

## **Cabinet**

**Date:** Wednesday, 18 December 2019

**Time:** 16:30

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

### **Committee members:**

**For further information please contact:**

### **Councillors:**

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

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

Members of the public and the media have the right to attend meetings of full council, the cabinet and committees except where confidential information or exempt information is likely to be disclosed, and the meeting is therefore held in private.

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



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## Agenda

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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 13 December 2019**.

Petitions must be received must be received by the committee officer detailed on the front of the agenda by **10am on Tuesday 17 December 2019**.

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**

5 - 12

To approve the accuracy of the minutes of the meeting held on 13 November 2019

### 5 **Quarter 2 Corporate Performance Report for 2019-20**

13 - 28

**Purpose** - To report progress against the delivery of the corporate plan priorities and key performance measures for quarter 2 of 2019-20.

### 6 **To enter into a contract to enable the council to accept Housing Infrastructure Funds in relation to Anglia Square - Key Decision**

29 - 36

**Purpose** - To enter into a contract with Homes England to allow the council to accept up to £15m Housing Infrastructure Fund (HIF) funding to enable the redevelopment of Anglia Square.

### 7 **Treasury Management Mid-year Review Report 2019 20**

37 - 52

**Purpose** - This report sets out the Treasury Management performance for the first six months of the financial year to 30 September 2019. This is in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management and

Prudential Codes.

- |           |   |         |
|-----------|---|---------|
| <b>8</b>  | <b>Budget Monitoring Period 7</b><br><b>Purpose</b> - To update cabinet on the financial position of the council as at 31 October 2019.   | 53 - 74 |
| <b>9</b>  | <b>To award a contract for the structural remedial works – various properties - Key Decision</b><br><b>Purpose</b> - To seek approval to award a contract for the structural remedial works – various properties.   | 75 - 82 |
| <b>10</b> | <b>To award a contract extension for Structural and Civil Engineering Consultancy Services for Planned Works and Responsive Works - Key Decision</b><br><b>Purpose</b> - To seek approval to award a contract extension for Structural and Civil Engineering Consultancy Services for Planned Works and Responsive Works. | 83 - 90 |
| <b>11</b> | <b>Procurement of a housing structural repairs contract at Gamewell Close and Boundary Road - Key Decision</b><br><b>Purpose</b> - To seek approval to award a contract for housing structural repairs at Gamewell Close and Boundary Road.   | 91 - 98 |
| <b>12</b> | <b>Exclusion of the public</b><br>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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- |            |  |  |
|------------|--|--|
| <b>*13</b> | <b>Commercial property investment strategy (para 3) - Key Decision</b> |  |
|------------|--|--|

- 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.

**\*14 Adjustment to the HRA capital programme (para 3) - Key Decision**

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

**\*15 Managing Assets (Housing) (para 3) - Key Decision**

- 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, 10 December 2019**

**Cabinet****16:30 to 18:10****13 November 2019**

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

Apologies: Councillors Davis, Jones and Packer

Also present: Councillors Schmierer and Wright.

**1. Public Questions/Petitions**

One member question had been received.

Councillor Denise Carlo, asked the cabinet member for sustainable and inclusive growth the following question:

“At council on 25 June, I asked the cabinet member for sustainable and inclusive growth to support the need for zero carbon public transport (electric or hydrogen) along corridors selected for improvement in the Transforming Cities bid. Councillor Stonard said that national bus companies may be able to meet demands but the local operators could not afford to do so and that privatisation and deregulation of bus services made it more difficult to work with bus companies.

However, the Bus Services Act 2017 includes franchising powers which the Secretary of State for Transport and Prime Minister have both said they want to see used widely. Franchising allows local transport authorities to determine the details of services and standards to be provided on a route-by-route basis such as a requirement to run zero carbon buses. The accompanying Department for Transport guidance (The Bus Services Act 2017: New Powers and Opportunities, Nov 2017) makes clear that franchising plans must take account of the needs of small and medium sized operators and so they wouldn't be excluded as feared.

Will the cabinet member encourage the Transforming Cities Joint Committee to commit to specifying zero carbon buses on routes selected for improvement, (zero carbon buses would cut both carbon and toxic air pollution emissions, unlike Euro 6 standard diesel buses) and to investigating franchising powers in its final application? There is no point spending millions on new bus infrastructure if buses don't turn up or services are withdrawn or re-routed which is sometimes the case at present.”

Councillor Stonard, cabinet member for sustainable and inclusive growth replied:

“The Transforming Cities fund was first announced on 20 November 2017, almost exactly two years ago and the greater Norwich region has known since 27 September 2018 that it was successful in being shortlisted for a share of £1.2 billion funding. Over a year later and with two weeks to go to the deadline for submission of the business case that will determine exactly what funding Norwich receives I think it is rather late in the day for Councillor Carlo to be asking me to ensure that things like bus franchising powers are included in the final bid.

As Councillor Carlo knows, as she was at the meeting, on the 16 October the Transforming Cities Joint Committee agreed the broad concepts of the application which focused on providing high quality bus infrastructure in the city centre and on six key corridors leading from the areas of jobs and growth into the city centre. There is also a strong supporting package of walking and cycling improvements and the introduction of a network of mobility hubs. What isn't specified in the business case is exactly how these will be achieved and at this stage such detail is not required. Using the Bus Services Act 2017 powers may be one way of going about it, but given the strong, very positive relationship the councils have with the local operators that may not be necessary. Time will tell.

Reducing carbon and improving air quality are two of the key outputs that the Department for Transport are looking for cities to deliver through the Transforming Cities fund, and that will of course be the focus of the Greater Norwich application.”

In response to Councillor Carlo's supplementary question, Councillor Stonard said there would be cleaner buses in the city delivered as part of the Transforming Cities bid. In order to consider using the Bus Services Act the whole Transforming Cities partnership would have to agree Norfolk County Council, Broadland and South Norfolk district councils but it was important to emphasise that a good relationship with bus companies already existed.

## **2. Declarations of interest**

Councillors Waters, Harris and Kendrick declared an other interest in item 4 below, Norwich council housing strategy 2020-2026, as council tenants.

Councillors Kendrick and Stonard declared an other interest in item \*13 below as directors of Norwich Regeneration Limited.

## **3. Minutes**

**RESOLVED** to agree the accuracy of the minutes of the meeting held on 9 October 2019.

## **4. Norwich council housing strategy 2020 - 2026**

(Councillors Waters, Harris and Kendrick had declared an other interest in this item).

Councillor Harris, deputy leader and cabinet member for social housing, introduced the report. There had been some amendments made to the strategy and an updated copies had been circulated with a list of the detailed amendments.

The strategy restated the council's commitment to social housing and highlighted the challenges ahead. The government's reduction in public sector spending on services such as mental health provision impacted on the council's resources. Tenants no longer received the support they previously had and the council had to step in to provide this or the risk was that tenancies would fail. The government imposition of a 1% rent reduction to all social housing tenants had impacted the council's finances and the continuation of the Right to Buy (RTB) scheme resulted in a loss to the city council of approximately 140 properties per year. There were restrictions made on the receipts from these RTB sales too. In terms of the delivery of new social housing this would be impacted by the recent government decision to increase the interest rate by 1% from the Public Works Loan Board.

The strategy represented a holistic approach to the management of social housing in the city to ensure that the stock was fit for the future. It incorporated an annual programme of works and the delivery of high quality social housing with partners such as the development at Goldsmith Street.

In response to Councillor Schmierer's question the deputy leader and cabinet member for social housing said that work on climate change underpinned all the council's work. The director of people and neighbourhoods said the housing strategy similar to other strategies had a number of themes running through it including the environment, climate change, safeguarding etc. The leader said that the environment was at the heart of the council's approach, considerable investment had been made into the council's housing stock increasing its energy efficiency.

**RESOLVED** to approve the Norwich council housing strategy 2020 - 2026.

## **5. Regulation 10A review of Norwich's Development Management policies and site allocations plans**

Councillor Stonard, the cabinet member for sustainable and inclusive growth presented the report. The development management policies were assessed using a traffic light system, 18 policies were green and 15 amber there was therefore no need for a review at present. The sustainable development panel had considered the report at its meeting on 13 November 2019 and endorsed the recommendations with a number of suggested amendments.

In response to Councillor Schmierer's question the planning policy team leader said that it was recognised that there had been changes to the use of the late night activity zone and a review of the boundary of the area was considered desirable. The current policy was however fit of purpose and such a review could be considered as part of the wider review.

**RESOLVED** to endorse the Regulation 10A review of local plan policies and the proposal to commence review of the DM policies plan following the Regulation 19 stage of the Greater Norwich Local Plan, likely to be in spring 2021, subject to:

- 1) Further consideration as part of the 2021-22 budget process;
- 2) Moving policy DM4 providing for renewable and low carbon energy into the amber category as a further review is considered desirable to address issues such as renewable energy; and

- 3) Note that the sustainable development panel asked for a report comprising a 'roadmap' to outline the process for addressing a number of policy issues as part of the forthcoming review of the DM Policies Plan.

## **6. Temporary accommodation policy**

Councillor Harris, deputy leader and cabinet member for social housing, introduced the report. The policy set out the obligations of the council and homeless households regarding the provision of temporary accommodation and provided clarity regarding the criteria used to assess the placement of homeless households.

The housing options manager confirmed in response to Councillor Wright's question that households could be refused accommodation by temporary accommodation providers because they were considered too high risk.

**RESOLVED** to adopt the Temporary Accommodation Policy.

## **7. Purpose-built student accommodation in Norwich: evidence and best practice advice note**

Councillor Stonard, the cabinet member for sustainable and inclusive growth presented the report. He emphasised the importance of universities, the University of East Anglia generated £0.5billion for the local economy. Student numbers at both the city's universities were set to increase and those students would require accommodation. The current local plan contained no specific policy regarding student accommodation and the purpose of the advice note was to provide guidance on best practice for applicants and decision makers to ensure the delivery of purpose built student accommodation which was appropriate to Norwich.

**RESOLVED** to adopt the Purpose-built student accommodation in Norwich: Evidence and best practice advice note.

## **8. Scrutiny committee recommendations**

Councillor Kendrick, the cabinet member for resources, introduced the report and thanked the scrutiny committee for their work on a number of very important issues. He invited Councillor Wright as the chair of scrutiny to present the report. Councillor Wright highlighted recommendations from the committee such as a suggestion to work with Norfolk County Council to explore the idea of incorporating standard clauses into S106 agreements to fund school travel plan work and to consider options on how to reduce single occupancy vehicles travelling into the city.

The cabinet member for sustainable and inclusive growth said the Transforming Cities application included proposals on car sharing schemes.

The leader of the council thanked the scrutiny committee for its contribution to shaping policy and the 2040 city vision.

**RESOLVED**

- 1) With regards to air quality to ask cabinet to consider:



- a) Recommending the extension of the monitoring zone from Castle Meadow to include St Stephen's Street and initially make this a minimum Euro 5 standard compliant,
- b) Extending the preferential rate enjoyed by the council to members of staff who may wish to purchase an electric vehicle or bike,
- c) Ways of reducing background levels of air pollution across the network area; including ensuring that pollution is not displaced to areas outside of the city centre and increasing monitoring in areas not identified as 'hotspots' once appropriate resources have been secured; and
- d) Exploring options on how to reduce single occupancy vehicles travelling into the city

2) With regards to the call in of the Airport Master Plan, to consider:

- a) When the airport masterplan is review to request that a carbon reduction plan is incorporated; and
- b) Including as part of the 2040 City Vision work, an analysis of the wider impact of jobs on the economy when these are in sectors which impact adversely on climate change.

## 9. Constitution review

Councillor Kendrick, cabinet member for resources presented the report. He highlighted the amendment to the deadlines for motions to council and said it provided time to enable the smooth running of council meetings and safeguards to allow for flexibility.

Members discussed the change to the rules for the election of the Lord Mayor and Sherriff and noted that the old process had fallen out of use and been replaced by an informal arrangement and the changes consolidated that practice.

**RESOLVED** to recommend that council adopts the following changes to the constitution:

- (1) to amend Appendix 1, Council rules and procedures by:
  - (a) inserting after rule 63, the following new rule 64:
    - 64. Amendments to recommendations or motions set out in the council agenda shall only be considered if they have been delivered in writing to the director of resources by 17:00 on the day preceding the meeting.
    - 65. The exceptions to the above rule are:
      - (a) technical amendments may be moved to correct factual errors;

- (b) the director of resources will have discretion to permit amendments from members if the director of resources is satisfied that the need for the amendment could not have been anticipated before the 17:00 deadline and that advance notice of such amendments was given as soon as reasonably practical.”
- (b) inserting additional wording to current rule no 16:  
“If there is opposed business to take after two hours have elapsed since the beginning of the meeting, a short break of up to ten minutes will be taken before continuing with the business of the meeting.”
- (2) to insert the Planning Applications Committee Procedures and Delegations at Appendix 11 of the constitution;
- (3) to amend Article 5 – Lord Mayor, Deputy Lord Mayor and Sheriff by deleting the text in 5.1.2 and replacing it with “Any sitting councillor can be nominated for the position of Lord Mayor”.
- (4) to agree in principle to amending the structure of the constitution to make it more user friendly by placing the relevant articles and appendices together rather than having a section for all articles and all appendices; and making a single pdf version of the constitution available on the council’s website;
- (5) to note recent changes made to the constitution under Article 15 or by resolution of full council as set out in Appendix A to this report.

#### **10. The award of contract for works at Bradecroft Sheltered Housing – communal heating upgrade – key decision**

Councillor Harris, deputy leader and cabinet member for social housing, introduced the report.

**RESOLVED** to delegate approval to the director of people and neighbourhoods, in consultation with the deputy leader and portfolio holder for social housing, to award a contract for communal heating upgrading works at Bradecroft sheltered housing scheme.

#### **11. The award of contract for a tenancy and estate management system – key decision**

(The chair referred to the supplementary agenda which had been circulated prior to the meeting)

Councillor Kendrick, the cabinet member for resources, presented the report and explained that delegation was requested due to procurement timescales and that once a decision was taken a key decision notice would be issued which was subject to normal call in rules.

**RESOLVED** to delegate approval to the director of people and neighbourhoods, in consultation with the deputy leader and cabinet member for social housing and the cabinet member for resources, to award the contract for a tenancy and estate management system.

## **12. Exclusion of the Public**

**RESOLVED** to exclude the public from the meeting during consideration of items \*13 to \*14 (below) on the grounds contained in the relevant paragraphs of Schedule 12A of the Local Government Act 1972 (as amended).

