

## **Cabinet**

**Date:** Wednesday, 09 December 2015

**Time:** 17:30

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

### **Committee members:**

#### **Councillors:**

Waters (chair)  
Harris (vice chair)  
Bremner  
Driver  
Kendrick  
Stonard  
Thomas (Va)

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

**Committee officer:** Andy Futter  
**t:** (01603) 212029  
**e:** andyfutter@norwich.gov.uk

Democratic services  
City Hall  
Norwich  
NR2 1NH

[www.norwich.gov.uk](http://www.norwich.gov.uk)

## **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

## AGENDA

### 1 Apologies

**Purpose** - To receive apologies for absence

### 2 Public questions/petitions

**Purpose** - To receive questions / petitions from the public (notice to be given to committee officer in advance of the meeting in accordance with appendix 1 of the council's constitution)

### 3 Declarations of interest

(Please note that it is the responsibility of individual members to declare an interest prior to the item if they arrive late for the meeting)

### 4 Minutes of the meeting held on 4 November 2015 5 - 8

**Purpose** - To approve the minutes of the meeting held on the 4 November 2015.

### 5 Revenue budget monitoring 2015-16-Period 7 9 - 30

**Purpose** - To update cabinet on the provisional financial position as at 31 October 2015, the forecast outturn for the year 2015-16, and the consequent forecast of the general fund and housing revenue account balances.

### 6 Treasury management strategy - mid-year review 2015-16 31 - 50

**Purpose** - To advise of the treasury management performance for the first six months of the financial year to 30 September 2015.

### 7 Quarter 2 2015-16 performance report (to follow)

**Purpose** - To report progress against the deliver of the corporate plan priorities and key performance measures for quarter 2 and full year outturns 2015-16

### 8 Heritage Interpretation Supplementary Planning Document - adoption 51 - 72

**Purpose** - To consider the Heritage Interpretation Supplementary Planning Document.

### 9 Exclusion of the public

**Purpose** - 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.

#### **\*10 Managing assets - housing**

- 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.

#### **\*11 Award of contract for ICT network**

- 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.

#### **\*12 Future provision of services including finance ICT revenues and benefits**

- 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, 01 December 2015**

**CABINET****17:00 to 17:25****4 November 2015**

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

**Also present:** Councillors Haynes and Wright

**1. APOLOGIES**

Apologies were received from Councillor Waters (Councillor Harris acted as chair).

**2. PUBLIC QUESTIONS / PETITIONS**

No public questions were received.

**3. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**4. MINUTES**

One small amendment was suggested to the minutes of the meeting of 29 September. Page five, item three required a change from:

“He added that Community Infrastructure Levy monies **are only** available to be spent...”

to

“He added that Community Infrastructure Levy monies **only are** available to be spent...”

One small amendment was suggested to the minutes of the meeting of 7 October. Page 13, item 19(m) required a change from:

“delegate authority to the Executive head of strategy, people and neighbourhoods, in liaison with the portfolio holder for, to make the necessary changes...”

to

“delegate authority to the Executive head of strategy, people and neighbourhoods, in liaison with the portfolio holder for **neighbourhoods and community safety**, to make the necessary changes...”

Subject to noting the above amendments, cabinet **RESOLVED** to agree the accuracy of the minutes of the meetings held on 29 September 2015 and 7 October 2015.

The chair explained that a request had been made to defer the final two reports (Housing development company business plan, item 11 and Housing development company business plan APPENDIX, item \*13) to a later meeting.

**RESOLVED** to defer the reports:

- a) Housing development company business plan; and,
- b) Housing development company business plan APPENDIX

to a later meeting.

## 5. REVENUE BUDGET MONITORING 2015-16 – PERIOD 6

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

**RESOLVED** to note the financial position as at 30 September 2015 and the forecast outturn 2015-16

## 6. CAPITAL BUDGET MONITORING 2015-16 – QUARTER 2

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

**RESOLVED** to:

- a) note the position of the housing and non-housing capital programmes as at 30 September 2015;
- b) note the capital budget virement approved by Corporate Leadership Team members, set out in paragraphs 9-10;
- c) approve the addition to the capital programme of spend funded by external ring-fenced monies as set out in paragraph 11.

## 7. GREATER NORWICH HOMELESSNESS STRATEGY 2015-20

The cabinet member for environment and sustainable development presented the report. In response to a member's question, he said that a wide range of people would be affected by further changes to benefit provision. He added that this was something the city council would need to remain aware of and be ready to adapt to, in order to avoid further people experiencing homelessness.

In response to a member's question, the housing strategy officer explained that issues surrounding mental health and homelessness were to be fully included as part of the sub-strategy which would go out to public consultation later in the year. The work with St Martins Housing Trust was also highlighted as it was felt that Dean Alan Webster Court - established to provide semi-independent living for 33 older people who have experienced or are facing homelessness – represented the kind of innovative work which dealt with homelessness in an holistic way alongside other challenges.

**RESOLVED** to approve and adopt the *Greater Norwich homelessness strategy 2015-20*.

## 8. REDUCING INEQUALITIES ACTION PLAN

The cabinet member for fairness and equality presented the report.

**RESOLVED** to approve the action plan programme with an initial focus upon Lakenham ward for the trial of new ways of working across partners and with residents.

## 9. HEALTHY NORWICH ACTION PLAN

The cabinet member for housing and well-being presented the report.

**RESOLVED** to approve the action plan programme.

## 10. AWARD OF CONTRACT FOR THE DEVELOPMENT AT RILEY CLOSE

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

**RESOLVED** to award the contract for the management, design and construction of two dwellings at Riley Close to Orwell Housing Association Ltd.

CHAIR





<b>Report to</b>	Cabinet	<b>Item</b>
	9 December 2015	
<b>Report of</b>	Chief finance officer	<b>5</b>
<b>Subject</b>	Revenue budget monitoring 2015-16 – Period 7	

---

### **Purpose**

To update cabinet on the provisional financial position as at 31 October 2015, the forecast outturn for the year 2015-16, and the consequent forecast of the general fund and housing revenue account balances.

### **Recommendations**

To note the financial position as at 31 October 2015, and the forecast outturn 2015-16.

### **Corporate and service priorities**

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

### **Financial implications**

The general fund budget is forecast to underspend by £0.631m. The housing revenue account budget is forecast to underspend by £1.066m.

**Ward/s:** All wards

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

### **Contact officers**

Justine Hartley, chief finance officer	01603 212440
Hannah Simpson, group accountant	01603 212561

### **Background documents**

None

## Report

1. Council approved budgets for the 2015-16 financial year on 17 February 2015.
2. The attached appendices show the forecast outturn and year-to-date positions for the general fund and the housing revenue account:
  - [Appendix 1](#) shows the general fund by corporate leadership team responsibilities, and by subjective group
  - [Appendix 2](#) shows the housing revenue account in (near) statutory format, and by subjective group
  - [Appendix 3](#) shows budget and expenditure for the year to date in graphical format

### General fund

3. Budgets reported include the resources financing the council's net budget requirement (which includes a contribution of £0.383m from reserve balances as allowed for in the medium term financial strategy) so that the net budget totals zero:

<i>Item</i>	<i>Approved budget £000s</i>
Net budget requirement	17,056
Non-domestic rates	(4,645)
Revenue support grant	(4,096)
Council tax precept	(8,315)
<b>Total general fund budget</b>	<b>0</b>

4. The general fund has been forecast to underspend by **£0.631m** at year end compared to a forecast underspend last month of **£0.504m**. Key forecast variances from budget are set out below:

<i>Forecast outturn variance P6 £000s</i>	<i>General fund service</i>	<i>Forecast outturn variance P7 £000s</i>	<i>Commentary</i>
(157)	Business relationship management	(203)	Reduced external audit fee; LGSS fraud team transfer to DWP but reduced grant still received for one year.
(272)	Procurement and Service Improvement	(310)	Expected underspend on IT services development fund; currently vacant posts in procurement.

<i>Forecast outturn P6 £000s</i>	<i>General fund service</i>	<i>Forecast outturn variance P7 £000s</i>	<i>Commentary</i>
(123)	Customer contact	(152)	Land search fee income refunds; grant income re. land searches refunds. Vacant posts.
188	City development:	155	Overspend due to reduced profit share projection from NORSE (£135k); bad debt provision uploaded and empty rates.
87	Neighbourhood housing:	115	Mainly due to CCTV projected overspend - higher than budgeted overtime (£20k) and unrealised savings (£50k).

5. For the year to date, an underspend against budget of **£2.993m** is being reported. This underspend is made up of many debit and credit figures where various income and expenditure lines are ahead of or behind budget profile. Significant variances are explained below. These lines will be monitored closely as the year progresses to identify any potential impact on forecast outturn figures.

<i>General fund service</i>	<i>Variance to date P7 £000s</i>	<i>Commentary</i>
Business relationship management	(1,042)	Shared services expenditure currently lower than profile, however is expected to match budget by year end. Corporate and benefits admin grants received higher than budget to date. No use of the contingency fund to date.
Democratic services	347	Timing differences in relation to elections costs and income. Awaiting transfer of income to net off against prior year accrued income reversal.
Procurement and service improvement	(477)	Expected underspend on IT services development fund; Shared services expenditure currently lower than profile however is expected to match budget by year end.
City development:	(732)	The current underspend against profile relates to counties parking income not paid over till year end. Income on asset properties showing income higher than budget due to income timings.
Customer contact	(632)	Transformation challenge grant funding; Land search fee income refunds; grant income re land searches refunds.

