

## **Cabinet**

**Date:** Wednesday, 08 October 2014

**Time:** 17:30

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

### **Committee members:**

#### **Councillors:**

Arthur (chair)  
Waters (vice chair)  
Bremner  
Driver  
Harris  
Stonard

### **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

To receive apologies for absence

### 2 Public Questions

To receive questions / petitions from the public (notice to be given to committee officer by 10:00am on the day before the meeting)

### 3 Declarations of interest

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

### 4 Minutes

5 - 10

To agree the accuracy of the minutes of the meeting held on 10 September 2014.

### 5 Constitution review - Code of governance

11 - 34

**Purpose** - To consider amending the council's code of governance in line with the Chartered Institute of Public Finance and Accountancy's (CIPFA's) statement on the role of the chief financial officer in local government.

### 6 Revenue budget monitoring 2014-15: Period 5

35 - 58

**Purpose** - To update cabinet on the financial position as at 31 August 2014, the forecast outturn for the year 2014-15, and the consequent forecast general fund and housing revenue account balances.

### 7 Draft corporate plan and transformation programme

59 - 74

**Purpose** - To consider the next steps on the development of the council's new corporate plan 2015-20 and its income and savings options for 2015-16.

### 8 EXCLUSION OF THE PUBLIC

Consideration of exclusion of the public.

## **EXEMPT ITEMS:**

(During consideration of these items the meeting is not likely to be open to the press and the public.)

To consider whether the press and public should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part 1 of Schedule 12 A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act.

In each case, members are asked to decide whether, in all circumstances, the public interest in maintaining the exemption (and discussing the matter in private) outweighs the public interest in disclosing the information.

### **\*9 Draft corporate plan 2015-20 and transformation programme 2015-16 ANNEX C**

- 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.

### **\*10 Managing assets (general fund)**

- 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 Land to be developed for the affordable homes programme**

- 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: **Monday, 13 October 2014**



## CABINET

17:30 to 18:45

10 September 2014

**Present:** Councillors Arthur (chair), Waters, Bremner, Harris and Stonard

**Also present:** Councillors Boswell and Wright

### 1. APOLOGIES

Apologies for absence were received from Councillor Driver.

### 2. PUBLIC QUESTIONS / PETITIONS

There were no public questions. There was one petition containing 325 signatures, presented by Councillor Lucy Howard, as follows:

“We call on Norwich City Council to use its influence to ensure Keir Hardie Hall's historical context is not lost, whilst utilising the building to help meet the urgent need for decent, energy-efficient, genuinely affordable housing for all.”

The portfolio holder for resources responded to the petition as follows:

“In situations such as this, where the council is not the owner of the building, then it is only able to influence its future either through acquisition or through statutory planning responsibilities.

In terms of the possibility of acquisition, the council was aware that this locally listed building was likely to come up for sale on the open market and officers explored its suitability for acquisition to either rent out commercially or to develop for suitable housing. In acquiring land and property the council is only able to invest in property such as this where it is likely to yield a commercial return on the investment or meet the housing needs of Norwich. This property would be categorised as:

- Unlikely to attract tenants at commercial rents
- Would have very high repairing liabilities
- The council already holds considerable other property and land that would be more suitable for development for housing provision

On this basis the building and land was not a suitable investment opportunity. The council does not have any budget available to acquire buildings or land for any other reason.

In respect of statutory responsibilities, the council's property agents advise that the building was sold today at auction to a member of the public. We do not currently know the intention of the new owners, but should they seek to change the use of the building or to redevelop then a planning application would need to be submitted for the council and its planning committee to consider. The building is locally listed and located within a conservation area of the city and any future planning application would require interested members of the public to be consulted and their views sought as to any new proposals. Any material views/comments would be considered by planning officers/committee."

### **3. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **4. MINUTES**

**RESOLVED** to agree the accuracy of the minutes of the meeting held 16 July 2014.

### **5. CHANGES TO THE CONSTITUTION**

The leader of the council presented the report.

**RESOLVED** to recommend that council agree the revised scheme of delegation to officers, change in one of the statutory posts and other changes to the constitution to take effect immediately.

### **6. QUARTER 1 2014-15 PERFORMANCE REPORT**

The leader of the council presented the report.

The portfolio holder for environment, development and transport explained that with regards recycling rates, a new target will exist within the environmental strategy. This will measure the amount of waste heading to landfill with a view to reducing the amount of landfill as recycling rates fall. He also stressed that the new system of recycling to be introduced to the city during October should improve recycling performance measures.

The chair of the scrutiny committee explained that the committee would be examining the figure relating to deaths and serious injuries.

In response to a member's question, the executive head of strategy, people and neighbourhoods explained that work was being carried out by enforcement officers

and a proactive private-sector enforcement team and that whilst fluctuations in the figure at DHA7 often occur, a proactive approach was being taken to tackle empty homes within the city.

In clarifying the 5.38% reduction in carbon emissions the executive head of strategy, people and neighbourhoods explained that a range of work right across the council had contributed to this significant reduction. In response to a member's question, he agreed to provide further detail regarding the amount of refuse sent for incineration.

**RESOLVED** to note the report.

#### **7(a). AND 7(b). REVENUE BUDGET MONITORING 2014-15 – PERIODS 3 AND 4**

The portfolio holder for resources presented the reports and explained that the two reports Side by side illustrate the way in which figures shift and develop throughout the financial year.

**RESOLVED** to:

- (1) note the financial position as at 30 June 2014 and the forecast outturn 2014/15; and,
- (2) note the financial position as at 31 July 2014 and the forecast outturn 2014-15.

#### **8. CAPITAL BUDGET MONITORING 2014 – 15 Q1**

The portfolio holder for resources presented the report.

In response to a member expressing concern regarding the first table on page 92 of the report, the operations director (NPS Norwich Ltd) explained that further renewable projects beyond simply solar thermal would be incorporated within the project budget.

**RESOLVED** to:

- (1) note the current and forecast financial position on the housing and non-housing capital programmes and the risk management arrangements; and,
- (2) approve the proposed capital virements set out in paragraphs 16 to 18 of the report.

## **9. LOCAL GROWTH FUND – HRA BORROWING PROGRAMME 2015-18**

The portfolio holder for resources presented the report.

The leader of the Council explained that she felt that submitting a bid to the local growth fund would not be in the best interests of the council at this time, particularly in view of the market rent comparison.

In response to a members question, the leader of the council agreed that different people access different aspects of the property market and that an appropriate range of properties would need to be available. She added that this did not mean avoiding building properties altogether, just that the offer available does not currently work in favour of potential homeowners and renters within Norwich.

**RESOLVED** to forgo the opportunity to submit a bid to the Local Growth Fund – HRA borrowing programme 2015-18.

## **10. POTENTIAL INVESTMENT IN THE UK MUNICIPAL BONDS AGENCY**

The portfolio holder for resources presented the report.

**RESOLVED** to approve the investment of £50,000 in the mobilisation phase of the UK Municipal Bonds Agency, and up to a further £50,000 in the implementation phase.

## **11. GREATER NORWICH GROWTH BOARD**

The leader of the council presented the report.

In response to a member's question, the city growth and development manager explained that the money being discussed within the report was to be allocated for a feasibility study. Such a study would include a public consultation, within which methods of tackling issues around public safety would be developed.

**RESOLVED** to:

- (1) recommend council to approve the Greater Norwich annual growth programme for 2014/5;
- (2) recommend to council the inclusion of £161,000 for the Norwich projects in the council's capital programme for 2014-5 (to be funded through income from the Community Infrastructure Levy);
- (3) recommend council to approve the draft Norwich annual business plan for 2015-16; and,
- (4) present the business plan for 2015-16 to the greater Norwich growth board to form the Norwich element of the greater Norwich annual growth programme.



## **12. AWARD OF CONTRACT FOR BILL PAYMENT SERVICES**

The portfolio holder for resources presented the report.

**RESOLVED** to award the contract for the provision of bill payment services to Co-operative Bank Plc for a period of three years and 6 months to 31 January 2018.

## **13. BOWTHORPE THREEScore PHASE TWO**

The leader of the council presented the report.

In response to a members question, the city growth and development manager explained that the tenure mix detailed in the report was drawn up from a combination of market research and the housing needs assessment. She added that biodiversity considerations should be taken as read as these form a condition of the planning consent. These conditions have been understood and taken on by the architects involved in the project.

In response to a concern raised by a member, the chief executive officer of the council explained, regarding the establishment of a local trust, that this represented an opportunity to develop a community. At this stage it was being flagged as a possibility and further exploration regarding methods of sustaining interest in and membership of the trust would be followed up in a further report.

**RESOLVED** to agree:

- (1) to proceed to Stage 2 of the development of phase 2 at Threescore;
- (2) to approve the concept plans to form the basis of pre-planning public consultation on the basis of the strategy outlined in para 13 and 14;
- (3) to agree to investigate further the option of a community trust to manage the open space and community facilities included on the Threescore development as a whole; and,
- (4) that further reports be presented to cabinet to seek approval to submit a planning application, to determine the precise mix of size type tenure and environmental standards of the housing and the procurement method for this phase of the development.

## **14. EXCLUSION OF THE PUBLIC**

**RESOLVED** to exclude the public from the meeting during consideration of the items \*15 to \*17 below on the grounds contained in the relevant paragraphs of schedule 12a of the local government act 1972 (as amended).

**15. BOWTHORPE THREESCORE PHASE TWO - APPENDIX**

The leader of the council presented the report.

**RESOLVED** to note the appendix in relation to item 13.

**16. MANAGING ASSETS (HOUSING)**

The portfolio holder for housing presented the report.

**RESOLVED** to:

- (1) approve the option to dispose of the freehold interest in the asset outlined in the report on the open market; and,
- (2) delegate the method of disposal to the head of city development services.

**17. MANAGING ASSETS (GENERAL FUND)**

The portfolio holder for resources presented the report.

**RESOLVED** to approve the disposal of land and property from the general fund account as described in the report.

CHAIR

**Report to** Cabinet  
8 October 2014  
**Report of** Executive head of business management and democracy  
**Subject** Review of the council's constitution – Code of Governance

**Item**

**5**

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## **Purpose**

To consider amending the council's code of governance, in line with The Chartered Institute of Public Finance and Accountancy's (CIPFA's) statement on the role of the chief financial officer in local government.

## **Recommendation**

To recommend council to adopt changes to appendix 19 of the council's constitution to include:

- 1) the additional governance requirements from the CIPFA statement on the role of the chief financial officer in local government be added to the council's code of governance; and
- 2) paragraph 4.3 of the code of governance is updated to bring it in line with the Accounts and Audit (England) Regulations 2011.

## **Corporate and service priorities**

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

## **Financial implications**

There are no direct financial implications arising from this report.

**Ward/s:** all wards

**Cabinet member:** Councillor Waters – Deputy leader and resources

## **Contact Officers**

Anton Bull, executive head of business management and democracy	01603 21 2326
Justine Hartley, chief finance officer	01603 21 2440
Steve Dowson, internal audit manager (LGSS)	01603 21 2575

## **Background documents:**

None

# Report

## Background

1. The council's current code of governance was adopted in October 2008 and is included in the constitution as appendix 19.
2. The council's code closely followed the guidance in the CIPFA and SOLACE framework document '*Delivering good governance in local government*' and the accompanying guidance note.
3. The CIPFA and SOLACE guidance note set out a schedule to assist in putting the good governance principles into practice. It described what the council's code of governance should contain and gave examples of source documents, good practice and other means that could be used to demonstrate compliance.

## Role of the chief financial officer in local government

4. In 2010 CIPFA issued the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government*. The statement supports CIPFA's work to strengthen governance and financial management across the public services. It sets out five principles that define the core activities and behaviours that belong to the role of the chief financial officer (CFO) and the governance requirements needed to support them. The governance requirements should be reflected in an authority's local code of governance.
5. The statement can be found at [www.cipfa.org/Policy-and-Guidance/Reports/The-Role-of-the-Chief-Financial-Officer-in-Local-Government](http://www.cipfa.org/Policy-and-Guidance/Reports/The-Role-of-the-Chief-Financial-Officer-in-Local-Government)
6. The statement on the role of the CFO sets out the following five principles:

The CFO in a local authority:

- is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest.
- must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority's financial strategy.
- must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the CFO:

- must lead and direct a finance function that is resourced to be fit for purpose; and
- must be professionally qualified and suitably experienced.

7. To assist authorities to put the above into practice, CIPFA produced an application note to advise on the application of the statement on the role of the CFO in local government under the CIPFA/SOLACE framework. It illustrates:
  - how the governance requirements to support the principles in the CFO statement build on the governance requirements that need to be reflected in an authority's local code of governance
  - how the annual governance statement can reflect compliance with the CFO statement for reporting purposes.
8. Annex 1 details how CIPFA recommends that the council's code of governance should be updated to include the additional governance requirements from the CFO statement. The table in annex 1 comprises:
  - The six core principles from the council's code of governance (the heading for each section)
  - the supporting principles included in the code of governance (column A)
  - the range of specific requirements from the framework that are also included in the code of governance (column B)
  - the additional/expanded governance requirements from the CFO statement which build on the principles and requirements from the CIPFA/SOLACE framework and which should also be reflected in the code of governance.

