing the local authority market have stated that their funds will be converting to Low Volatility Net Asset Value (LVNAV) MMFs.
52. This change will occur in the very early stages of 2019; as such this is an update to the current TMS to incorporate the use of LVNAV funds. The Cabinet is asked to approve the use of both CNAV and LVNAV funds.

Update on Ring Fencing of UK Banks

53. From 1 January 2019, the largest UK banks must separate core retail banking from investment banking. This is known as ring-fencing. Ring-fencing was the central recommendation of the Independent Commission on Banking. The key aim of the separation is to improve the resilience and resolvability of banks by changing their structure. Simpler activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and riskier activities are required to be housed in a separate entity, a non-ring-fenced bank (NRFB). While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered) will be considered for investment purposes.

Abolition of HRA debt cap

54. In October 2018, the Prime Minister announced a policy change of abolition of the HRA debt cap. Although no further detail on potential changes to reporting have been issued to date, this change has significant impact on the Council's HRA and its strategy on house building.

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 the completion of the assessment can be found [here](#). Delete this row after completion

Report author to complete	
Committee:	Cabinet
Committee date:	12/12/18
Director / Head of service	Karen Watling
Report subject:	Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2018/19
Date assessed:	03/12/2018
Description:	This is a mid-year report to inform council on the performance of the treasury management activity for the first 6 months of the year and it includes updates on Prudential Code, MHCLG Minimum Repayment Provision and MGCLG Investment Guidance.

	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 prudential indicators show that for the first 6 months of the year treasury management activity has produced positive results e.g. achieving an investment interest rate above the target.
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

	Impact			
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Managing risk is a major part of undertaking the treasury management activity. All the indicators and limits put in place to reduce the level of risk have been adhered to thus reducing the risks to an acceptable level as stated in the Treasury Management Strategy.

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	

Current Maturity Structure of Borrowing

Maturity structure of fixed interest rate borrowing 2018/19		
	Lower	Upper
Under 12 months	0%	10%
12 months to 2 years	0%	10%
2 years to 5 years	0%	30%
5 years to 10 years	0%	50%
10 years and above	0%	95%

Revised Maturity Structure of Borrowing

Maturity structure of fixed interest rate borrowing 2018/19		
	Lower	Upper
Under 12 months	0%	10%
12 months to 2 years	0%	10%
2 years to 5 years	0%	40%
5 years to 10 years	0%	70%
10 years and above	0%	70%

Revision to time and monetary limits applying to the Council's investments

2018/19 Treasury Management Strategy Statement - Table 10

	Fitch Long term Rating (or equivalent)	Money Limit	Time Limit
Banks 1 higher quality	AA	£15m	364 days
Banks 1 lower quality	AA	£5m	364 days
Banks 2 – part nationalised	N/A	£15m	3 years
Limit 3 category – council's banker (if doesn't meet Banks 1 criteria)	A-	£5m	3 months
Building Societies	Asset worth at least £2bn	£10m	364 days
DMADF	AAA	Unlimited	6 months
Local authorities (LA)	N/A	£10m per LA	5 years
Constant Net Asset Value Money Market Funds (CNAV) Low Volatility Money Market Funds (LVNAV)	AAA	£5m per fund £25m overall limit	Liquid
CCLA Local Authorities' Property Fund		£10m	Minimum of 5 years

Report to Cabinet
12 December 2018
Report of Director of business services
Subject Scrutiny committee recommendations

Item

10

Purpose

To consider the recommendations from the scrutiny committee held on 22 November 2018.

Recommendation

To ask cabinet to consider the following recommendations in relation to domestic abuse:

- 1) commit to long-term funding arrangements when commissioning Domestic Abuse services;
- 2) continue to enable staff and members to spot potential signs of domestic abuse, including sharing lessons learnt from serious case and domestic homicide reviews with members;
- 3) liaise with the local Job Centre about equipping their staff to spot potential signs of domestic abuse, so that it can explore split payments within Universal Credit;
- 4) work with the county council to ensure that domestic abuse is factored in any work around locality development of early years provision in the light of proposed changes to children's centres; and
- 5) consider how gendered language and stereotypes can form part of a wider social context that may increase the likelihood of domestic abuse occurring.