<i>General fund service</i>	<i>Variance to date P7 £000s</i>	<i>Commentary</i>
Planning:	(319)	Planning income up on budget due to large applications distorting profile of income.
Property services:	(481)	Depreciation to be charged on City Hall, works codes to be uploaded

### Housing revenue account

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

<i>Item</i>	<i>Approved budget £000s</i>
Gross HRA expenditure	85,912
Gross HRA income	(71,979)
Contribution from HRA balance	(13,933)
<b>Total net HRA budget</b>	<b>0</b>

7. The housing revenue account has been forecast to underspend by **£1.066m** at year end compared to a forecast last month of £0.570m. Key forecast variances from budget are set out below:

<i>Forecast outturn variance P6 £000s</i>	<i>HRA division of service</i>	<i>Forecast outturn variance P7 £000s</i>	<i>Commentary</i>
(254)	Repairs and maintenance	(875)	Lower than anticipated requirement for general repairs (£249k); less painting carried out than originally planned (£350k) and cavity insulation; change in contractor currently out to tender - no work in first part of the year (£200k).
(257)	Rents, rates, and other property costs	(276)	Underspend on Anglian Water costs, partially offset by under-recovery through water service charges.
(660)	General management	(439)	Underspend due to unrequired audit fee budget (£101k); lower than expected NPS recharge relating to Housing property management cost centre (£80k); and various staffing underspends due to vacancies throughout the year.

<i>Forecast outturn variance P6 £000s</i>	<i>HRA division of service</i>	<i>Forecast outturn variance P7 £000s</i>	<i>Commentary</i>
(234)	Provision for bad debts	(234)	Forecast reduction in provision required based on first quarter arrears figures, impact partially offset by unbudgeted write-off costs against 'dwelling rents'.
363	Dwelling rents	331	Long term voids at St James and Britannia - originally anticipated that sites would be re-occupied by September 2015, but now delayed until April 2016. Includes unbudgeted write off costs, impact to be partially offset by underspend against bad debt provision (see above).
(155)	Garage and other property rents	(198)	Lower than anticipated garage void rate.
641	Service charges - general	638	Income from Anglian Water service charges lower than anticipated, impact partially offset by reduced Anglian Water expenditure against 'rents, rates, and other property costs'.

8. For the year to date an underspend of **£3.802m** is being reported. This underspend is made up of many debit and credit figures, where various income and expenditure lines are ahead of or behind budget profile. Significant underspends and overspends to date are explained below. These lines will be monitored closely as the year progresses to identify any potential impact on forecast outturn figures.

<i>HRA division of service</i>	<i>Variance to date P7 £000s</i>	<i>Commentary</i>
Repairs and maintenance	(3,434)	These variances have arisen due to invoice delays at the start of the financial year, which is usual for work of this nature. Also, overall projected underspend now being reported of £875k.
General management	(391)	Mainly due to staff vacancies. Also, families' unit grant income has been received for the year, but profiled to be received in quarters.
Provision for bad debts	(292)	Bad debt provision charges not yet posted.
Service charges - general	281	Income from Anglian Water service charges lower than anticipated.

## Risks

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

Key Risk Budgets	Budget £000s	Current Variance	Current Var %	Current RAG	Forecast Variance	Forecast Var %	Forecast RAG
Housing Benefit Payments - Council tenants	36,254	-82	0%	GREEN	667	2%	GREEN
Housing Benefit Subsidy - Council tenants	-35,639	-972	3%	GREEN	-1,291	4%	AMBER
Housing Benefit Payments - Other tenants	32,280	-1,019	-3%	AMBER	-3,402	-11%	RED
Housing Benefit Subsidy - Other tenants	-33,048	2,628	-8%	RED	4,038	-12%	RED
HRA Repairs - Tenanted Properties	12,369	-3,032	-25%	RED	-836	-7%	RED
HRA Repairs - Void Properties	2,639	-200	-8%	RED	-11	0%	GREEN
Multi-Storey Car Parks	-1,174	-44	4%	GREEN	11	-1%	GREEN
HRA Rents - Estate Properties	-60,144	238	0%	GREEN	331	-1%	GREEN
Property Services - City Hall	906	-288	-32%	RED	-32	-4%	GREEN
Corporate Management including Contingency	-2,663	-587	22%	RED	-67	3%	GREEN
Private Sector Leasing Costs	-286	90	-32%	GREEN	47	-17%	GREEN

10. The red/amber status of items in the 'forecast RAG' column is explained below.

Key risk budgets	Comment
Housing benefit payments and subsidy	Although both of these areas are currently showing a red or amber RAG status, they largely offset one another. There is an overall net forecast overspend on housing benefits budgets of £12k.
HRA repairs	Lower than anticipated requirement for general repairs (£249k); less painting (£350k) and cavity insulation carried out than originally planned; due to change in contractor (currently out to tender) no work in first 6 months (£200k).

11. The 2015-16 budgets approved by council were drawn up in the expectation of reduced resources as announced by the previous government. There are risks to the current and medium term financial position from:

- Further reductions in government grant – the localisation of business rates and of council tax reductions has increased the risks to the council's financial position arising from economic conditions and policy decisions. In addition, recent government announcements indicate that further reductions in government funding are likely.
- Changes in policy – if further empowerment of local authorities is not matched by devolved resources
- Delivery of savings – the budget incorporates both savings measures already in place, and those planned for implementation during the year. If these savings are not achievable in full, overspends will result. With appropriate approvals these may be mitigated through provision made in the corporate contingency, up to the level of that contingency

- Identification of further savings – work is continuing on developing proposals for additional savings to bridge the medium-term budget gap. If these proposals fall short, or are not implemented fully and in a timely manner, further budget shortfalls will result.
12. Forecast outturns are estimates based on management assessments, formulae, and extrapolation. They may not adequately take account of variables such as:
- Bad debts – budget reports show gross debt, i.e. invoices raised. While allowance has been made in the budget for non-collections, the current economic climate may have an adverse influence on our ability to collect money owed. This may be reflected in higher provisions for bad debt, as may the impact of welfare reforms such as the so-called ‘bedroom tax’.
  - Seasonal factors – if adverse weather conditions or a worsening economic climate depress levels of trade and leisure activities in the city, there may be a negative impact on parking and other income.
  - Housing repairs and improvements – the rate of spend on void properties, though closely managed, is heavily influenced by void turnaround, since transfers can create a chain of voids involving significant repair costs.

## Financial planning

13. Overall levels of overspend and underspend will have an ongoing impact on the budget for following years and the size and urgency of savings requirements.
14. Net overspends and underspends will be consolidated into the general fund and housing revenue account balances carried forward to 2016/17. These are reflected in periodic updates to the *Medium term financial strategy* and *Housing revenue account business plan*.

## Impact on balances

15. The prudent minimum level of general fund reserves has been assessed as £4.474m. The budgeted and forecast outturn’s impact on the 2014-15 balance brought forward, is as follows:

16.

<i>Item</i>	<i>£000s</i>
Balance at 1 April 2015	(9,615)
Budgeted use of balances 2015-16	383
Forecast outturn 2015-16	(631)
= Forecast balance at 31 March 2016	(9,863)

17. The general fund balance is therefore expected to continue to exceed the prudent minimum.
18. The prudent minimum level of HRA reserves has been assessed as £3.111m. The budgeted and forecast outturn’s impact on the 2014-15 balance brought forward, is as follows:

<i>Item</i>	<i>£000s</i>
Balance at 1 April 2015	(20,181)
Budgeted use of balances 2015-16	13,933
Forecast outturn 2015-16	(1,187)
= Forecast balance at 31 March 2016	(7,435)

19. The housing revenue account balance is therefore expected to continue to exceed the prudent minimum.

### **Collection fund**

20. The collection fund is made up of three accounts – council tax, the business improvement district (BID) account, and national non-domestic rates (NNDR).

- Council tax is shared between the city, the county, and the police and crime commissioner based on an estimated tax base and the council tax rates agreed by each of the preceptors. Any surplus or deficit is shared in the following financial year.
- The BID account is operated on behalf of the BID company, to collect their income from the BID levy. Any surplus or deficit is passed on to the BID company.
- NNDR income is shared between the city, the county, and central government. Since localisation, any surplus or deficit is also shared, rather than as formerly being borne wholly by the government.

21. There are particular risks attached to NNDR, which are:

- Appeals – the impact of any appeals will fall on the collection fund, and therefore in part on the city. The Valuation Office has cleared a large number of appeals which has adversely affected the council's business rates income levels. However, a backlog of appeals remains and the value of the appeals is not known, nor the likelihood of success, nor the timing of the appeal being determined.
- NNDR billable – changes in the NNDR billable, e.g. demolition or construction of new billable premises, will impact on the amount billable. Assumptions of growth may also be affected by changes in the larger economic environment.
- NNDR collectable – arrears and write-offs (e.g. where a business goes into administration) will also impact on the collection fund.

22. These risks are monitored and mitigated through normal revenues operations.



23. A summary of the collection fund is provided below:

<i>Approved budget £000s</i>	<i>Current budget £000s</i>	<b>Collection fund summary</b>	<i>Actual to date £000s</i>	<i>Forecast outturn £000s</i>	<i>Forecast variance £000s</i>
		<b>Council tax</b>			
53,797	53,797	Expenditure	34,999	53,797	0
(53,797)	(53,797)	Income	222	(53,797)	0
		<b>Business improvement district</b>			
656	656	Expenditure	498	662	(2)
(656)	(656)	Income	(16)	(652)	4
		<b>National non-domestic rate</b>			
77,698	77,698	Expenditure	44,347	77,698	0
(77,698)	(77,698)	Income	2,541	(77,698)	0
<b>0</b>	<b>0</b>	<b>Total collection fund</b>	<b>82,591</b>	<b>316</b>	<b>2</b>

24. On council tax, actual income is not posted from the council tax system into the finance system until year-end. The actual year-end surplus or deficit will be taken into account in considering distribution of balances between the preceptors (city, county, and police).
25. The council operates the BID account on behalf of the BID company, so no surplus or deficit will fall on the council's accounts.
26. Any deficit reported on the NNDR account will roll forward and be distributed in the 2016/17 budget cycle.
27. Additional (section 31) grant is received in the general fund to offset all or part of any shortfall in business rate income due to additional reliefs granted by government. All such grant monies received are transferred to an earmarked reserve and held to be offset against deficits in the years that they impact on the revenue accounts.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	
<b>Head of service:</b>	Chief finance officer
<b>Report subject:</b>	Revenue budget monitoring 2015-16
<b>Date assessed:</b>	20/11/15
<b>Description:</b>	This is the integrated impact assessment for the revenue budget monitoring 2015-16 report to cabinet

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

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

Recommendations from impact assessment	
Positive	
None	
Negative	

None
<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.