### **Accounts and Audit (England) Regulations 2011**

9. The above regulations replaced the term 'annual statement of internal control' with 'annual governance statement'. Therefore it is recommended that paragraph 4.3 of the code is updated to read as follows:
10. "The preparation and publication of the governance statement will meet the statutory requirements of the Accounts and Audit (England) Regulations 2011 which state that authorities must "conduct a review at least once in a year of the effectiveness of its system of internal control." Following the review, the authority "must approve an annual governance statement, prepared in accordance with proper practices in relation to internal control." To comply with the regulations the council's governance statement will be included in the council's annual statement of accounts."

### **Constitution working party**

11. At its meeting on 8 September 2014, the constitution working party has considered the proposed amendments to the council's Code of governance and endorses the recommendations contained in this report.
12. As part of the review of the council's constitution, officers have identified the need to review appendix 9 to update it to reflect changes to the corporate leadership team. This will give members of the working party the opportunity to review the protocols covering the monitoring officer and chief finance officer particularly in view of the recommendation to amend the council's code of governance to cover the role of the chief finance officer and to advise the cabinet accordingly.

## 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>	8 October 2014
<b>Head of service:</b>	Executive head of business relationship management and democracy
<b>Report subject:</b>	Review of council's constitution
<b>Date assessed:</b>	24 September 2014
<b>Description:</b>	

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

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



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



## Additional/expanded governance requirements from the CFO statement which should be reflected in the local code of governance (column C)

### 1. CORE PRINCIPLE: FOCUSING ON THE PURPOSE OF THE COUNCIL AND ON OUTCOMES FOR THE LOCAL COMMUNITY AND CREATING AND IMPLEMENTING A VISION FOR THE LOCAL AREA

<b>A</b> <b>Supporting principles</b>	<b>B</b> <b>Requirements included in the council's code:</b>	<b>C</b> <b>Expanded/additional governance requirements from the CFO statement that should be reflected in the local code:</b>
<ul style="list-style-type: none"> <li>Exercising strategic leadership by developing and clearly communicating the Council's purpose and vision and its intended outcome for citizens and service users</li> </ul>	<ul style="list-style-type: none"> <li>develop and promote the council's purpose and vision</li> </ul>	
	<ul style="list-style-type: none"> <li>review on a regular basis the council's vision for the local area and its impact on the council's governance arrangements</li> </ul>	
	<ul style="list-style-type: none"> <li>ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all partners</li> </ul>	
	<ul style="list-style-type: none"> <li>publish an annual report on a timely basis to communicate the council's activities and achievements, its financial position and performance</li> </ul>	
<ul style="list-style-type: none"> <li>Ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning</li> </ul>	<ul style="list-style-type: none"> <li>decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available</li> </ul>	
	<ul style="list-style-type: none"> <li>put in place effective arrangements to identify and deal with failure in service delivery</li> </ul>	
<ul style="list-style-type: none"> <li>Ensuring that the council makes best use of resources and that tax payers and service users receive excellent value for money</li> </ul>	<ul style="list-style-type: none"> <li>decide how value for money is to be measured and make sure that the council or partnership has the information needed to review value for money and performance effectively.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that timely, accurate and impartial financial advice and information is provided to assist in decision making and to ensure that the authority meets its policy and service objectives and provides effective stewardship of public money and value for money in its use</li> </ul>

<b>A</b> <b>Supporting principles</b>	<b>B</b> <b>Requirements included in the council's code:</b>	<b>C</b> <b>Expanded/additional governance requirements from the CFO statement that should be reflected in the local code:</b>
		<ul style="list-style-type: none"> <li>• Ensure that the authority maintains a prudential financial framework; keeps its commitments in balance with available resources; monitors income and expenditure levels to ensure that this balance is maintained and takes corrective action when necessary</li> </ul>
		<ul style="list-style-type: none"> <li>• Ensure compliance with CIPFA's Code on a Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code</li> </ul>
	<ul style="list-style-type: none"> <li>• Measure the environmental impact of policies, plans and decisions</li> </ul>	

## 2. CORE PRINCIPLE: MEMBERS AND OFFICERS WORKING TOGETHER TO ACHIEVE A COMMON PURPOSE WITH CLEARLY DEFINED FUNCTIONS AND ROLES

<b>A</b> <b>Supporting principles</b>	<b>B</b> <b>The code should reflect the requirement for local authorities to:</b>	<b>C</b> <b>Expanded/additional governance requirements from the CFO statement that should be reflected in the local code:</b>
<ul style="list-style-type: none"> <li>Ensuring effective leadership throughout the council and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function</li> </ul>	<ul style="list-style-type: none"> <li>set out clear statement of the respective roles and responsibilities of the cabinet and of the cabinet's members individually and the council's approach towards putting this into practice</li> </ul>	
	<ul style="list-style-type: none"> <li>set out a clear statement of the respective roles and responsibilities of other council members, members generally and senior officers</li> </ul>	<ul style="list-style-type: none"> <li>ensure that the CFO reports directly to the chief executive and is a member of the leadership team with a status at least equivalent to other members. If different organisational arrangements are adopted, explain the reasons publicly, together with how these deliver the same impact</li> </ul>
<ul style="list-style-type: none"> <li>Ensuring that a constructive working relationship exists between council members and officers and that the responsibilities of members and officers are carried out to a high standard</li> </ul>	<ul style="list-style-type: none"> <li>determine a scheme of delegation and reserve powers within the constitution, including a formal schedule of those matters specifically reserved for collective decision of the council, taking account of relevant legislation, and ensure that it is monitored and updated when required</li> </ul>	
	<ul style="list-style-type: none"> <li>make a chief executive or equivalent responsible and accountable to the council for all aspects of operational management</li> </ul>	<ul style="list-style-type: none"> <li>ensure that the authority's governance arrangements allow the CFO direct access to the CEO and to other leadership team members</li> </ul>
	<ul style="list-style-type: none"> <li>develop protocols to ensure that the leader and chief executive (or equivalents)</li> </ul>	

<p><b>A</b></p> <p><b>Supporting principles</b></p>	<p><b>B</b></p> <p><b>The code should reflect the requirement for local authorities to:</b></p>	<p><b>C</b></p> <p><b>Expanded/additional governance requirements from the CFO statement that should be reflected in the local code:</b></p>
	<p>negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained</p>	
	<ul style="list-style-type: none"> <li>• make a senior officer (the S151 officer) responsible to the council for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control</li> </ul>	<ul style="list-style-type: none"> <li>• appoint a professionally qualified CFO whose core responsibilities include those set out in the Statement on the Role of the CFO in Local Government and ensure that they are properly understood throughout the authority</li> <li>• ensure that the CFO : <ul style="list-style-type: none"> <li>• leads the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively</li> <li>• has a line of professional accountability for finance staff throughout the organisation</li> </ul> </li> <li>• ensure that budget calculations are robust and reserves adequate, in line with CIPFA's guidance</li> <li>• Ensure that appropriate management accounting systems, functions and controls are in place so that finances are kept under review on a regular basis. These systems, functions and controls should apply consistently to all activities including partnership arrangements, outsourcing or where the authority is acting in an enabling role</li> </ul>

<b>A</b> <b>Supporting principles</b>	<b>B</b> <b>The code should reflect the requirement for local authorities to:</b>	<b>C</b> <b>Expanded/additional governance requirements from the CFO statement that should be reflected in the local code:</b>
	<ul style="list-style-type: none"> <li>• make a senior officer (the monitoring officer) responsible to the council for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with</li> </ul>	
<ul style="list-style-type: none"> <li>• Ensuring relationships between the council, its partners and the public are clear so that each knows what to expect of the other</li> </ul>	<ul style="list-style-type: none"> <li>• develop protocols to ensure effective communication between members and officers in their respective roles</li> </ul>	
	<ul style="list-style-type: none"> <li>• set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process, including an effective remuneration panel (if applicable)</li> </ul>	
	<ul style="list-style-type: none"> <li>• ensure that effective mechanisms exist to monitor service delivery</li> </ul>	
	<ul style="list-style-type: none"> <li>• ensure that the council's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and they are clearly articulated and disseminated</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a medium term business and financial planning process to deliver strategic objectives including:               <ul style="list-style-type: none"> <li>• A medium term financial strategy to ensure sustainable finances</li> <li>• A robust annual budget process that ensures financial balance</li> <li>• A monitoring process that enables this to be delivered</li> </ul> </li> <li>• Ensure that these are subject to regular</li> </ul>

<b>A</b> <b>Supporting principles</b>	<b>B</b> <b>The code should reflect the requirement for local authorities to:</b>	<b>C</b> <b>Expanded/additional governance requirements from the CFO statement that should be reflected in the local code:</b>
		review to confirm the continuing relevance of assumptions used
	<ul style="list-style-type: none"> <li>• when working in partnership ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the council</li> <li>• when working in partnership:               <ul style="list-style-type: none"> <li>- ensure that there is clarity about the legal status of the partnership</li> <li>- ensure that representatives of organisations both understand and make clear to all other partners the extent of their authority to bind their organisations to partnership decisions</li> </ul> </li> </ul>	



**3. CORE PRINCIPLE: PROMOTING VALUES FOR THE COUNCIL AND DEMONSTRATING THE VALUES OF GOOD GOVERNANCE THROUGH UPHOLDING HIGH STANDARDS OF CONDUCT AND BEHAVIOUR**

<b>A</b> <b>Supporting principles</b>	<b>B</b> <b>The code should reflect the requirement for local authorities to:</b>	<b>C</b> <b>Expanded/additional governance requirements from the CFO statement that should be reflected in the local code:</b>
<ul style="list-style-type: none"> <li>Ensuring council members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance</li> </ul>	<ul style="list-style-type: none"> <li>ensure that the council's leadership sets a tone for the organisation by creating a climate of openness, support and respect</li> </ul>	
	<ul style="list-style-type: none"> <li>ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the council, its partners and the community are defined and communicated through codes of conduct and protocols</li> </ul>	
	<ul style="list-style-type: none"> <li>put in place arrangements to ensure that members and employees of the council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice</li> </ul>	
<ul style="list-style-type: none"> <li>Ensuring that organisational values are put into practice and are effective</li> </ul>	<ul style="list-style-type: none"> <li>develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations and communicate those with members, staff, the community and partners</li> </ul>	
	<ul style="list-style-type: none"> <li>put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that systems and processes for financial administration, financial control and protection of the authority's resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice</li> </ul>
	<ul style="list-style-type: none"> <li>develop and maintain an effective standards committee</li> </ul>	

<b>A</b> <b>Supporting principles</b>	<b>B</b> <b>The code should reflect the requirement for local authorities to:</b>	<b>C</b> <b>Expanded/additional governance requirements from the CFO statement that should be reflected in the local code:</b>
	<ul style="list-style-type: none"> <li>• use the council's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the council</li> </ul>	
	<ul style="list-style-type: none"> <li>• in pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively</li> </ul>	

**4. CORE PRINCIPLE: TAKING INFORMED AND TRANSPARENT DECISIONS WHICH ARE SUBJECT TO EFFECTIVE SCRUTINY AND MANAGING RISK**

<b>A</b> <b>Supporting principles</b>	<b>B</b> <b>The code should reflect the requirement for local authorities to:</b>	<b>C</b> <b>Expanded/additional governance requirements from the CFO statement that should be reflected in the local code:</b>
<ul style="list-style-type: none"> <li>Being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny</li> </ul>	<ul style="list-style-type: none"> <li>develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the council's performance overall and that of any organisation for which it is responsible</li> </ul>	<ul style="list-style-type: none"> <li>Ensure an effective internal audit function is resourced and maintained</li> </ul>
	<ul style="list-style-type: none"> <li>develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based</li> </ul>	
	<ul style="list-style-type: none"> <li>put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice</li> </ul>	
	<ul style="list-style-type: none"> <li>develop and maintain an effective audit committee which is independent of the executive and scrutiny functions</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that the authority's governance arrangements allow the CFO direct access to the audit committee and external audit</li> </ul>
	<ul style="list-style-type: none"> <li>ensure that effective, transparent and accessible arrangements are in place for dealing with complaints</li> </ul>	
<ul style="list-style-type: none"> <li>Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs</li> </ul>	<ul style="list-style-type: none"> <li>ensure that those making decisions whether for the council or the partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of the technical issues and their implications</li> </ul>	<ul style="list-style-type: none"> <li>Ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the authority</li> </ul>
	<ul style="list-style-type: none"> <li>ensure that proper professional advice on matters that have legal or financial implications is available and recorded well</li> </ul>	<ul style="list-style-type: none"> <li>Ensure the authority's governance arrangements allow the CFO to bring influence to bear on all material decisions</li> </ul>