### **\*13 Housing development at Rayne Park – key decision (paragraph 3)**

(A copy of legal counsel opinion was to circulated to members at the meeting)

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

**RESOLVED** to agree the recommendations as set out in the report.

### **\*14 Organisational change (paragraph 4)**

Councillor Waters, leader of the council presented the report.

**RESOLVED** to approve the proposals contained in the report.

CHAIR



<b>Report to</b>	Cabinet	<b>Item</b>
	18 December 2019	
<b>Report of</b>	Strategy manager	<b>5</b>
<b>Subject</b>	Quarter 2 Corporate Performance Report for 2019-20	

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## **Purpose**

To report progress against the delivery of the corporate plan priorities and key performance measures for quarter 2 of 2019-20.

## **Recommendations**

To:

- 1) consider progress against the corporate plan priorities for quarter 2 of 2019-20; 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 a healthy organisation.

## **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 second quarterly performance report for the corporate plan 2019-2022.
2. The corporate plan 2019-22 established three corporate priorities: people living well; great neighbourhoods, housing and environment; and inclusive economy. It also contained the objective of maintaining a healthy organisation. The performance framework aims to measure progress against these through over 100 outcome and output measures:
  - a) Output measures which monitor the council's performance in delivering activities which it is responsible, including targets for each indicator.
  - b) Outcome measures which monitor the wider context relating to that priority, including changes which may happen through the work of partners, or as a result of wider trends at a national or local level, and are monitored for context and so do not have targets set for them.
3. Data for most of the output measures is available and reported quarterly, while data for the contextual outcome measures is more variable with some are reported quarterly (included in this report) but others six monthly or annually.
4. Performance for output indicators is based around a traffic light concept where green is on target, red is at a point where intervention may be necessary and amber a point in between these two.
5. Performance status for each of the output measures is then combined for each priority to show at a glance high level performance. This should enable members to see at a high level where performance is improving or falling.
6. Methodological changes have been made to some survey derived measures this year to improve the robustness of the results as agreed at cabinet on 8 November 2017. These include a new text message-based methodology for the Local Area Survey, including the weighting of measures that are derived from this. These changes improve accuracy but have an impact on reported performance, as can be seen from this quarter and previous quarters' performance.
7. The target for the indicator '% of council homes at 'C' or higher energy efficiency rating' has been increased from 72% to 80% since targets for output measures were agreed by Cabinet on 10<sup>th</sup> July 2019. This is due to an improved methodology which excludes homes where the rating is not yet known.
8. A copy of the full performance report can be found at appendix A.

## Headlines for quarter 2 outcome measures

9. The percentage of residents overall feeling safe and being satisfied with their neighbourhood continue to fluctuate, with analysis continuing to understand this variation, though both has increased to 64% and 68%, which is very positive.
10. Norwich overall has seen an increase in the number of foodbank visits The Q2 figure for 2019/20, which is 32% higher than the Q2 in the year before.

11. Residents who feel part of their communities, and who believe their communities pull together are both below 40% this quarter. This data has only been collected for two quarters, so will both be monitored for trends as additional data is collected. These questions will also be asked in specific parts of the city such as Eaton and Catton Groves during pre- and post-intervention to compare the data.

12. There is the first quarterly BID footfall figures due to software changes from Q1 2019/20. This data will act as a baseline.

13. The proportion of people that were economically inactive in Q2 was 19.2%, though this is lagged data with a margin of error, it does provide an insight in the economic performance of the city overall.

### **Headlines for quarter 2 performance output measures**

14. Overall performance on output measures this quarter is sees two of the council priorities showing as amber (great neighbourhoods, housing and environment and inclusive economy). There are areas where the council is performing well and exceeding its targets but also some specific issues highlighted below. Each of the performance measures are provided within the relevant section of the performance report at appendix A.

15. The following areas of performance on output measures are brought to your attention:

a) % of tenants feeling safe this quarter is below target and below the percentage of all residents feeling safe for the quarter, though it has risen by 10% since Q1. Results will continue to be examined to see if this level of feeling safe is maintained over a longer period.

b) The amount of additional income clients have gained via council advice is above target for the quarter and this due to long term staff vacancies being filled.

c) The percentage of households who asked for help and were prevented from homelessness is again above target for the quarter, with 82% of applicants threatened with homelessness prevented from becoming so.

d) The percentage of food premises moving from non-compliant to compliant is above target for the quarter as the team continues to improve most failing businesses while taking time to develop a new tablet inspection app and preparing for various Brexit scenarios.

e) The percentage of people reporting an increase in digital skills and confidence is above target for the quarter. This quarter saw the recruitment of a new volunteer coordinator at our partner organisation Voluntary Norfolk, this alongside new volunteers being put in place has led to a lightly improved score. Another session of digital coaches training has been delivered for frontline staff and continuing to pilot the Digital Stuff Hub loan scheme.

f) No data is currently available for the % of the community accessing community centres by income decile for Q2. However the data has recently been collected and will be available for Q3.

g) Though assets maintained by community groups is below target for the quarter, it is gradually increasing, including in non-traditional areas such as alleyways with

interest from resident groups in adopting a number of these spaces. Several more are in the development stages.

h) The percentage of council homes at 'C' or higher energy efficiency rating is amber for the quarter but there were more than 184 more properties moving from 'D' to 'C', meaning significant progress has already been made in reaching the target of 80%.

i) Recycling and composting rates are amber for the quarter but this is expected to be green for the year with 40% of waste either recycled or composted by the year end.

j) The percentage of customers satisfied with the planning service is amber for the quarter. This is based on asking agents and applicants how satisfied they were with the council's handling of their case and how well the service was communicated with them. Comments indicate inconsistencies in approach to communication with applicants and agent during the application determination period and the level of unpredictability of the length of time applications will take to be determined.

k) Five out of six planning appeals successfully won by the council, so the indicator is green for the quarter.

l) The proportion of top council earners with protected characteristics (ethnic minorities, women and people with disabilities) are all below target this quarter, though the percentage of women has increased slightly.

m) The General Fund revenue budget is forecast to underspend by £613,000 against the budget and is green for the quarter.

n) Performance is encouraging for channel shift as work continues to improve and streamline online web-forms and ease of accessing services on our website.



## Integrated impact assessment



**NORWICH**  
City Council






### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	18 December 2019
<b>Head of service:</b>	Adam Clark
<b>Report subject:</b>	Quarter 2 performance report 2019/20
<b>Date assessed:</b>	November 2019
<b>Description:</b>	This report sets out progress against the key performance measures that are designed to track delivery of the Corporate Plan priorities for quarter 2 of 2019/20.

	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
<b>Positive</b>
<b>Negative</b>
<b>Neutral</b>
<b>Issues</b>
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

	<b>NORWICH</b> City Council	Q2 : July to September 2019			
	People living well	Great neighbourhoods, housing and environment	Inclusive economy	Healthy organisation	
<div data-bbox="369 399 716 614"> <div data-bbox="425 478 660 518">People living well</div> </div>					
<div data-bbox="750 399 1097 614"> <div data-bbox="761 478 1086 550">Great neighbourhoods, housing and environment</div> </div>					
<div data-bbox="1120 399 1467 614"> <div data-bbox="1164 478 1422 518">Inclusive economy</div> </div>					
<div data-bbox="1489 399 1848 614"> <div data-bbox="1534 478 1803 518">Healthy organisation</div> </div>					
Comments					
Overall performance is comparable to the previous with two priorities green (people living well, and healthy organisation), and two priorities classed as amber (great neighbourhoods housing and environment, and inclusive economy).					
% of tenants feeling safe this quarter is below target and below the percentage of all residents feeling safe for the quarter, though it has risen by 10% since Q1. Results will continue to be examined to see if this level of feeling safe is maintained over a longer period.					
The percentage of households who asked for help and were prevented from homelessness is again above target for the quarter, with 82% of applicants threatened with homelessness prevented from becoming so.					
The percentage of food premises moving from non-compliant to compliant is above target for the quarter as the team continues to improve most failing businesses while taking time to develop a new tablet inspection app and preparing for various Brexit scenarios.					
No data is currently available for the % of the community accessing community centres by income decile for Q2. However the data has recently been collected and will be available for Q3.					
The percentage of council homes at 'C' or higher energy efficiency rating is amber for the quarter but there were more than 184 more properties moving from 'D' to 'C', meaning significant progress has already been made in reaching the target of 80%.					
The percentage of customers satisfied with the planning service is amber for the quarter. This is based on asking agents and applicants how satisfied they were with the council's handling of their case and how well the service was communicated with them. Comments indicate inconsistencies in approach to communication with applicants and agent during the application determination period and the level of unpredictability of the length of time applications will take to be determined.					
Performance is encouraging for channel shift as work continues to improve and streamline online web-forms and ease of accessing services on our website.					

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

For more information please contact the Strategy & Transformation team on ext 2535 or email [strategy@norwich.gov.uk](mailto:strategy@norwich.gov.uk)

Key to tables (following pages) :

**Outcome indicators:** These indicators are monitored for context and so do not have targets set for them but instead are monitored for trends.

**Output indicators:** **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



**NORWICH**  
City Council

Q2 : July to September 2019



People living well

Great neighbourhoods, housing and environment

Inclusive economy

Healthy organisation



Outcome measures 2019-20 People Live Well



Measure	Actual	DoT	Actual YTD
CPlan 2019-22 People Living Well : Community Tension statistics	2.00	?	2.00
Comments: One report was fascist graffiti in the east area of the city, which could potentially cover more than one protected characteristic. The second was anti Muslim information distributed by a far right group.			
⊕ CPlan 2019-22 People Living Well : % people feeling safe (including by protected characteristics)	64.70%	?	64.70%
Comments: Performance has improved this quarter and increased from 47.5% satisfaction to 64% which is very positive. Work will continue to understand the performance and what may be driving the variation			
CPlan 2019-22 People Living Well : Sport England Active Life measure	65.40%	?	65.40%
Comments: This is the percentage of adults that are classed as active through the Sport England Active Lives survey, which requires adults being physically active for at least 150 minutes a week. This is higher than the East of England overall at 62.2% and Norfolk at 61.5%.			
CPlan 2019-22 People Living Well : Number of people presenting in housing need - broken down by local connection	139.00	?	260.00
Comments: The number of presentations remains steady			
CPlan 2019-22 People Living Well : Council ASB Statistics	208.00	?	454.00
Comments: This is the number of new ASB cases opened this quarter. Not all reports result in an ASB case being opened; some are signposted to a more relevant service at the council or with partners. In addition to the 208 cases opened, the council received and responded to 2,781 Noise app reports. Some of these will have resulted in cases amongst the 208 recorded being opened, some will have been assessed and responded to with advice. This advice may just have been that the report does not amount to ASB and some will have been taken to Norwich early help hub and referred / signposted to further support partners.			
CPlan 2019-22 People Living Well : Police ASB Statistics	1,062.00	?	2,050.00
Comments: This is all reports of ASB to police and not all will have elicited full case work. Although it is represented slightly differently, when police signpost customers to the council, it is not recorded within police data, so in theory there should be no duplications.			
CPlan 2019-22 People Living Well : Overall crime statistics	1,513.00	?	3,218.00
Comments: This includes crimes (all types) of, Arson, burglary, theft, robbery and violence			
CPlan 2019-22 People Living Well : Total number of foodbank visits per quarter	3,159.00	?	5,879.00
Comments: Total fed for this quarter stands at 3,159, which is a 32.4% increase compared to Q2 last year, and of the total fed 37% were children. July and August 2019 were the first and second months recorded to see over a 1,000 parcels distributed for a month that wasn't December. Top reasons for referrals include low income, benefit delays, benefits changes debt and being homeless.			
CPlan 2019-22 People Living Well : Total amount of additional income clients have gained through debt/money advice (via commissioned pa	855,498...	?	1,736,0...
Comments: Figures do not include debt prevented/written off which totalled £410,429. Increase this qtr due to Norwich Citizens Advice reporting their income figures.			

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
❏ CPlan 2019-22 People Living Well : % of respondents satisfied with the service provided to deal with ASB (CP)	39.00%	59.00%	▲	🟢	39.00%	59.00%	▲	09/19
Comments: The council's ASB first response service currently has a number vacancies and the ABATE team also has some staffing gaps meaning both teams are operating below full capacity. Whilst every attempt is made to mitigate this, it the reduced resource has significantly impacted the ability for the council to meet its service standards, with officers prioritising high risk ASB and cases where legal proceedings are required.								
❏ CPlan 2019-22 People Living Well : % of tenants feeling safe	49.00%	60.00%	▲	🟢	49.00%	60.00%	▲	09/19
Comments: Results for this indicator are based on a local area survey sent via SMS text message to a representative spread by gender and council wards. The survey is sent to a sample of residents and council tenants, and this is the result for tenants only.								
For quarter 2, 49% of tenants said they feel safe. This result is encouraging, being an improvement of 10 percentage points on last quarter's result, however in contrast the combined resident and tenant performance for Q2 stands at 64% (Q1 was 47.5%). Results will continue to be examined to see whether this level of satisfaction is maintained over a longer period and what may be the cause of the current performance and differential								
❏ CPlan 2019-22 People Living Well : % of respondents satisfied with the outcome of their ASB case (CP)	34.00%	62.00%	▲	🔴	34.00%	62.00%	▲	09/19
Comments: The council's ASB first response service currently has a number vacancies and the ABATE team also has some staffing gaps meaning both teams are operating below full capacity. Whilst every attempt is made to mitigate this, it the reduced resource has significantly impacted the ability for the council to meet its service standards, with officers prioritising high risk ASB and cases where legal proceedings are required.								