**GENERAL FUND SERVICE SUMMARY**

<i>Approved Budget</i>	<i>Current Budget</i>		<i>Budget To Date</i>	<i>Actual To Date</i>	<i>Variance To Date</i>	<i>Forecast Outturn</i>	<i>Forecast Variance</i>
<b>Business Relationship Mgt and Democracy</b>							
1,537,574	1,645,420	Business Relationship Management	143,144	(899,005)	(1,042,149)	1,442,428	(202,992)
292,745	292,328	Democratic Services	536,178	883,063	346,885	315,226	22,898
(19,263,443)	(19,390,633)	Finance	(6,219,838)	(6,013,554)	206,284	(19,361,137)	29,496
0	(256)	Procurement and Service Improvement	1,997,898	1,521,107	(476,791)	(309,814)	(309,558)
<b>(17,433,124)</b>	<b>(17,453,141)</b>	<b>Total Business Relationship Management and Democracy</b>	<b>(3,542,618)</b>	<b>(4,508,388)</b>	<b>(965,770)</b>	<b>(17,913,296)</b>	<b>(460,155)</b>
<b>Chief Executive</b>							
0	0	Chief Executive	147,945	149,315	1,370	(6,360)	(6,360)
<b>0</b>	<b>0</b>	<b>Total Chief Executive</b>	<b>147,945</b>	<b>149,315</b>	<b>1,370</b>	<b>(6,360)</b>	<b>(6,360)</b>
<b>Customers, Comms and Culture</b>							
2,124,719	2,139,345	Communications and Culture	1,385,123	1,308,903	(76,220)	2,181,299	41,954
(105,756)	(93,389)	Customer Contact	1,422,569	790,240	(632,329)	(245,016)	(151,627)
<b>2,018,963</b>	<b>2,045,956</b>	<b>Total Customers, Comms and Culture</b>	<b>2,807,692</b>	<b>2,099,143</b>	<b>(708,549)</b>	<b>1,936,283</b>	<b>(109,673)</b>
<b>Regeneration and Growth</b>							
(1,101,624)	(1,213,353)	City Development	(1,874,013)	(2,605,527)	(731,514)	(1,058,776)	154,577
0	0	Environmental Strategy	93,285	179,816	86,531	(9,381)	(9,381)
0	0	Executive Head of Regeneration and	77,369	83,541	6,172	2,841	2,841
1,447,674	1,447,502	Planning	723,969	404,800	(319,169)	1,295,343	(152,159)
262,834	262,195	Property Services	1,090,024	609,463	(480,561)	203,914	(58,281)
<b>608,884</b>	<b>496,344</b>	<b>Total Regeneration and Growth</b>	<b>110,634</b>	<b>(1,327,908)</b>	<b>(1,438,542)</b>	<b>433,942</b>	<b>(62,402)</b>
<b>Strategy, People and Neighbourhoods</b>							
10,069,543	10,055,846	Citywide Services	4,666,154	4,763,893	97,739	10,008,452	(47,394)
0	(1,172)	Human Resources	703,148	776,152	73,004	(15,188)	(14,016)
2,315,862	2,433,505	Neighbourhood Housing	716,233	730,836	14,603	2,548,762	115,257
2,419,872	2,422,932	Neighbourhood Services	1,337,410	1,150,663	(186,747)	2,398,821	(24,111)
0	(271)	Strategy and Programme Management	276,217	396,507	120,290	(22,699)	(22,428)
<b>14,805,277</b>	<b>14,910,840</b>	<b>Total Strategy, People and Neighbourhoods</b>	<b>7,699,162</b>	<b>7,818,051</b>	<b>118,889</b>	<b>14,918,148</b>	<b>7,308</b>
<b>0</b>	<b>(1)</b>	<b>Total General Fund</b>	<b>7,222,815</b>	<b>4,230,213</b>	<b>(2,992,602)</b>	<b>(631,283)</b>	<b>(631,282)</b>





Budget monitoring report

Year: 2015-16

Period: 7 (October)

**HOUSING REVENUE ACCOUNT STATUTORY SUMMARY**

<i>Approved Budget</i>	<i>Current Budget</i>		<i>Budget To Date</i>	<i>Actual To Date</i>	<i>Variance To Date</i>	<i>Forecast Outturn</i>	<i>Forecast Variance</i>
16,069,344	16,069,344	Repairs and Maintenance	9,512,631	6,078,681	(3,433,950)	15,194,640	(874,704)
6,436,719	6,436,719	Rents, Rates, and Other Property Costs	6,123,058	6,077,174	(45,884)	6,160,851	(275,868)
11,016,261	11,016,261	General Management	3,936,197	3,544,884	(391,313)	10,577,643	(438,618)
5,086,385	5,086,393	Special Services	2,404,444	2,329,098	(75,346)	5,184,802	98,409
21,430,943	21,430,943	Depreciation and Impairment	0	0	0	21,430,943	0
584,000	584,000	Provision for Bad Debts	292,000	0	(292,000)	350,000	(234,000)
(60,143,678)	(60,143,678)	Dwelling Rents	(36,086,206)	(35,848,816)	237,390	(59,812,543)	331,135
(1,980,123)	(1,980,124)	Garage and Other Property Rents	(1,310,843)	(1,349,609)	(38,766)	(2,178,409)	(198,285)
(9,144,884)	(9,144,884)	Service Charges - General	(5,815,289)	(5,534,789)	280,500	(8,506,513)	638,371
0	0	Miscellaneous Income	0	(50,937)	(50,937)	(87,320)	(87,320)
11,355,513	11,355,513	Adjustments and Financing Items	(98,050)	(90,010)	8,040	11,330,572	(24,941)
(560,480)	(560,480)	Amenities shared by whole community	0	0	0	(560,480)	0
(150,000)	(150,000)	Interest Received	0	0	0	(150,000)	0
<b>0</b>	<b>7</b>	<b>Total Housing Revenue Account</b>	<b>(21,042,058)</b>	<b>(24,844,323)</b>	<b>(3,802,265)</b>	<b>(1,065,814)</b>	<b>(1,065,821)</b>

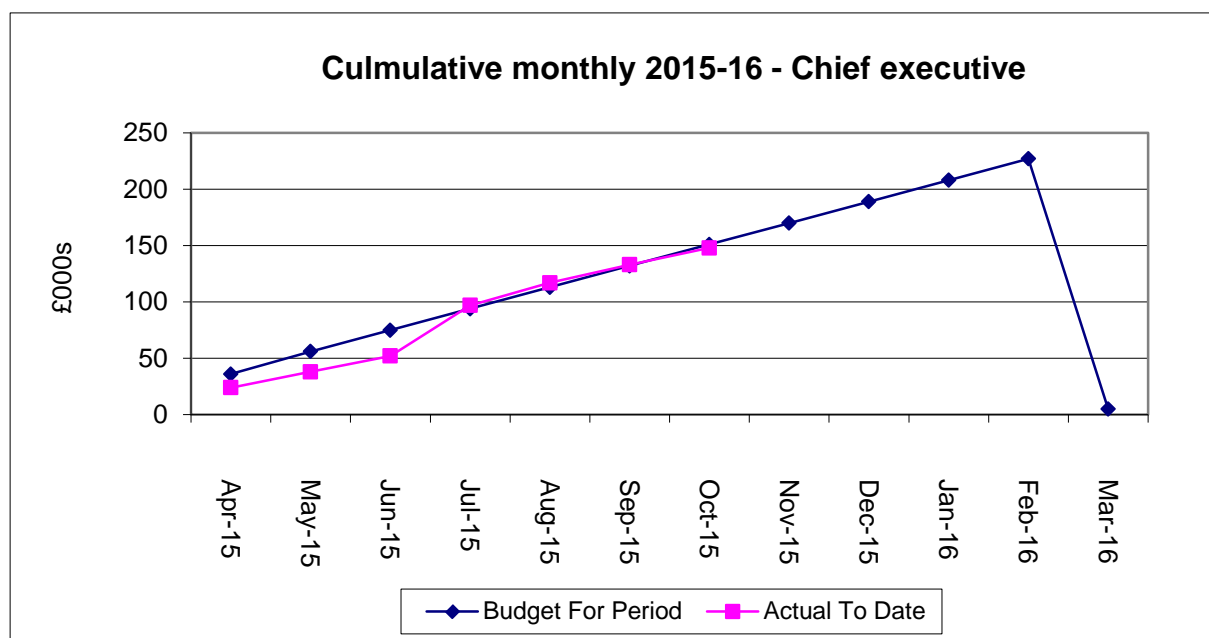
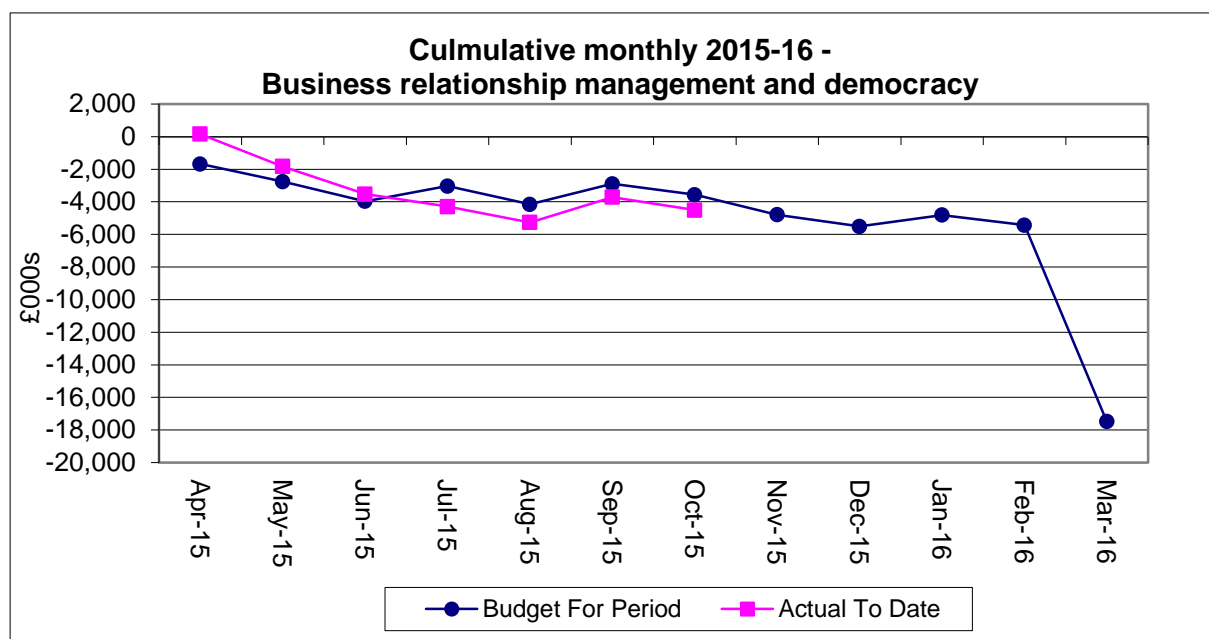


