

Cabinet

Date: Wednesday, 13 January 2016

Time: 17:30

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

Committee members:

Councillors:

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

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AGENDA

1 Apologies

To receive apologies for absence

2 Public questions/petitions

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

3 Declarations of interest

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

4 Minutes

5 - 8

Purpose - To agree the minutes of the meeting held on 9 December 2015.

5 Devolution update

9 - 34

Purpose - To provide an updated position on the Norfolk – Suffolk combined devolution bid that was previously reported to cabinet on 7 October 2015. It sets out the current national policy context and details the outcome of the challenge session that was held with Government on 4 November 2015. The latest version of the Norfolk – Suffolk devolution proposal is included at appendix 1.

6 Equality information report

35 - 62

Purpose - To consider the annual equality information report.

7 Revenue budget monitoring 2015-16 period 8

63 - 82

Purpose - To provide an update on the provisional financial position as at 30 November 2015, the forecast outturn for the year 2015-16, and the consequent forecast of the general fund and housing revenue account balances.

8 Risk management report

83 - 112

Purpose - To update members on the results of the review of
a) the key risks facing the council and the associated mitigating actions recorded in the council's corporate risk register; and,
b) the council's risk management policy

- 10 Award of contract for the Passivhaus development at Hansard Close** 113 - 120
- Purpose** - To consider the award of a contract relating to the design and construction of ten Passivhaus dwellings at Hansard Close.
- 11 Community centre at Hall Road Asda site** 121 - 128
- Purpose** - To agree to the leasehold acquisition to provide a new community centre at the Hall Road Asda site.
- 12 Development company - business plan** 129 - 138
- Purpose** - To consider the business plan of The Regeneration Company Ltd.
- 13 Exclusion of the public**
- Purpose** - Consideration of exclusion of the public.

EXEMPT ITEMS:

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

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

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

***14 Development company - business plan appendices**

- This report is not for publication because it would disclose information relating to the financial or business affairs of any

particular person (including the authority holding that information) as in para 3 of Schedule 12A to the Local Government Act 1972.

***15 Managing assets**

- 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.

Managing assets ADDENDUM

- 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: **Wednesday, 20 January 2016**

CABINET**17:35 to 18:30****9 December 2015**

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

Also present: Councillors Haynes and Wright

1. APOLOGIES

No apologies were received

2. PUBLIC QUESTIONS / PETITIONS

No public questions were received.

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. MINUTES

RESOLVED to approve the accuracy of the minutes of the meeting held on 4 November 2015.

5. REVENUE BUDGET MONITORING 2015-16 – PERIOD 7

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

In response to members questions, the chief finance officer said that the overspend showing under democratic services was the result of the timing of the report. The expenditure on the 2015 combined election had been incurred and the government would reimburse costs of the parliamentary election having assessed our claim. The executive head of business relationship management and democracy said that the claim had been submitted.

RESOLVED to note the financial position as at 31 October 2015 and the forecast outturn 2015-16

6. TREASURY MANAGEMENT STRATEGY – MID-YEAR REVIEW 2015-16

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

RESOLVED to:

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

7. QUARTER 2 2015-16 PERFORMANCE REPORT

The leader of the council presented the report. He said that work was underway to identify accident hotspots to try to reduce the number of accident casualties on Norwich roads and that the Push the Pedalways scheme should see an improvement in cycling rates. The cabinet member for environment and sustainable development reminded members that the Norwich Highways Agency Committee looked at transportation figures in detail.

In response to a member's question, the executive head of strategy, people and neighbourhoods said that measure HCH3, the number of empty homes brought back into use, had seen a delay in improvement due to enforcement cases and legal action or probate issues. However, he anticipated that the overall target should be reached at year end..

He said that new house building policies were being reviewed against new government policies. A report to the scrutiny committee on 17 December would provide more detail on this.

RESOLVED to:

- a) note the quarter 2 2015-16 performance report; and
- b) ask the head of city development services to circulate details to members on the work to mitigate accidents due to icy weather

8. HERITAGE INTERPRETATION SUPPLEMENTARY PLANNING DOCUMENT - ADOPTION

The cabinet member for environment and sustainable development presented the report. He said that adoption of the supplementary planning document allowed the opportunity for the history of an area, which may have disappeared, to be shown again.

RESOLVED to adopt the *Heritage Interpretation Supplementary Planning Document* in accordance with regulation 14 of the Town and Country Planning (local Development) (England) Regulations 2012.

9. EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration items *10 to *12 (below) on the grounds contained in the relevant paragraphs of Schedule 12A of the Local Government Act 1972 (as amended).