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
❏ CPlan 2019-22 People Living Well : % of food premises moving from non-compliant to compliant	80.00	80.00	🟢	🔴	82.84	80.00	🟢	09/19
Comments: The team is continuing to improve most failing food businesses while also taking time to develop a new tablet inspection App and preparing for various Brexit scenarios								
❏ CPlan 2019-22 People Living Well : % of households who asked for help who were prevented from homelessness	82.00	60.00	🟢	🔴	82.00	60.00	🟢	09/19
Comments: Excellent performance is maintained , with 82% of applicants threatened with homelessness being prevented from becoming so. This figure is supported by the council's new PRS specialist adviser, employed through one year's MHCLG funding to improve access into the private rented sector for homeless clients.								
❏ CPlan 2019-22 People Living Well : % of people reporting an increase in digital skills and confidence	72.00	70.00	🟢	🔴	72.00	70.00	🟢	09/19
Comments: This quarter has passed over the summer months, which has meant that some drop-ins temporarily stopped for a month or so. However our most well attended sessions (The Box, City Hall, Norwich Jobcentre Plus) have all been busy. This quarter also saw the recruitment of a new volunteer coordinator at our partner organisation Voluntary Norfolk. This alongside new volunteers being in place has led to a slightly lower quality score, and has highlighted a training need around using the evaluation. We have received our first draft report from a grantee organisation this month, detailing how the grant money has been used and the community benefited. Another session of digital coaches training has been delivered for frontline staff. We are continuing to pilot the Digital Stuff Hub loan scheme, and plan towards Get Online Week in October 2019.								
CPlan 2019-22 People Living Well : Additional quarterly income identified for users through use of the Better Off website	6,879....	6,500....	🟢	🟢	6,717....	6,500....	🟢	09/19
Comments: Over quarter 2 there was 359 new accounts created on Betteroff Norwich, and 198 entitledto assessments. There was 1,050 user sessions. The estimated monetary gains to the city through using Betteroff Norwich now stands at over £13.5 million.								
CPlan 2019-22 People Living Well : Average saving of switch and save beneficiaries	£127.00	£100.00	🟢	➡	£127.00	£100.00	🟢	09/19
Comments: Switch and save beneficiaries continue to see savings of over £100+, with even larger savings for those entering the scheme for the first time								
CPlan 2019-22 People Living Well : Number of insulation measures completed	159.00	31.00	🟢	🟢	268.00	62.00	🟢	09/19
Comments: 100 insulation measures have been completed in the past quarter. This includes small measures, like providing residents with draught insulating foam and radiator foil, and larger measures like installation of cavity wall and loft insulation								
CPlan 2019-22 People Living Well : Revenue and Benefits satisfaction levels	76.20%	75.00%	🟢	🔴	80.75%	75.00%	🟢	09/19
Comments: Q2 results are Council Tax 76.7%, Benefits 75.7% and combined 76.1%. YTD satisfaction rating of 80.7%								
CPlan 2019-22 People Living Well : Total amount of additional income clients have gained through debt/money advice (via council-provide	£57,8...	£43,0...	🟢	🟢	£80,4...	£86,0...	🟡	09/19
Comments: Due to staff returns the casework completed has increased and therefore the returns have increased by over 50%								





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People living well

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Healthy organisation



Outcome measures 2019-20 Great Neighbourhoods and Housing



Measure	Actual	DoT	Actual YTD
<b>CPlan 2019-22 Great Neighbourhoods : Food waste per household</b> Comments: Food waste figures continue at the high levels achieved during 2018 - there has been 18 months of high performance.	12.10	?	12.10
<b>CPlan 2019-22 Great Neighbourhoods : People satisfied with parks and open spaces</b> Comments:	78.70%	?	78.70%
<b>CPlan 2019-22 Great Neighbourhoods : Resident perception of how much part of a community they feel</b> Comments: This is the first time this data has been collected so we will start to watch this as a trend. It will also be used as a benchmark for areas where we focus attention, such as Waton and Dolphin Groves, where we will ask the same question pre- and post- intervention to compare both the difference and the city average. We will look to review the qualitative comments to identify reasons and key areas where this may be more prevalent.	30.00	?	30.00
<b>CPlan 2019-22 Great Neighbourhoods : Resident perception of how the community pulls together</b> Comments: This is the first time this data has been collected so we will start to watch this as a trend. It will also be used as a benchmark for areas where we focus attention, under the community safety initiative work, where we will ask the same question pre- and post- intervention to compare both the difference and the city average.	36.00	?	36.00
<b>CPlan 2019-22 Great Neighbourhoods : Residents satisfied with their neighbourhood</b> Comments: Performance has improved this quarter and increased from 50% satisfaction to 68% which is very positive. Work will continue to understand the performance and what may be driving the variation.	68.00	?	68.00

Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
CPlan 2019-22 Great Neighbourhoods : % of community accessing community centres by income decile	?	30.00%	?	?	?	30.00%	?	09/19
Comments: Data has now been collected and is currently being analysed, will available for Q3 2019/20.								
Asset Management : % of upgrades complete	40%	55%	▲	■	40%	55%	▲	09/19
Comments: The 'Norwich Standard' measure is only available at year end; until then, quarterly commentary consists of updates on the five individual upgrade types, and progress against targets agreed at the year start. Overall, 40% (1471/3648) of programmed upgrades have been completed at the end of Q2, although it is important to note that some types of work take longer per upgrade than others.								
Electrical: 124 rewires and 197 upgrades were completed by the end of Q2. Electrical work is on target for completion by year end. Access issues for the contractor are being addressed so that this does not adversely impact the delivery of works. 39% of annual target (321/818) completed by end of Q2.								
Doors: There was a delay in starting the works, as there was a delay in during April, waiting for the contract to be signed following a change in contractor. There was an additional delay on ABP fire door installations with Third Party Certification. ABP has been experiencing staffing issues but these should be rectified during Q3. Ashford has exceeded performance by 97 installations in Q2. 32% of annual target (347/1083) completed by the end of Q2.								
Kitchens and bathrooms: Gasway has been appointed as the new contractor, after Roalco went into administration, and this impacted on performance in Q2. Kitchen unit deliveries were delayed by a week but Gasway is still expecting to be able to deliver the full programme by year end for both kitchens and bathrooms. Kitchens 34% of annual target (116/339) and bathrooms 37% of annual target (237/636) completed by the end of Q2.								
Heating: On target for completion at year end. 58% (450/772) completed by the end of Q2.								
CPlan 2019-22 Great Neighbourhoods : Assets maintained by community groups	50.00	60.00	▲	■	98.00	120.00	▲	09/19
Comments: Gradually increasing, especially in non-traditional areas such as alleyways where we have one formed and two potential resident groups adopting them. Several more in the development stages								
Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
CPlan 2019-22 Great Neighbourhoods : % domestic waste recycled/ composted	38.80%	40.00%	●	■	38.80%	40.00%	●	09/19
Comments: The annual figure is expected to be in the region of 40%.								
CPlan 2019-22 Great Neighbourhoods : % of council homes at 'C' or higher Energy Efficiency rating	79.00%	80.00%	●	■	79.00%	80.00%	●	09/19
Comments: At the end of Q2, there were 184 more properties with an energy efficiency rating of 'C' or higher than there were at the end of the previous quarter. Given that the Q1 percentage was 77.5%, it is evident that significant progress has already been made towards reaching the target of 80% by the end of the financial year.								
CPlan 2019-22 Great Neighbourhoods : Customers satisfied with the Planning Development Management Service	73.00%	75.00%	●	■	73.00%	75.00%	●	09/19
Comments: In Q2, we surveyed 412 planning applicants about their experience in dealing with us with a recent application. We received 83 complete responses. The survey questions cover how well customers felt the planning department communicated with them and how satisfied they were with the handling of their application. 73% of participants were satisfied or very satisfied with the service they received. Comments received indicate inconsistencies in approach to communication with applicants and agents during the application determination period and a level of unpredictability of the length of time applications will take to be determined.								
CPlan 2019-22 Great Neighbourhoods : Residual household waste (Kg)	100.80	93.75	●	■	182.02	187.50	★	09/19
Comments: We are investigating possible reasons why this figure has suddenly spiked - no immediate explanation at present.								
CPlan 2019-22 Great Neighbourhoods : SCL01 % of streets found clean on inspection	84.5%	88.0%	●	■	84.3%	88.0%	●	09/19
Comments: Given significant mechanical issues with street cleaning vehicles that have reached their end-of-life the performance this year has been good. A new fleet is being phased-in during 2020.								
Measure	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
CPlan 2019-22 Great Neighbourhoods : Volunteer hours in parks and open spaces	6,070.00	6,000.00	★	■	6,070.00	6,000.00	★	09/19
Comments: The target set was a stretching one so it is pleased to that we are over target. The result of developing the skills and confidence of existing groups and developing new ones to undertake site tasks independently based on an annual work programme linked to the site management plan.								
CPlan 2019-22 Great Neighbourhoods : % of planning appeals overturned on review	83.30%	66.00%	★	■	83.30%	66.00%	★	09/19
Comments: Five out of six appeals successfully won. The one appeal which was dismissed was a major application recommended for approval by officers and overturned and refused by committee. Members will receive an overview of the decisions and reasons for them.								
CPlan 2019-22 Great Neighbourhoods : Green flag awards for parks and open spaces	1.00	1.00	★	?	1.00	1.00	★	04/19
Comments: Maintaining the award requires continuous improvement, so it is pleasing to see that despite pressures on resources we have achieved this and we have also moved up a score band each judging. We now sit in the highest band.								



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People living well

Great neighbourhoods, housing and environment

Inclusive economy

Healthy organisation

Outcome measures 2019-20 Inclusive Economy			
Measure	Actual	DoT	Actual YTD
CPlan 2019-22 Inclusive Economy : BID footfall figures	2,744,555...	?	2,744,555...
Comments: This is the first report and acts a baseline.			
CPlan 2019-22 Inclusive Economy : Proportion of people that are economically inactive	19.20%	?	19.20%
Comments: Please note this is lagged data (to June 2019) with a large margin of error			

Measure	Frequency	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
CPlan 2019-22 Inclusive Economy : Proportion of top earners with protected characteristics - Disability	Quarterly	2.70%	11.30%	▲	🔴	2.70%	11.30%	▲	09/19
Comments: There has been a similar amount in the top 5% of earners in Qu2 compared to the previous quarter and the same period last year.									

Measure	Frequency	Actual	Target	RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
CPlan 2019-22 Inclusive Economy : Number of visitors to council run events	Quarterly	135,0...	140,0...	●	🔴	135,0...	140,0...	●	09/19
Comments: We are slightly down on our rolling target this quarter because of to the forced cancellation of some of a number of our summer Playdays and Childsplay events because of heavy rain. We should however be back on target for quarter 3.									
CPlan 2019-22 Inclusive Economy : Proportion of top earners with protected characteristics - Ethnic minorities	Quarterly	2.70%	3.10%	●	🔴	2.70%	3.10%	●	09/19
Comments: There has been a similar amount in the top 5% of earners in Qu2 compared to the previous quarter and the same period last year.									
CPlan 2019-22 Inclusive Economy : Proportion of top earners with protected characteristics - Female	Quarterly	37.20%	42.60%	●	🟢	37.20%	42.60%	●	09/19
Comments: There has been increase in women in the top 5% of earners in Qu2 compared to the previous quarter and the same period last year.									

Measure	Frequency	Actual	Target	▲ RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
CPlan 2019-22 Inclusive Economy : Norwich Market occupancy rate	Quarterly	98.20%	90.00%	★	🟢	98.20%	90.00%	★	09/19
Comments:									

<div>  <div> <b>NORWICH</b> City Council         </div> <div>Q2 : July to September 2019</div> <div>    </div> </div>									
 People living well		Great neighbourhoods, housing and environment			Inclusive economy			Healthy organisation	
Measure	Frequency	Actual	Target	▲ RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
<div> <div> <div></div> <div> <b>CPlan 2019-22 Healthy Organisation : Overall council performance - % of output indicators on target</b> </div> </div> </div>	Quarterly	53.00%	75.00%	▲	🔴	53.00%	75.00%	▲	09/19
Comments: 17 out of 32 output indicators are on target for this quarter.									
Measure	Frequency	Actual	Target	RAG Status	DoT	▲ Actual YTD	Target YTD	RAG YTD	Date Measured
<div> <div> <div></div> <div> <b>CPlan 2019-22 Healthy Organisation : Customer satisfaction</b> </div> </div> </div>	Quarterly	74.20%	76.00%	●	🔴	74.20%	76.00%	●	09/19
Comments: Just slightly off target for this quarter.									
Measure	Frequency	Actual	Target	▲ RAG Status	DoT	Actual YTD	Target YTD	RAG YTD	Date Measured
<div> <div> <div></div> <div> <b>CPlan 2019-22 Healthy Organisation : Absence rate of employees</b> </div> </div> </div>	Quarterly	9.57	9.80	★	🔴	9.57	9.80	★	09/19
Comments: Projected outturn based on Qu2 figures is 9.52 days per employee. Actual outturn for 2018/19 was 10.27 days per employee									
<div> <div> <div></div> <div> <b>CPlan 2019-22 Healthy Organisation : Presence rate of employees (proportion of employees with 100% attendance)</b> </div> </div> </div>	Quarterly	73.49%	70.00%	★	🟢	73.49%	70.00%	★	09/19
Comments: 100% attendance is above the target in Qu 2 2019/20									
<div> <div> <div></div> <div> <b>CPlan 2019-22 Healthy Organisation : Avoidable contact - failure demand (by service area)</b> </div> </div> </div>	Quarterly	28.40%	32.00%	★	🟢	28.40%	32.00%	★	09/19
Comments: The target has been achieved. Development of services for benefits online should help further reduce levels of avoidable contact.									
<div> <div> <div></div> <div> <b>CPlan 2019-22 Healthy Organisation : Channel shift - online usage</b> </div> </div> </div>	Quarterly	25.30%	22.00%	★	🟢	25.30%	22.00%	★	09/19
Comments: Target met. Work continues to improve and streamline online web-forms and ease of accessing services on our website.									
<div> <div> <div></div> <div> <b>CPlan 2019-22 Healthy Organisation : VFM 10 Council on track to remain within General Fund budget</b> </div> </div> </div>	Quarterly	-£613,...	£250,...	★	🟢	-£613,...	£250,...	★	09/19
Comments: The quarter 2 general fund forecast outturn for the 2019/20 financial year is an underspend against budget of £613k.									

<b>Report to</b>	Cabinet	<b>Item</b>
	18 December 2019	
<b>Report of</b>	Director of place	<b>6</b>
<b>Subject</b>	To enter into a contract to enable the council to accept Housing Infrastructure Funds in relation to Anglia Square	

## KEY DECISION

### Purpose

To enter into a contract with Homes England to allow the council to accept up to £15m Housing Infrastructure Fund (HIF) funding to enable the redevelopment of Anglia Square.

### Recommendations

To enter into a contract with Homes England to allow the council to accept up to £15m HIF funding to enable the redevelopment of Anglia Square. This is subject to securing confirmation from the site owner that it is prepared to allow a restriction on title of the Anglia Square site.

### Corporate and service priorities

The report helps to meet the corporate priority of great neighbourhoods, housing and environment.

### Financial implications

The financial consequence of entering into this contract are that the council would be able to claim up to £15m from Homes England in the period between now and the end of 2023/24 financial year. The monies received would be conditioned so that they could only spent to support delivery of the proposed redevelopment of Anglia Square and regular reporting of progress would need to be made to Homes England.