Corporate and service priorities

The report helps to meet all the corporate priorities.

Financial implications

None

Ward/s: All wards

Cabinet member: Councillor Kendrick - Resources

Contact officers

Anton Bull, director of business services

01603 212326

Background documents

None

Report

Background

1. The council's scrutiny committee is constituted of councillors who do not sit on cabinet. They are expected to review/scrutinise and oversee decisions made by cabinet. They can 'call in', for reconsideration, decisions made by cabinet or an officer which have not yet been implemented. The main functions of scrutiny are to hold cabinet to account by examining their proposals; evaluating policies, performance and progress; ensuring consultations, where necessary, have been carried out; and highlighting areas for improvement.
2. The committee makes recommendations for cabinet, the wider council and other stakeholders based on evidence on the issues scrutinised at their meetings.
3. The following is a summary of the topics the committee has considered with the recommendations that were made accordingly.

22 November 2018

The committee considered the following reports:

- Scrutiny committee work programme 2018-19
- Council and partner responses to domestic abuse
- Call in: Community Infrastructure Levy Exceptional Circumstances Relief Policy

Council and partner responses to domestic abuse

4. The committee considered key information on domestic abuse and the work that council officers were progressing with partners to help tackle the issues in Norwich.
5. The committee heard from the early intervention and community safety manager, who welcomed Margaret Hill and Trudy Lock from Leeway and John Lee from Spurgeons part of the Norwich Connect project and explained that their organisations were the council's key partners in responding to domestic abuse.
6. The early intervention and community safety manager explained that Norwich Connect was part of a wider beacon project and digital offer, which would act as a "front door" to ensure that partners directed people to appropriate services at the county council and Leeway.
7. The committee heard that 25 per cent of reported incidents of domestic abuse made to the police in Norfolk were from Norwich.
8. The committee noted its concern that the closure of children's centres would reduce the opportunity to identify cases of domestic abuse.

9. Concern was also raised in relation to Universal Credit because payments were paid to one household member which could have an impact within controlling relationships.
10. Members discussed funding for voluntary service providers with both providers present noting short term one year funding impacted negatively on their ability to delivery services.

Recommendations

To ask cabinet to consider the following recommendations in relation to domestic abuse:

- 1) commit to long-term funding arrangements when commissioning Domestic Abuse services;
- 2) continue to enable staff and members to spot potential signs of domestic abuse, including sharing lessons learnt from serious case and domestic homicide reviews with members;
- 3) liaise with the local Job Centre about equipping their staff to spot potential signs of domestic abuse, so that it can explore split payments within Universal Credit;
- 4) work with the county council to ensure that domestic abuse is factored in any work around locality development of early years provision in the light of proposed changes to children's centres; and
- 5) consider how gendered language and stereotypes can form part of a wider social context that may increase the likelihood of domestic abuse occurring.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	12 December
Director / Head of service	Anton Bull
Report subject:	Scrutiny Committee Recommendations
Date assessed:	29 November 2018
Description:	A summary of scrutiny committee discussions and recommendations from 22 November 2018

	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"/>	

	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
12 December 2018
Report of Director of neighbourhoods
Subject Procurement of a housing structural repairs contract

Item

11

KEY DECISION

Purpose

To advise cabinet of the procurement process for a housing structural repairs contract and to seek approval to award the contract

Recommendation

To award the contract for housing structural repairs to flats at William Mear Gardens to Bawburgh Installations Limited.