***10. MANAGING ASSETS (HOUSING) – KEY DECISION (PARAGRAPH 3)**

The cabinet member for housing and wellbeing presented the report.

In response to a member's question, the operations director (NPS Norwich) offered to brief political groups on the process undertaken when assessing disposal of an asset.

RESOLVED to approve:

- a) the option to resettle the council tenants (where applicable) and to dispose of the freehold interest in the assets on the open market (the method of disposal being delegated to the head of city development services),
- b) an application, where necessary, to the Secretary of State for Communities and Local Government, for consent to the disposal of the assets detailed in the report; and
- c) the capital receipt from the disposal be reinvested in the housing capital programme for improving, repairing and maintaining city council housing stock or for enabling new affordable housing.

***11. AWARD OF CONTRACT FOR ICT NETWORK – KEY DECISION (PARAGRAPH 3)**

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

RESOLVED to delegate to the Executive head of business relationship management and democracy in consultation with the portfolio holder for resources and income generation the award of the contract as detailed in the report.

***12. FUTURE PROVISION OF SERVICES INCLUDING FINANCE, ICT, REVENUES
AND BENEFITS – KEY DECISION (PARAGRAPH 4)**

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

The executive head of business relationship management and democracy answered member's questions.

RESOLVED to implement the recommendations as detailed in the report.

CHAIR

Report to Cabinet

Item

13 January 2016

Report of Executive head of service for regeneration and development

5

Subject Devolution update

KEY DECISION

Purpose

To provide an updated position on the Norfolk – Suffolk combined devolution bid that was previously reported to cabinet on 7 October 2015. It sets out the current national policy context and details the outcome of the challenge session that was held with Government on 4 November 2015. The latest version of the Norfolk – Suffolk devolution proposal is included at appendix 1.

Recommendation

To continue support for the formal engagement by the leader of the council and the chief executive with government to help secure Norwich's interests through the development of a powerful and persuasive New Anglia Devolution proposal.

Corporate and service priorities

The report helps to meet the corporate priority a prosperous and vibrant city

Financial implications

Ward/s: All Wards

Cabinet member: Councillor Waters - Leader

Contact officers

Dave Moorcroft

01603 212225

Background documents

None

Report

Background

1. To date the government has signed devolution deals with the following city-regions across the country: Manchester, Greater Sheffield, Merseyside, North East, Tees Valley, West Midlands and Cornwall.
2. The scale and scope of each deal varies between each area, with Manchester securing the most extensive deal to date, whilst the Cornwall deal is more limited in terms of its scope (e.g. it does not include provision for an elected mayor).
3. There are some common elements and 'asks' which run through the approved deals including:
 - a) A devolved and consolidated local transport budget, with a multi-year settlement to be agreed at the spending review.
 - b) Responsibility for franchised bus services, which will support the combined authority's delivery of smart and integrated ticketing across the combined authority.
 - c) Powers over strategic planning, including the responsibility to create a single statutory city region framework, a mayoral development corporation and to develop with government a land commission and a joint assets board for economic assets.
 - d) Control of an annual funding allocation over 30 years (for city regions, typically around £30 million pa. For a smaller/ semi-rural area it is likely to be less), to be invested in a combined authority single investment fund, to unlock the economic potential of the area.
 - e) Responsibility for chairing an area-based review of 16+ skills provision, the outcomes of which will be taken forward in line with the principles of the devolved arrangements, and devolved 19+ adult skills funding from 2018/19.
 - f) Joint responsibility with the government to co-design employment support for the harder-to-help claimants.
 - g) More effective joint working with UK trade and investment to boost trade and investment, and responsibility to work with the government to develop and implement a devolved approach to the delivery of national business support programmes from 2017.
 - h) An agreement to support or fund a range of other projects or public policy reforms specific to that region.
4. One of the key features that has predicated the signing of these deals is reaching agreement about a focussed governance and delivery structure - including the option of a single elected mayor.
5. The signing of the deals is not a one off event, but forms part of an ongoing negotiation with government. For example, the Manchester deal has gone through a series of iterations, each step including a further devolution of power.

Most recently, this has involved agreement by government to devolve funding for the city region's £6 billion health budget, with a view to enabling better coordination between health and social care services at a Greater Manchester level.

6. Government is now discussing the content of future devolution deals with a number of combined county areas including Norfolk and Suffolk.