**Ward/s:** Mancroft

**Cabinet member:** Councillor Kendrick - Resources

### Contact officers

Graham Nelson, Director of place	01603 212225
Tony Jones, City Growth and Development Programme Co-ordinator	01603 212234

### Background documents

None

# Report

## Introduction

1. In the Autumn of 2017 the council submitted two bids for Housing Infrastructure Fund (HIF) marginal viability funding. The Housing Infrastructure Fund is a national £5.5 billion fund designed to unlock up to 650,000 new homes by providing the infrastructure needed to unlock them. It is administered on behalf of the government by Homes England.
2. The two schemes the city council submitted bids for were Anglia Square and the Deal Ground.
3. In February 2018 it was announced that the Anglia Square bid had been successful and that £12.2m had been provisionally awarded to the council. Further information was submitted and in March 2019 Homes England confirmed that the level of funding available had been increased to £15m. There were a number of conditions attached to grant award including strict requirements for the spend of the grant within a specified period.
4. Shortly following the announcement of the increase in the level of HIF funding the Secretary of State announced he had decided to call-in the planning application for the redevelopment of Anglia Square for his own determination following a public inquiry. The delay this caused meant it would have been impossible to meet the deadline for HIF expenditure even if planning approval is issued following the public inquiry. The inquiry is due to commence in late January 2020 and a decision may be forthcoming later in the year.
5. More recently Homes England have confirmed that they are prepared to relax the timetable requirements so that if the planning application is approved by the Secretary of State there will still be sufficient time to spend the HIF money, and that they wish to formally enter into the contract with the city council promptly.

## The HIF Contract

6. The contract is between Homes England and Norwich City Council. At the time of writing the contract is still in draft form but in summary it provides for £15m to be paid to the city council to enable the delivery of infrastructure needed to enable the delivery of the Anglia Square redevelopment.
7. Funding is proposed to be spent on demolition, asbestos removal, decontamination, archaeological work, drainage and services, utilities connections, chapel relocation, on-site public realm, off-site highways and other infrastructure costs deemed to be acceptable.
8. Draw down of funding may take place in advance of spend where the claim is incurred during the same financial year. The first possible drawn down of funding will be in 2020/21 financial year. Payment will be made to infrastructure providers in arrears for the delivery infrastructure. All HIF-funded works are required to be complete by March 2024 although the outputs associated with the grant (i.e. the delivery of housing) will take longer to deliver.
9. HIF funding can only be spent on items of infrastructure which enable delivery of housing, including affordable housing. The local authority is required to ensure that the developer and/or site owner (as applicable) only use the



funding for development costs in line with the milestones and cashflow supplied in support of its contract with Homes England. It is not envisaged that any infrastructure will be delivered direct by the city council.

10. The city council has needed to supply a detailed cashflow, schedule of infrastructure delivery, assessment of state aid issues, development agreement between owner / developer and a strategy for transferring affordable housing to a registered provider in support of the contract.
11. Further and updated information will be required to be submitted prior to the drawdown of any funding. This includes details of the contracts entered into with developer and landowners etc. These contracts will not only ensure that monies can only be spent on delivering required infrastructure but also will provide for repayment of monies in certain circumstances (such as planned housing not being delivered as planned or any element of the grant being found to breach state aid).
12. It will be necessary for the council to secure a restriction on title for the site under these contracts. This is required in order to prevent unauthorised disposal of the site once HIF funded infrastructure has been delivered. This provision is required by HE to protect its grant to the local authority, and is required by the local authority to mitigate the risk of HE's clawback of funds already spent.
13. To date, the site owners (Columbia Threadneedle Investments) have been reluctant to permit the council to impose this condition upon them, however it remains a non-negotiable part of the contract and their failure to agree to the condition would jeopardise the funding. A written acknowledgement of their willingness to accept a restriction on their title has been requested in prior to cabinet. A verbal update will be given to the meeting.
14. The council is liable for monitoring delivery of HIF-funded activity, ensuring its compliance with the grant delivery agreement and reporting progress back to Homes England. This would be undertaken by council officers and the cost borne by the city council.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	18 December 2019
<b>Director / Head of service</b>	Director of place
<b>Report subject:</b>	To enter into a contract to enable the council to accept Housing Infrastructure Funds in relation to Anglia Square
<b>Date assessed:</b>	6 December 2019
<b>Description:</b>	The council is required to enter into a contract with Homes England in order to accept £15m Housing Infrastructure Fund funding. This will enable delivery of enabling infrastructure for delivery of housing at Anglia Square.



	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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Delivery of housing, retail and leisure facilities at a sustainable location in central Norwich
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"/>	Delivery of energy efficient housing

	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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Development will lead to improved pedestrian, cycling and public transport facilities
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Redevelopment of a long-neglected, eyesore area of the city
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment

Positive

HIF funding will permit investment in housing in a key city regeneration site. This will permit removal of eyesore buildings, delivery of an improved public realm and retail environment, and construction of much needed housing.

Negative

Neutral

Issues



<b>Report to</b>	Cabinet	<b>Item</b>
	18 December 2019	
<b>Report of</b>	Chief finance officer (Section 151 Officer)	<b>7</b>
<b>Subject</b>	Treasury Management Mid-year Review Report 2019/20	

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## **Purpose**

This report sets out the Treasury Management performance for the first six months of the financial year to 30 September 2019. 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 and the treasury activity undertaken in the first six months of the 2019/20 financial year.
- 2) Recommend to council to approve an increase in the approved counterparty limit with the UK Debt Management Account Facility (DMAF) in the Treasury Management Strategy Statement from £15m to £30m to increase flexibility of holding cash short term (Para 11 and Appendix A).
- 3) Recommend to council to approve a minor wording amendment to the Minimum Revenue Provision (MRP) policy statement to provide additional clarity (Para 48 and Appendix B).

## **Corporate and service priorities**

The report helps to meet the corporate priority of providing a healthy organisation.

## **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 2019/20.

**Ward/s:** All Wards

**Cabinet member:** Councillor Kendrick - Resources

## **Contact officers**

Hannah Simpson, interim chief finance officer	01603 212561
Caroline Knott, senior technical accountant	01603 212602

## **Background documents**

None

# Report

## Background

1. CIPFA (the Chartered Institute of Public Finance & Accountancy) defines treasury management as: “The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
2. The report reviews the treasury management activity during the first six months of the financial year 2019/20 and reports on the prudential indicators as required by CIPFA’s Treasury Management Code of Practice.
3. The original Treasury Management Strategy (TMS) and Prudential Indicators were reported to and approved by Council on 26 February 2019.
4. 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.
5. The council’s investments in commercial property, equity shares, and lending to third parties are classified as non-financial (commercial) investments and are reviewed annually within the non-financial (commercial) investments strategy part of the budget report in February.

## Investment Strategy

6. The TMSS for 2019/20, which includes the Annual Investment Strategy, was approved by the council on 26 February 2019. It sets out the Council’s investment priorities as being:
  - Security of capital;
  - Liquidity; and
  - Yield
7. 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.
8. The Council held £65.780m of investments as at 30 September 2019. Table 1 below shows the movement in investments for the first six months of the year.

**Table 1**

<b>Investments</b>	<b>Actual</b>		<b>Actual</b>
	<b>31-Mar-19</b>	<b>Movement</b>	<b>30-Sep-19</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Short term investments:</b>			-
Banks	11,000	(4,000)	7,000
Building Societies	3,000	5,500	8,500
Local Authorities	12,000	(3000)	9,000
<b>Cash Equivalents:</b>			
Banks	13,710	2,570	16,280
Non- UK Banks	0	4,000	4,000
Building Societies	0	6,000	6,000
Local Authorities	4000	(4000)	0
UK Government	6,000	(6000)	0
Money Market Funds	0	15,000	15,000
<b>Total</b>	<b>49,710</b>	<b>16,710</b>	<b>65,780</b>

9. 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 facility to Norwich Regeneration Limited (NRL).
10. 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 investment commercial properties as well as scrutiny of its commercial lending.
11. To provide additional flexibility when holding short term cash to fund the Council's commercial activities, the report recommends increasing in the approved counterparty limit with the UK Debt Management Account Deposit Facility (DMADF) in the Treasury Management Strategy Statement from £15m to £30m (see revised table in **Appendix A**). The DMADF is provided by the Debt Management Office and is designed to support local authorities' cash management. The DMADF currently offers fixed term deposits in the Debt Management Account and is UK Government backed.
12. The Chief finance officer confirms that all investment transactions undertaken during the first six months of 2019/20 were within the approved limits as laid out in the Annual Investment Strategy.

## **BALANCE SHEET POSITION**

### **External Borrowing**

13. Table 2 below shows the Council has actual external borrowing of £219.617m, most of which relates the Housing Revenue Account (HRA).
14. The Council borrowed an additional £20m from the PWLB in August 2019 at a rate of 1.81%. This borrowing was to cover a proportion of the commercial property purchases completed in 2017/18 and 2018/19. The external

borrowing replaced existing internal borrowing – where cash balances had been used in the short term to cover the unfinanced capital spend.

15. Table 2 shows the current and forecast borrowing position. At this stage an expected £36m additional borrowing is forecast in line with the expectation that the full commercial property acquisition budget will be spent before the year end. The pace at which this budget may be spent is however dependent upon suitable investment opportunities becoming available in the market and the availability of relevant specialist advice. Any commercial investment budget not spent by the year end will be carried forward into 20/21 with the potential for any related borrowing to also be deferred.

**Table 2**

<b>Borrowing</b>	<b>Actual</b>	<b>Actual</b>	<b>TMSS Forecast</b>	<b>Revised Estimate</b>
<b>Long Term</b>	<b>31-Mar-19</b>	<b>30-Sep-19</b>	<b>31-Mar-20</b>	<b>31-Mar-20</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Public Works Loan Board	194,107	214,107	250,257	250,107
Money Market	5,000	5,000	5,000	5,000
3% Stock (Perpetually irredeemable)	499	499	499	499
Corporate Bonds and External Mortgages	11	11	11	11
<b>Total</b>	<b>199,613</b>	<b>219,617</b>	<b>255,767</b>	<b>255,617</b>

16. There have been no repayments of debt scheduled during 2019/20.

#### **Impact of Brexit on future economic forecasts**

17. The Bank of England published its quarterly Monetary Policy Report in November 2019. The Bank made a change in their Brexit assumptions to now include a deal being eventually passed. A key message in the report was an increase in concerns among Monetary Policy Committee (MPC) members around weak global economic growth and the potential for Brexit uncertainties to become entrenched and so delay UK economic recovery. Consequently, the MPC voted 7-2 to maintain Bank Rate at 0.75% but two members were sufficiently concerned to vote for an immediate Bank Rate cut to 0.5%.
18. The MPC warned that if global growth does not pick up or Brexit uncertainties intensify, then a rate cut was now more likely. Conversely, if risks do recede, then a more rapid recovery of growth will require gradual and limited rate rises. The speed of recovery will depend on the extent to which uncertainty dissipates over the final terms for trade between the UK and EU and by how much global growth rates pick up. Inflation forecasts were cut – to 1.25% in 2019, 1.5% in 2020, and 2.0% in 2021; hence inflation poses little concern.
19. The Consumer Price Index (CPI) measure of Inflation has been hovering around the Bank of England's target of 2% during 2019, but fell to 1.7% in August. It is likely to remain close to 2% over the next two years and so it does not pose any immediate concern to the MPC at the current time. However, if there was a no deal Brexit, inflation could rise towards 4%, primarily as a result of imported inflation on the back of a weakening pound.
20. Table 3 below shows the interest rate forecast to March 2022. These forecasts have been provided by the Council's treasury advisor, Link Asset Services based on an assumption that there is some sort of muddle through to an agreed deal on Brexit at some point in time. Given the current level of



uncertainties, this is a huge assumption and so forecasts may need to be materially reassessed in the light of events over the next few weeks or months.

**Table 3**

Link Asset Services Interest Rate View														
	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.30	2.40	2.40	2.50	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.10	3.20	3.20
10yr PWLB Rate	2.60	2.70	2.70	2.70	2.80	2.90	3.00	3.10	3.20	3.20	3.30	3.30	3.40	3.50
25yr PWLB Rate	3.20	3.30	3.40	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00	4.10	4.10
50yr PWLB Rate	3.10	3.20	3.30	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90	4.00	4.00

Source: Link Treasury November 2019 (PWLB rates include adjustments for Certainty rate discounts)

## PWLB Rates

21. During the first 6 months of the year to 30 September longer term PWLB rates fell to unprecedented historic low levels. On 9 October 2019 the Treasury and PWLB announced an increase in the margin over gilt yields of 100bps for all new borrowing from the PWLB. There was no prior warning that this would happen and it now means that every local authority has to reassess how to finance their external borrowing needs and the financial viability of capital projects in their capital programme due to this unexpected increase in the cost of borrowing.
22. The Council has previously relied on the PWLB as its main source of funding; it will now have to reconsider alternative cheaper sources of borrowing. At the current time, this is a developmental area as this event has also taken the financial services industry by surprise. Our Treasury Management advisors are expecting that various financial institutions will enter the market or make products available to local authorities. We will continue to liaise closely with our treasury advisors, monitor the borrowing market and update Members as this area evolves.
23. It is possible that the Municipal Bond Agency will be offering loans to local authorities in the future. This Authority may make use of this new source of borrowing as and when appropriate. This is within the existing approved Treasury Management Strategy.

## Forward borrowing considerations to mitigate expected future interest rate increases

24. 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 cash flow 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

25. No debt rescheduling was undertaken during the first six months of 2019/20. 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.

### Prudential Indicators

26. 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 & Financing

27. The 2019-20 capital programme budgets were approved as part of the budget papers by full Council on 26 February 2019. Subsequent to this there were approved revisions to the capital budgets to include the 2018/19 capital carry forwards and new capital schemes approved during the year. The current capital programme budget is shown in Table 4 along with the mid-year estimate. A detailed breakdown of capital programme schemes can be found in the Period 7 budget monitoring report.

**Table 4**

	<b>2019/20 Original Budget</b>	<b>2019/20 Revised Budget</b>	<b>2019/20 Forecast Outturn</b>
	<b>£'000</b>	<b>£'000</b>	
General Fund capital expenditure	55,959	59,253	53,908
General Fund capital loans	0		
HRA	36,568	47,453	38,441
<b>Capital Expenditure</b>	<b>92,527</b>	<b>106,706</b>	<b>92,349</b>
<b>Financed by:</b>			
Capital receipts	8,383	22,498	9,839
Capital grant and contributions	6,814	7,813	6,157
Capital & earmarked reserves	25,267	24,521	24,521
Revenue	7,063	6,313	6,313
<b>Total Resources</b>	<b>47,527</b>	<b>61,146</b>	<b>46,830</b>
<b>Net borrowing need for the year</b>	<b>45,000</b>	<b>45,561</b>	<b>45,519</b>

28. Table 4 above shows how the revised capital programme will be financed and shows a slight increase in the net borrowing need for the year compared to the figure anticipated when Council approved the Treasury Management Strategy.