<b>A</b> <b>Supporting principles</b>	<b>B</b> <b>The code should reflect the requirement for local authorities to:</b>	<b>C</b> <b>Expanded/additional governance requirements from the CFO statement that should be reflected in the local code:</b>
	in advance of decision making and used appropriately	<ul style="list-style-type: none"> <li>• Ensure that advice is provided on the levels of reserves and balances in line with good practice guidance</li> </ul>
<ul style="list-style-type: none"> <li>• Ensuring that an effective risk management system is in place</li> </ul>	<ul style="list-style-type: none"> <li>• ensure that risk management is embedded into the culture of the council, with members and managers at all levels recognising that risk management is part of their jobs</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure the authority's arrangements for financial and internal control and for managing risk are addressed in annual governance reports</li> <li>• Ensure the authority puts in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorization and approval processes</li> </ul>
	<ul style="list-style-type: none"> <li>• ensure that effective arrangements for whistleblowing are in place to which members, staff, all those contracting with or appointed by the council and members of the public have access</li> </ul>	
<ul style="list-style-type: none"> <li>• Using our legal powers to the full benefit of the citizens and communities in our area</li> </ul>	<ul style="list-style-type: none"> <li>• actively recognise the limits of lawful activity placed on us by, for example, the ultra vires doctrine but also to strive to utilise our powers to the full benefit of our communities</li> </ul>	
	<ul style="list-style-type: none"> <li>• recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on councils by public law</li> </ul>	
	<ul style="list-style-type: none"> <li>• observe all specific legislative requirements placed upon us, as well as the requirements of general law, and in particular to integrate the key principles of</li> </ul>	

<b>A</b> <b>Supporting principles</b>	<b>B</b> <b>The code should reflect the requirement for local authorities to:</b>	<b>C</b> <b>Expanded/additional governance requirements from the CFO statement that should be reflected in the local code:</b>
	good administrative law – rationality, legality and natural justice – into our procedures and decision-making processes	

## 5. CORE PRINCIPLE: DEVELOPING THE CAPACITY AND CAPABILITY OF MEMBERS AND OFFICERS TO BE EFFECTIVE

<p><b>A</b></p> <p><b>Supporting principles</b></p>	<p><b>B</b></p> <p><b>The code should reflect the requirement for local authorities to:</b></p>	<p><b>C</b></p> <p><b>Expanded/additional governance requirements from the CFO statement that should be reflected in the local code:</b></p>
<ul style="list-style-type: none"> <li>• Making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles</li> </ul>	<ul style="list-style-type: none"> <li>• provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis</li> </ul>	
	<ul style="list-style-type: none"> <li>• ensure the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the council</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure the CFO has the skills, knowledge, experience and resources to perform effectively in both the financial and non financial areas of their role</li> <li>• Review the scope of the CFO's other management responsibilities to ensure financial matters are not compromised</li> <li>• Provide the finance function with the resources, expertise and systems necessary to perform its role effectively</li> </ul>
<ul style="list-style-type: none"> <li>• Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group</li> </ul>	<ul style="list-style-type: none"> <li>• assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively</li> </ul>	<ul style="list-style-type: none"> <li>• Embed financial competencies in person specifications and appraisals</li> <li>• Ensure that councillors' roles and responsibilities for monitoring financial performance/budget management are clear, that they have adequate access to financial skills and are provided with appropriate financial training on an ongoing basis to help them discharge their responsibilities</li> </ul>
	<ul style="list-style-type: none"> <li>• develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed</li> </ul>	

<b>A</b> <b>Supporting principles</b>	<b>B</b> <b>The code should reflect the requirement for local authorities to:</b>	<b>C</b> <b>Expanded/additional governance requirements from the CFO statement that should be reflected in the local code:</b>
	<ul style="list-style-type: none"> <li>ensure that effective arrangements are in place for reviewing the performance of the cabinet as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs</li> </ul>	
<ul style="list-style-type: none"> <li>Encouraging new talent for membership of the council so that best use can be made of individuals' skills and resources in balancing continuity and renewal</li> </ul>	<ul style="list-style-type: none"> <li>ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the council</li> </ul>	
	<ul style="list-style-type: none"> <li>ensure that career structures are in place for members and officers to encourage participation and development</li> </ul>	

6. CORE PRINCIPLE: ENGAGING WITH LOCAL PEOPLE AND OTHER STAKEHOLDERS TO ENSURE ROBUST PUBLIC ACCOUNTABILITY

<p><b>A</b></p> <p><b>Supporting principles</b></p>	<p><b>B</b></p> <p><b>The code should reflect the requirement for local authorities to:</b></p>	<p><b>C</b></p> <p><b>Expanded/additional governance requirements from the CFO statement that should be reflected in the local code:</b></p>
<ul style="list-style-type: none"> <li>Exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships</li> </ul>	<ul style="list-style-type: none"> <li>make clear to ourselves, all staff and the community, to whom we are accountable and for what</li> </ul>	
	<ul style="list-style-type: none"> <li>consider those institutional stakeholders to whom the council is accountable and assess the effectiveness of the relationships and any changes required</li> </ul>	
	<ul style="list-style-type: none"> <li>produce an annual report on the activity of the scrutiny function</li> </ul>	
<ul style="list-style-type: none"> <li>Taking an active and planned approach to dialogue with and the accountability to the public to ensure effective and appropriate service delivery whether directly by the council, in partnership or by commissioning</li> </ul>	<ul style="list-style-type: none"> <li>ensure that clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements to ensure that they operate effectively</li> </ul>	
	<ul style="list-style-type: none"> <li>hold meetings in public unless there are good reasons for confidentiality</li> </ul>	



<p style="text-align: center;"><b>A</b></p> <p><b>Supporting principles</b></p>	<p style="text-align: center;"><b>B</b></p> <p><b>The code should reflect the requirement for local authorities to:</b></p>	<p style="text-align: center;"><b>C</b></p> <p><b>Expanded/additional governance requirements from the CFO statement that should be reflected in the local code:</b></p>
	<ul style="list-style-type: none"> <li>ensure that arrangements are in place to enable the council to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing needs</li> </ul>	
	<ul style="list-style-type: none"> <li>establish a clear policy on the types of issues we will meaningfully consult on or engage with the public and service users about including a feedback mechanism for those consultees to demonstrate what has changed as a result</li> </ul>	
	<ul style="list-style-type: none"> <li>on an annual basis, publish a performance plan giving information on the council's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period</li> </ul>	
	<ul style="list-style-type: none"> <li>ensure that the council as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so</li> </ul>	
<ul style="list-style-type: none"> <li>Making best use of human resources by taking an active and planned approach to meet responsibility to staff</li> </ul>	<ul style="list-style-type: none"> <li>develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making</li> </ul>	



**Report to** Cabinet  
8 October 2014  
**Report of** Chief finance officer  
**Subject** Revenue budget monitoring 2014-15 – Period 05

**Item**

**6**

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## **Purpose**

To update cabinet on the financial position as at 31 August 2014, the forecast outturn for the year 2014-15, and the consequent forecast of the general fund and housing revenue account balances.

## **Recommendations**

To note the financial position as at 31 August 2014 and the forecast outturn 2014-15.

## **Corporate and service priorities**

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

## **Financial implications**

The general fund budget is forecast to achieve an underspend of £1.372m. The housing revenue account budget is forecast to achieve an underspend of £1.196m.

Monitoring of key budgets does not indicate any unusual cause for concern; however the position will need to be continually monitored in order to deliver to the forecast outturn.

**Ward/s:** All wards

**Cabinet member:** Councillor Waters – Deputy Leader and Resources

## **Contact officers**

Justine Hartley, Chief Finance Officer	01603 212440
Nisar Ahmed, Finance Control Manager	01603 212561

## **Background documents**

None

## Report

1. Council approved budgets for the 2014-15 financial year on 18 February 2014.
2. The attached appendices show the year-to-date and forecast outturn 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 £0.541m to 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	18,407
Non-domestic rates	(4,651)
Revenue support grant	(5,980)
Council tax precept	(7,776)
<b>Total general fund budget</b>	<b>0</b>

4. The general fund has been forecast to underspend by **£1.372m** at year end. This compares to a forecast underspend of £1.465m at the end of July. Significant forecast overspends and underspends are explained below:

<i>Previous forecast over/(under) spend £000s</i>	<i>Service</i>	<i>Current forecast over/(under) spend £000s</i>	<i>Commentary</i>
(805)	Business relationship management – finance	(810)	This relates to a forecasted over recovery of housing benefit private and public sector rent allowances. This variance has been consistent to date and has arisen due to lower than anticipated rent benefits being paid.
(133)	Communications and culture	(111)	The major variances relate to culture and events £(80k) and Riverside leisure centre £(31k) due to reduced expenditure on the payment bond.

<i>Previous forecast over/(under) spend £000s</i>	<i>Service</i>	<i>Current forecast over/(under) spend £000s</i>	<i>Commentary</i>
(121)	Neighbourhood housing	(128)	The major variances here relate to Homelessness £(34k), public sector leasing £(32k) due to bad debt provision not required and housing options £(48k) due to vacant posts
(210)	Democratic services	(152)	This relates to committee secretariat £(75k) due to grant being greater than expenditure, registration £(47k) due to receipt of government grant and elections £(22k).
(155)	Strategy and programme management	(94)	This is due to increased income from special grant for health and wellbeing £(48k) in policy and performance. environmental strategy positive variance of £(46k) is due to receipt of funding from the "greener communities fund". Change from previous month due to spend on environmental strategy.
(113)	City developments	(24)	Change in forecast due to private sector housing demand changes leading to reduced forecast.

5. For the year to date an overspend against budget of **£5.442m** is being reported. This overspend 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, with minor differences across all budget heads. These lines will be monitored closely as the year progresses to identify any potential impact on forecast outturn figures.

<i>Service</i>	<i>Year to date variance over/(under) £000s</i>	<i>Commentary</i>
Business relationship management	(545)	Major elements contributing to the underspend are head of finance £(432k) which is due to slippage of payment to LGSS, insurance £573k due to: increased insurance settlements £73k; budget phasing of premium payments of £343k and insurance contribution to fund of £157k. Benefits admin £(533k) due to slippage of payment to LGSS for the revenues and benefits service, with minor differences across other budget heads.
Finance	7,703	This mainly relates to external debt interest of £2,078k, pool income of £5,450k representing council tax and NNDR not being booked in period 5 and housing benefit rent allowances of £92k on housing benefit payments.
Procurement and service improvement	(981)	Major variances of £(871k) on IT Services due to phasing of PFI grant and minor differences across other budgets.
Communications and culture	(226)	Major variance relates to Riverside Swimming £(89k) in relation to expenditure bond repairs being less than anticipated, Land searches income £(122k) being greater than budgeted for and customer contact centre £(159k) due to vacant posts and reduced expenditure of £6k on supplies and services.

<i>Service</i>	<i>Year to date variance over/(under) £000s</i>	<i>Commentary</i>
Operations – major variances	(2,353)	<p>City development £(964k) favourable across all parking income budgets on multi storey and off street parking, NAHCASP, on street operations and parking permits.</p> <p>Overspend on environmental services £548k of which £471k relates to NPS fees, £87k on reduced fees and charges and £(10k) underspend on employee costs.</p> <p>Integrated waste management £(774k) of which £(564k) is due to phasing of contractual payments and £(184k) on increased garden waste income due to phasing. With minor differences across other budget heads.</p> <p>Neighbourhood housing £(458k) underspend due to reduced expenditure on homelessness £(284k), housing options £(81k), PLS bad debt provision £(35k) and minor differences across other budgets.</p> <p>Planning £(287k) represents underspends due to phasing of projects on conservation design, development management and policy. This will reduce as the year continues and is reflected in the forecast outturn.</p>
Strategy, people and democracy	2,188	This relates to £2,259k on personnel corporate costs on pensions to be reallocated with a minor underspend across other budgets.

## Housing revenue account

6. The budgets reported include a £7.7m use of HRA balances, so that the net budget totals zero:

<i>Item</i>	<i>Approved budget £000s</i>
Gross HRA expenditure	80,827
Gross HRA income	(73,120)
Contribution from HRA balance	(7,707)
<b>Total net HRA budget</b>	<b>0</b>

7. The housing revenue account has been forecast to underspend by **£1.196m**. This compares to a forecast underspend of £1.469m at the end of July. Significant forecast overspends and underspends are explained below

<i>Previous forecast over/(under) spend £000s</i>	<i>Service</i>	<i>Current forecast over/(under) spend £000s</i>	<i>Commentary</i>
19	Repairs and maintenance	103	Due to increased overall maintenance costs
125	General HRA premises	130	Due to unbudgeted costs for NPS

<i>Previous forecast over/(under) spend £000s</i>	<i>Service</i>	<i>Current forecast over/(under) spend £000s</i>	<i>Commentary</i>
			fees
(710)	General management	(773)	Head of neighbourhood housing £(248k) underspend due to low professional fees and budgeted audit fees which are now part of the LGSS fee/ housing property management £(286k) overspend due to lower NPS fees, software budget no longer required and legal expenses. Home ownership team £(60k) lower due to NPS recharges. Families support unit £(86k) underspend due to staff vacancies.
(138)	Sheltered housing	(102)	Underspend due to staff vacancies and lower than planned utility costs. Reduced forecast due to utility costs in 5 effecting forward forecast.
396	Service charges	396	This relates to the under recovery of charges to leaseholders which has been delayed due to S.20 consultations. This will be reflected in the housing capital programme as an underspend
(691)	Provision for bad debts	(691)	Bad debt provision is charged at year end, the actual provision is anticipated to be less than budgeted for.