Norfolk and Suffolk bid - current position

7. The key themes in the Norfolk and Suffolk bid proposal covers:-
 - a) Productivity and business support
 - b) Coherent housing and planning
 - c) Local autonomy and proactive use of assets
 - d) Education, employment and skills
 - e) Health and care redesign

Finance and local self sufficiency

8. At a meeting of the Leaders and LEP Chairman on 14 October, it was agreed that the proposal needed to include more work on:
 - a) A demonstration of a better understanding of financial implications surrounding the bid as a whole and to define whether certain elements could be afforded
 - b) Given the Chancellor's announcement that only devolved areas with a Directly Elected Mayor would be able to charge an Infrastructure Surcharge on business rates, whether the absence of a directly elected Mayor for Norfolk & Suffolk would be financially too constraining;
 - c) More detail around how strategic transport related matters would be covered, not only for road & rail infrastructure but over bus franchising and passenger transport including through ticketing and concessionary fares;
 - d) A definition as what is meant by "double devolution" of certain powers and finances to a more local level of clusters of districts and how it could operate (taking examples from models in operation in the two counties) within the context of a wider Combined Authority (with/without a directly elected mayor);
 - e) A clear and concise explanation as to what the key benefits of a combined authority could deliver if powers and budgets were devolved from central government over and above what it is possible to deliver at the moment;

- f) An explicit statement that, whilst it is felt that the Norfolk & Suffolk Combined Authority bid was credible, it would be strengthened, especially in the context of strategic transport and for the promotion of local economic growth, if Cambridgeshire and Peterborough were to join in due course noting the global economic and academic leadership in key industrial sectors in the three counties.
9. Work is continuing in these areas. The latest version of the devolution proposal is attached as appendix 1.
 10. Government held a 'challenge session', led by Lord Heseltine, for Norfolk and Suffolk to present their ambition for the devolution deal on the 4th November. The Leaders group nominated a smaller challenge team to present the ambition to Lord Heseltine comprising Andrew Proctor (Broadland) George Nobbs (NCC), Alan Waters (Norwich CC) ;Colin Noble (SCC); David Ellesmere (Ipswich BC), Jenny Jenkins (Baeburgh BC) and Mark Pendlington chair of LEP.
 11. Informal feedback received after the meeting confirmed this had been a positive step forward and the bid had been favourably received.

Emerging changes to the Cities and Local Government Devolution Bill

12. The Cities and Local Government Devolution Bill completed its journey through the House of Commons on 7 December and has been returned to the Lords for consideration of amendments. The proposed amendments included empowering the Secretary of State to approve the creation of a Combined Authority in the absence of agreement of one or more constituent councils. In more detail, Amendments 7 and 8i) give the Secretary of State power to remove more than one non-consenting council from the existing area of a Combined Authority (the Bill originally provided for only one non-consenting authority to be removed). Other Amendments (25 – 29) are complex but in summary give powers to the Secretary of State to:
 - a) Allow districts and counties to join or form a Combined Authority without the consent of the other;
 - b) Impose a Combined Authority in an area - even if not all of the partners consent; and
 - c) Move transport and growth powers from the county council and instead place these in the districts, where it has been decided that districts are to join a Combined Authority without the consent of the county council. This would be on condition that the receiving district councils ported to power to the Combined Authority.
 - d) In certain circumstances, remove powers from a district and transfer them to a county.
13. The Lords consideration of amendments has been confirmed for 12 January 2016. Royal Assent will therefore be mid-January at the earliest

Next steps

14. The meeting of Norfolk and Suffolk Leaders and the LEP Chair on 7 December 2015 reaffirmed the continued joint commitment to work towards a devolution deal and a Combined Authority.
15. Work continues with DCLG to develop a deal proposal and an early draft of a deal proposal document should be available as an agenda item for the next leaders meeting (18 January)
16. There will be further reports on the development of the emerging Norfolk – Suffolk devolution deal as work progresses in early 2016. Once finalised, the proposed Norfolk -Suffolk deal document will be brought back to a future meeting of the Council for agreement before submission to Government.

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

Committee:	Cabinet
Committee date:	13 January 2016
Head of service:	Dave Moorcroft – Executive head of regeneration and development
Report subject:	Devolution update
Date assessed:	
Description:	

	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 precise funding details are unknown at this stage
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	There are significant potential benefits associated with devolution. These include support and devolved government funding to encourage economic growth and infrastructure provision
Financial inclusion	<input type="checkbox"/>	<input checked="" 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 checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As above
Waste minimisation & resource use	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As above
Pollution	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	As above
Sustainable procurement	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As above
Energy and climate change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As above
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment	
Positive	
The report will result in positive economic benefits for the council and the city	
Negative	
Whilst there are some negative impacts from development, the quality of development will minimise environmental impacts	
Neutral	
Issues	