29. In addition to the approved capital programme, the Treasury Management Strategy incorporated a number of capital ambition schemes and non-financial investments (commercial lending). At this stage none of the capital ambition schemes have had business cases approved by Council and have not been added to the approved capital programme. It is therefore not currently forecast that these schemes will incur spend in 2019/20. The consequence of this is a

decrease in the Council's forecast Capital Financing Requirement (CFR) for 2019/20 as shown in Table 5.

30. The forecast net lending to the council's wholly owned subsidiary, Norwich Regeneration Limited, has also reduced from the Treasury Management Strategy. £6.0m of the outstanding loan balance was repaid by the company in November 2019 and new loan draw down of £2.7m is expected before the year end. The impact of this on the CFR is shown in Table 5.

### The Capital Financing Requirement

31. 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**

	2019/20 Original Estimate	2019/20 Revised Estimate
	£'000	£'000
<b>Opening General Fund CFR</b>	<b>82,836</b>	<b>77,063</b>
Movement in General Fund CFR	55,353	41,605
<b>Closing General Fund CFR</b>	<b>138,189</b>	<b>118,668</b>
<i>Movement in CFR represented by:</i>		
Borrowing need (capital programme)	45,000	45,519
Borrowing need (NRL lending net of repayments)	1,622	(3,300)
Borrowing need for the year (capital ambition)	9,529	0
Less MRP and other financing adj.	(798)	(614)
<b>Movement in General Fund CFR</b>	<b>55,353</b>	<b>41,605</b>
<b>Opening HRA Fund CFR</b>	<b>205,717</b>	<b>205,716</b>
Movement in HRA CFR	0	0
<b>Closing HRA CFR</b>	<b>205,717</b>	<b>205,716</b>
<b>TOTAL CFR</b>	<b>343,906</b>	<b>324,384</b>

32. The council has maintained an under-borrowed position to date in 2019/20 (Table 6). This means that the capital borrowing need has not been fully funded with loan debt as cash supporting the council's reserves, balances and cash flow has been used as a temporary measure. It is likely that the Council will need to undertake fixed rate long term borrowing within the next 12

months. Any decisions will be reported to Cabinet at the next scheduled opportunity.

**Table 6**

	<b>2019/20 Original Estimate</b>	<b>2019/20 Revised Estimate</b>
	<b>£'000</b>	<b>£'000</b>
Gross borrowing (excluding finance leases)	255,767	255,617
CFR	343,906	324,384
<b>Over/(Under) Borrowing</b>	<b>(87,237)</b>	<b>(68,767)</b>

### **Prudential Indicators relating to Borrowing Activity**

33. **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 cash flow 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 7**

	<b>2019/20</b>
<b>Authorised Limit for external debt</b>	<b>£'000</b>
Borrowing	372,306
Other long term liabilities	1,600
<b>Total</b>	<b>373,906</b>

34. **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 8**

	<b>2019/20</b>
<b>Operational boundary for external debt</b>	<b>£'000</b>
Borrowing	342,306
Other long term liabilities	1,600
<b>Total</b>	<b>343,906</b>

## **Borrowing Activity**

35. 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.
36. 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.
37. 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**

38. 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.
39. The Council held £ 65.780m of financial investments at 30th September 2019 and the investment profile is shown in the table in paragraph 14 above.

## **Risk Benchmarking**

40. The Investment Strategy for 2019/20 includes the following benchmarks for liquidity and security.
41. 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.
42. Average return on investment at 30 September 2019 was 0.83% using link against a 7 Day LIBID benchmark average rate of 0.57%. The weighted time to maturity (WAM) of investments was 40 using link days compared to 30 days on 30 September 2018. The slight increase in WAM duration reflects a slightly less cautious approach in holding liquid cash for property investments, this has meant cash has been invested for slightly longer periods whilst still ensuring availability for all cash flow requirements. At 30 September 2019 the Council held £65.780m of cash balances, all of which are invested for periods of less than 364 days.
43. The Chief Finance Officer can report that liquidity arrangements were adequate during the year to date.
44. Security – The weighted average credit risk of the portfolio at the end of the period was 3.84% using link (3.43% September 2018). The Council's maximum security risk benchmark for the portfolio as at 30 September 2019 was 0.011% which equates to a potential loss of £7.2k on an investment portfolio of £65.780m. This credit risk indicator is lower than the anticipated maximum risk of 0.041% in the Treasury Management Strategy.
45. At 30 September 2019 100% of the investment portfolio was held in low risk specified investments.

46. The Chief Finance Officer can report that the investment portfolio was maintained within this overall benchmark during the year to date.

### **Minimum Revenue Provision Policy**

47. The Council is required to approve an MRP Statement in advance of each year. Council approved the 2019/20 revised MRP guidance in July 2018.
48. This report recommends a minor wording amendment to the Minimum Revenue Provision (MRP) policy statement in relation to MRP on commercial loans where there is a change in the expectation for full repayment. There is no change in the policy adopted, rather additional wording to provide better clarity. The proposed additional wording is shown in **Appendix B**.

## **REGULATORY UPDATE**

### **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 2020. 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. The potential impacts of the new standard will be covered in the 2020-21 Treasury Management Strategy.

## Appendix A: Revision monetary limits applying to the Council's investments

**TMS Table 6.7: specified and non-specified investment approved instruments and limits**

Counterparty/Financial instrument	Minimum Credit Criteria or Equivalent	Specified Investments		Non-specified Investments	
		Maximum duration	Counterparty Limit (£m)	Maximum duration	Counterparty Limit (£m)
DMAF - UK Government	n/a	3 months	<del>£30m</del> <del>£15m</del>	n/a	n/a
UK Government gilts	UK Sovereign rating	12 months	£15m	3 years	£5m
UK Government Treasury bills	UK Sovereign rating	6 months	£10m	n/a	n/a
Money Market Funds - CNAV	AAA	Liquid	£5m per fund £25m overall limit	n/a	n/a
Money MARKET Funds - LVNAV	AAA			n/a	n/a
Money Market Funds - VNAV*	AAA			n/a	n/a
UK Local Authority term deposits (LA)**	n/a	12 months	£10m per LA	5 years	£5m per LA
Term Deposits with UK Building Societies	ratings for banks outlined below / Asset worth at least £2.5bn or both	12 months	£5m	n/a	n/a
Banks (Term deposits, CD, Call & Notice accounts)	AAA	12 months	£15m	2 years	£10m
Banks (Term deposits, CD, Call & Notice accounts)	AA+	12 months	£10m	n/a	n/a
Banks (Term deposits, CD, Call & Notice accounts)	AA				
Banks (Term deposits, CD, Call & Notice accounts)	AA-				
Banks (Term deposits, CD, Call & Notice accounts)	A+	6 months	£5m	n/a	n/a
Banks (Term deposits, CD, Call & Notice accounts)	A				
Property Funds	credit loss analysis, financial and legal due diligence	n/a	n/a	n/a	£5m per fund
Loan Capital and other third party loans including parish councils	Subject to financial & legal due diligence	considered on individual basis	n/a	considered on individual basis	n/a

\* Specialist advice will be obtained before the use of VNAV money market funds

\*\* Local authorities will reviewed in line with CIPFA suggested indicators

## **Appendix B: Minimum Revenue Provision (MRP) policy statement**

For capital expenditure incurred:

- (A) From 1st April 2008 for all unsupported borrowing (excluding finance leases) the MRP policy will be to; charge MRP on an annuity basis (using the prevailing rate of interest at the time) so that there is provision for the full repayment of debt over 50 years; Asset life is deemed to begin once the asset becomes operational. MRP will commence from the financial year following the one in which the asset becomes operational.
- (B) MRP in respect of unsupported borrowing taken to meet expenditure, which is treated as capital expenditure by virtue of either a capitalisation direction or regulations, will be determined in accordance with the asset life method as recommended by the statutory guidance.
- (C) Expenditure in respect of loans made to third parties will not be subject to a minimum revenue provision as the Council will have undertaken sufficient due diligence to expect these loans will be repaid in full to the Council by a capital receipt either during the loan agreement term or at the end of the agreement. Therefore the Council considers that it can take a prudent view that the debt will be repaid in full at the end of the loan agreement (or during if it is an instalment loan), so MRP in addition to the loan debt repayments is not necessary. Each loan will be reviewed on an annual basis to ensure that there is no change in the expectation that there will be a full repayment of the loan. If, upon review, this is no longer found to be the case, then a minimum revenue provision will be made over a prudent timeframe to cover the potential non-repayment of part or all of the loan balance.

This is subject to the following details:

- 1) An average asset life for each project will normally be used. There will not be separate MRP schedules for the components of a building (e.g. plant, roof etc.). The asset life will be determined by the Chief Finance Officer based on the standard schedule of asset lives provided by an appropriately qualified asset valuer will generally be used (as stated in the Statement of Accounts accounting policies).
- 2) MRP will commence in the year following the year in which capital expenditure financed from borrowing is incurred, except for single assets when expenditure is being financed from borrowing the MRP will be deferred until the year after the asset becomes operational.
- 3) Other methods to provide for debt repayment may occasionally be used in individual cases where this is consistent with the statutory duty to be prudent, as justified by the circumstances of the case. Where this is the case the chief finance officer will first seek approval from Full Council.
- 4) There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.
- 5) Repayments included in annual finance leases are excluded from MRP as they are deemed to be a proxy for MRP.



## 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:	18/12/19
Director / Head of service	Hannah Simpson
Report subject:	Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2019/20
Date assessed:	
Description:	This is a mid-year report to inform council on the performance of the treasury management activity for the first six months of the year.

	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 six 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			
<b>Risk management</b>	<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	
<b>Positive</b>	
<b>Negative</b>	
<b>Neutral</b>	
<b>Issues</b>	

**Report to** Cabinet  
18 December 2019  
**Report of** Chief finance officer (Section 151 Officer)  
**Subject** Budget Monitoring Period 7

**Item**

8

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### **Purpose**

To update Cabinet on the financial position of the council as at 31 October 2019

### **Recommendation**

- 1) To note the forecast outturn for the 2019/20 General Fund, HRA and capital programme;
- 2) To note the consequential forecast of the General Fund and Housing Revenue Account balances;
- 3) To approve the virements of budgets within the HRA, as detailed in paragraph 3
- 4) To note the decisions taken by Norfolk Leaders in respect of the Business Rates Pool, as detailed in paragraph 12
- 5) To note the General Fund capital programme use of the capital contingency fund, as detailed in paragraph 19
- 6) To note the loan repayment from Norwich Regeneration Ltd, as detailed in paragraph 20

### **Corporate and service priorities**

The report helps to meet the corporate priorities A healthy organisation, Great neighbourhoods, housing and environment, Inclusive economy and People living well

### **Financial implications**

The General Fund revenue budget is forecast to underspend by £0.976m.  
The Housing Revenue Account budget is forecast to underspend by £0.905m.  
The General Fund Capital Programme is forecast to underspend by £5.345m.  
The Housing Revenue Account Capital Programme is forecast to underspend by £9.013m.

**Ward/s:** All Wards

**Cabinet member:** Councillor Kendrick - Resources

### **Contact officers**

Adam Drane, finance business partner

01603 212567

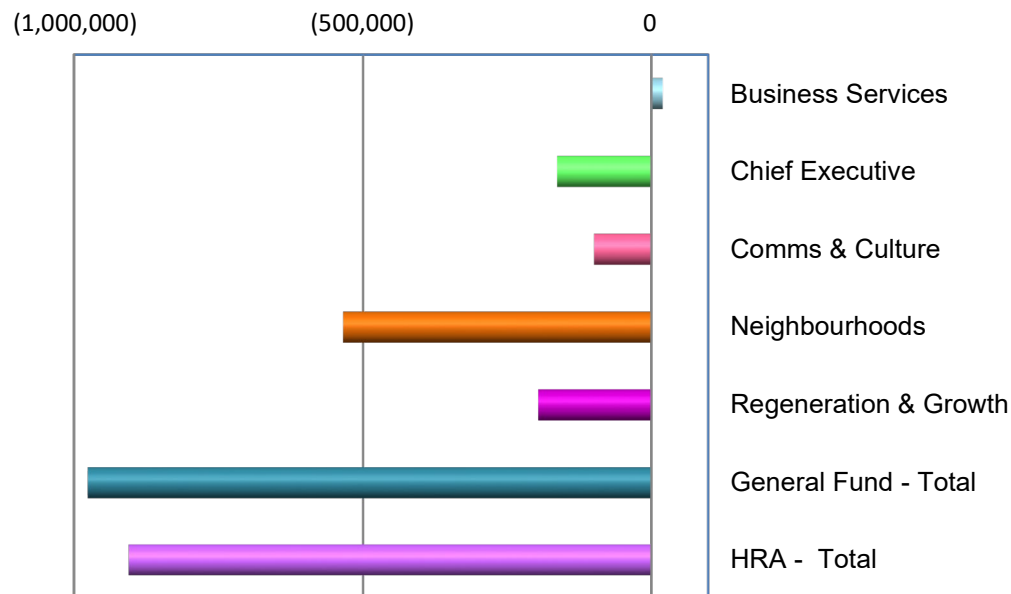
### **Background documents**

None

## Financial Position - Period 7 – 2019/20 Figures in 000s

General Fund	Current budget	Forecast outturn	Forecast variance
Expenditure	152,594	152,078	(517)
Income	(57,955)	(57,642)	313
Grants and subsidies	(94,639)	(95,412)	(772)
<b>Total</b>	<b>0</b>	<b>(976)</b>	<b>(976)</b>

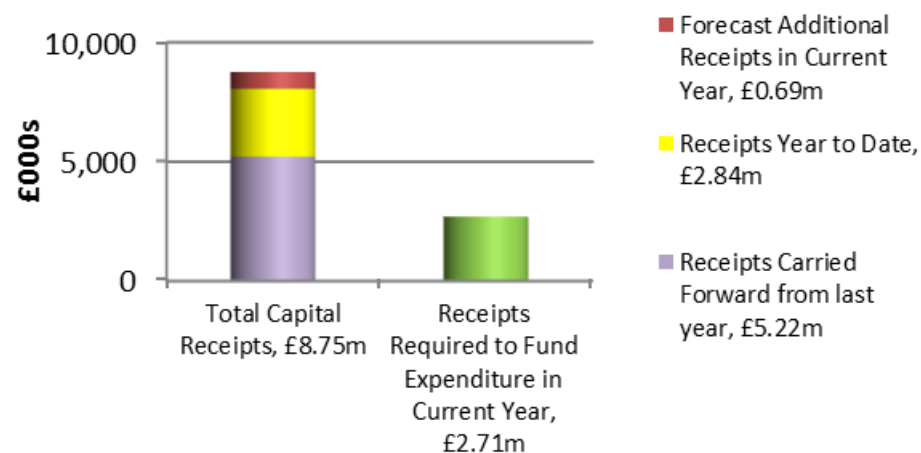
### Forecast variances by service area (under) and overspends



Housing Revenue Account	Current budget	Forecast outturn	Forecast variance
Expenditure	68,320	67,354	(966)
Income	(68,320)	(68,259)	61
<b>Total</b>	<b>0</b>	<b>(905)</b>	<b>(905)</b>

Capital programme	Current budget	Forecast outturn	Forecast variance
General Fund	59,253	53,908	(5,345)
Housing Revenue Account	47,453	38,441	(9,013)

### Non-Housing Capital Receipts



- The General Fund revenue budget is forecast to underspend by £0.976m, mainly arising from lower than budgeted external borrowing costs
- The HRA is forecast to underspend by £0.905m largely due to savings in the HRA dwellings repair budget and staff vacancies
- The General Fund capital programme is forecast to underspend by £5.345m mainly due to; delays in undertaking the parks tennis expansion and developing the Mile Cross depot site, a lower than anticipated requirement for disabled facilities grants and equity investment in Norwich Regeneration Ltd not anticipated to be required this year.
- The Housing Revenue Account capital programme is forecast to underspend by £9.013m largely due to a reduction in structural works requirement on council dwellings and tower block works re-profiled into 2020/21.
- 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 £0.976m underspend. This equates to 0.6% of the gross expenditure budget. If the underspends relating to commercial property investment and Norwich Regeneration Ltd were transferred to the relevant earmarked reserves, as detailed in paragraph 7, this would result in a net general fund underspend of £0.318m.