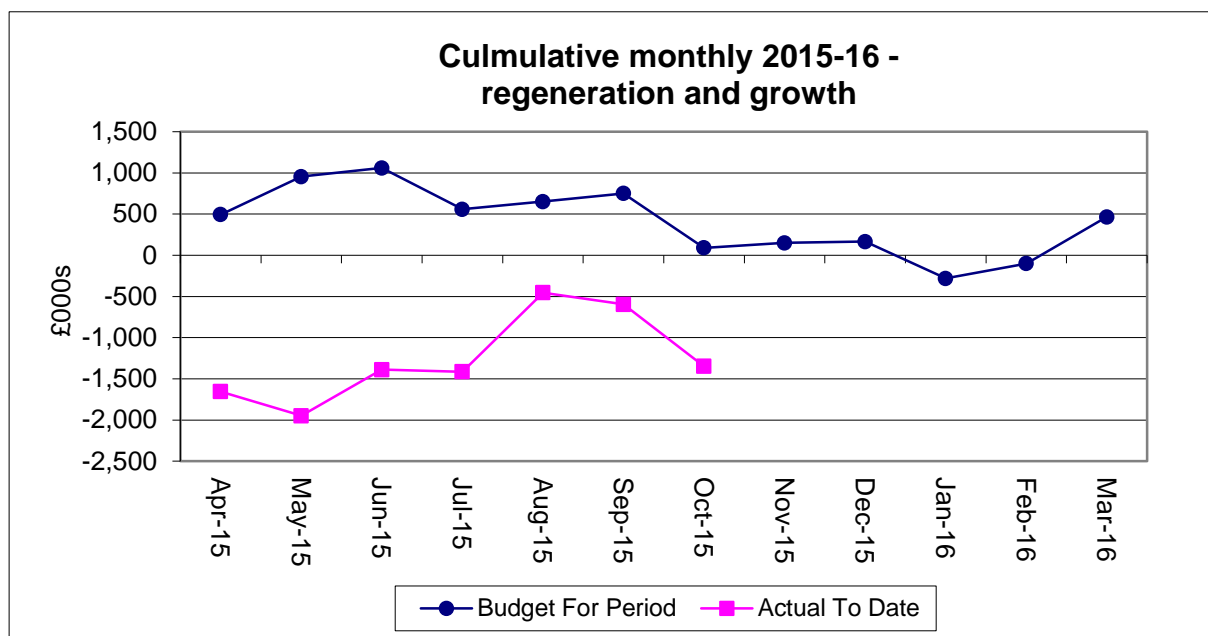
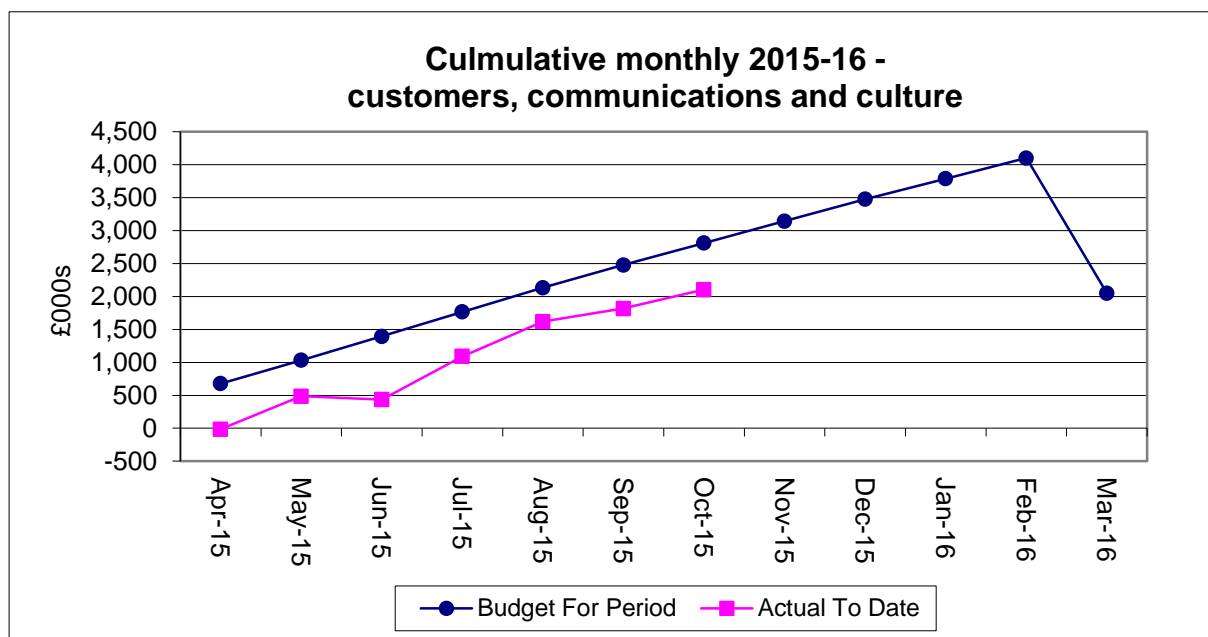
## Budget and expenditure – monthly by service graphs

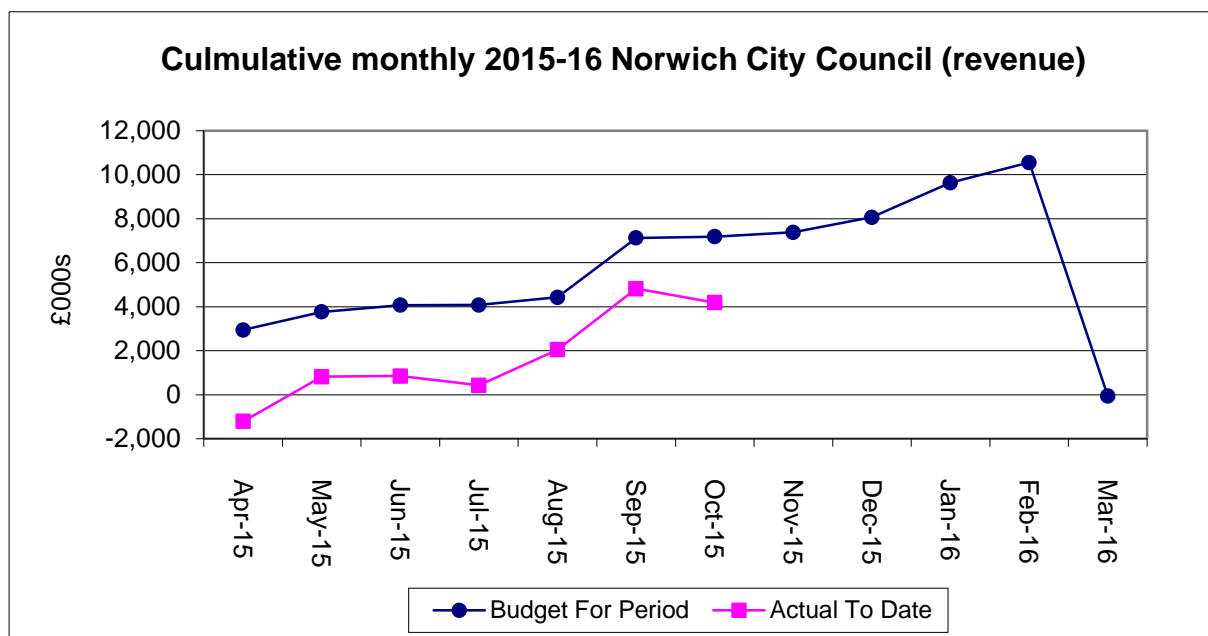
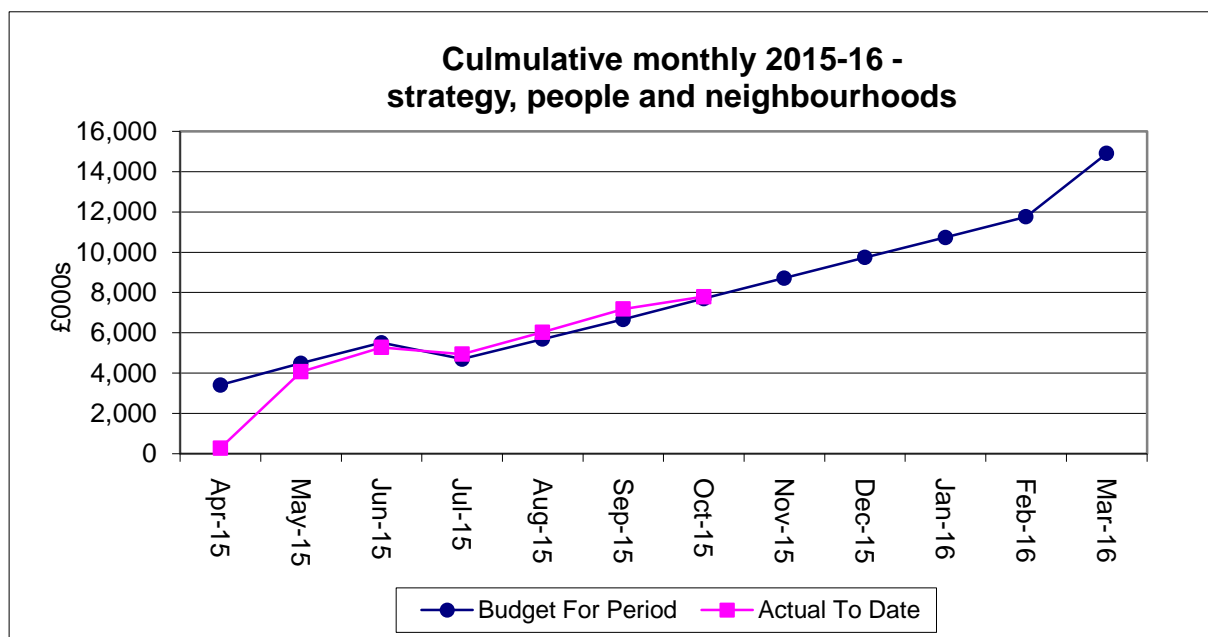
The following graphs show the monthly budget profile and income/expenditure to date for each service (both general fund and housing revenue account) for the financial year.