The East – Releasing the Potential for Norfolk and Suffolk: A Devolution Deal

A. Why Devolve to Norfolk and Suffolk?

1. We are ready. We are delivering and being ruthlessly focussed on what's best for local people, we're ambitious to do much more.
2. Our shared assets and distinct geography mean that we are uniquely placed as a non-metropolitan, southern area to offer a devolution proposal that will unlock productivity and provide a model of devolved arrangements for other non-metropolitan areas, without unitary local government.
3. We are determined to exploit our strengths to increase our contribution to UK growth and establish our position as a global leader in the 3rd industrial revolution with a unique contribution to:
 - feed the world's population through our expertise and cutting edge agri-tech sector;
 - help the world connect, building on our established leadership of and track record in research and innovation in technology; and
 - Ensure sustainable global energy supply through the exploitation of our natural assets and a leadership role in the country's energy future.
4. Our Devolution Proposal is broad and ambitious. It makes the links between people, their health, wellbeing and safety; and Places, the infrastructure, housing and connectivity which is essential to Productivity. Achieving this requires a commitment to a new long-term relationship between central and local government and a joint approach to long-term investment which provides the confidence for local businesses to deliver the growth we need in Suffolk and Norfolk, and more generally for the benefit of UK plc. Our contribution to the devolution revolution can be characterised by:
 - A new relationship between central and local government
 - Increased productivity in both the private and public sectors
 - Maximising the potential of our people and places
 - Helping the UK become a global economic powerhouse
5. We share a unique geography – close to but very distinct from London with a firm focus beyond our borders both within the UK - to Cambridgeshire westwards and Essex to our south and internationally, with our Europe facing world class energy coastline and the UK's largest container port. We have a mix of urban, rural and coastal communities, which means a diversity of opportunities and challenges that emphasise the need to tailor to local circumstances – a demographic best suited to devolved arrangements.

6. We have economic scale and clout on a similar scale to City Regions such as Liverpool and Sheffield, with a much faster growing population. We also have the potential to grow our economy faster, with strengths in key sectors such as: agri-tech, food and health, energy and the digital economy. Our strengths are diverse and powerful including:
 - a) National hubs for key business sectors that need to be nurtured to become magnets for global inward investment such as:
 - An all-energy coast at the centre of the world's largest market for offshore wind that is worth about £994 million per annum,
 - Globally-leading research in life sciences worth £1.3 billion across Norfolk and Suffolk
 - agri-tech – a fast growing sector with huge commercial potential worth £2.2 billion GVA per annum almost 10% of Norfolk-Suffolk GVA
 - Pioneering technical innovations in ICT research and development worth £1.3 billion with 1, 400 companies employing around 10 300 people.
 - Felixstowe - the UK's busiest container port
 - A fast-growing creative digital sector, recently recognised by Tech City UK
 - Market-leading food and drink producers.
 - Our first-class cultural heritage mean tourism is worth £4.6bn annually across Norfolk and Suffolk.
 - the A11 corridor from Norwich to Cambridge – a world class destination for advanced manufacturing with already more than 100 automotive engineering and related advanced manufacturing companies in growing clusters
 - the quality of place to attract significant inward investment
 - b) City Deals for Norwich and Ipswich that are pioneering successful approaches to increase productivity reduce welfare dependency and deliver the Government's 'Youth Pledge' to support young people into employment such as Norwich for Jobs and MyGo in Ipswich.
 - c) Plans to deliver 180 000 homes by 2036
 - d) An innovative, collaborative and mature public sector that is willing to be bold in transforming public services
 - e) A net contributor to the Treasury
 - f) A wealth of local assets including our communities themselves and partners beyond the public sector such as, business and the VCS
7. Although this is a Norfolk and Suffolk proposal we are committed to working with neighbouring authorities – for example building on existing work with Cambridgeshire to maximise economic opportunities.
8. When realised, our economic potential is a key part of the counties' future. We see a strong and stable economy as fundamental to creating successful, self-sustaining

communities. A decent job, home and supportive networks are critical to ensuring that people keep healthy and well.