8. For the year to date an underspend of **£1.727m** 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, including many still influenced by 'accrual' sums brought forward to cover obligations accounted for in the last financial year, and others where the budget profile does not properly reflect the timing of income and expenditure. These will be further scrutinised and where appropriate amended. Significant underspends to date are:

<i>Service</i>	<i>Year to date Variance Over/(Under) £000s</i>	<i>Commentary</i>
Repairs and maintenance	(2,702)	Spend behind schedule due to lower demand in the summer months
Rents, rates and property costs	3,340	Payment made for water rates and other property costs which cover the whole financial year
General management	(1,405)	Provisions for payments outstanding
Special services	(841)	Underspends in district heating £(270k), sheltered housing £(272k) and NCAS £(240k) with minor underspends across other budget heads
Provision for bad debts	(235)	Bad debt provision is charged at year end, the actual provision is anticipated to be much less than budgeted for.
Service charges - general	167	This relates to the under recovery of charges, which is reflected in the underspend on repairs.

## Risks

9. A risk-based review based on the size and volatility of budgets has identified a “Top 10” of key budgets where insufficient monitoring and control could pose a significant threat to the council’s overall financial position. As these budgets are demand led and can be volatile in nature closer scrutiny must be applied to allow for both control and corrective action where required to identify any potential impact on the forecast outturn.

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	121	0%	GREEN	-2,129	-6%	RED
Housing Benefit Payments - Other tenants	32,280	167	1%	GREEN	-2,119	-7%	RED
HRA Repairs - Tenanted Properties	12,408	-2,169	-17%	RED	89	1%	GREEN
HRA Repairs - Void Properties	2,630	-409	-16%	RED	0	0%	GREEN
Multi-Storey Car Parks	1,797	-24	-1%	GREEN	-25	-1%	GREEN
HRA Rents - Estate Properties	-58,916	19	0%	GREEN	45	0%	GREEN
City Hall	871	17	2%	GREEN	101	12%	RED
Corporate Management including Contingency	1,340	-28	-2%	GREEN	0	0%	GREEN
Private Sector Leasing Costs	2,570	-65	-3%	GREEN	-116	-5%	AMBER

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

Current		
Flag	Key Risk Budgets	Comment
RED	HRA Repairs - Tenanted Properties	Lower spend to date, but the plan is to spend to budget
RED	HRA Repairs - Void Properties	Lower spend to date, but the plan is to spend to budget
Forecast		
Flag	Key Risk Budgets	Comment
RED	Housing Benefit Payments - Council tenants	Reduced number of claims than planned for
RED	Housing Benefit Payments - Other tenants	Reduced number of claims than planned for
RED	City Hall	Higher forecasted spend
AMBER	Private Sector Leasing Costs	Slight higher than budget due to increased volumes

11. The 2014-15 budgets approved by council were drawn up in the expectation of reduced resources as announced by the coalition government. There are risks to the current and medium term financial position from:

- 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.
- 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 will be 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 2015-16. 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 £4.496m. The budgeted and forecast outturn's impact on the 2013-14 balance brought forward is as follows:

<i>Item</i>	<i>£000s</i>
Balance at 1 April 2014	(8,313)
Budgeted contribution to balances 2014/15	(541)
Forecast outturn 2014/15	(1,372)
= Forecast balance at 31 March 2015	(10,226)

16. The general fund balance is therefore expected to continue to exceed the prudent minimum.
17. The prudent minimum level of HRA reserves has been assessed as £3.067m. The budgeted and forecast outturn's impact on the 2013/14 balance brought forward is as follows:

<i>Item</i>	<i>£000s</i>
Balance at 1 April 2014	(25,129)
Budgeted use of balances 2014/15	7,707
Forecast outturn 2014/15	(1,196)
= Forecast balance at 31 March 2015	(18,618)

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

## Collection fund

19. 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.

20. 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. Although the valuation office has a large backlog of appeals, 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.

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

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

<i>Approved budget</i> £000s	<i>Current budget</i> £000s	<b>Collection fund summary</b>	<i>Actual to date</i> £000s	<i>Forecast outturn</i> £000s	<i>Forecast variance</i> £000s
		<b>Council tax</b>			
		Expenditure			
53,797	53,797		23,083	53,797	0
		Income			
(53,797)	(53,797)		(22,416)	(53,797)	0
		<b>Business improvement district</b>			
		Expenditure			
656	656		193	656	0
		Income			
(656)	(656)		(18)	(656)	0
		<b>National non-domestic rate</b>			
		Expenditure			
77,698	77,698		13,297	77,698	0
		Income			
(77,698)	(77,698)		(79,903)	(77,698)	0
<b>0</b>	<b>0</b>	<b>Total collection fund</b>	<b>(65,764)</b>	<b>0</b>	<b>0</b>

23. 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).

24. The council operates the BID account on behalf of the BID company, so no surplus or deficit will fall on the council's accounts.
25. On the NNDR account, actual income is not posted from the rates system into the finance system until year-end. If a deficit materialises, this will roll forward and be distributed in the 2015-16 budget cycle; the city's share would be 50%. Further work is being done to enable accurate forecasting. Additional (section 31) grant may be received in the general fund to offset all or part of any shortfall in business rate income due to additional reliefs granted by government.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	8 October 2014
<b>Head of service:</b>	Chief Finance Officer
<b>Report subject:</b>	Revenue Budget Monitoring 2014/15
<b>Date assessed:</b>	24 September 2014
<b>Description:</b>	This is the integrated impact assessment for the Revenue Budget Monitoring 2014/15 report to cabinet

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

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The report demonstrates that the council is aware of and monitors risks to the achievement of its financial strategy.

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

## Budget Monitoring Summary

Year: 2014/15

Period: 05 (Aug)

## GENERAL FUND SERVICE SUMMARY

Approved Budget	Current Budget		Budget To Date	Actual To Date	Variance To Date	Forecast Outturn	Forecast Variance
<b>Business Relationship Management</b>							
2,717,718	2,654,746	Business Relationship Management	1,066,496	521,841	(544,655)	2,693,563	38,817
(20,186,020)	(20,170,990)	Finance	(7,593,370)	109,750	7,703,120	(20,980,737)	(809,747)
33,733	(1,317)	Procurement and Service Improvement	980,011	(1,222)	(981,233)	(43,620)	(42,303)
<b>(17,434,569)</b>	<b>(17,517,561)</b>	<b>Total Business Relationship Management</b>	<b>(5,546,863)</b>	<b>630,369</b>	<b>6,177,232</b>	<b>(18,330,793)</b>	<b>(813,232)</b>
<b>Chief Executive and Corporate</b>							
0	0	Chief Executive	109,150	62,881	(46,269)	(28,920)	(28,920)
(1,079,432)	(1,027,969)	Corporate Management	(1,542,884)	(1,523,388)	19,496	(1,027,969)	0
<b>(1,079,432)</b>	<b>(1,027,969)</b>	<b>Total Chief Executive and Corporate</b>	<b>(1,433,734)</b>	<b>(1,460,507)</b>	<b>(26,773)</b>	<b>(1,056,889)</b>	<b>(28,920)</b>
<b>Customers, Comms and Culture</b>							
2,525,619	2,325,357	Communications and Culture	894,948	668,735	(226,213)	2,214,666	(110,691)
(116,196)	(141,175)	Customer Contact	1,094,748	776,709	(318,039)	(130,327)	10,848
<b>2,409,423</b>	<b>2,184,182</b>	<b>Total Customers, Comms and Culture</b>	<b>1,989,696</b>	<b>1,445,444</b>	<b>(544,252)</b>	<b>2,084,339</b>	<b>(99,843)</b>
<b>Operations</b>							
(965,936)	(954,804)	City Development	(1,877,570)	(2,841,924)	(964,354)	(978,329)	(23,525)
9,978,887	10,006,606	Citywide Services	3,383,101	3,019,093	(364,008)	10,077,705	71,099
0	0	Deputy Chief Executive	70,551	55,017	(15,534)	(1,976)	(1,976)
2,654,201	2,661,895	Neighbourhood Housing	856,726	399,085	(457,641)	2,534,239	(127,656)
2,229,016	2,332,505	Neighbourhood Services	760,844	670,658	(90,186)	2,324,162	(8,343)
1,743,316	1,743,036	Planning	524,580	237,301	(287,279)	1,684,062	(58,974)
125,419	252,319	Property Services	643,453	469,655	(173,798)	230,690	(21,629)
<b>15,764,903</b>	<b>16,041,557</b>	<b>Total Operations</b>	<b>4,361,685</b>	<b>2,008,886</b>	<b>(2,352,799)</b>	<b>15,870,554</b>	<b>(171,003)</b>
<b>Strategy, People and Democracy</b>							
303,787	229,444	Democratic Services	417,717	490,252	72,535	77,825	(151,619)
(4)	(5,100)	Human Resources	518,831	2,778,516	2,259,685	(18,176)	(13,076)
35,892	95,447	Strategy and Programme Management	253,729	109,790	(143,939)	1,302	(94,145)
<b>339,675</b>	<b>319,791</b>	<b>Total Strategy, People and Democracy</b>	<b>1,190,277</b>	<b>3,378,558</b>	<b>2,188,281</b>	<b>60,950</b>	<b>(258,841)</b>
<b>0</b>	<b>0</b>	<b>Total General Fund</b>	<b>561,061</b>	<b>6,002,750</b>	<b>5,441,689</b>	<b>(1,371,839)</b>	<b>(1,371,839)</b>

## GENERAL FUND SUBJECTIVE SUMMARY

Approved Budget	Current Budget		Budget To Date	Actual To Date	Variance To Date	Forecast Outturn	Forecast Variance
0	0		0	(313)	(313)	(751)	(751)
17,366,808	17,429,262	Employees	7,897,829	8,502,796	604,967	17,016,832	(412,430)
8,577,187	8,577,187	Premises	4,000,341	4,847,705	847,364	8,471,355	(105,832)
314,000	313,998	Transport	111,485	45,919	(65,566)	256,882	(57,116)
15,884,736	15,950,344	Supplies and Services	6,272,121	4,967,497	(1,304,624)	15,366,548	(583,796)
7,784,578	7,784,578	Third Party Payments	2,013,726	(75,386)	(2,089,112)	7,747,777	(36,801)
94,462,444	94,462,444	Transfer Payments	39,359,355	41,604,039	2,244,684	90,358,787	(4,103,657)
3,685,062	3,685,062	Capital Financing	640,550	2,579,989	1,939,439	3,684,533	(529)
0	15,030	Rev Contribs to Capital	0	0	0	0	(15,030)
(55,000)	0	Savings Proposals	0	0	0	0	0
(23,185,762)	(23,185,762)	Receipts	(9,766,479)	(8,785,725)	980,754	(22,843,765)	341,997
(118,033,744)	(118,117,443)	Government Grants	(49,215,600)	(46,393,333)	2,822,267	(115,127,889)	2,989,554
1,304,093	1,304,093	Centrally Managed	543,405	28,360	(515,045)	1,304,282	189
17,496,584	17,552,192	Recharge Expenditure	1,320,745	823,582	(497,163)	17,395,906	(156,286)
(25,600,986)	(25,770,985)	Recharge Income	(2,616,417)	(2,142,380)	474,037	(25,002,338)	768,647
<b>0</b>	<b>0</b>	<b>Total General Fund</b>	<b>561,061</b>	<b>6,002,750</b>	<b>5,441,689</b>	<b>(1,371,839)</b>	<b>(1,371,839)</b>



## Budget Monitoring Report

Year: 2014/15 Period: 05 (Aug)

## HOUSING REVENUE ACCOUNT STATUTORY SUMMARY

<i>Approved Budget</i>	<i>Current Budget</i>		<i>Budget To Date</i>	<i>Actual To Date</i>	<i>Variance To Date</i>	<i>Forecast Outturn</i>	<i>Forecast Variance</i>
15,923,170	15,923,170	Repairs and Maintenance	6,526,292	3,824,496	(2,701,796)	16,026,024	102,854
6,178,443	6,178,443	Rents, Rates, and Other Property Costs	2,526,815	5,866,950	3,340,135	6,308,287	129,844
11,382,720	11,370,008	General Management	3,315,764	1,910,570	(1,405,194)	10,596,710	(773,298)
5,628,948	5,718,660	Special Services	2,146,810	1,305,381	(841,429)	5,547,050	(171,610)
21,924,793	21,924,793	Depreciation and Impairment	42,710	0	(42,710)	21,924,793	0
941,000	941,000	Provision for Bad Debts	235,250	0	(235,250)	250,000	(691,000)
(58,915,983)	(58,915,983)	Dwelling Rents	(24,744,715)	(24,725,945)	18,770	(58,871,298)	44,685
(1,951,186)	(1,951,186)	Garage and Other Property Rents	(872,018)	(932,232)	(60,214)	(2,116,676)	(165,490)
(9,643,814)	(9,643,814)	Service Charges - General	(3,726,029)	(3,558,560)	167,469	(9,247,810)	396,004
0	0	Miscellaneous Income	0	(28,537)	(28,537)	(68,489)	(68,489)
9,382,073	9,305,073	Adjustments and Financing Items	(49,100)	(49,550)	(450)	9,305,313	240
(700,164)	(700,164)	Amenities shared by whole community	0	0	0	(700,164)	0
(150,000)	(150,000)	Interest Received	(62,500)	0	62,500	(150,000)	0
<b>0</b>	<b>0</b>	<b>Total Housing Revenue Account</b>	<b>(14,660,721)</b>	<b>(16,387,427)</b>	<b>(1,726,706)</b>	<b>(1,196,259)</b>	<b>(1,196,259)</b>