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

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









<b>Report to</b>	Cabinet	<b>Item</b>
	9 December 2015	
<b>Report of</b>	Chief finance officer	<b>6</b>
<b>Subject</b>	Treasury management strategy - mid-year review 2015-16	

---

### **Purpose**

To advise of the treasury management performance for the first six months of the financial year to 30 September 2015.

### **Recommendations**

To:

- a) note the report and the treasury activity; and
- b) approve the revised prudential indicators.

### **Corporate and service priorities**

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

### **Financial consequences**

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

**Ward/s:** All wards

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

### **Contact Officers**

Justine Hartley, chief finance officer 01603 212440

Philippa Dransfield, chief accountant 01603 212562

### **Background documents**

None

## Background

1. The council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure that this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering maximising investment return.
2. The second main function of the treasury management service is the funding of the council's capital plans. These capital plans provide a guide to the borrowing need of the council, essentially the longer term cash flow planning to ensure the council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet council risk or cost objectives.
3. As a consequence treasury management is defined as:  
  
"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

## Introduction

4. The council has regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2011.
5. The primary requirements of the code, as adopted by the council in its financial regulations, are as follows:
  - a) Creation and maintenance of a treasury management policy statement which sets out the policies and objectives of the council's treasury management activities.
  - b) Creation and maintenance of treasury management practices which set out the manner in which the council will seek to achieve those policies and objectives.
  - c) Approval of an annual treasury management strategy statement (TMSS) - including the annual investment strategy and minimum revenue provision policy - for the year ahead which is reported to the council by the cabinet.
  - d) Production of a mid-year review report to the cabinet on the activities of the treasury management operation, and an annual report (stewardship report) to the cabinet for presentation to the council by 30 September of the succeeding financial year.
  - e) Delegation of executive decisions for borrowing, investment or financing to the chief finance officer, who is required to act in accordance with CIPFA's code of practice for treasury management in the public services.



6. This mid-year report has been prepared in compliance with the CIPFA code and covers the following:
- An economic update (Section 3);
  - A review of the council's investment strategy (Section 4);
  - A review of the council's borrowing strategy (Section 5);
  - A review of debt rescheduling (Section 6);
  - A review of the *Treasury management strategy statement* and *Annual investment strategy* (Section 7);
  - The council's capital position (prudential indicators), including a review of compliance with treasury and prudential limits (Section 8);

## **Economic update**

7. UK GDP growth of 3.0% in 2014 was the strongest growth since 2006. However, quarter 1 of 2015 was weak at +0.4% (though there was a rebound in quarter 2 to +0.7%) Growth is expected to weaken marginally to about +0.5% in quarter 3 as the economy faces headwinds for exporters from the appreciation of Sterling against the Euro; weak growth in the EU, China and emerging markets; plus the dampening effect of the government's continuing austerity programme - although the pace of reductions was eased in the May budget.
8. Despite these headwinds, the Bank of England is forecasting growth to remain around 2.4 – 2.8% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation and CPI inflation hovering at or near to zero over the last quarter.
9. Investment expenditure is also expected to aid this reasonably strong growth. The August Bank of England inflation report forecast was notably subdued with inflation barely getting back up to the 2% target within the 2-3 year time horizon. However, with the price of oil taking a fresh downward direction and Iran expected to soon re-join the world oil market after the impending lifting of sanctions, there could be several more months of low inflation still to come, especially as world commodity prices have generally been depressed by the Chinese economic downturn.
10. Therefore there are considerable risks around whether inflation will rise in the near future as strongly as previously expected. This will make it more difficult for the central banks of both the US and the UK to raise rates as soon as had previously been expected, especially given the recent major concerns around the slowdown in Chinese growth, the knock on impact on the earnings of emerging countries from falling oil and commodity prices, and the volatility we have seen in equity and bond markets in 2015 so far, which could potentially spill over to impact the real economies rather than just financial markets.

## **Outlook for the next six months of 2015-16**

11. Capita Asset Services undertook a review of its interest rate forecasts (see appendix 2) on 11 August. Later in August, fears around the slowdown in China and Japan caused major volatility in equities and bonds and sparked a flight from equities into safe havens like gilts and depressed PWLB rates. However, there is much volatility in rates as news ebbs and flows in negative or positive ways and news in September in respect of Volkswagen, and other corporates, has compounded downward pressure on equity prices. This latest forecast includes a first increase in bank rate in quarter 2 of 2016.

12. The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas. Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK economic growth turns significantly weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU, US and China.
- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Monetary policy action failing to stimulate sustainable growth and to combat the threat of deflation in western economies, especially the Eurozone and Japan.
- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or the start of Fed. rate increases, causing a flight to safe havens

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

- Uncertainty around the risk of a UK exit from the EU.
- The ECB severely disappointing financial markets with a programme of asset purchases which proves insufficient to significantly stimulate growth in the EZ.
- The commencement by the US Federal Reserve of increases in the Fed. funds rate in 2015, causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

## **Investment strategy**

14. The Treasury Management Strategy Statement (TMSS) for 2015-16, which includes the Annual Investment Strategy, was approved by the council on 17 February 2015. It sets out the Council's investment priorities as being:

- Security of capital;
- Liquidity; and
- Yield

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

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

credit rated financial institutions, using Capita Asset Services' suggested creditworthiness approach.

17. The council held £74.7m of investments as at 30 September 2015 (£67.25m at 31 March 2015), the average investments held for the six months to 30 September 2014 was £76.1m (£72.4m in the same period last year).<sup>1</sup>

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

Investments £'000	Actual 1 April 2015	Movement		Transfers	Actual 30 September 2015
		Invested	Matured		
<b>Long term</b>					
Banks	3,000	-	-	-	3,000
<b>Short term</b>					
Banks	15,000	7,000	(10,700)	-	11,300
Building societies	28,000	22,950	(12,700)	-	38,250
Local authority	5,000	-	(5,000)	-	-
<b>Cash equivalents<sup>2</sup></b>					
Banks	10,000	64,661	(64,661)	-	10,000
Building societies	6,250	190,000	(184,100)	-	12,150
<b>Total</b>	<b>67,250</b>	<b>284,611</b>	<b>(277,161)</b>	<b>-</b>	<b>74,700</b>

19. The council's investment return for the first six months of 2015-16 is £307,575 which is £61,175 lower the amount budgeted for the period of £368,750 – officers are investigating other forms of investment to improve this performance.

20. The council is part of a benchmarking group across Norfolk, Suffolk and Cambridgeshire; the table in Appendix 3 shows the performance of the council's investments compared to the other councils (whom have been made anonymous).

21. The chief financial officer confirms that all investment transactions undertaken during the first six months of 2015-16 were within the approved limits in the *Annual investment strategy*.

<sup>1</sup> The increase in investment balances is due to capital receipts of £5.0m, LGSS costs not having been invoiced therefore not paid £3.2m and timing issues on the capital programme.

<sup>2</sup> Cash equivalents are those monies that are invested for 3 months or less at inception

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

### **Borrowing strategy**

23. The council's capital financing requirement (CFR) for 2015-16 is £232,728. The CFR denotes the council's underlying need to borrow for capital purposes. If the CFR is positive the council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The table below shows the council has borrowings of £224,535 and has utilised cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate.

24. Appendix 1 shows the movement in interest rates during the six months, across all maturity bands. Appendix 2 sets out predicted interest rates going forward. However, due to the overall financial position no new external borrowing was undertaken. No further borrowing is expected to be undertaken during the remainder of this financial year.

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

<b>Borrowing £'000</b>	<b>TMSS</b>	<b>Actual 1 April 2015</b>	<b>Actual 30 September 2015</b>
<b>Long term</b>			
Public works loan board	227,767	218,917	217,607
Money market	5,000	5,000	5,000
3% stock (perpetually irredeemable)	499	499	499
Corporate bonds and external mortgages	74	74	74
Finance leases	1,189	1,355	1,355
<b>Total</b>	<b>234,529</b>	<b>225,845</b>	<b>224,535</b>

### **Debt rescheduling**

26. No debt rescheduling was undertaken during the first six months of 2015-16

### **Treasury Management Strategy Statement and Annual Investment Strategy update**

27. The TMSS for 2015-16 was approved by the council on 17 February 2015. There are no proposed policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

<b>Prudential indicator 2015-16 £'000</b>	<b>Original per TMSS</b>	<b>Revised</b>
Authorised limit	275,565	261,075
Operational boundary	235,565	225,845
Capital financing requirement	248,795	232,728

28. The council's operational boundary relates to the level of external debt that is expected in the future. In the council's case this is £11.7m below the capital financing requirement, which is the underlying need to borrow for a capital purpose. The difference relates to internal borrowing, or the use of cash balances in lieu of borrowing. This is an operational policy to reduce the loss arising from borrowing and investing at a lower interest rate, saving approximately 3.5% - 3.75% in interest costs had the monies been borrowed. It has the added benefit of reducing investment counterparty risk. This position is being carefully monitored to ensure a low risk position is maintained in the future.