9. Our economic ambition is inextricably linked to our public service reform ambition that will: increase individual independence, reduce public service demand and, through more local autonomy, enable public services to implement the transformational change needed to redesign and increase public sector productivity.
10. Beyond a simple transfer of powers, we want to re-set the relationship between central government and the local public sector so that we are all better placed to: power economic growth and productivity. To unlock the full potential of Norfolk and Suffolk we need a devolution deal that takes into account what makes our counties great and how best to tackle the root causes that have previously held back our productivity potential and where traditional public service models have historically failed to fully unlock the potential of our people and places.
11. Norfolk and Suffolk have the scale, ambition and leadership to maximise the opportunities offered by additional freedoms and responsibilities. We are clear how devolution can maximise the potential to both grow our economy faster and transform public services to better enable local people to reach their potential.
12. We are proof that cross border collaboration can work. We already have an Enterprise Zone with sites in both counties, a cross boundary Clinical Commissioning Group that, through its joined up out of hospital team has improved patient satisfaction and reduced emergency admissions to hospital by over 10% in its first year bucking the national trend; a Local Transport Body and Skills Board led by New Anglia LEP including local councils and businesses.
13. We have a track record of prioritising outcomes over organisational boundaries, including where this means going beyond our county borders. We have worked flexibly with partners in the Greater Cambridge economic region with its strong influence on the west of the counties, for example in developing the A11 Corridor between Norwich and Cambridge.
14. Our Enterprise Zone in Great Yarmouth and Lowestoft has consistently been one of the country's best performing zones, creating more than 1,300 jobs by May 2015 and £29m of private sector investment. We were the first Enterprise Zone to introduce Local Development Orders on all our sites.
15. However, our ambitions have often been hampered by a lack of ability to influence the economic and social levers which accelerate the pace of growth and improve outcomes for local people. Our employment figures are among the best in the country, but our skills and productivity levels are below the national average. We need to tackle this problem head on, if we are to shift our economy to the next gear and compete and win on a global stage.

16. Growing the economy and improving productivity, underpinned by public service reform, provides a framework to improve the opportunities and life chances for the people of Norfolk and Suffolk.

B. The Norfolk and Suffolk approach: Principles and Governance

17. Our goal is to improve outcomes for local people. To do this we must increase our productivity – closing our GVA per head to the national average by 2020. This builds on our clear blueprint for growth as outlined in the New Anglia Strategic Economic Plan which commits us to 95,000 new jobs and 10,000 new businesses.
18. More widely, we want to work more effectively with Government to achieve a radically re-set relationship between central and local public services and local people. One that is enabling and responsible; one that is adaptable and progressive and one that works in driving growth, enabling opportunity for our people and places and delivering a more efficient public sector that influences better outcomes.
19. Firmly grounded in what's best for local people, Norfolk and Suffolk's approach to devolution is (although not restricted to) cross public sector and cross county with the ambition to both drive growth and public sector reform. Our approach to public sector reform is rooted in: integration and shifting to prevention. We want to create an integrated system that is designed around Norfolk and Suffolk residents to keep them safe, healthy and cared for.
20. We therefore, expect our devolved arrangements to be firmly rooted in the principle of subsidiarity so that the right decisions and delivery are made at the right level. Therefore, beyond transfer from central government to the Combined Authority this could also include transfer between tiers of government within Norfolk and Suffolk – for example from county to clusters of districts, or to districts or district to parish council as locally relevant. This principle is the basis for our approach to double devolution.
21. Together we have the momentum to take our economy to the next level, maximise the potential for local business rate and business rate growth retention, create more effective, joined up public services and secure better outcomes for our people. To do this the Norfolk-Suffolk deal will be focussed on a number of key policy priorities – these have been chosen because in their totality, we know that they will secure more prosperous, healthy, safe and sustainable local communities and places:
- a) Productivity, business support and inward investment
 - b) Housing and planning
 - c) Assets and Infrastructure (including flood management)
 - d) Education, employment and skills
 - e) Public sector Productivity: Health, care and safety reform
 - f) A new model for Public Sector Finance
22. All of the above will be supported by more locally autonomous, accountable, simpler, joined up governance that brings decision making closer to local people.

We are clear that form and resources must follow function and therefore, getting the content of our negotiation right takes precedence over structures; however, we are ready to be radical and agree a Combined Authority across Norfolk and Suffolk would fit with our principles of simpler, joined up, transparent decision making and subsidiarity – the right decision at the right level, which reflects our commitment to double devolution.