## HOUSING REVENUE ACCOUNT SUBJECTIVE SUMMARY

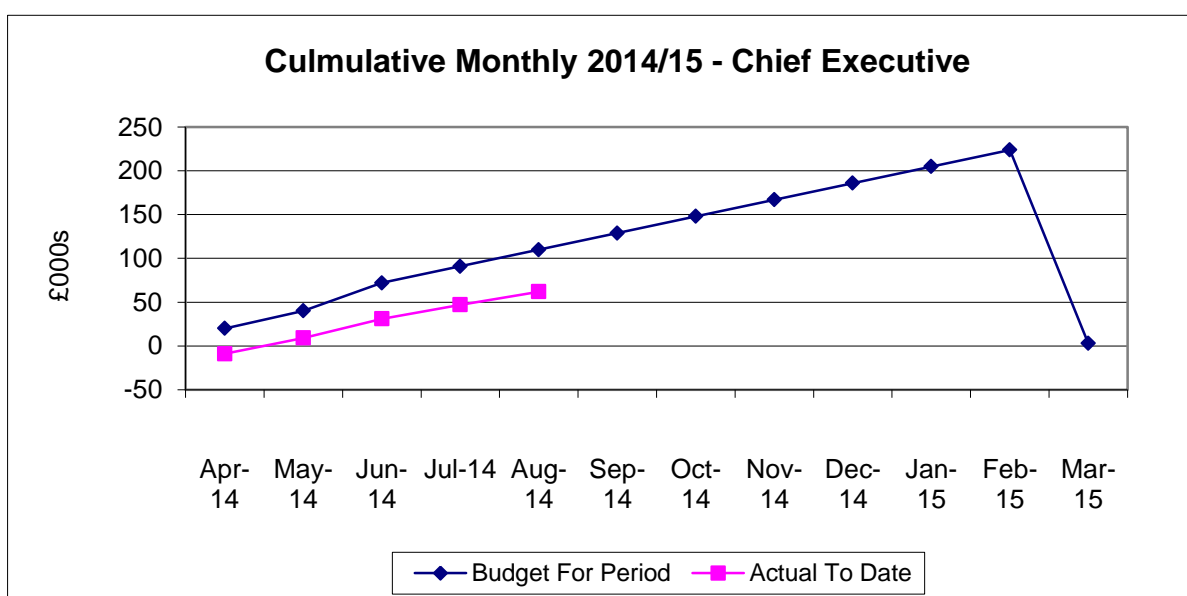
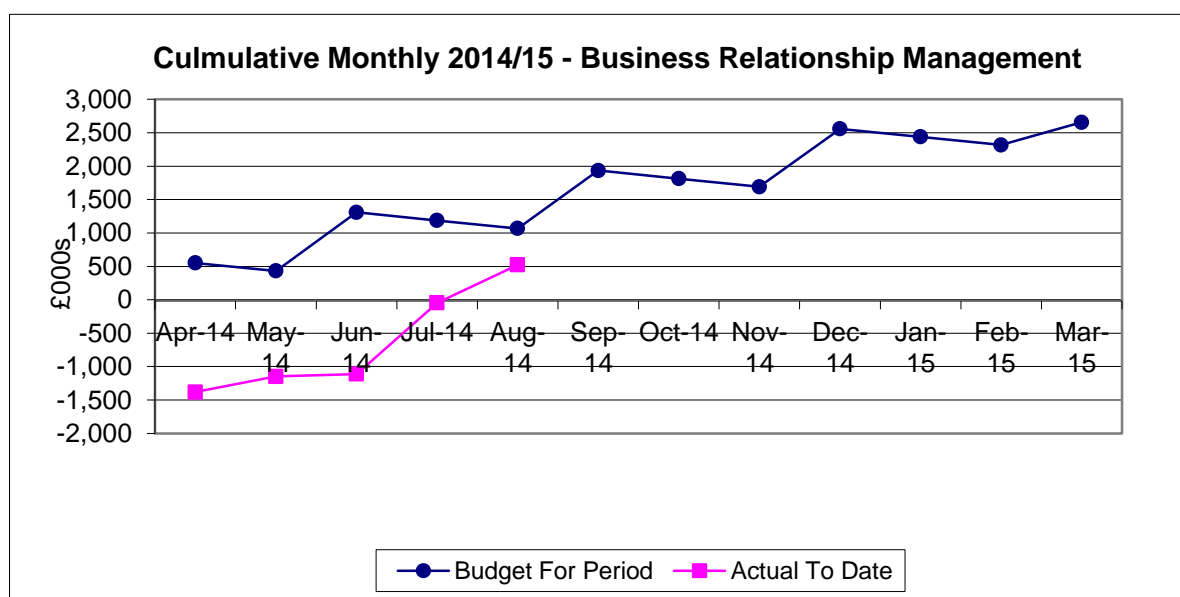
<i>Approved Budget</i>	<i>Current Budget</i>		<i>Budget To Date</i>	<i>Actual To Date</i>	<i>Variance To Date</i>	<i>Forecast Outturn</i>	<i>Forecast Variance</i>
6,467,099	6,472,099	Employees	2,948,896	2,179,119	(769,777)	6,277,705	(194,394)
25,086,833	25,163,833	Premises	10,180,881	10,277,632	96,751	25,093,572	(70,261)
122,263	122,263	Transport	50,950	20,068	(30,882)	107,249	(15,014)
3,997,007	3,925,114	Supplies and Services	1,204,200	534,646	(669,554)	2,832,916	(1,092,198)
348,001	348,001	Third Party Payments	29,002	1,602	(27,400)	348,215	214
5,847,385	5,914,278	Recharge Expenditure	979,002	687,205	(291,797)	5,994,405	80,127
1,167,846	1,167,846	Capital Financing	42,710	0	(42,710)	1,167,846	0
(71,877,097)	(71,877,097)	Receipts	(29,879,192)	(30,012,449)	(133,257)	(71,810,808)	66,289
(221,256)	(221,256)	Government Grants	(196,355)	(75,250)	121,105	(221,256)	0
(1,021,221)	(1,021,221)	Recharge Income	(20,815)	0	20,815	(992,242)	28,979
17,035,000	16,958,000	Rev Contribs to Capital	0	0	0	16,958,000	0
13,048,140	13,048,140	Capital Financing	0	0	0	13,048,140	0
<b>0</b>	<b>0</b>	<b>Total Housing Revenue Account</b>	<b>(14,660,721)</b>	<b>(16,387,427)</b>	<b>(1,726,706)</b>	<b>(1,196,259)</b>	<b>(1,196,259)</b>

## Budget and Expenditure – Monthly by Service Graphs

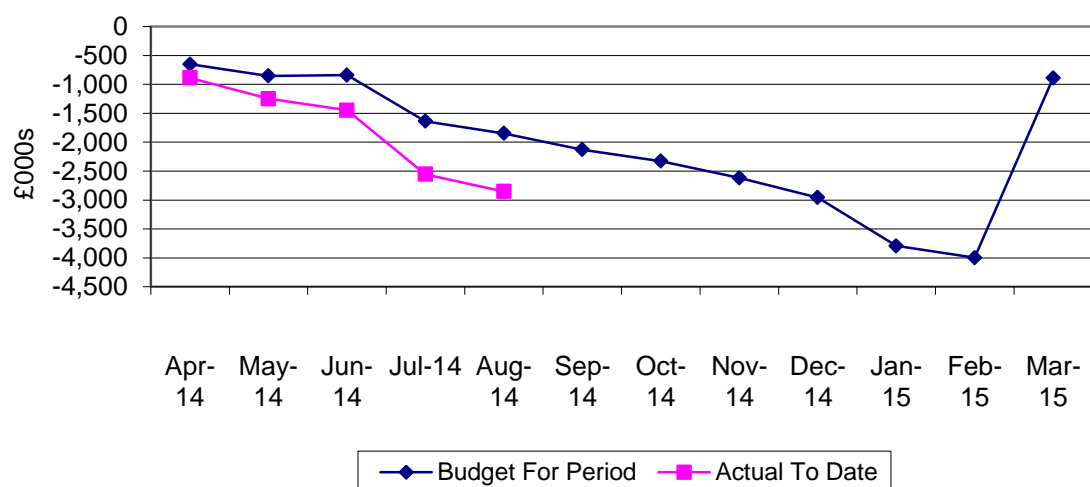
The following graphs show the monthly budget profile and income/expenditure to date for each service in the General Fund for the financial year.

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.

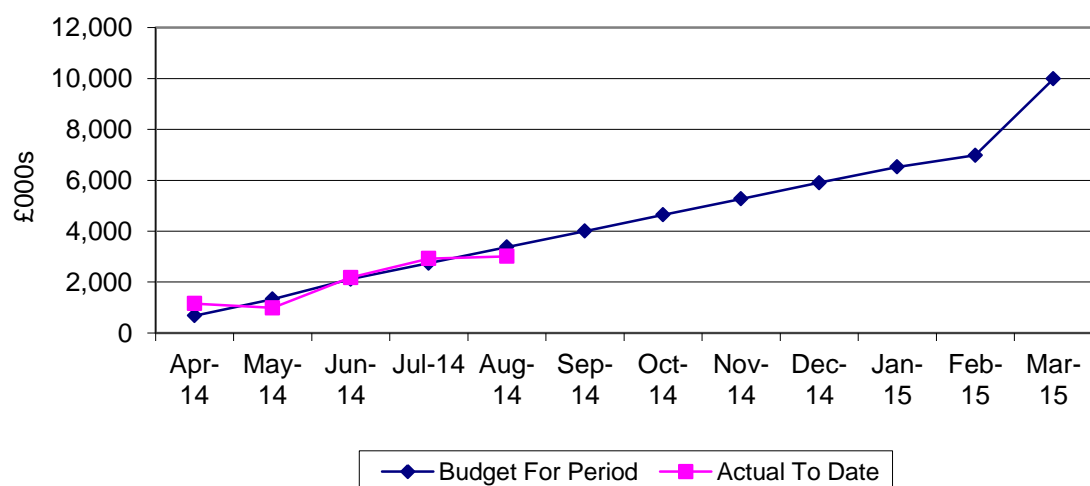
Budgets are profiled to show the expected pattern of income and expenditure, and will be refined and improved during the course of the financial year.



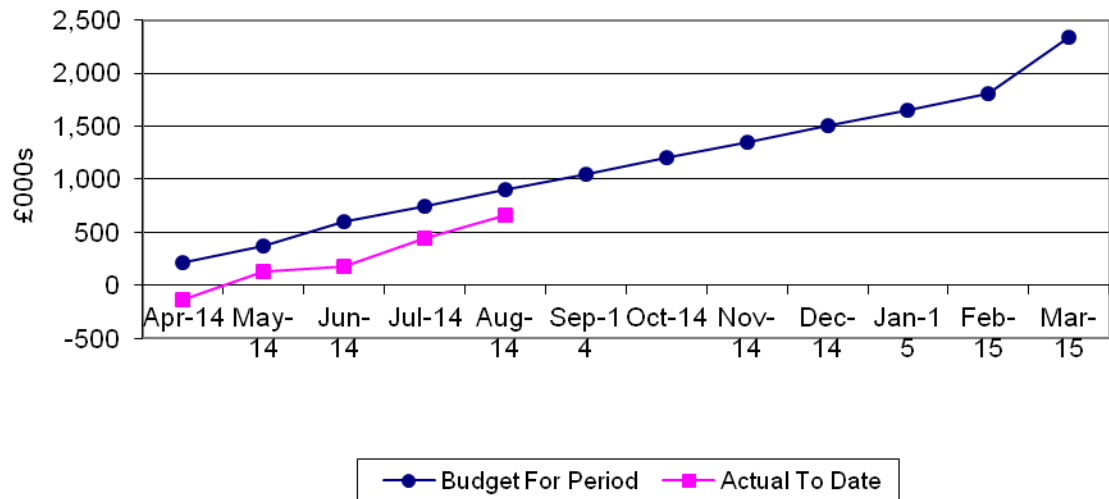
### Culmulative Monthly 2014/15 - City Development