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 is the award of a contract for structural repairs and improvements with a tender cost of £545,017.81 which is included within the Housing Revenue Account financial budgets for 2018/19

Ward/s: Crome

Cabinet member: Councillor Harris - Deputy leader and social housing

Contact officers

Lee Robson, head of neighbourhood housing 01603 212939

Carol Marney, interim operational director NPS Norwich 01603 227904

Background documents

None

Introduction

1. The Council has a programme of structural repairs and improvements 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. A total of 45 flats will benefit from the repairs, situated in William Mear Gardens.
2. The scope of the contract includes repairs to concrete communal walkways, deck membrane works, replacement stairs with galvanised steel, structural steel strengthening works, re-roofing of communal flat roof areas and brickwork repairs. The staircases are made of reinforced concrete, which has deteriorated. The deck membranes protect the concrete walkways between flats from water ingress, which causes rusting of the steel reinforcement and subsequent structural failure.
3. These works will extend the life expectancy of the structural integrity of the communal walkways and staircases by carrying out specialist concrete repairs and installing full anti-carbonation management systems that protects the reinforcement steel within the concrete from further corrosion. Specialist systems come with warranties for materials and workmanship at 10 years for concrete repairs and 15 years for the waterproof anti-slip membrane systems.

Procurement Process

4. The opportunity was advertised on the council's e-procurement portal and contracts finder on 18 September 2018.
5. 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 evaluated to ensure that suppliers met the Council's basic requirements.
6. At the same time, suppliers were asked to submit 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.

Tender evaluation

7. Tenders were received from:

Bawburgh Installations Ltd
Gunitite (Eastern) Ltd
JB Specialist Refurbishments Ltd
UK Gunitite Ltd

8. 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 40% of the marks. The lowest price was allocated 60% of the marks and the marks were deducted, pro-rata, with each increasing tender price.
9. The supplier with the highest cumulative score was deemed the best value submission. The results are shown below.

	Price	Quality	Total
	score	score	score
£545,017.81	60	40	100
£582,971.54	55.82	40	95.82
£639,905.25	49.55	40	89.55
£745,943.20	37.88	40	77.88

10. The tender submitted by Bawburgh Installations Ltd received the highest score and therefore represents the best value for money.
11. These works are subject to leaseholder consultation.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	12 December 2018
Director / Head of service	Lee Robson
Report subject:	Procurement of a housing structural repairs contract
Date assessed:	06 November 2018
Description:	Structural repairs to flats at William Mear Gardens (Crome Ward)

	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"/>	Open tendering ensures that best value is achieved.
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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The works will extend the life expectancy of the properties
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	There is a low risk that the appointed supplier could fail during the life of the contract. There is little risk to the council, as it is not investing in the supplier. The risk is one of service continuity rather than financial which is further mitigated by the fact that the contract is planned in nature.

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	

Report to	Cabinet	Item
	12 December 2018	
Report of	Director of neighbourhoods	12
Subject	Procurement for the supply, installation and commissioning of new boilers and associated equipment at Meadowsweet sheltered housing.	

KEY DECISION

Purpose

To advise cabinet of the procurement process for installing a new heating system at Meadowsweet sheltered housing and to seek approval to award the contract.

Recommendation

To delegate approval to the director of neighbourhoods in consultation with the deputy leader and portfolio holder for social housing to award the contract for supply, installation and commissioning of new boilers and associated equipment at Meadowsweet sheltered housing.

Corporate and service priorities

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

Financial implications

The costs arising from this decision will be met from the approved budgetary provision within the HRA capital and revenue programme for 2018/19.

Cabinet member: Councillor Harris - deputy leader and social housing

Contact officers

Lee Robson, head of neighbourhood housing 01603 212939

Carol Marney, interim operations director NPS Norwich 01603 227904

Background documents

None

Report

Introduction

1. Meadowsweet sheltered housing site consists of 30 bungalows and a communal centre. It is situated off Bussey Road, Fiddlewood, Norwich, NR6 6JG
2. The existing boiler plant is in need of replacement due to its age and discontinuation of the product.
3. A mechanical heat recovery plant is proposed for the communal centre together with a combined heat and power (CHP) unit as these are recognised technologies to reduce CO2 emissions and running costs. There are four units currently on site. Works will also include an upgrade to the hot water storage facility; insulation to the district heating pipework which is routed through the roof and the radiators in the dwellings which are the original units. These need replacing, as do the hot water cylinders which currently use electric immersion heaters to heat the hot water. The budget estimate for the works is £425,000.
4. The new boilers will be more energy efficient resulting in a lower cost of heating and a lower carbon footprint for the centre. The new radiators will allow the low surface temperature system to heat the dwellings more effectively, and the new hot water system will be more cost effective than using immersion heaters.