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

29. This part of the report is structured to update:

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

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

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

<b>Capital expenditure by service £'000</b>	<b>2015-16 Original estimate</b>	<b>2015-16 Revised estimate</b>
Non-HRA	21,615	21,646
HRA	44,326	42,888
<b>Total</b>	<b>65,941</b>	<b>64,534</b>

### Changes to the financing of the capital programme

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

<b>Capital expenditure £'000</b>	<b>2015-16 Original estimate</b>	<b>2015-16 Revised estimate</b>
<b>Total spend</b>	<b>65,745</b>	<b>64,534</b>
Financed by:		
Capital receipts	4,673	6,055
Capital grants	7,847	7,954
Capital reserves	13,189	13,189
Revenue	25,235	25,235
<b>Total financing</b>	<b>50,944</b>	<b>52,433</b>
<b>Borrowing need</b>	<b>14,997</b>	<b>12,101</b>

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

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

<b>Prudential indicator – capital financing requirement £'000</b>	<b>2015-16 Original estimate</b>	<b>2015-16 Revised estimate</b>
CFR – non housing	39,159	26,128
CFR – housing	298,637	206,600
Total CFR	248,795	232,728
<b>Net movement in CFR</b>		<b>(16,067)</b>

<b>Prudential indicator – external debt / the operational boundary £'000</b>	<b>2015-16 Original estimate</b>	<b>2015-16 revised year end estimate</b>
Borrowing	233,803	222,607
Other long term liabilities*	1,762	1,847
<b>Total debt 31 March</b>	<b>235,565</b>	<b>224,454</b>

\* Includes on balance sheet finance leases

## Limits to borrowing activity

33. The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose\*. External borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2015-16 and next two financial years. This allows some flexibility for limited early borrowing for future years. The council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

<b>Borrowing limit £'000</b>	<b>2015-16 Original estimate</b>	<b>2015-16 Revised estimate</b>
Gross borrowing	233,803	223,917
Plus other long term liabilities*	1,762	1,928
<b>Gross borrowing</b>	<b>235,565</b>	<b>225,845</b>
<b>CFR* (year end position)</b>	<b>247,719</b>	<b>232,728</b>

\* Includes on balance sheet finance leases

34. The chief finance officer reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

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

<b>Authorised limit for external debt £'000</b>	<b>2015-16 Original indicator</b>	<b>2015-16 Revised indicator</b>
Borrowing	273,803	259,147
Other long term liabilities*	1,762	1,928
<b>Total</b>	<b>275,565</b>	<b>261,075</b>

\* Includes on balance sheet finance leases



## Integrated impact assessment



**NORWICH**  
City Council

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

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

### Report author to complete

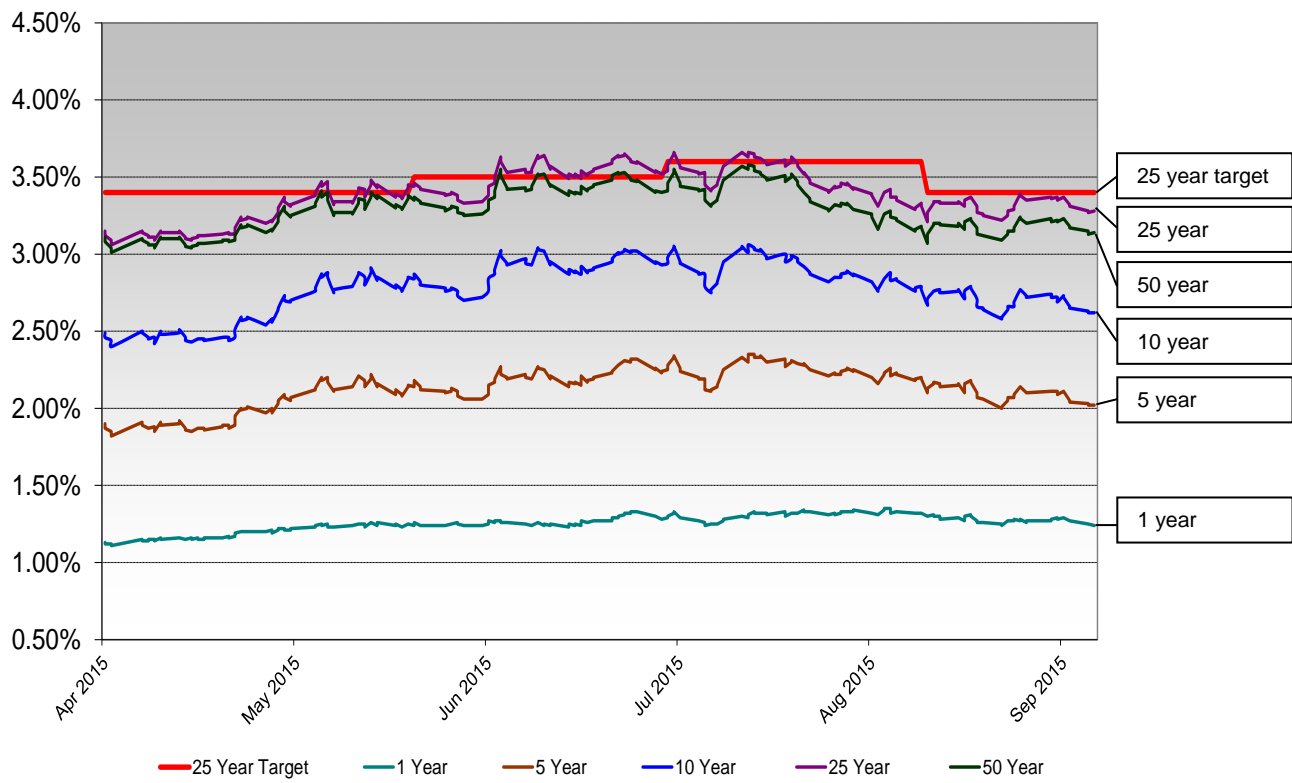
<b>Committee:</b>	Cabinet
<b>Committee date:</b>	9 December 2015
<b>Head of service:</b>	Justine Hartley
<b>Report subject:</b>	Treasury management mid year review
<b>Date assessed:</b>	
<b>Description:</b>	

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
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 and 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 and resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment
Positive
Negative
Neutral
Issues

**Movement in PWLB rates for the first six months of the year (to 30.9.14)**





**Treasury management adviser's (sector's) interest rate forecast**

	<b>Dec-15</b>	<b>Mar-16</b>	<b>Jun-16</b>	<b>Sep-16</b>	<b>Dec-16</b>	<b>Mar-17</b>	<b>Jun-17</b>	<b>Sep-17</b>	<b>Dec-17</b>	<b>Mar-18</b>	<b>Jun-18</b>
<b>BANK RATE</b>	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.50	1.50	1.75	1.75
<b>3 month LIBID</b>	0.60	0.70	0.80	0.90	1.10	1.30	1.40	1.50	1.80	1.90	1.90
<b>6 month LIBID</b>	0.80	0.90	1.00	1.10	1.30	1.50	1.60	1.70	2.00	2.10	2.10
<b>12 month LIBID</b>	1.10	1.20	1.30	1.40	1.60	1.80	1.90	2.00	2.30	2.40	2.40
<b>5 yr PWLB</b>	2.40	2.50	2.60	2.80	2.90	3.00	3.10	3.20	3.30	3.40	3.50
<b>10 yr PWLB</b>	3.00	3.20	3.30	3.40	3.50	3.70	3.80	3.90	4.00	4.10	4.20
<b>25 yr PWLB</b>	3.60	3.80	3.90	4.00	4.10	4.20	4.30	4.40	4.50	4.60	4.60
<b>50 yr PWLB</b>	3.60	3.80	3.90	4.00	4.10	4.20	4.30	4.40	4.50	4.60	4.60





**Benchmarked performance**

The table below shows that the rate of return being achieved by the council is highest of the bench marking group and details average risk and longest time to maturity compared to the rest of the benchmarking group. The figures in brackets are those at 31 March 2015.

Council	WARoR <sup>0</sup>	WA Risk <sup>1</sup>	WAM <sup>2</sup>	WA Tot. time <sup>3</sup>
Norwich	0.82% (0.83%)	5.8 (4.7)	140 (173)	275 (329)
A	0.98% (0.90%)	2.9 (2.9)	185 (216)	477 (419)
B	0.58% (0.51%)	3.1 (2.6)	71 (51)	105 (80)
C	0.83% (0.79%)	4.5 (3.2)	150 (203)	287 (281)
D	0.71% (0.75%)	4.6 (3.5)	110 (27)	176 (218)
E	0.89% (0.89%)	4.6 (4.3)	106 (54)	182 (216)
F	0.73% (0.78%)	5.4 (3.9)	110 (114)	222 (217)
G	0.65% (0.68%)	4.4 (3.5)	80 (136 )	175 (204)
H	0.74% (0.75% )	4.9 ( 4.0)	123 (92)	220 (172)

<sup>0</sup>=**WARoR**: Weighted average rate of return. This is the average annualised rate of return weighted by the principle amount in each rate

<sup>1</sup>=**WA risk**: Weighted average risk number. Each institution is assigned a colour to a suggested duration using Sector's credit methodology. The institution is assigned a number based on its colour and an average, weighted using principal amount, of these numbers is calculated.