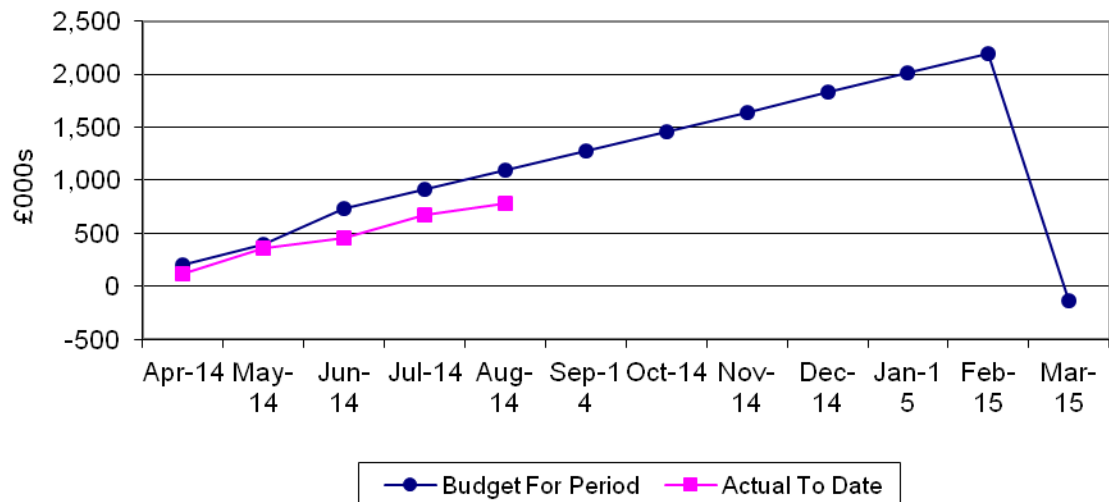
### Culmulative Monthly 2014/15 - Citywide Services



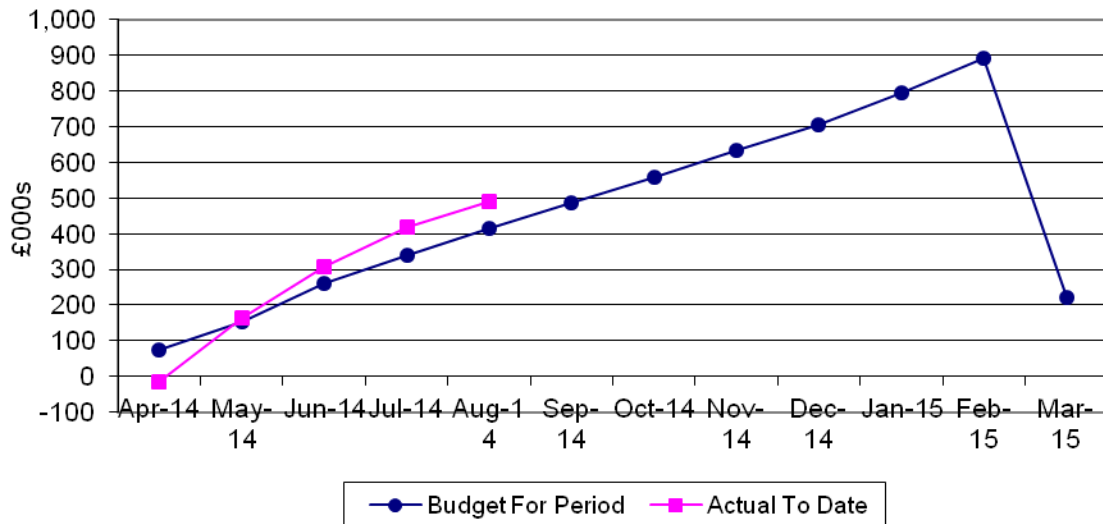
**Culmulative Monthly 2014/15 - Communications & Culture**



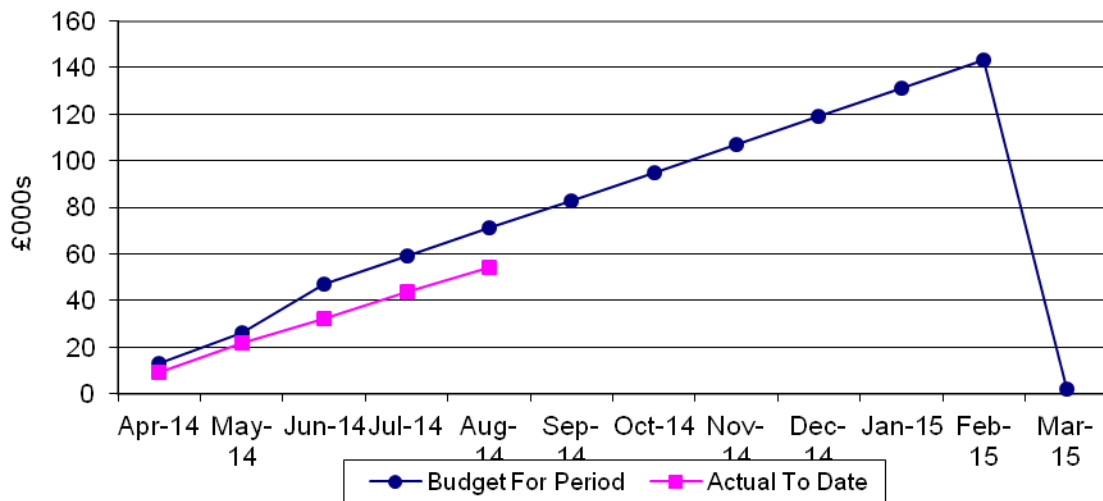
**Culmulative Monthly 2014/15 - Customer Contact**



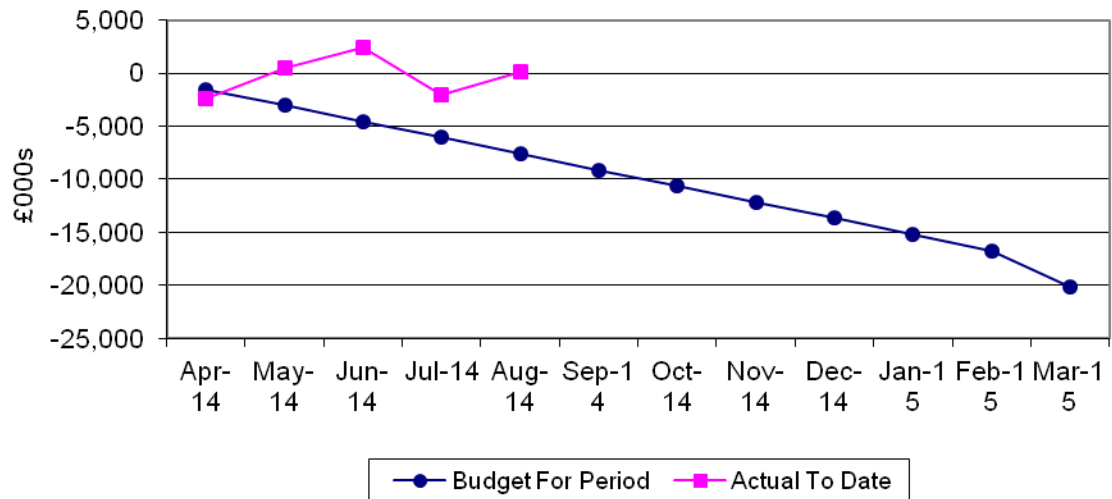
### Culmulative Monthly 2014/15 - Democratic Services



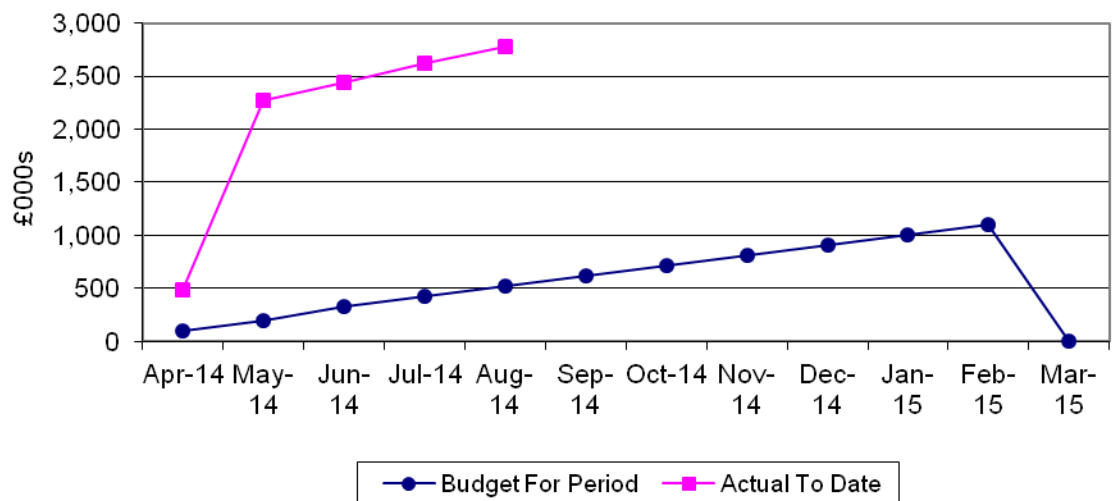
### Culmulative Monthly 2014/15 - Deputy Chief Executive



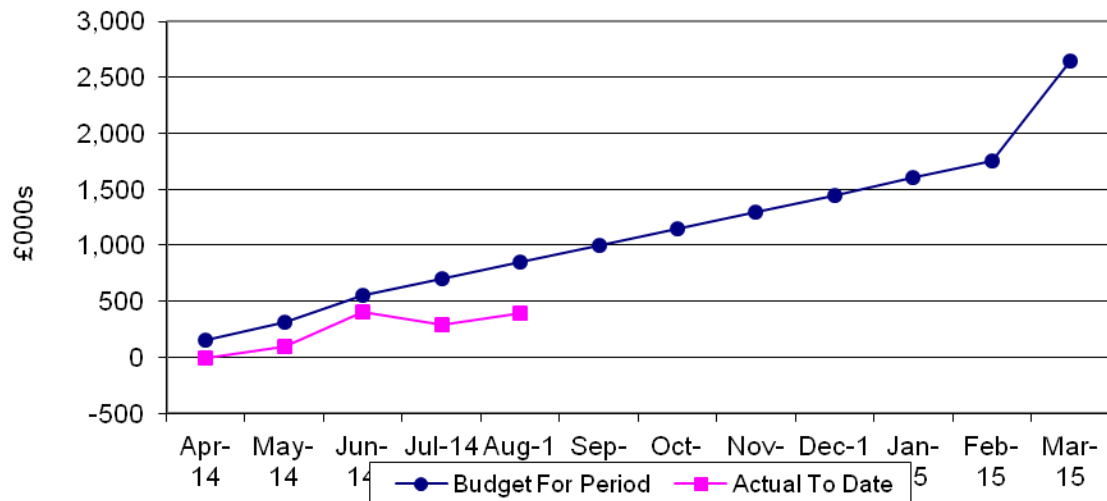
### Culmulative Monthly 2014/15 - Finance



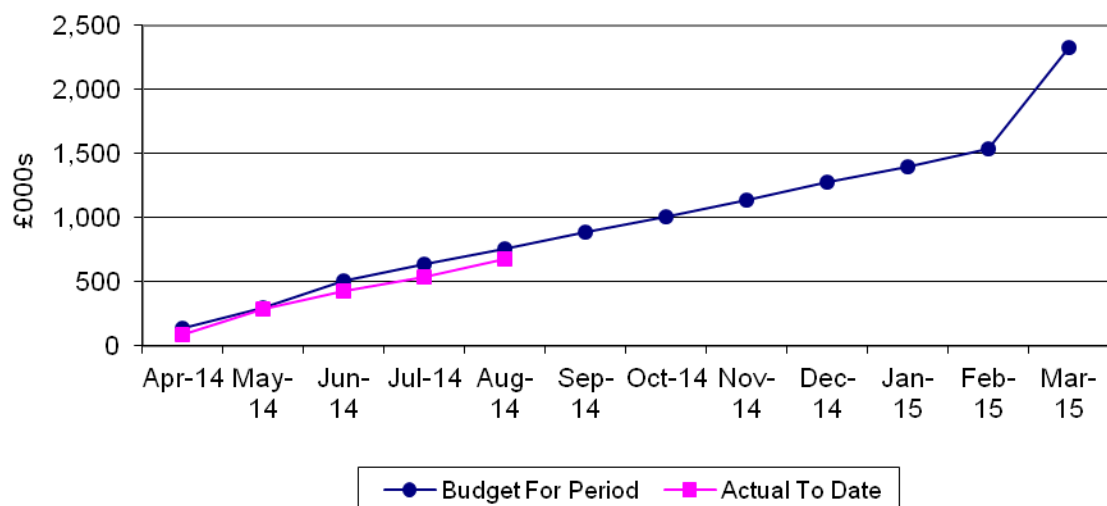
### Culmulative Monthly 2014/15 - Human Resources