23. Building on our successful track record of collaborative governance, Suffolk and Norfolk aim to become the first entirely two tier two county Combined Authority taking what is best about the Manchester model but creating something better for our distinct geography. Our model will provide strong collaborative strategic leadership as well as accountability and a clear line of sight for both the Government and our many local communities. We will create a combined authority comprising 2 County Councils, 14 District and Borough Councils and the New Anglia Local Enterprise Partnership that will build on the strong relationships of trust and confidence that exist and be able to take the right decisions in the best interests of the whole of the two county area.
24. Recognising the need for an individual who can speak for the Combined Authority and who Government can do business with on our behalf, the Combined Authority Chair will be appointed by and enjoy the support of all 17 partners and will hold office for a fixed term to provide stable and focused leadership of the authority. In line with all devolution deals agreed to date, the Chair will have some autonomy and some powers will be reserved to the Combined Authority Board.
25. These arrangements will ensure that the streamlined governance works from the bottom up as well as at a strategic level and assure central government of our ability to deliver and clarify accountability. It will also enable governance models to evolve as implementation becomes clearer and secure best fit with existing governance such as the Health and Wellbeing Boards and New Anglia LEP (which is already cross Norfolk and Suffolk).

C. Core Elements of the Norfolk-Suffolk proposal

26. The following gives an overview of the most significant benefits to be realised and requests of Government across the devolution proposal's policy priorities. These requests are a combination of transferring central control (of assets, funds and decisions) as well as setting a different ongoing way of working between central and local partners.
27. Whilst there is considerable detailed modelling behind the business cases that support each of the priority policy areas for the Norfolk-Suffolk proposal it can be characterised by the following changes in existing policy and benefits that will be unlocked as a result.

Productivity, business support and inward investment: A more productive Norfolk and Suffolk that supports businesses to maximise their potential

28. Norfolk and Suffolk have weathered the economic downturn well compared with other areas, largely due to our diverse economy, which is not reliant on one sector. Employment and GVA figures are at similar levels to pre-recession level and business start-up levels are performing well. Whilst this is positive - the area is still largely a low wage, low skilled economy compared with the East of England and UK as a whole - and our productivity performance needs to be improved. At the same time, the population of Norfolk and Suffolk is forecast to grow substantially over the next few years.
29. We have the potential to grow our economy faster and are seeking a step change to improve GVA as well as attract thousands of new private sector jobs to cater for our growing population.

Therefore, we propose:

30. *Productivity Commission* - Establish a Productivity Commission, chaired by an independent economist, (e.g., from British Chambers of Commerce) to look at improving productivity at the local level by understanding local root causes of poor productivity and implement a clear action plan of rapid change. This would be a national pilot, enabling Government and local partners to utilise the Norfolk and Suffolk economy to test and evaluate measures to improve productivity, which can then be transferred to other areas. It will ensure that the Productivity Fund proposed in the Assets and Infrastructure section is used to maximum benefit.
31. *Business Support* - Build on the success of the Norwich and Ipswich City Deals that created the New Anglia Growth Hub to improve local business support. The Hub will have a key role in coordinating and delivering actions from the Productivity Commission and will offer more integrated, cost effective business support. It will also help improve alignment of economic development resources to maximise the impact of support for businesses.
32. *Exporting and Inward Investment* - Develop the existing positive relationship with UKTI to improve inward investment through a whole system approach (using local assets better as well as working with UKTI). This would result in a coordinated inward investment service for Norfolk and Suffolk focussed on key locations and sectors and support to enable more businesses to maximise their export potential.
33. *Innovation* – continue to invest in and align with national policy the local network of innovation centres and work with Government on an audit of science and innovation to map and better maximise strengths and assets. In return we would want the New Anglia area and neighbours such as Cambridgeshire and Hertfordshire to be included in the first round of science and innovation audits and Government commitment to invest in local assets as a result.
34. *European Structural Funds* – European Structural & Investment Funds –work with Government to improve the delivery system underpinning the performance of the programmes delivered through ESIF, particularly exploring how through increased

local control, programme management and planning we can enhance performance for the region, the UK and the Beneficiary. Devolving intermediate body status would be one enabler for this.

This will deliver:

- a. Clarity of what local productivity challenges are and the means (through shared intelligence and resources) to address them
- b. More integrated, cost effective and tailored business support
- c. A whole system approach to inward investment that mirror the approach in Government's 'Fixing the Foundations' productivity plan.
- d. Maximising our strengths in innovation and science and translating research into viable business propositions
- e. More productive outputs from EU funding due to more locally sensitive management

Coherent Housing and Planning: More housing, delivered more quickly for local people