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
251	Business Services	168	<p>Variance largely due to:</p> <ul style="list-style-type: none"> <li>• £400k vacancy factor – underspends realised within service areas, so showing as an overspend against this service partially offset by:</li> <li>• £130k net additional New Burdens grants</li> <li>• £96k employee underspend within revenues and benefits due to staff turnover</li> </ul>
(192)	Finance	(77)	<p>Underspend variance largely due to:</p> <ul style="list-style-type: none"> <li>• £725k - lower than budgeted net borrowing costs due to internal, rather than external, borrowing in the first part of the year</li> <li>• £122k - lower than budgeted minimum revenue provision requirement due to later acquisition of investment properties than originally anticipated</li> </ul> <p>Partially offset by:</p> <ul style="list-style-type: none"> <li>• £449k - slightly lower than anticipated housing benefit recovery rates</li> <li>• £121k - higher than budgeted interest owed to the HRA in respect of balances</li> <li>• £152k – higher than budgeted bank charges in respect of transactions</li> </ul>
(136)	Strategy & Programme Management	(132)	<p>Variance largely due to:</p> <ul style="list-style-type: none"> <li>• £107k vacant posts</li> <li>• £27k unbudgeted grant income</li> </ul>
(177)	Citywide Services	(170)	Variance largely due to vacant posts across the service

P5 Forecast Variance £000s	General Fund Service	P7 Forecast Variance £000s	Description and commentary
(7)	Neighbourhood Housing	(344)	Variance mainly due to: <ul style="list-style-type: none"> <li>£242k forecast underspend due to implementation of a revised method of calculating recharges between the GF &amp; HRA resulting in lower end of year recharge</li> </ul>
(70)	Planning	(135)	Variance mainly due to: <ul style="list-style-type: none"> <li>£102k vacant posts</li> </ul>

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

### Housing Revenue Account

2. Net expenditure on the HRA is forecast to be £0.905m 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
(375)	Repairs & Maintenance	(300)	<p>The key variances are:</p> <ul style="list-style-type: none"> <li>£300k forecast underspend on servicing central heating; repair costs associated with servicing has decreased due to the increased efficiency and reliability of previous upgrades</li> <li>£225k forecast underspend for major &amp; minor repairs based on current volumes up to the end of P7</li> <li>£133k forecast higher income from void rechargeable repairs based on current volume</li> </ul> <p>Partially offset by:</p> <ul style="list-style-type: none"> <li>£450k forecast overspend in relation to voids repair works due to increased volume of properties becoming void</li> </ul>



P5 Forecast Variance £000s	Housing Revenue Account	P7 Forecast Variance £000s	Description and commentary
(56)	Rents, Rates, & Other Property Costs	(247)	<p>The key variances are:</p> <ul style="list-style-type: none"> <li>£164k Insurance savings due to retender of contract</li> <li>£67k forecast underspend on property services recharges based on current activity relating to general HRA premises.</li> </ul>
(299)	General Management	(408)	<p>The key variances are:</p> <ul style="list-style-type: none"> <li>£141k forecast underspend on salaries for vacant posts in various stages of recruitment</li> <li>£50k underspend on property services recharges due to lower than budgeted usage in respect of Home Ownership team.</li> <li>£45k forecast underspend on area offices as the majority are no longer being used</li> <li>£31k underspend on Paypoint transaction charges due to reduced usage</li> <li>£26k forecast underspend on compensation to tenants</li> <li>£24k forecast underspend on legal expenses &amp; court fees based on current caseload</li> <li>£20k forecast underspend on professional advice and fees as originally advice services were periodically planned but are now on an ad-hoc basis as required</li> <li>£13k forecast underspend on energy performance certificates as requirements to supply have changed</li> </ul>
(40)	Special Services	(105)	<p>The key variances are:</p> <ul style="list-style-type: none"> <li>£93k gas consumption lower at this point of the year than budgeted for</li> <li>£30k sheltered housing fixtures &amp; fittings budget not expected to be required in 2019/20</li> </ul>
165	Dwelling Rents	120	Void rate currently higher than at time of budget setting
0	Amenities Shared by the Whole Community	242	Forecast overspend due to implementation of a revised method of calculating recharges between the GF & HRA resulting in lower end of year recharge
(121)	Interest Received	(121)	Higher than budgeted income from general fund in respect of interest on HRA balances

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

3. In preparation for the future development of new social housing, it will be necessary to undertake some feasibility work. This will need to be funded from an HRA revenue budget and it is therefore proposed to utilise the unrequired insurance budget shown in Table 2 to cover these costs. The insurance saving has arisen due to the commencement of a new contract. Cabinet are, therefore, asked to approve the following virement within the HRA:

**Table 3**

<b>Project</b>	<b>2019/20 Current Budget £s</b>	<b>2019/20 Virement £s</b>	<b>2019/20 Revised Budget £s</b>
HRA Professional Advice & Fees	60,460	150,000	210,460
General HRA Premises Insurance	197,073	(150,000)	47,073
<b>Total</b>	<b>257,533</b>	<b>0</b>	<b>257,533</b>

### **Collection Fund**

4. 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**

5. Council tax collection forecast to be in a surplus position. Any surplus or deficit on council tax income will be distributed in subsequent years.

**Table 4**

	<b>Budget £000s</b>	<b>Forecast £000s</b>	<b>(Surplus) / deficit £000s</b>
Total Council Tax Collection Fund Income	(68,271)	(69,017)	(746)
Norwich City Council Share (14.05%)	(9,595)	(9,699)	(104)

### **Business Rates**

6. The latest forecast shows a projected surplus of £179k. The forecast takes into account the higher forecast levy payment to the Norfolk Business Rates Pool. Any surplus or deficit on business rates will be distributed in subsequent years.

**Table 5**

	<b>Budget £000s</b>	<b>Forecast £000s</b>	<b>(Surplus) / deficit £000s</b>
Norwich City Council Retained Income Share	(6,789)	(6,968)	(179)

7. The council is part of the Norfolk wide Business Rates Retention Pilot for 2019/20, which will see 75% of business rates growth retained within the County, rather than 50% under the usual scheme. The pilot is currently progressing well, with quarterly county-wide monitoring taking place as per the agreed governance arrangements. The full financial benefit to the council from participating in this pilot will only be known for certain in July 2020, once the NNDR 3 return is completed and audited, and the performance of the other billing authorities in the pilot will affect the final figure.

### **Business Rates Pool**

8. Norwich City Council has been a member of the Norfolk Business Rates Pool since it joined in 2015/16. By 2018/19 the pool included all seven districts in Norfolk as well as the County Council. The key benefit of the pooling arrangement is that rather than pay a levy to government on business rates growth above the baseline, the income is retained locally in the Norfolk economic development fund. There are also financial risks associated with pooling. Under the terms of the Governance Agreement, the Norfolk Pool operates a safety net guarantee; this ensures that each pool member receives as a minimum 92.5% of their baseline funding.
9. On 17 September, MHCLG confirmed that 2019/20 pilots will operate for one year only and issued an invitation to form business rate pools in 2020/21 with a deadline for pooling proposals of 25 October 2019. Due to the timescales set, a decision had to be made prior to the outcome of an ongoing NHS Trust Business Rates Challenge being known.
10. NHS Trusts have made a claim that they should benefit from charitable status for the purposes of business rates. If successful, this would result in a substantial backdated cost for all local authorities nationally as the claims go back to 2010 in some instances. The NHS business rates challenge was heard by the High Court on 4 November 2019 and a judgement is awaited. It remains unclear at this point what the timescale is for the decision, but it has the potential to impact on both the 2019/20 pilot and the decision to pool for 2020/21.
11. A ruling against local government would have a significant impact on a number of the Norfolk District Councils, placing South Norfolk, Norwich and Great Yarmouth in an individual safety net position. If there was no funding change as a result, an adverse ruling therefore would require the other councils in the pool to provide safety net funding to the affected authorities.
12. Norfolk Leaders considered a report and the recommendations of the S151 Officers at their meeting on 17 October. Despite the risk posed by South Norfolk and Norwich the Leaders decided to continue to pool for 2020/21. They considered the likelihood of both the NHS winning the legal challenge and the government not stepping into to mitigate the impact and based their decision on the following:
- The risks had not materially changed except the announcement of a court date
  - Norfolk Council stand united

- The risks of central government allowing the case to undermine local authority government funding nationwide were deemed to be small
- Changing pooling arrangements will not affect the majority of the potential liabilities but only those going forward

13. Notwithstanding the deadline of 25 October, the Local Government Finance Act 1988 confirms that members of a pool have a period of 28 days from the date of publication of the provisional local government finance settlement to make a request to revoke a pool – in this case the only option would be to dissolve the pool entirely, not alter the membership.

#### **Impact on Balances**

14. The prudent minimum level of General Fund reserves has been assessed as £4.232m. The budgeted and forecast outturn's impact on the 2018/19 balance brought forward is as follows:

**Table 6**

<b>Item</b>	<b>£000s</b>
Balance at 1 April 2019	(11,653)
Budgeted contribution from reserves 2019/20	1,458
Forecast outturn 2019/20	(976)
Transfer to commercial property reserve	481
Transfer to NRL earmarked reserve	177
<b>= Forecast balance at 31 March 2020</b>	<b>(10,513)</b>

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

15. The prudent minimum level of HRA reserves has been assessed as £5.844m. The budgeted and forecast outturn's impact on the 2018/19 balance brought forward is as follows:

**Table 7**

<b>Item</b>	<b>£000s</b>
Balance at 1 April 2019	(30,903)
Budgeted contribution from reserves 2019/20	2,175
Forecast outturn 2019/20	(905)
<b>= Forecast balance at 31 March 2020</b>	<b>(29,633)</b>

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

16. 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 prior years. The balance on the fund at 1 April 2019 was £4.06m. A corresponding Housing Revenue Account Invest to Save fund was also created. The balance on this fund at 1 April 2019 was £1.5m.

17. A commercial property earmarked reserve was created in order to provide funding for any future void and rent free periods as well as any repairs/upgrades required to the properties to help safeguard the future value of the investment and the rental income stream. Net income generated above the target as well as any savings from reduced borrowing requirements is transferred to this reserve. The forecast outturn's impact on the 2018/19 balance brought forward is as follows:

**Table 8**

Item	£000s
Balance at 1 April 2019	(1,058)
Forecast transfer from 2019/20 underspend	(481)
<b>= Forecast balance at 31 March 2020</b>	<b>(1,539)</b>

## Capital Programme

18. The general fund capital programme is forecast to underspend by £5.345m and the HRA capital programme is forecast to underspend by £9.013m in this financial year.

**Table 9: Key capital programme budget variances (NB: figures in brackets represent savings or increased income)**

P5 Forecast Variance £000s	Capital Programme Group	P7 Forecast Variance £000s	Description and commentary
(829)	GF Capital Expenditure Programme (Including Capital Contingency)	(935)	<ul style="list-style-type: none"> <li>£429k: Norwich Parks tennis expansion. Implementation delayed until 2020/21 pending confirmation that the external funding for the project has been secured.</li> <li>£100k: IT Transformation - Digital platform. Procurement of mobile devices dependent on implementation of new Tenancy &amp; Estate Management System and will continue into 2020/21.</li> <li>£315k: Mile Cross Depot Site. Forecast underspend in 2019/20 reflects higher than forecast expenditure in the previous financial year as the let demolition and remediation contract was completed.</li> </ul>

P5 Forecast Variance £000s	Capital Programme Group	P7 Forecast Variance £000s	Description and commentary
(448)	GF Capital Section 106/GNGP/CIL	(1,369)	<ul style="list-style-type: none"> <li>£203k: CCAG2 20MPH Yellow Pedalway - Implementation of 20MPH zones associated with CCAG programme completed. Re-allocation of unutilised S.106 funding under consideration.</li> <li>£150k: Castle Gardens - Planned improvements to Castle Gardens &amp; Green tied to the timing of the delivery of the HLF funded Castle Keep project and are unlikely to progress until 2020/21.</li> <li>£143k: CIL GNGB Riverside Walk Accessibility - Delivery of scheme now scheduled for 2020/21</li> <li>£105k: Ketts Heights - Restoration. Delivery of project conditional on successful applications for Heritage Lottery Fund and CIL funding. Implementation deferred.</li> <li>£150k: CIL Neighbourhood Projects - Funding pot unallocated in current financial year. Budget transferred to 2020/21 GF Capital Programme</li> </ul>
(465)	GF Not Controlled By NCC	(722)	<ul style="list-style-type: none"> <li>£150k: DfH Churchman House - Crisis Hub. The grant funding awarded by the DfT has been released direct to the NHS. Utilisation of budget no longer required</li> <li>£229k: CIL Contribution Strategic - Confirms revised forecast for CIL receipts in 2019/20.</li> <li>£270k: Disabled Facilities Grant. Annual budget was estimated before the amount of DFG funding awarded to the city for 2019/20 had been confirmed. Forecast outturn has been set to match the level of funding subsequently confirmed and released</li> </ul>
0	GF Financing for NRL/Asset Investment Programme	(2,319)	<ul style="list-style-type: none"> <li>£2,277k: Equity Investment - The current business plan for NRL does not propose any further equity investment by NCC.</li> </ul>
(640)	New Build Social Housing	(947)	<ul style="list-style-type: none"> <li>£225k: New Build - Goldsmith Street. Forecast anticipates payment of build contract retentions in 2020/21.</li> <li>£394k: LANB - Northumberland Street. Private developer has not commenced work. Forecast expenditure adjusted to account for delayed start on site.</li> <li>£246k: LANB Bullard Road Re-development. Forecast underspend in 2019/20 reflects higher than forecast expenditure in the previous financial year.</li> <li>£100k: Affordable Housing Opportunities - Oak Street. Final delivery of new homes scheduled for 2020/21.</li> </ul>