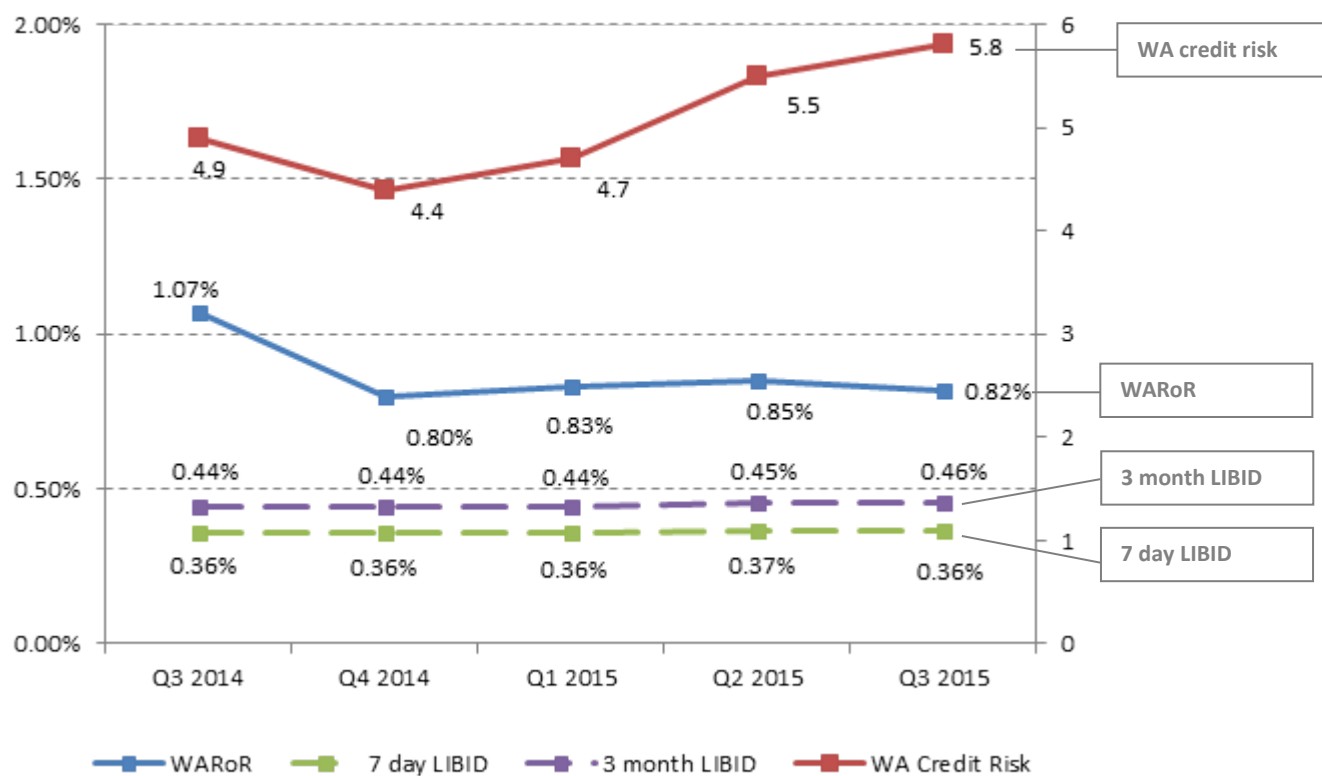
1: up to five years; 2: up to two years; 3: up to one year; 4: up to six months; 5: up to three months; 6: zero months. A number of 4.9 means between 6 months to a year

<sup>2</sup>=**WAM**: Weighted average time to maturity. This is the average time, in days, until the portfolio matures, weighted by the principle amount

<sup>3</sup>=**WA Tot. Time**: Weighted average total time. This is the average time, in days, that deposits are lent out for, weighted by the principle amount

## Comparison of Key Data

### Norwich City Council



<b>Report to</b>	Cabinet	<b>Item</b>
	9 December 2015	
<b>Report of</b>	Head of Planning Services	<b>8</b>
<b>Subject</b>	Heritage Interpretation Supplementary Planning Document – adoption	

---

### **Purpose**

To consider the Heritage Interpretation Supplementary Planning Document.

### **Recommendation**

To adopt the Heritage Interpretation Supplementary Planning Document in accordance with regulation 14 of the Town and Country Planning (Local Development) (England) Regulations 2012.

### **Corporate and service priorities**

The report helps to meet the corporate priority “City of character and culture” and the service plan priority to implement the local plan for the city.

### **Financial implications**

None.

**Wards:** All wards

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

### **Contact officers**

Lara Emerson, Planner (Policy) 01603 212500

Mike Burrell, Planning Team Leader (Policy) 01603 212529

### **Background documents**

None.

## Report

1. This report seeks cabinet endorsement and authority to adopt the Heritage Interpretation Supplementary Planning Document (SPD) as recommended by Sustainable Development Panel on 4 November 2015.
2. The Heritage Interpretation SPD has been prepared to enable cost effective, efficient and consistent implementation of adopted Norwich local plan policies on heritage interpretation in new development. It will help to ensure that Norwich's heritage is acknowledged and our understanding and appreciation of the historic environment is enhanced through new development. The SPD has been prepared with input from Norwich Heritage Environment and Regeneration Trust (Norwich HEART).
3. The SPD relates to Joint Core Strategy Policies JCS2: Design and JCS11: City Centre and JCS20: Implementation. The SPD also supplements more detailed Development Management policies DM3: Design and DM9: Heritage. These promote high quality design and require development to respond to the historic environment and heritage assets.
4. The SPD sets out the policies to which it relates, the circumstances under which heritage interpretation is likely to be necessary and gives examples of successful schemes in Norwich. Finally, the SPD gives an indication of the potential financial contributions which could be required for off-site heritage interpretation schemes.
5. The SPD will help developers to understand what is meant by heritage interpretation and to inspire creative and successful schemes. It will also help the council to interpret its policies in a consistent and effective way. Overall, the aim of the SPD is to promote imaginative heritage interpretation schemes and in turn to aid the public's understanding of Norwich's rich history.
6. The SPD also aims to encourage greater awareness of the importance of heritage interpretation in development in general and to ensure due weight is given to heritage interpretation so that development will have a stronger sense of place and character and will help to achieve a higher quality cultural environment.
7. Appended to this report as Appendix A is the Heritage Interpretation Supplementary Planning Document as proposed for adoption.

### **Consideration by Sustainable Development Panel (15 July 2015)**

8. The draft Heritage Interpretation SPD was presented to Sustainable Development Panel to gather comments on the document prior to public consultation.
9. Members of the committee were generally positive about the draft document but offered three suggestions:
  - a) More clarity about the purpose and scope of the document is required;
  - b) More creative examples of heritage interpretation schemes should be used; and
  - c) Reference should be made to the use of technology in heritage interpretation.
10. These changes were made to the document prior to public consultation.

## **Response to Public Consultation**

11. The draft version of the SPD was published for consultation on the city council's website from 31 July to 11 September 2015 with printed copies available at City Hall and the Forum. The statutory minimum four week consultation period for SPDs was extended to six weeks as is usual when planning consultations include part of a holiday period (as set out in the city council's adopted Statement of Community Involvement).
12. Notification of the consultation was sent out by email to a total of 126 stakeholders from a variety of interests. These stakeholders included developers, landowners, conservation groups and statutory bodies.
13. Comments on the draft SPD were fairly limited. One individual gave comments in support of the document and Historic England suggested some minor amendments. The responses were generally positive and no substantive issues were raised. Some minor modifications have been made to the document in response to these comments.
14. During the consultation, internal council discussions highlighted the benefits of requiring additional information from developers when they submitted heritage interpretation schemes. As such, further detail was also added to the document about the type of supporting information that would be required.

## **Response to Sustainable Development Panel (4 November 2015)**

15. Once the SPD had undergone the consultation and subsequent changes discussed above, it was again reported to Sustainable Development Panel.
16. Members were generally positive about the document and the response to consultation and agreed to recommend adoption by cabinet subject to three minor changes:
  - a) It should be explicit that the use of a link to a digital network is only secondary to a successful physical heritage interpretation scheme;
  - b) Murals should be listed as a possible form for heritage interpretation; and
  - c) The use of local artists should be encouraged.
17. These changes have now been made to the document attached.

## **Conclusions**

18. Officers are confident that, as amended, this SPD will provide a sound basis for delivering successful heritage interpretation schemes within developments that affect the city's valued heritage assets.

## Integrated Impact Assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	9 December 2015
<b>Head of service:</b>	Head of planning services
<b>Report subject:</b>	Heritage Interpretation Supplementary Planning Document – adoption
<b>Date assessed:</b>	19 November 2015
<b>Description:</b>	Integrated Impact Assessment of the Heritage Interpretation Supplementary Planning Document

	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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact identified
<b>Other departments and services</b> e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact identified
<b>ICT services</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact identified
<b>Economic development</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact identified
<b>Financial inclusion</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact identified
<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"/>	No significant impact identified
<b><u>S17 crime and disorder act 1998</u></b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact identified
<b>Human Rights Act 1998</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact identified
<b>Health and well being</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The SPD helps to deliver creative heritage interpretation schemes which could enhance people's appreciation of the local environment.

	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"/>	No significant impacts identified
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impacts identified
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impacts identified
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impacts identified
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The SPD aims to aid public understanding of the city's historic environment. Successful heritage interpretation schemes will also provide attractive and valuable assets which will enhance the built environment.
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impacts identified
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impacts identified
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impacts identified
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impacts identified



	Impact			
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impacts identified

Recommendations from impact assessment
<b>Positive</b>
The SPD will lead to positive impacts to health and well being and the natural and built environment.
<b>Negative</b>
There are no significant negative effects from the SPD.
<b>Neutral</b>
The majority of the impacts of the SPD are assessed as neutral.
<b>Issues</b>
No significant issues are highlighted as a result of the SPD.





## **Heritage Interpretation Supplementary Planning Document Adopted Version**



November 2015

Note: This document supplements Development Management Policies Local Plan Policy DM9 and should be read alongside this policy

## **Executive Summary**

This supplementary planning document (SPD) supports and interprets policy DM9 of the adopted Norwich Development Management Policies local plan.

Heritage interpretation measures will be necessary when a development affects, or can contribute to, the understanding of a heritage asset's community or cultural value.

The type and size of heritage interpretation required will be dependent on several factors including the scale of the development and the characteristics of the heritage asset affected. Typically, heritage interpretation schemes will take the form of plaques, information boards, public art, sculptures, reminiscent building or street naming. Other innovative approaches are also encouraged.

Successful heritage interpretation schemes help to inform people about the city's heritage, and can also provide a secondary function such as public art or street furniture. Practical issues will also need to be considered.

In special cases when heritage interpretation cannot be provided on site, a financial contribution for off-site heritage may be sought. The level of finance required will be assessed on a case-by-case basis and must include the maintenance of any installation.