Procurement Process

5. The opportunity was advertised on the council's e-procurement portal on 5 November 2018 with a return date of 26 November 2018. Delegated authority is requested to provide officers with time to evaluate tenders returned. If the process is completed by 12 December a revised recommendation will be made.
6. Suppliers will be 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 will be evaluated to ensure that suppliers met the Council's basic requirements.
7. At the same time suppliers will be asked to submit details in the form of method statements proposing how they will meet the requirement for the work package and the price that they will charge to carry out this work. These method statements will be evaluated once it had been confirmed that the supplier has met the Council's basic requirements.

Tender evaluation

8. The supplier selection process requires suppliers to complete a questionnaire. The responses given will be evaluated against pre-determined criteria. This quality assessment carries a maximum of 40% of the marks. The lowest price will be allocated 60% of the marks and marks will be deducted, pro-rata, with each increasing tender price.

9. The supplier with the highest cumulative score is deemed the best value submission. The results will be reported to the Director of neighbourhoods and the Portfolio holder for social housing.

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 the completion of the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:	Cabinet
Committee date:	12 th December 2018
Director / Head of service	Lee Robson
Report subject:	Procurement for the supply, installation and commissioning of new boilers and equipment at Meadowsweet sheltered housing
Date assessed:	19 th November 2018
Description:	New boilers, radiators, pipework insulation and hot water cylinders.

	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"/>	Open tendering will ensure that best value is achieved.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The new equipment will be more efficient resulting in lower energy bills for residents
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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Will result in reduced CO2 emissions.
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The new equipment will consume less energy than that being replaced.
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	There is a low risk that the appointed supplier could fail during the life of the contract. There is little risk to the council as it is not investing in the supplier. The risk is one of service continuity rather than financial which is further mitigated by the fact that the contract is planned in nature.

Recommendations from impact assessment	
Positive	
The works will help to reduce fuel poverty and reduce consumption of energy from fossil fuels.	
Negative	
Neutral	
Issues	

Report to	Cabinet	Item
	12 December 2018	
Report of	Director of regeneration and development	13
Subject	Procurement of works to clear, demolish and remediate the ex-works depot at Mile Cross	

KEY DECISION

Purpose

To inform Cabinet of the procurement process for the clearance, demolition and ground remediation of the former depot site at Mile Cross Road, Mile Cross and to seek approval to delegate authority to award the contract

Recommendation

To delegate approval to the director of regeneration and development in consultation with the portfolio holder for resources to award the contract for the clearance, demolition and ground remediation of the ex-works depot at Mile Cross.

Corporate and service priorities

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

Financial implications

The costs arising from this decision will be met from the approved budgetary provision within the general fund budget of £1.975m (£0.550m in 2018/19 and £1.425m in 2019/20). It is to be funded by a Ministry for Housing, Communities and Local Government Land Release Fund grant of £0.980m and £0.995m of matched funding from the Council's capital receipts.

Ward/s: Mile Cross

Cabinet member: Councillor Kendrick - Resources

Contact officers

Richard Carden - Project manager	01603 212369
Carol Marney – Interim Operations Director	01603 227900

Background documents

None

Report

Introduction

1. In 1968 work started on the Mile Cross site to develop a previously open area of gardens and allotments into a Corporation Depot. It continued to be used as a works depot until 2010 when following the end of the CityCare contract the site was mostly vacated with just the Western end of the site being used to deliver council services and the main block being used for storage.
2. An attempt was made to turn the site into a small business/start up facility but the configuration, size and age of the units restricted the uses. Ongoing high management and maintenance costs meant there was little return. Cabinet has agreed to redevelop the site and most recently it agreed a specific way forward at the November 2018 meeting.
3. Redevelopment of the site necessarily requires demolition of the buildings on the site and site clearance. Alongside this there is a need to remediate the ground which has areas of contamination.