P5 Forecast Variance £000s	Capital Programme Group	P7 Forecast Variance £000s	Description and commentary
0	Grants to Registered Housing providers	(1,031)	<ul style="list-style-type: none"> <li>£1,031k: Capital Grants to Housing Associations - Forecast revised to match funding agreed for scheduled site starts and completions before end of 2019/20.</li> </ul>
(8,165)	HRA Neighbourhood Housing	(7,034)	<ul style="list-style-type: none"> <li>£513k: Boilers Communal - Installation of Barnards Yard ground source heat pump system was programmed for current financial year but now scheduled for 2020/21.</li> <li>£264k: Insulation - Planned upgrades delayed. Alternative sites identified.</li> <li>£185k: Windows Programme - Planned programme for 2019/20 has been rescheduled.</li> <li>£918k: Composite Doors - Delivery of planned programme delayed as contractors continue to seek safety accreditation for the replacement doors.</li> <li>£2,274k: Planned Maintenance - Structural- Projection based on programme of works in progress and programmed for 2019/20.</li> <li>£2,601k: Tower Block Regeneration - Forecast based on commencement of the replacement of the risers and laterals in Winchester Tower in 2019/20. Continuation of the project, including works to Normandie Tower is planned for 2020/21.</li> <li>£158k: Disabled Adaptations - Forecast underspend due to tender values lower than forecast and contractors capacity to deliver planned programme.</li> </ul>

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

19. The use of the General Fund capital contingency fund was approved by the CFO in September 2019, as follows:

**Table 10**

Scheme	Current Budget £'000	Virement £'000	Revised Budget £'000	Description
General Fund Account Capital Contingency	96,165	(53,835)	50,320	
Finance system	110,456	30,845	141,301	Additional consultancy costs in relation to implementation of new finance system
City Hall room 419 heating	0	15,000	15,000	The heating system in room 419, City Hall has failed. This funding will allow the system to be replaced
<b>Total</b>		<b>0</b>		

## **Norwich Regeneration Ltd**

20. Norwich Regeneration Ltd, the Council's wholly owned company, repaid a loan of £6m in November. The outstanding balance of the loan now stands at £6.4m



## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	
<b>Head of service:</b>	Chief Finance Officer
<b>Report subject:</b>	Budget Monitoring 2019/20
<b>Date assessed:</b>	26/11/2019
<b>Description:</b>	This is the integrated impact assessment for the Budget Monitoring 2019/20 report to Cabinet

	Impact			
<b>Economic</b> (please add an 'x' as appropriate)	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
<b>Finance (value for money)</b>	<input type="checkbox"/>	<input 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
<b>Other departments and services e.g. office facilities, customer contact</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>ICT services</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Economic development</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Financial inclusion</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Social</b> (please add an 'x' as appropriate)	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
<b>Safeguarding children and adults</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b><u>S17 crime and disorder act 1998</u></b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Human Rights Act 1998</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Health and well being</b>	<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	
<b>Positive</b>	
None	
<b>Negative</b>	
None	
<b>Neutral</b>	
None	
<b>Issues</b>	
The council should continue to monitor its budget performance in the context of the financial risk environment within which it operates.	

## Revenue Budget Monitoring Summary Year: 2019/20 Period: 7 (October)

### General Fund Summary

Approved budget	Current budget		Forecast outturn	Forecast variance
4,927,771	4,927,771	Business Services	5,095,660	167,889
460,611	460,611	Democratic Services	389,149	(71,462)
(17,605,895)	(18,105,895)	Finance	(18,182,708)	(76,813)
0	0	Human Resources	19,651	19,651
0	0	Procurement & Service Improvement	(19,394)	(19,394)
<b>(12,217,513)</b>	<b>(12,717,513)</b>	<b>Total Business Services</b>	<b>(12,697,643)</b>	<b>19,870</b>
0	0	Chief Executive	(32,070)	(32,070)
368,262	368,262	Strategy & Programme Management	236,087	(132,175)
<b>368,262</b>	<b>368,262</b>	<b>Total Chief Executive</b>	<b>204,018</b>	<b>(164,244)</b>
1,795,949	1,826,446	Communications & Culture	1,773,024	(53,422)
(156,161)	(156,161)	Customer Contact	(203,077)	(46,916)
<b>1,639,788</b>	<b>1,670,285</b>	<b>Total Customers, Comms &amp; Culture</b>	<b>1,569,946</b>	<b>(100,339)</b>
9,597,312	10,065,053	Citywide Services	9,894,761	(170,292)
1,498,388	1,498,388	Neighbourhood Housing	1,154,300	(344,088)
669,266	712,452	Neighbourhood Services	692,255	(20,197)
<b>11,764,966</b>	<b>12,275,893</b>	<b>Total Neighbourhoods</b>	<b>11,741,317</b>	<b>(534,576)</b>
(4,140,260)	(4,491,853)	City Development	(4,553,486)	(61,633)
0	0	Environmental Strategy	(9,484)	(9,484)
0	0	Executive Head of Regeneration &	(14,505)	(14,505)
1,431,310	1,931,310	Planning	1,796,187	(135,123)
1,153,448	963,620	Property Services	987,382	23,762
<b>(1,555,502)</b>	<b>(1,596,923)</b>	<b>Total Regeneration &amp; Growth</b>	<b>(1,793,906)</b>	<b>(196,983)</b>
<b>0</b>	<b>4</b>	<b>Total General Fund</b>	<b>(976,268)</b>	<b>(976,272)</b>

### Housing Revenue Account Summary

Approved budget	Current budget		Forecast outturn	Forecast variance
13,603,112	13,603,112	Repairs & Maintenance	13,303,186	(299,926)
6,073,636	6,073,636	Rents, Rates, & Other Property Costs	5,826,391	(247,245)
12,693,640	12,693,640	General Management	12,285,605	(408,035)
4,691,722	4,691,722	Special Services	4,586,630	(105,092)
22,027,205	22,027,205	Depreciation & Impairment	22,024,634	(2,571)
170,000	170,000	Provision for Bad Debts	105,516	(64,484)
(56,698,536)	(56,698,536)	Dwelling Rents	(56,578,265)	120,271
(2,174,887)	(2,174,887)	Garage & Other Property Rents	(2,277,521)	(102,634)
(7,927,438)	(7,927,438)	Service Charges - General	(7,917,359)	10,079
(81,579)	(81,579)	Miscellaneous Income	(68,644)	12,935
8,169,114	8,169,114	Adjustments & Financing Items	8,229,432	60,318
(445,989)	(445,989)	Amenities shared by whole community	(203,987)	242,002
(100,000)	(100,000)	Interest Received	(221,000)	(121,000)
<b>0</b>	<b>0</b>	<b>Total Housing Revenue Account</b>	<b>(905,383)</b>	<b>(905,383)</b>

## General Fund summary by type

Approved budget	Current budget		Forecast outturn	Forecast variance
21,438,275	21,538,275	Employees	21,229,815	(308,460)
9,455,547	9,455,947	Premises	9,482,289	26,342
265,875	265,875	Transport	250,375	(15,500)
16,957,625	17,407,224	Supplies & Services	18,399,714	992,490
4,047,541	4,047,541	Third Party Payments	4,097,463	49,922
76,865,167	76,865,167	Housing Benefits & Business Rates Tariff	79,857,759	2,992,592
3,295,901	2,795,901	Capital Financing	1,970,200	(825,701)
1,250,000	1,250,000	Rev Contribs to Capital	1,250,000	0
(30,674,034)	(30,724,034)	Fees, charges and rental income	(31,138,144)	(414,110)
(94,639,432)	(94,639,432)	Government Grants	(98,404,130)	(3,764,698)
1,061,908	1,061,912	Centrally Managed	1,069,432	7,520
17,906,628	17,906,628	Recharge Expenditure	17,463,263	(443,365)
(27,231,000)	(27,231,000)	Recharge Income	(26,504,303)	726,697
<b>1</b>	<b>4</b>	<b>Total General Fund</b>	<b>(976,268)</b>	<b>(976,272)</b>

## Housing Revenue Account summary by type

Approved budget	Current budget		Forecast outturn	Forecast variance
5,883,178	5,896,178	Employees	5,710,851	(185,327)
21,794,095	21,794,095	Premises	21,572,602	(221,493)
101,227	101,227	Transport	78,355	(22,872)
2,503,600	2,490,600	Supplies & Services	2,093,581	(397,019)
1,560	1,560	Third Party Payments	0	(1,560)
7,816,919	7,816,919	Recharge Expenditure	7,678,830	(138,089)
9,573,737	9,573,737	Capital Financing	9,573,737	0
(67,766,160)	(67,766,160)	Receipts	(67,947,185)	(181,025)
0	0	Government Grants	0	0
(553,744)	(553,744)	Recharge Income	(311,742)	242,002
6,013,240	6,013,240	Rev Contribs to Capital	6,013,240	0
14,632,348	14,632,348	Capital Financing	14,632,348	0
<b>0</b>	<b>0</b>	<b>Total Housing Revenue Account</b>	<b>(905,383)</b>	<b>(905,383)</b>

**Capital Budget Monitoring Summary Year: 2019/20**  
**Period: 7 (October)**

Appendix 2

GF Capital Expenditure Programme	Current Budget	Forecast Outturn	Variance
2705 Grounds Maintenance	263,783	258,000	(5,783)
5082 City Hall roof membrane replacement	0	0	0
5093 Norwich Parks tennis expansion	434,760	6,000	(428,760)
5097 Riverbank stabilisation (River Yare &	113,198	113,198	0
5190 Hewett Yard refurb - Communal toilet	6,600	6,600	0
5192 Hewett Yard refurb - Roofing	10,214	10,214	0
5194 City Hall - Fire system detector	0	98	98
5197 Riverside Leisure Centre - Plant	182,000	112,000	(70,000)
5198 Earlham Park toilet replacement	83,100	82,750	(350)
5199 Eaton Park path replacement	45,000	45,000	0
5345 HR System	16,631	16,631	0
5352 Non trafficked pedestrian bridges	39,595	39,595	0
5353 Strangers Hall stores roof	27,500	27,500	0
5354 Riverside Footpath District Lighting	23,406	23,406	0
5355 City Hall heating system	105,287	105,287	0
5356 Castle Museum windows	20,150	20,150	0
5357 Pulls Ferry quay heading	14,627	14,627	0
5362 St Giles MSCP Lift Controller	7,956	7,956	0
5371 Wensum Park Stone Wall	20,000	20,000	0
5372 Community Centres - Upgrades	101,750	101,750	0
5373 Motor Cycle Park	38,500	38,500	0
5374 City Hall Kitchens & Toilets	65,000	65,000	0
5376 IT Transformation - Digital platform	200,000	100,000	(100,000)
5383 City Hall Room 419 Heating	15,000	15,000	0
8475 Mile Cross Depot Site	1,425,000	1,101,800	(323,200)
5020 CCTV replacement	142,963	142,963	0
5350 Parking Management System	21,832	0	(21,832)
5480 Traveller Site	26,000	26,000	0
5040 Customer centre redesign	67,521	67,521	0
5907 Meteor Close 21 void refurbishment	0	0	0
5512 NaHCASP Threescore	0	0	0
5317 IT Investment Fund	583,901	580,901	(3,000)
5343 Finance System	141,301	141,301	0
5314 Ass Inv - Mile Cross Depot	0	0	0
5327 Park Depots demolition	157,267	175,498	18,231
<b>Total GF Capital Expenditure Programme</b>	<b>4,399,842</b>	<b>3,465,246</b>	<b>(934,596)</b>

GF Capital Section 106/GNGP/CIL	Current Budget	Forecast Outturn	Variance
5188 CCAG2 20MPH Yellow	203,000	0	(203,000)
5742 Play Sector 3 & 4 improvements	5,815	5,815	0
5743 St Georges open space and play	88,217	0	(88,217)
5744 Wensum Park Play Area -	62,016	0	(62,016)
5835 S.106 Bowthorpe To Clover Hill	69,182	23,500	(45,682)
5837 St Stephens Towers Public Realm	70,296	7,400	(62,896)
5838 S.106 Bus Shelter Installation Clover	4,000	4,000	0
5839 Bunkers Hill - Entrance & path	59,000	27,625	(31,375)
5705 s106 The Runnel Play Provision	0	9,634	9,634
5728 S106 Mile Cross Gardens Play	2,001	2,001	0
5735 s106 Castle Green Play	74,244	5,000	(69,244)
5740 Bowthorpe Southern park	5,000	5,000	0
5821 S106 Livestock Mkt Cycle/Walkway	0	2,600	2,600
5823 BRT & Cycle Route Measures	76,283	0	(76,283)
5375 Yare - Wensum Green Infrastructure	75,000	30,000	(45,000)
5384 St Andrews MSCP Led Lighting	285,000	261,931	(23,069)
5563 CIL GNGB Castle Gardens	150,000	0	(150,000)
5564 CIL GNGB Football Pitch	40,000	0	(40,000)
5565 CIL GNGB Marriotts Way Barn Road	0	20	20
5566 CIL GNGB Riverside Walk	193,432	50,000	(143,432)
5567 GNGB IIF M Way, A Meadow to	2,500	2,500	0
5569 UEA to Eaton boardwalk extension	90,000	4,000	(86,000)
5572 Ketts Heights - Restoration	105,000	0	(105,000)
5921 Earlham Millenium Green	21,250	21,124	(126)
5923 Marriotts Way GNDP	0	126	126
5964 GNGP Bowthorpe Crossing	3,222	3,222	0
5596 CIL Crowdfunding matched funding	41,357	41,357	0
5598 Mile Cross cycle and pedestrian links	0	0	0
5599 CIL Parish Partnership matched	32,500	32,500	0
5558 Co-CIL Nhood Ketts Heig	6,445	6,445	0
5559 CIL Nhood 20 Acre Wood	5,625	5,625	0
5562 CIL Nhood Community Enabling	6,478	6,478	0
5557 CIL Neighbourhood Projects	150,000	0	(150,000)
<b>Total GF S106/GNGP/CIL Programme</b>	<b>1,926,863</b>	<b>557,903</b>	<b>(1,368,960)</b>