## Contents

<b>Introduction.....</b>	<b>4</b>
<b>The need for heritage interpretation .....</b>	<b>6</b>
<b>What makes heritage interpretation schemes successful? .....</b>	<b>7</b>
<b>Off-site heritage interpretation - financial contributions.....</b>	<b>8</b>
<b>Examples of heritage interpretation in Norwich .....</b>	<b>9</b>

# Introduction

1. The purpose of this Heritage Interpretation Supplementary Planning Document (SPD) is to supplement policy DM9 - Heritage by providing additional guidance to those involved in developments in historic areas, such as developers, architects, conservation professionals and planners. The guidance applies only to development proposals for which heritage interpretation may be required. This document should be read alongside the council's other policies and guidance to aid developers to design schemes which respond to their historic surroundings.
2. This SPD promotes recognition of the importance of the historic environment through heritage interpretation measures and indicates the circumstances under which a heritage interpretation scheme may be required. Several examples of successful heritage interpretation schemes in Norwich are presented, as well as an estimate of the financial contribution that might be sought if heritage interpretation is to be provided off-site.
3. This document primarily supplements policy DM9 – Heritage. It also relates to a number of other Norwich local plan policies in the Joint Core Strategy (JCS) and the Development Management (DM) policies plan: JCS2 - Design; JCS11 - City Centre; JCS20 – Implementation and DM3 – Design.
4. The JCS policies are available [here](#) and the DM policies [here](#).
5. Heritage interpretation is dealt with directly in DM9 - Heritage. The relevant part of the DM9 and its supporting text are quoted below.

DM9:

*“...[Development] will also promote recognition of the importance of the historic environment through heritage interpretation measures...”*

Supporting text:

*“...The city council attaches considerable importance to the need for people to be able to understand and interpret the heritage of Norwich. The council will continue to negotiate for the provision of heritage interpretation within new development schemes where they will have community value. This will be secured either through direct provision on-site or by means of an agreed financial contribution to providing or enhancing interpretive measures elsewhere in the vicinity. There is considerable potential to provide heritage interpretation in imaginative and creative ways with the scale and location of such provision depending upon the size of the scheme proposed and the significance of the asset affected...”*

6. When historic artefacts or remains are discovered on a site, where the heritage asset's significance is affected by development, and where the asset cannot be retained, the asset is expected to be recorded in the Historic Environment Record. If the asset's community or cultural value is affected, the following applies:

*“...Where the loss of significance concerns [a heritage asset’s] community or cultural value, elements of that significance should be either preserved on-site through appropriate interpretation, or financial contribution must be provided, to allow that significance to be reinstated elsewhere in the vicinity...”*

7. Within this SPD, heritage interpretation is defined as:

“A means of disseminating information on the historic environment to the general public using physical measures”.

8. Within this SPD, cultural or community value is defined as:

“A building or land identified by a local community as being of importance to their social well-being, or a building or land which has some significant and special cultural history”.

## The need for heritage interpretation

9. Heritage interpretation measures will be necessary when a development affects, or can contribute to, the understanding of a heritage asset's community or cultural value. The type and scale of heritage interpretation required will depend on the significance of the heritage asset affected and the size of the development.
10. Some form of heritage interpretation will be required as part of any development proposals on the following sites which are allocated for development within the Site Allocations Plan:
  - a. CC4: Land at Rose Lane and Mountergate;
  - b. CC6: St Anne's Wharf and adjoining land;
  - c. CC7: Land at Hobrough Lane, King Street;
  - d. CC17b: Whitefriars;
  - e. CC22: Barn Road Car Park;
  - f. CC23: Pottergate Car Park;
  - g. CC26: Former Mecca Bingo site, All Saints Green;
  - h. CC30: Westwick Street Car Park;
  - i. R4: Hewett Yard, Hall Road;
  - j. R9: The Deal Ground; and
  - k. R17: Van Dal Shoes, Dibden Road.

NB: This list is not intended to be exhaustive. As such, heritage interpretation may be necessary on other allocated and unallocated sites.



## What makes heritage interpretation schemes successful?

11. Heritage interpretation can take many forms dependent on the nature of the specific site. It could include plaques, information boards, murals, public art, sculptures, reminiscent building and street naming or other innovative approaches.
12. It will be essential for the heritage interpretation measures to relate directly to a site's history and to be provided on or very close to the asset affected by the development. The developer will be expected to provide the council with a written Heritage Interpretation Statement providing a full rationale for the chosen scheme, including evidence of its historic relevance. Engagement with relevant stakeholders (such as a local heritage body) may be necessary and the use of local artists will be encouraged where possible. The statement should also set out a summary of the alternative approaches considered. It is important that heritage interpretation measures are designed to have a clear purpose and any secondary functions of the scheme should be described (e.g. street furniture, play equipment).
13. Where sculptural or pictorial heritage interpretation is provided, accompanying written text will be encouraged to aid understanding of the heritage asset's significance.
14. In addition to the form and content of a heritage interpretation scheme, the following practical issues need to be considered:
  - a. Health & safety risk - the developer should demonstrate through a written statement or risk assessment that the scheme will not pose a health & safety threat;
  - b. Life expectancy of scheme - robust materials should be used and the scheme should be resistant to vandalism; and
  - c. Management & maintenance - where a scheme is proposed on the developer's land, the developer is expected to maintain it.
15. If any comprehensive city-wide online heritage network or mobile application is developed in the future, developers would be encouraged to link into it. This may be through the use of web addresses or QR codes within heritage information boards, for example. It is important to note that any presence on a digital network should only be secondary to a well-designed heritage scheme on the ground.

## Off-site heritage interpretation - financial contributions

16. A financial contribution may be necessary when development affects or could contribute to a heritage asset's community or cultural value but where it is not possible to provide any form of heritage interpretation on site. It is usually preferable for heritage interpretation to be provided on-site, and it will only be on heavily constrained sites that off-site schemes will be acceptable.
17. The level of finance required will be assessed on a case-by-case basis and will depend on:
  - a. The significance of the heritage asset affected;
  - b. The scale of the development; and
  - c. The type and scale of heritage interpretation necessary for a particular development.
18. As an indication, figures could range from around one hundred pounds for a basic plaque to tens of thousands of pounds for a public sculpture. In addition, ongoing maintenance costs will be required. If a heritage interpretation scheme is proposed on public land or highway land, the developer will still be expected to fund the maintenance of the installation. In such circumstances, the developer will be expected to comply with any current council document relating to the donation of public art. A Heritage Interpretation Statement must also be provided.
19. Financial contributions provided for heritage interpretation will be used only for schemes directly related to that development.

## Examples of heritage interpretation in Norwich

20. Below are some examples of creative and successful heritage interpretation schemes which have been incorporated into recent developments in Norwich.

### 21. Chapelfield Shopping Centre

Illustrative stone reliefs placed at the St Stephens Street entrance depict the site's industrial past as a chocolate and soft drinks factory and its importance to the social and economic history of the city. The factory, erected in 1890 by Caleys and later operated by Rowntree Mackintosh and then Nestle, covered over 7 acres of the city centre and employed over 1,100 people at its height. Largely destroyed by bombing in the Second World War and re-built subsequently, it closed in 1996 and was demolished in 2004.



### 22. Paper Mill Yard

Metal plaques provide cultural and historical information about the site itself and the neighbouring area. These include Carrow Bridge, the Carrow Works factory and the Boom Towers which form part of the medieval City Wall. The plaques were initially placed within the hard landscaping along the Riverside Walk but became slippery when wet and illustrations were wearing off. The plaques have now been re-erected on walls.



## 23. Quayside

Match funding with external funding sources enabled the Quayside development to deliver a prominent heritage interpretation feature along with an improved public realm which forms part of the Wensum Riverside Walk in the city centre. The bales here are evocative of the river's past as a key trade route and Norwich's former role as a river port. The bales act as public art and functional street furniture as well as heritage interpretation.



## 24. The Nest, Rosary Road

This housing development lies on the site of The Nest, the former home ground of Norwich City Football Club. Previously a chalk pit, the site was Norwich City's ground between 1908 and 1935. A recent Guardian article described the ground, which included a terrace precariously located above a cliff face, as singular, cramped, ramshackle and dangerous. The housing developer ran a competition within Norwich University of the Arts for a

sculpture to commemorate the former use of the site and the chosen design was of a football passing between two high posts. The textured surface of the base portrays the 'nest' element and the wooden seat is a reminder of the old wooden stadium. The sculpture provides an attractive focal point and entrance feature to the development as well as interpreting the history of the site.



**25. Fellowes Plain, former Norfolk and Norwich Hospital site**

A competition was also held with students at Norwich University of the Arts to design the heritage interpretation at the former hospital site, now redeveloped for housing. The “Spheres” statue is located in Fellowes Plain, the open space at the heart of the development. The concept for the artwork was developed with two key focuses in mind, using a representation of DNA wrapped around three spheres to emphasise the work of the old hospital, with the spheres themselves intended to highlight the significance of the hospital site to the local community.





## 26. Riverside

Two steel posts located between the Novi Sad Bridge and the Riverside development on the east bank of the Wensum house inscriptions commemorating the site of Boulton and Paul's factory which was demolished in the 1990s and redeveloped for Riverside's current housing, leisure and retail uses.

The inscriptions, on plates facing the river divided between the two posts, commemorate the history of Boulton and Paul. The company started in 1864 as an ironmongery firm in Rose Lane, It was converted to aeroplane manufacturing in the First World War, making the Sopwith Camel. Relocation to Riverside took place in 1915 provided a sufficiently large site for aircraft manufacturing during the war and later airship production after 1918. In 1934 Boulton Paul Aircraft Limited moved to Wolverhampton. In World War II the site, which provided temporary buildings for tank transporters taken to the Soviet Union by the Arctic convoys and others used in the allied invasion of Europe, was bombed, In the latter part of the twentieth century Boulton and Paul produced double-glazing.



## 27. Muspole Street

The derelict shoe factory, which at the time of writing is consented for conversion to residential use, was built in 1926. It was operated initially by S.L.Witton and after 1935 by Norvic, mainly producing “Kiltie” shoes. The factory closed in 1981. It is proposed that the anthracite grey galvanised steel automated entrance gates to the site have the silhouette of shoes laser cut from steel welded to them. Lengths of wire or rod will be bent, twisted and fixed from the shoes all around the metalwork of the gates (see illustration below). This illustrates a flexible approach to heritage interpretation on a constrained site.