Proposal

4. The site will be cleared of all abandoned materials and equipment, asbestos will be removed under controlled conditions, and built elements will be demolished including the removal of above and below ground fuel tanks. Because the layout of any redevelopment is unknown the whole site will undergo soil remediation, contaminated soil will be removed, a soil protection barrier installed along with a permeable membrane and then topped with screened topsoil. It has been assumed that the whole site will be developed as residential for the purposes of this procurement and the ground will be prepared with this in mind. The estimated cost of the work is £1.2m.
5. By clearing the site and remediating the ground this will create a “blank canvas” for redevelopment and will give the city council the option to redevelop the land themselves, or sell it on to an outside developer as a site prepared and ready for development.

Procurement

6. This opportunity to demolish, clear and remediate the site was advertised on the council's e-procurement portal and Contracts Finder with a return date of 23 November 2018.
7. Delegated authority to award this contract is sought to help ensure work can begin on site as soon as possible in the New Year. In order for that to happen the winning contractor needs to complete and submit all health and safety documentation for the approval of the contract administrator, the contractor also needs to plan for mobilisation of plant and labour and an F10 (notification of construction project) notice needs to be filed with the Health and Safety Executive, a principal contractor needs to be named on this notice.

8. Suppliers will 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 are being evaluated to ensure that suppliers meet the Council's basic requirements.
9. The supplier have also been asked to submit details in the form of method statements proposing how they will meet the requirement for the work package and the price that they will charge to carry out this work. These method statements are also being evaluated (assuming the supplier has met the Council's basic requirements).

Tender evaluation

10. The supplier selection process required suppliers to complete a questionnaire.
11. The responses are being evaluated against pre-determined criteria. This quality assessment carries a maximum of 40% of the marks. The lowest price will be allocated 60% of the marks and marks will be deducted, pro-rata, with each increasing tender price.
12. The supplier with the highest cumulative score is deemed the best value submission. The results will be reported to the director of regeneration and development to confirm a decision in consultation with the portfolio holder.

Timescales

13. Work is programmed to begin on site week commencing 14 January 2019 and the construction phase will be determined by the winning contractor. The initial feedback from tenderers is that the work will take between 3 – 6 months. The grant funding requirement is that the work needs to be completed by the end of 2019, so even with a 6 month programme of works we will meet this requirement.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	12/12/2018
Director / Head of service	Andy Watt
Report subject:	Procurement of works to clear, demolish and remediate the ex-works depot at Mile Cross
Date assessed:	29/10/18
Description:	Procurement of works to clear, demolish and remediate the ex-works depot at Mile Cross

	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"/>	Value for money is achieved by open tendering the works
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Allows a redundant site to be redeveloped or prepared for disposal
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"/>	Any development would be to modern standards and suggested facilities on site have included a health and leisure centre, this work will allow those developments to happen.

	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"/>	Developing the land from light industrial to residential may increase the number of cars in the area but will reduce the number of vans and lorries.
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Clearing the site will remove tired light industrial units and redevelopment will only enhance the area.
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"/>	The proposal is to remove ground contamination as far as reasonably practicable, by changing the land use from industrial to residential this removes the risk of future pollution and ground/water contamination.
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"/>	

	Impact			
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	As a major demolition project there are inherent risk associated with the work, careful selection of Principal Contractor at tender stage will mean the work is awarded to a competent and experienced contractor that can manage the risks.

Recommendations from impact assessment
Positive <p>The clearance, demolition and remediation of the site ensures a better future use that should eventually help offer a healthy city with good housing.</p>
Negative
Neutral
Issues