<b>HRA Capital Expenditure Programme</b>	<b>Current Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>
6062 Tenancy & Estate Management	695,000	695,000	0
7931 New Build Opportunities	2,350,000	2,350,000	0
8822 LANB - Ber Street	-	-	0
8824 LANB Bullard Road Re-development	800,000	553,594	(246,406)
5020 CCTV replacement	72,157	72,157	0
7460 Sheltered Housing Redevelopment	-	-	0
7461 Sheltered Hsg redevelopment - St	-	-	0
7462 Sheltered Hsg redevelopment -	-	-	0
7930 Capital Buybacks	-	-	0
8800 New Build - Riley Close	-	-	0
8802 New Build - Goldsmith Street	2,310,000	2,085,000	(225,000)
8804 New Build - Hansard Close	-	18,103	18,103
8805 New Build - Threescore 2	6,968,000	6,968,000	0
8821 LANB - Northumberland Street	693,246	299,250	(393,996)
8825 Affordable Housing Opportunities -	150,000	50,000	(100,000)
2610 Co-Cavalry Ride	-	-	0
2637 Primrose Place	-	-	0
7010 Electrical - Internal	1,713,963	1,713,963	0
7040 Whole House Improvements	1,027,279	1,027,279	0
7070 Kitchen Upgrades	1,602,556	1,546,120	(56,436)
7080 Bathroom Upgrades	2,157,287	2,152,800	(4,487)
7100 Boilers - Communal	1,682,775	1,169,408	(513,367)
7110 Boilers - Domestic	2,904,500	2,904,500	0
7150 Insulation	394,475	130,475	(264,000)
7170 Solar Thermal & Photovoltaic	608,660	550,000	(58,660)
7200 Windows - Programme	523,913	339,064	(184,849)
7280 Composite Doors	2,200,433	1,281,905	(918,528)
7300 Comm Safe - DES	349,275	349,275	0
7310 Estate Aesthetics	770,460	770,460	0
7470 Sheltered Housing Comm Facilities	-	-	0
7480 Sheltered Housing Redevelopment	-	-	0
7520 Planned Maint - Roofing	1,278,079	1,278,079	0
7540 Planned Maint - Structural	6,800,590	4,526,318	(2,274,272)
7570 Tower Block Regeneration	3,822,504	1,221,314	(2,601,190)
7580 Planned Maint - Lifts	71,364	71,364	0
7600 Dis Ad - Misc	770,460	770,460	0
7630 Dis Ad - Stairlifts	-	-	0
7680 Dis Ad - Comms	264,547	106,378	(158,169)
7700 HRA Shops	316,660	316,660	0
6019 Capital Grants to Housing	4,005,312	2,974,015	(1,031,297)
7960 Demolition & Site Maintenance	150,000	150,000	0
<b>Total HRA Capital Programme</b>	<b>47,453,495</b>	<b>38,440,941</b>	<b>(9,012,554)</b>



<b>Report to</b>	Cabinet	<b>Item</b>  <b>9</b>
	18 December 2019	
<b>Report of</b>	Director of people and neighbourhoods	
<b>Subject</b>	To award a contract for the structural remedial works – various properties	

## KEY DECISION

---

### Purpose

To seek approval to award a contract for the structural remedial works – various properties.

### Recommendations

To award a contract for structural remedial works at various properties to JB Specialist Refurbishments Limited.

### Corporate and service priorities

The report helps to meet the corporate priority of great neighbourhoods, housing and environment.

### Financial implications

The financial consequence of this report is the award of a contract for structural repairs and improvements with a tender cost of £341,251.49, the budget for which is included within the HRA Capital Programme.

**Ward/s:** Multiple Wards

**Cabinet member:** Councillor Harris - Deputy leader and social housing

### Contact officers

Bob Cronk, Director of people and neighbourhoods 01603 212373

Neil Watts- Manager – Major Works and Services, NPS 01603 227172  
Norwich

### Background documents

None

# Report

## Introduction

1. The council has a programme of structural repairs and improvements deemed necessary 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 96 flats will benefit from the repairs, situated in Bowers Avenue, Junction Road, Old Palace Road and William Mear Gardens.
2. The scope of the contract includes concrete repairs to private balconies, deck membrane works and brickwork repairs. The private balconies are made of reinforced concrete, which has deteriorated. The deck membranes protect the concrete balconies between flats from water ingress, which causes rusting of the steel reinforcement and subsequent structural failure if not maintained.

These works will extend the life expectancy of the structural integrity of the balconies by carrying out specialist concrete repairs to prevent further deterioration of the concrete. These specialist systems come with warranties for materials and workmanship of 10 years for concrete repairs and 15 years for the waterproof anti-slip deck membrane systems.

## Procurement Process

3. The opportunity was advertised on the council's e-procurement portal and Contracts Finder on 11 October 2019 with 17 expressions of interest received.
4. Suppliers were asked to submit details of their organisation in terms of finance, contractual matters, insurances, quality assurance, environmental standards, health and safety, equality and diversity credentials, references and previous experience. These aspects were evaluated to ensure that suppliers met the council's basic requirements.
5. 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

6. Tenders were received from six contractors.
7. The tender process required suppliers to answer quality questions covering five topics:
  - Project timeline
  - Project delivery
  - Use and management of sub-contractors
  - Company's resources and accreditations
  - Managing temperature sensitive work

The responses given were evaluated against pre-determined criteria. This quality assessment carried a maximum of 60% of the marks. The lowest price was allocated 40% of the marks and marks were deducted, pro-rata, with each increasing tender price.

8. The supplier with the highest cumulative score was deemed the best value submission. The results are shown below.

<b>Contractor</b>	<b>Price</b>	<b>Price score</b>	<b>Quality score</b>	<b>Total score</b>
1	£341,251.49	38.35	60	98.35
2	£389,120.40	32.51	56.67	89.18
3	£415,734.24	29.26	55	84.26
4	£327,758.37	40.00	25	65
5	£658,927.31	0.00	60	60
6	£645,133.49	1.27	56.67	57.93

9. The tender submitted by JB Specialist Refurbishments Limited received the highest score and therefore represents the best value for money.

10. These works are subject to leaseholder consultation.

### **Recommendation**

11. It is recommended that the contract is awarded to JB Specialist Refurbishments Limited for the sum of £341,251.49

## 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

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	18 December 2019
<b>Director / Head of service</b>	Bob Cronk
<b>Report subject:</b>	To award a contract for the structural remedial works – various properties
<b>Date assessed:</b>	25 November 2019
<b>Description:</b>	Structural repairs to flats at Bowers Avenue, Junction Road, Old Palace Road and William Mear Gardens.

	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			
<b>Risk management</b>	<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	
<b>Positive</b>	
<b>Negative</b>	
<b>Neutral</b>	
<b>Issues</b>	



<b>Report to</b>	Cabinet	<b>Item</b>
	18 December 2019	
<b>Report of</b>	Director of people and neighbourhoods	<b>10</b>
<b>Subject</b>	To award a contract extension for Structural and Civil Engineering Consultancy Services for Planned Works and Responsive Works	

## KEY DECISION

### Purpose

To seek approval to award a contract extension for Structural and Civil Engineering Consultancy Services for Planned Works and Responsive Works.

### Recommendation

To award a contract extension for Structural and Civil Engineering Consultancy Services for Planned Works and Responsive Works to Conisbee Ltd for the period 01 August 2019 to 31 July 2021.

### Corporate and service priorities

The report helps to meet the corporate priority of great neighbourhoods, housing and environment.

### Financial implications

The financial consequences of this report are awarding a contract which will be for an additional two year term with an estimated total value of £400k (over the 2 year contract period) to be financed from budgets within the Housing Revenue Account.

The anticipated maximum spend per year is as follows:

Planned works £125,000

Responsive works £75,000

**Ward/s:** All Wards

**Cabinet member:** Councillor Harris - Deputy leader and social housing

### Contact officers

Neil Watts, Major Works & Services Manager, NPS  
Norwich Ltd

01603 227172

### Background documents

None



# Report

## 1. Introduction

2. NPS Norwich provides services to the council including structural consultancy, preparation of specifications for structural repairs such as stair repair/replacement and concrete repair of blocks of flats as well as responding to urgent matters such as subsidence or issues identified during an upgrade.
3. This is an important element of maintaining the council housing stock in good condition.
4. At peak times there are insufficient resources within NPS Norwich to meet demand. This workload can be balanced by using external advice. This allows the council to optimise the NPS Norwich retained resource and supplement this with additional resource as and when required.
5. An initial two year contract was awarded following a report to cabinet of 12 July 2017.
6. This initial structural consultancy contract duration has expired but the tender award did have an option to extend the contract by an additional two years which is what is now requested.

## Original Tender Process

7. The contract was advertised on the official journal of the European Union, OJEU, the council's e-tendering portal and Business Link/Contracts Finder.
8. Suppliers were asked to submit details of their organisation in terms of finance, contractual matters, insurances, quality assurance, environmental standards, health and safety, equality and diversity credentials, references and previous experience. These aspects were then evaluated to ensure that suppliers met the council's basic requirements.
9. At the same time supplier's submitted details in the form of answers to questions relating to how they would meet the requirement for the various work packages and the price that they would charge to carry out this work. These answers were evaluated once it has been confirmed that the suppliers have met the council's basic requirements.
10. Following the evaluation process, the contract was awarded to Consibee Ltd.
11. Since the initial tender award was awarded the contract has provided value for money and therefore it is considered advisable to continue with activating this contract extension.
12. Cabinet is therefore requested to approve a contract extension for Structural and Civil Engineering Consultancy Services for Planned Works and Responsive Works to Consibee Ltd for the period 1 August 2019 to 31 July 2021.



## 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

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	18 December 2019
<b>Director / Head of service</b>	Bob Cronk
<b>Report subject:</b>	To award a contract extension – for Structural and Civil Engineering Consultancy Services for Planned Works and Responsive Works
<b>Date assessed:</b>	25 November 2019

	Impact			
<b>Economic</b> (please add an 'x' as appropriate)	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
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"/>	Proactive management to ensure rental income maintained
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Social</b> (please add an 'x' as appropriate)	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
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"/>	Structural repairs ensure that dwellings remain safe to live in.



	Impact			
<b>Equality and diversity (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
<b>Relations between groups (cohesion)</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Eliminating discrimination &amp; harassment</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Advancing equality of opportunity</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Environmental (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
<b>Transportation</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Natural and built environment</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Structural repairs ensure that the built environment is kept in good condition.
<b>Waste minimisation &amp; resource use</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Pollution</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Sustainable procurement</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Energy and climate change</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>(Please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>

	Impact			
<b>Risk management</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Structural repairs consultancy helps to mitigate the council's property liability.

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

<b>Report to</b>	Cabinet	<b>Item</b>
	18 December 2019	
<b>Report of</b>	Director of people and neighbourhoods	<b>11</b>
<b>Subject</b>	Procurement of a housing structural repairs contract at Gamewell Close and Boundary Road.	

## KEY DECISION

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### Purpose

To seek approval to award a contract for housing structural repairs at Gamewell Close and Boundary Road.

### Recommendations

To award the contract for housing structural repairs at Gamewell Close and Boundary Road to UK Gunitite Ltd.

### Corporate and service priorities

The report helps to meet the corporate priority of great neighbourhoods, housing and environment.

### Financial implications

The financial consequence of this report is the award of a contract for structural repairs and improvements with a tender cost of £277,298.23, the budget for which is included within the HRA Capital Programme.

**Ward/s:** Multiple Wards

**Cabinet member:** Councillor Harris - Deputy leader and social housing

### Contact officers

Lee Robson, head of neighbourhood housing 01603 212939

Neil Watts, Manager – major works and services, NPS 01603 227172  
Norwich

### Background documents

None

# Report

## Introduction

1. The council has a programme of structural repairs and improvements deemed necessary in order to ensure the housing stock remains in a good state of repair, and tenants have quality homes to live in. The contract covered in this report forms a part of this programme of works. A total of 36 flats will benefit from the repairs, situated in Gamewell Close and Boundary Road.
2. The scope of the contract includes repairs to concrete communal walkways, concrete repairs to stairs, deck membrane works, re-roofing of communal flat roof areas and brickwork repairs. The deck membranes protect the concrete walkways between flats from water ingress, which when this occurs causes rusting of the steel reinforcement and subsequent structural failure. Deck membranes are also to be applied to the existing staircases following completion of the concrete repairs and application of corrosion inhibitors.
3. These works will extend the life expectancy of the structural integrity of the communal landings and staircases by carrying out specialist concrete repairs that protect the concrete from further deterioration. These specialist systems come with warranties for materials and workmanship of 10 years for concrete repairs and 15 years for the waterproof anti-slip deck membrane systems.

## Procurement Process

4. The opportunity was advertised on the council's e-procurement portal and Contracts Finder on 25 September 2019 with 24 expressions of interest received.
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 6 contractors.
8. The tender process required suppliers to answer quality questions covering 5 topics:
  - Project timeline
  - Project delivery
  - Use and management of sub-contractors

- Company's resources and accreditations
- Managing temperature sensitive work

The responses given were evaluated against pre-determined criteria. This quality assessment carried a maximum of 60% of the marks. The lowest price was allocated 40% of the marks and 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 of this are shown below.

<b>Contractor</b>	<b>Price</b>	<b>Price score</b>	<b>Quality score</b>	<b>Total score</b>
1	£277,298.23	40	60	100
2	£284,717.32	38.93	60	98.93
3	£287,385.00	38.54	60	98.54
4	£325,904.04	32.99	60	92.99
5	£339,687.45	31.00	48.33	79.33
6	£389,158.70	23.86	60	83.86

10. The tender submitted by UK Gunite Ltd received the highest score and therefore represents the best value for money.

11. These works are subject to leaseholder consultation.

### **Recommendation**

12. It is recommended that the contract is awarded to UK Gunite Ltd for the sum of £277,298.23

## 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

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	18 December 2019
<b>Director / Head of service</b>	Lee Robson
<b>Report subject:</b>	Procurement of a housing structural repairs contract
<b>Date assessed:</b>	25 November 2019
<b>Description:</b>	Structural repairs to flats at Gamewell Close and Boundary Road

	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			
<b>Risk management</b>	<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	
<b>Positive</b>	
<b>Negative</b>	
<b>Neutral</b>	
<b>Issues</b>	