35. Sufficient and appropriate housing is vital to ensure people can live healthy and prosperous lives as well as having a major impact on developing the economy. A shortage of homes reduces the mobility of the workforce, increases pressure on public services and fails to meet people's aspirations. Many planning permissions are being granted but the homes are not being built.
36. To deliver sustainable development, a significant proportion of committed growth is formed by major sites, which require upfront infrastructure provision and are planned to be built out over a number of years. There is now a need to look towards investing in those which can be delivered as well as providing for a greater range of sites to encourage SMEs to build and to stimulate supply.
37. Through the Combined Authority we will significantly increase housing delivery through four inter-related elements:
1. expanding our direct involvement in development activity, building capacity in the private sector especially SMEs, and through planning reform;
 2. establishing a Land Commission to drive development on publically owned land;
 3. develop a Strategic Plan to provide a single coherent vision that will address future challenges to stimulate growth, overcome blockages, identify strategic growth opportunities, provide better integration and free up resources at local level to focus on delivery, and
 4. embedding utility providers in the formation of strategic and investment plans

Therefore we propose

38. To deliver at least 180, 000 new homes by 2036
39. To go further by supporting an ambitious target for an increase in new homes, to be determined through the process of producing a Strategic Plan for Norfolk and Suffolk using the new statutory planning powers we are seeking, in return for our 5 year land supply being calculated on the basis of objectively assessed housing need.

40. In the short term guarantee to increase delivery by 15% year on year to 2020 through delivery on sites within local authority control through our own investment of approx. £150m
41. By 2020 annual delivery will exceed required annual delivery rate to meet local plan commitments
42. In the medium to long term we will continue to increase delivery through the locally managed Housing Investment Fund (£150m match funding from government) utilising publicly owned land identified through the new Land Commission; a new relationship with the HCA; providing support and assistance to SME's to increase delivery on allocated sites; using new strategic planning powers to identify and bring forward strategic sites including new settlements/garden cities/urban extensions.
43. Production of a single Strategic Plan to enable targeting of investment in infrastructure to support growth and delivery; enabling faster delivery of local plans working within an agreed strategic framework; better engagement with utility providers. Districts or clusters of districts, such as in Greater Norwich being responsible for producing Local Plans and determining where the new homes will go.
44. Becoming a Planning Reform Pathfinder to consider and pilot recommendations from the Planning Reform Review Panel; local plan process; planning fee regime; faster decision-making.

This will deliver

- a) **At least** 180,000 homes by 2036.
- b) A joined up and strategic approach to spatial planning ensuring needs are met and investment in infrastructure is better aligned to future development so that it is enabling not reactive but linked directly to local and neighbourhood plans' needs.
- c) Efficiencies achieved by: developing a shared evidence base and sharing skills (demography, economy, housing, viability, and delivery),
- d) A single point of contact and information for the private sector;
- e) A stronger and more diverse range of house builders many with a local connection and locally skilled employees to deliver
- f) More proactive investment e.g., infrastructure - as a result of greater certainty and flexibility on funding (such as Housing Revenue Account borrowing) we will be able to stimulate housing growth
- g) Accelerated delivery of new homes by both private and public sectors, and jobs growth in a planned and coordinated way
- h) More effective planning to deliver long term sustainable growth and the alignment of strategic investment priorities
- i) Address public concerns that infrastructure cannot cope with the growth through accessible local investment plans

- j) Nationally significant energy infrastructure enables the wider growth and infrastructure opportunities to be maximised.
- k) Better use of constrained resources creating capacity to better focus on delivery on the ground
- l) Opportunity to pilot different methods of working in a positive and collaborative environment
- m) Incentives for developers to work in partnership to achieve smarter outcomes
- n) Upskilling, building and maintaining an appropriate skills base at local level
- o) New opportunities to support emerging parts of the development industry such as custom build sector
- p) Decisions on housing numbers and locations being taken at the appropriate geography reflecting our commitment to engaging our distinctive communities.

Assets and Infrastructure: Enabling growth, unlocking potential and protecting communities through more local autonomy and influence and proactive use of our assets

45. To maximise our growth and productivity potential we must improve the use of our assets and ensure delivery of excellent infrastructure. Currently key infrastructure projects that will bring forward housing and jobs growth are not shovel-ready because of the funding uncertainty. This lack of certainty means that other ways of raising funding – e.g. through borrowing against the future stream present excessive risk to councils. In the current system there is also considerable disconnect between Government investment and local priorities with too many centrally held pots that would be more efficiently utilised if devolved.
46. There is currently no spatial plan for the economic area (the LEP) and our economic geography is not bound by county boundaries – it stretches west (working with Cambridgeshire and GCGP LEP) and south (working with Essex and the SE LEP). Currently there is no mechanism to properly consider and plan for big strategic issues, such as the ongoing growth of Greater London and Cambridge, which will continue to impact on the local economy, and affect planning of transport and other infrastructure.
47. Under a devolved arrangement the Norfolk-Suffolk Combined Authority would provide coherent strategic leadership and set the framework for the strategic plan of our geography. By bringing strategic responsibility for key functions such as: transport, housing and spatial planning together the Combined Authority can speak with one voice and offer a simpler and more effective way of unlocking productivity and growth and more effective relationships for public and private sector partners within and beyond our geography.