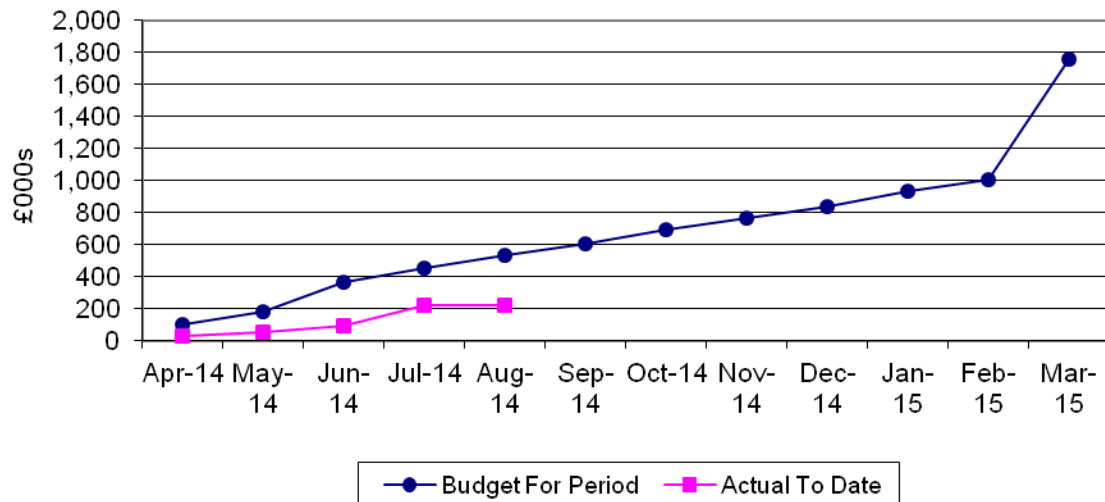
### Culmulative Monthly 2014/15 - Neighbourhood Housing



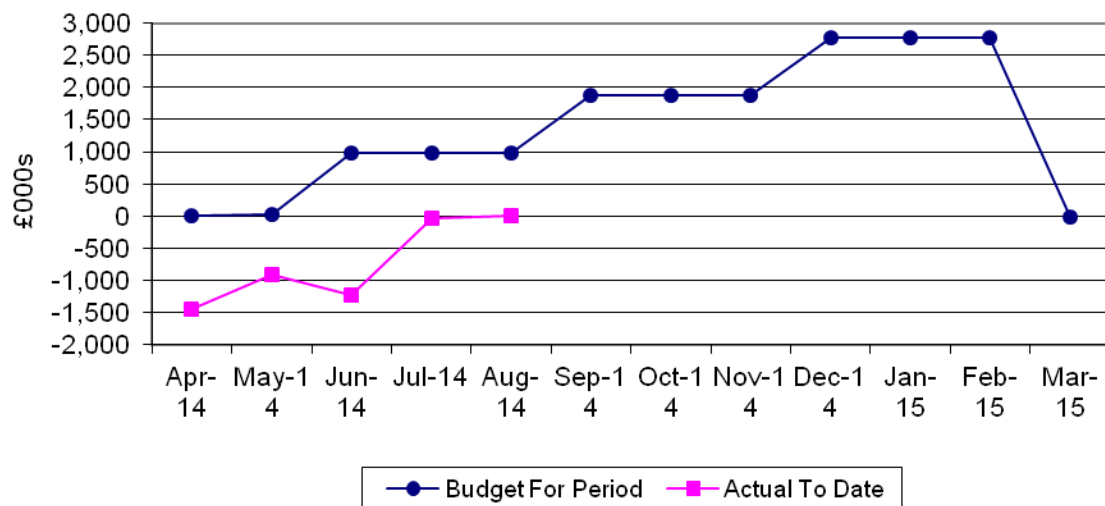
### Culmulative Monthly 2014/15 - Neighbourhood Services



**Culmulative Monthly 2014/15 - Planning**

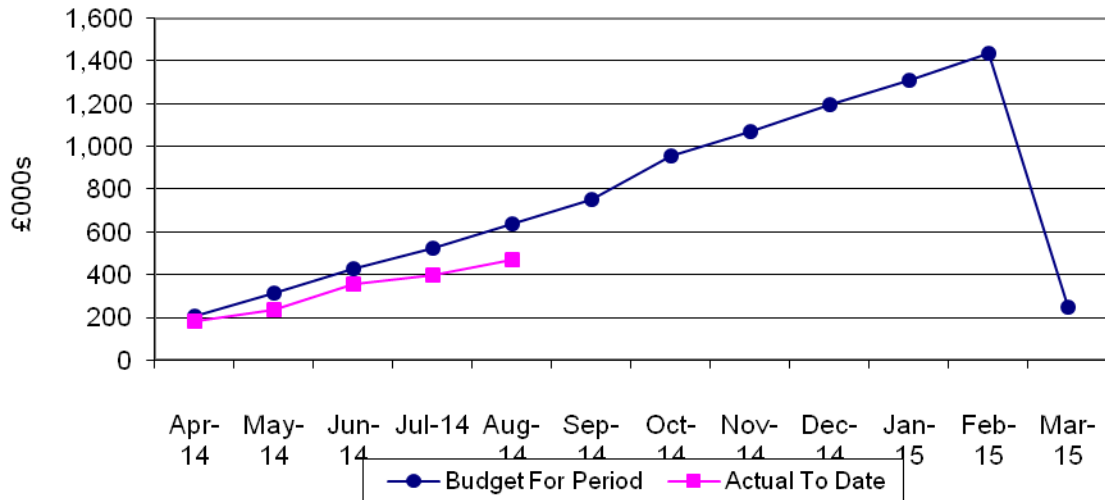


**Culmulative Monthly 2014/15 - Procurement & Service Improvement**

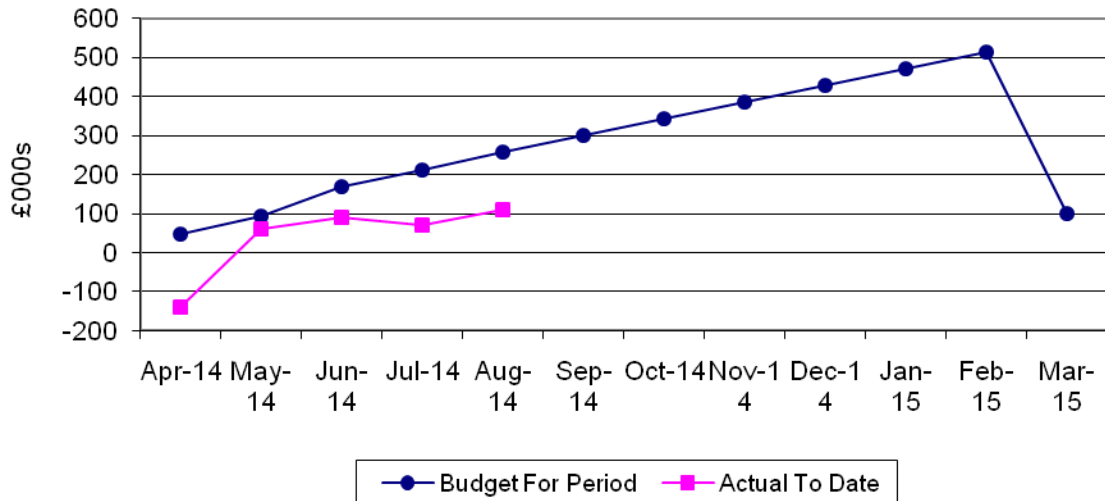




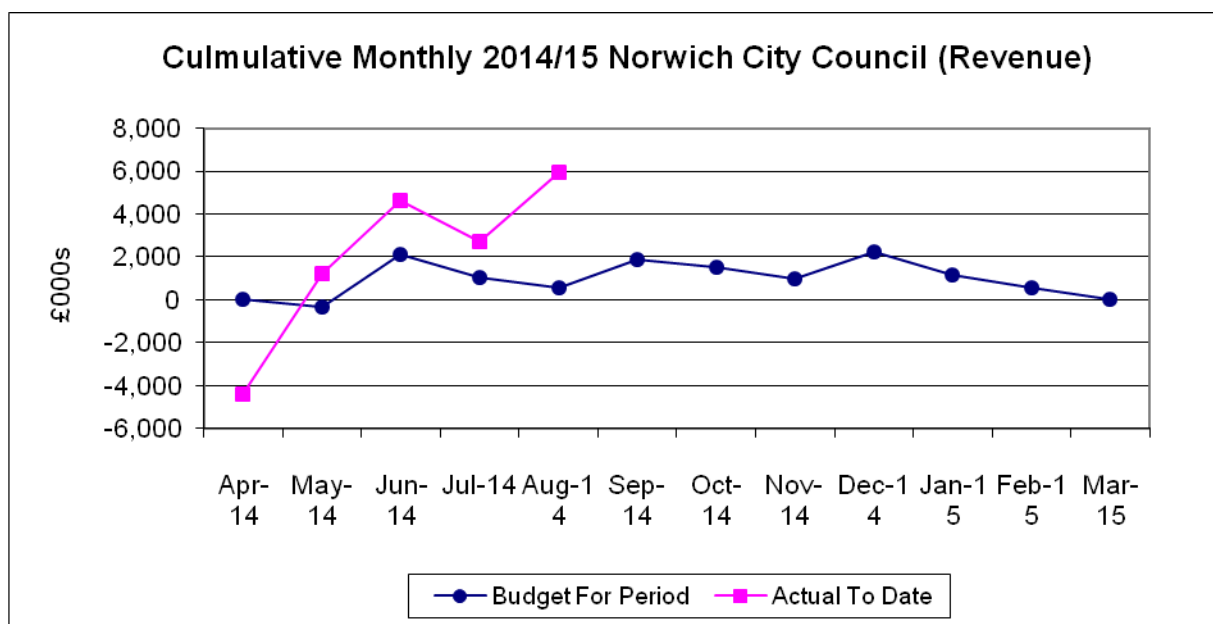
### Culmulative Monthly 2014/15 - Property Services



### Culmulative Monthly 2014/15 - Strategy, People & Democracy



The following graph shows the total monthly budget profile and income/expenditure to date for the General Fund and the Housing Revenue Account, for the financial year.



<b>Report to</b>	Cabinet 8 October 2014	<b>Item</b>
<b>Report of</b>	Executive head of strategy, people and neighbourhoods	<b>7</b>
<b>Subject</b>	Draft Corporate Plan 2015-2020 and Transformation Programme 2015-16	

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## **Purpose**

To consider the next steps on the development of the council's new corporate plan 2015-20 and its income and savings options for 2015-16.

## **Recommendations**

To:

- 1) consider the draft corporate plan framework for 2015-20 at annex A and agree that further work is carried out on this including public consultation;
- 2) consider the current list of proposed savings and income options for 2015/16 at annex B and annex C (annex C will be considered within the exempt part of the meeting) and agree that further work is carried out to progress these options; and,
- 3) agree the proposed approach to public consultation on the development of a new corporate plan and the council's budget for 2015-16 and delegate authority to the executive head of strategy, people and neighbourhoods in liaison with the leader of the council to finalise the consultation document.

## **Corporate and service priorities**

The report helps to meet all the corporate priorities.

## **Financial implications**

The costs of developing the corporate plan and carrying out the public consultation can be met from within existing budgets.

The direct implications of taking forward the transformation programme are to realise net savings of £1.6 million for 2015-16 in line with the medium term financial strategy.

**Ward/s:** All wards

**Cabinet member:** Councillor Arthur – Leader of the council and Cllr Waters deputy leader and portfolio holder for resources

**Contact officers**

Russell O'Keefe, executive head of strategy, people and neighbourhoods

01603 212908

**Background documents:**

None

# Report

## **The new draft corporate plan framework 2015-2020**

1. The council's current corporate plan 2012-2015 will end in March 2015. Work has therefore been progressing to develop a new corporate plan. The corporate plan sets out the overall strategic direction of the council including its vision and priorities. This guides everything the council will do for the city and its residents and visitors for the period. As such, the plan acts as the overarching policy framework for the council.
2. At annex A is a copy of a draft new corporate plan framework for 2015-2020 which will act as the basis for a new full plan. This has been developed through a number of methods including:
  - a) Analysing information on levels of need in the city such as looking at demographics, strengths, opportunities, inequalities and challenges.
  - b) Assessing the current environment the council operates in, including the national and local economic climate and policy and legislation for local government.
  - c) Looking at the potential future factors that may impact on Norwich and the council e.g economic, social, environmental etc.
  - d) Discussions with members including an all member workshop.
  - e) Early discussions with some partner organisations with more to follow over the next few weeks.
  - f) Assessing the future resourcing likely to be available to deliver a new corporate plan.
3. In line with the approach we have used previously it is proposed to consult the public on the proposed priorities for the new corporate plan.
4. Scrutiny will be considering the draft new corporate plan framework on the 30 September and the proposed arrangements for consultation and any recommendations made to cabinet will be provided in time for the meeting.

## **Medium term financial strategy (MTFS)**

5. Due to the combined effects of government funding reductions, inflation and other budgetary pressures the council's current MTFS shows a requirement for the council to find net general fund revenue savings of approximately £1.6 million per year. Net savings take into account any unavoidable growth or other budgetary requirements to result in a final overall reduction. These reductions would be in addition to the approximately £26 million of general fund revenue savings the council has already delivered over the past six years.

## **Development of the income and savings options for 2015-16**

6. Guided by the council's current corporate plan 2012-2015, its 'changing pace blueprint' and the results of previous budget consultations, a range of work has been carried out across the council, through the transformation programme, to develop options for further income and savings.
7. From this work it is believed that the required net savings of £1.6 million for 2015/16 can be met through generating income and continuing to change the way the council works.
8. The current proposed income and savings options for 2015-16 can be found at annex B and annex C (within the exempt part of the report). It is proposed that further work is carried out to progress these options (including employee consultation where required).
9. The total amount of these income and savings options take into account the expected level of unavoidable growth for the budget for 2015-16 (currently expected to be approximately £0.9million), the potential for changes following consultation and the potential for not achieving certain income or savings proposals. It is considered with the total options included that the net reduction of approximately £1.6million should be achievable for 2015-16.
10. Some of the savings would inevitably further reduce the council's overall capacity and its ability to do new work for the city. However, we don't believe any of them should significantly impact the key services for 2015-16 that the public receive from the council.
11. Again, in line with the approach we have used in previous years it is proposed that we consult the public on our proposed approach to meeting our net £1.6million savings target for 2015-16.

## **Council tax**

12. The council also needs to decide whether to increase council tax for 2015-16. If the council were to increase its portion of the council tax by 1.95% this would raise additional income of approximately £150,000. This is equivalent to a rise of approximately seven pence per week for the average band B home in Norwich. This could then be used to help to protect the provision of key services in the future. It is therefore proposed to consult the public on the potential for a council tax rise for 2015-16.

## Proposed process for the consultation

13. In line with the successful approach used for previous consultations, the council will apply the following principles in designing the overall consultation process:

**Proportional** – the time, resources and methods used for the consultation should be in line with the purpose, impact and legislative requirements.

**Inclusive** – the consultation should be fully inclusive and provide different methods of access to ensure those people who want to take part are able to.

**Genuine** – the results of the consultation should be statistically valid and used to fully inform the decision making process

**Consistent** – given that different methods of consultation will be employed, it will be important to ensure consistency in approach.

14. To ensure that a consistent approach is taken throughout the process a core consultation document is being developed which will act as the basis for all the different consultation methods.

15. This core consultation document will be delivered through the following methods:

- a) Citizens panel - which is broadly representative of the demographic makeup of the local community
- b) Public survey – available through the web and in a paper format through council offices and at public events carried out during the period.
- c) Partner survey sent to partners in all different sectors e.g voluntary and community organizations, businesses, other public bodies etc.

16. It is considered that this is an appropriate mix of consultation methods that fully meet the principles of good consultation outlined at point 13 of the report.

17. The results from the consultation will then be reported to scrutiny, cabinet and council in line with the overall timescales set out below.

## Overall timescales

18. The overall timescales are set out in the table below.

	<b>Activity</b>	<b>Timescale</b>
1	Scrutiny formally considers draft corporate plan framework and consultation arrangements	30 January 2014
2	Session on the draft corporate plan with the Norwich locality board	2 October 2014
3	Cabinet formally considers draft corporate plan framework, income and savings options and the consultation arrangements	8 October 2014
4	12 week public and partner consultation carried out	13 October – 6 January 2015
5	Scrutiny consider proposed performance targets for the corporate plan	18 December 2014
6	Full draft corporate plan considered alongside draft budget by scrutiny, cabinet and council	29 January, 4 February, 17 February 2015



## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	8 October 2014
<b>Head of service:</b>	Russell O'Keefe
<b>Report subject:</b>	Draft Corporate Plan and Transformation Programme
<b>Date assessed:</b>	September 2014
<b>Description:</b>	To consider the next steps on the development of the council's new corporate plan 2015-2020 and its income and savings options for 2015/16.

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The further work on the current income and savings options will see the council realise savings or additional income of £1.6 million for 2015/16.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The work to further develop the current income and savings options will require work from support services such as HR and Learning, Finance and Communications
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The work to further develop the current income and savings options will require work to develop the necessary supporting ICT.
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			
<b>Equality and diversity (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Environmental (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
<b>Risk management</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The risks of delivering the council's new corporate plan and savings target are managed in line with the council's risk management strategy.

### Recommendations from impact assessment

#### Positive

To progress the further work to develop the new corporate plan 2015-2020 and income and savings options for 2015/16 including public consultation.

#### Negative

#### Neutral

#### Issues

EARLY DRAFT NORWICH CITY COUNCIL CORPORATE PLAN FRAMEWORK 2015 - 2020										
WHAT WE AIM TO ACHIEVE (OUR PRIORITIES)	SAFE, CLEAN AND LOW CARBON CITY		PROSPEROUS AND VIBRANT CITY		FAIR CITY		HEALTHY CITY WITH GOOD HOUSING		VALUE FOR MONEY SERVICES	
WHAT WE WILL DO TO ACHIEVE OUR PRIORITIES WORKING WITH OUR PARTNERS AND RESIDENTS (KEY ACTIONS)	To maintain street and area cleanliness		To support the development of the local economy and bring in inward investment through economic development and regeneration activities		To reduce financial and social inequalities		To deliver our annual Healthy Norwich action plan with our key partners to improve health and wellbeing in the City		To engage and work effectively with customers, communities and partner organisations, utilising data and intelligence and collaborative and preventative approaches to improve community outcomes.	
	To provide efficient and effective waste collection services and reduce the amount of waste sent to landfill		To advocate for an effective digital infrastructure for the City		To advocate for a living wage across the City		To support the provision of an appropriate housing stock in the City including bringing empty homes back into use and building new affordable homes		To continue to reshape the way the council works to realise our savings target and improving council performance wherever possible.	
	To work effectively with the police to reduce anti-social behaviour, crime and the fear of crime		To maintain the historic character of the City through effective planning and conservation management		To encourage digital inclusion so local people can take advantage of digital opportunities		To prevent people in the City from becoming homeless through providing advice and alternative housing options		To improve the efficiency of the council's customer access channels	
	To protect residents and visitors by maintaining the standards of food safety		To provide effective cultural and leisure opportunities for people in the City and encourage visitors and tourists to the City		To reduce fuel poverty in the City through a programme of affordable warmth activities		To improve the council's own housing stock through a programme of upgrades and maintenance and provide a good service to tenants		To maximise council income through effective asset management, trading and collection activities	
	To maintain a safe and effective highway network in the City and continue to work towards 20mph zones in residential areas						To improve the standard of private housing in the City through advice, grants and enforcement and supporting people's ability to live independently in their own homes through provision of a home improvement agency			
	To mitigate and reduce the impact of climate change wherever possible and protect and enhance the local environment									
	To reduce the council's own carbon emissions through a carbon management programme									
HOW WE MEASURE WHAT WE ARE ACHIEVING (KEY MEASURES AND PROJECTS)	% of streets found clean on inspection	% of people satisfied with waste collection	Number of new jobs created through council funded activity	Amount of funding secured by the council for regeneration activity	Delivery of the reducing inequalities action plan	% of people saying debt issues had become manageable following face to face advice	Delivery of the Healthy Norwich action plan	Relet times for council housing	% of customers satisfied with the opportunities to engage with the council	% of council partners satisfied with the opportunities to engage with the council
	% of people feeling safe	Residual waste measure	Number of new business start ups	Digital infrastructure project measure - deployment of city centre WIFI	Number of additional organisations paying the living wage	Delivery of the digital inclusion action plan	Number of empty homes brought back into use	No of new affordable homes delivered	Delivery of local democracy engagement plan	
	% of food businesses achieving safety compliance	% of residential homes on a 20mph street	New planning measure e.g quality based upon planning advisory service model	% of people satisfied with leisure and cultural facilities	Number of private sector homes where council activity improved energy efficiency	Hybrid benefits measure to cover amalgam of a number of existing data	Number of people prevented from becoming homeless	Number of people where the work of the home improvement agency has enabled them to maintain independent living	% of residents satisfied with the service they received from the council	Council achieves savings targets
	New transport measure - all accidents data	New cycling measure - possibly adults cycling 5 times per week	Volume and value of visitors to the City				% of council properties meeting Norwich standard	% of people satisfied with the housing service	Measure on suitable channel shift - match offer to demand	Avoidable contact levels
	CO2 emissions for the Norwich area	CO2 emissions from local authority operations					Number of private sector homes made safe		% of income generated by the council compared to expenditure	% of income owed to the council collected
	% of people satisfied with parks and open spaces	% of people satisfied with their local environment								
KEY SERVICES CONTRIBUTING	City wide services	Local neighbourhoods service	City development service	Local neighbourhood services	Policy, performance and partnerships	Local neighbourhood services	Policy, performance and partnerships	City development service	All services	All services
	City development services	Customer contact service	Planning service	Policy, performance and partnerships	Customer contact service	Business relationship management service	Housing service	Customer contact service		
	Policy, performance and partnerships	Environmental strategy	Business relationship management service	Culture and communications service	Environmental strategy					
			Customer contact service							



## Draft income and savings options for 2015/16

No	Work stream	Service	Description of potential change project / opportunity	Portfolio Holder	Lead Officer	Potential (additional) revenue savings / income for 2015/16
1	Accommodation and work styles	Property services	Further sharing of City Hall with other organisations	A Waters	A Watt / C Rayner	75,000
2	Service redesign (channel migration / customer access change)	Business relationship mgt/ LGSS	Implementation of paperless committee meetings/ councillors/ senior officers supported by electronic committee management system and suitable electronic devices for councillors and officers.	G Harris	A Bull	15,000
3	Service redesign (income generation)	City development	Additional car parking income (excluding Rose Lane)	A Waters/ M Stonard	A Watt	150,000
4	Service redesign (income generation)	Multiple	Business rates review	A Waters	A Bull	300,000
5	Service redesign (income generation)	Multiple	New homes bonus through enabling new homes and bringing empty properties back into use leading to increased new homes bonus	B Bremner	A Bull	50,000
6	Service redesign (income generation)	Planning	Increases in planning fee income due to economic recovery	M Stonard	G Nelson	57,000
7	Service redesign (income generation)	City development	Replace Rose Lane car park with a new multi storey car park	A Waters/ M Stonard	A Watt	75,000

8	Service redesign (income generation)	City development	Surplus share for NPS and Norse joint ventures (environmental and buildings)	A Waters	A Watt / A Akester	50,000
9	Service redesign (income generation)	Citywide services	Increase in cemetery fees (the public were consulted on this previously).	K Driver	A Akester	30,000
10	Service redesign (income generation)	Citywide services	Charging for replacement wheelie bins (the public were consulted on this previously).	K Driver	A Akester	40,000
11	Service redesign (income generation)	Citywide services	Increase use of parks (concessions etc).	K Driver	A Akester	20,000
12	Service redesign (income generation)	Citywide services	Increase charges for allotments (the public were consulted on this previously).	K Driver	A Akester	8,000
13	Service redesign (income generation)	Multiple	Advertising income review	B Arthur	N Rotsos	50,000
14	Service redesign (policy or criteria change)	Hr and learning	Reduction in learning and development spend in line with reducing organisation	A Waters	D Bradshaw	15,000
15	Service redesign (service review)	Housing	Review of housing options	B Bremner	T John	68,000
16	Service redesign (service review)	Planning	Estimate of increased fee income from capital projects	M Stonard	G Nelson	153,000



17	Service redesign (service review)	Citywide services	Inflation for joint venture lower than planned for in medium term financial strategy	K Driver	A Akester	60,000
18	Service review (reducing budget underspends)	Planning	Reducing planning budget that is no longer required	M Stonard	G Nelson	7,500
19	Service review (reducing budget underspends)	City development	Increased private sector housing income	B Bremner	A Watt	47,000
20	Service review (reducing budget underspends)	Citywide services	Reduce emergency planning contingency as will be covered by corporate contingency in the future	K Driver	A Akester	10,000
21	Service review (reducing budget underspends)	Business relationship mgt/ LGSS	Reduce insurance budget that is no longer required	A Waters	A Bull	10,000
22	Service review (reducing budget underspends)	Business relationship mgt/ LGSS	Reduce systems support advice budget this is no longer required	A Waters	A Bull	10,000
23	Service review (reducing budget underspends)	Business relationship mgt/ LGSS	Reduce democratic services budgets that are no longer required	A Waters	A Bull	60,000
24	Service review (reducing budget underspends)	Business relationship mgt/ LGSS	Reduce telecommunications and printing budgets that are no longer required	A Waters	A Bull	50,000
25	Service review (reducing budget underspends)	Customers, communications and culture service grouping	Reduce customer contact and mail handling budgets that are no longer required	G Harris	T Bailey	10,000
26	Service review (reducing budget underspends)	Hr and learning	Reduce HR budget that is no longer required	A Waters	D Bradshaw	5,000

27	Service review (reducing budget underspends)	Finance	Reduce corporate contingency budget that is no longer required	A Waters	J Hartley	250,000
28	Service review (income generation)	Planning and city development	Capitalised fee income associated with increased capital programme	B Arthur, B Bremner, M Stonard	A Watt/G Nelson	132,000
29	Shared services	Business relationship mgt/ LGSS	Revenues and benefits improvement project resulting in increased grant through lower error rates	A Waters	A Bull	250,000
30	Council tax change	Finance	Potential council tax rise (beyond freeze grant amount included in medium terms financial strategy)	A Waters	J Hartley	60,000
31	Council tax change	Finance	Potential change to council tax discount (remove one month empty property discount)	A Waters	A Bull	70,000
32	Council tax change	Finance	Formally include war pension disregard in to our council tax reduction scheme in line with approach to housing benefit	A Waters	A Bull	17,000
			<b>General fund totals</b>			<b>2,204,500</b>