Therefore, we propose:

48. *Productivity Fund* – We will create a £2.25 billion multi-year productivity fund. This will be funded by local public sector partners, match funded by Government and then matched again by private funding. We will contribute £25 million per year over

the next 30 years from local partners and propose that Government match fund to unlock private investment to create an investment pot of £2.25 billion. This will enable the Combined Authority to invest in larger projects that will deliver a step change in growth. Our target is that every £1 invested by the productivity fund pot at least a further £4 of economic growth will be unlocked

49. *Funding* - Devolution of funding and decision making for investment with a longer term multi-year settlement incorporating all of the capital funding streams from a range of current and proposed new government programmes (e.g. Integrated transport and maintenance blocks, Growth Deal, science capital) and revenue support (e.g. for highway maintenance and local transport). This would be matched by local funds to create an Investment Fund and would align with the concept of the National Infrastructure Commission at a micro level. We want to explore options for such an Investment Fund to be managed by the Combined Authority to allow flexible use for bringing forward priority based investment for maximum impact. This would help unlock the development of stalled employment and housing sites across the counties, support increased productivity within growth sectors and existing businesses to enable the development of a modern, integrated transport system with a secure future.
50. *Strategic Transport Networks* - Greater local engagement and influence over planned improvements to the Strategic Road Network, and the development of rail franchises and rail infrastructure programmes of spend. We would want to explore with Government the role that a Combined Authority could take in decision making with key strategic bodies such as Network Rail and the Highways England to improve connectivity, cut congestion and keep the economy moving.
51. *Flood Risk and Coastal Management* – We want government to commit to long term funding settlements and local flexibility to the assessment and allocation of Flood Grant in Aid that will allow existing investment in Flood and Coastal Erosion Risk Management (FCERM) to meet wider economic development objectives and attract additional partnership funding. This will enable us to create a strategic, integrated approach between FCERM and other infrastructure investment to support long term economic growth as well as greater protection from flood and erosion.
52. *Utilities and Energy* – In order to shape and influence the priorities for utilities to support growth in key locations, we would like to form a pilot that makes stronger links between utility companies' (electricity, water supply and treatment and telecoms) business plans and the expected delivery of development. This could include financial mechanisms to reduce uncertainty of costs (through more detailed design work) and even incentivise developers and landowners to deliver (by a supportive investment programme).
53. *Public Transport* - We would like to build on the partnerships we have with public transport operators and adopt a “franchising-lite” network approach to a jointly developed and delivered network of services, across scheduled local bus and rail

services, community based transport and our network of car clubs supported by smart ticketing. We aim to exploit the new opportunities coming forward as part of the Buses Bill and would be asking for franchising powers too, so we have all of the tools available to us to deliver a first class transport system.

54. *Digital Economy* – We would like government commitment to support authorities in meeting public expectations of 100% superfast broadband coverage by 2020, through centralised or devolved funding and consideration of pooled budgeting for infrastructure. This would offer local authorities discretion to evaluate the relative local priority of local infrastructure projects (e.g. transport, broadband, mobile, etc.). We will also demine the right technological solution – fibre based, with mobile, wireless and satellite potentially playing a role. This may well offer less expensive solutions to maximise value for money.

This will deliver:

- a. A combined Strategic Planning Framework (see Housing and Planning) covering housing and employment growth and combining the two counties' Local Transport Plans would provide a light touch, robust single coherent vision to stimulate growth, overcome blockages and provide better integration and efficiencies, focussed on delivery.
- b. Better value for money by leveraging in more local authority and private sector funding
- c. Stronger delivery of growth through better engagement with the market, and better linkages between planning and the delivery of infrastructure
- d. Swifter delivery and more efficient projects because of better proactive planning as a result of more local autonomy (and therefore, less time taken responding to funding deadlines)
- e. Greater certainty and flexibility on funding (such as Housing Revenue Account borrowing) that will stimulate housing growth through more proactive investment in infrastructure
- f. More effective planning to deliver long term sustainable growth and the alignment of strategic investment priorities
- g. Better use of constrained resources creating capacity to better focus on delivery on the ground

Education, employment and skills: accelerating workforce productivity to support our growing economy

55. The demand for skills is already outstripping supply at all levels in our economy, including in skilled technical trades such as engineering, logistics and construction, and in the professional fields of computing, creative digital, agri-tech, and health. This situation is likely to worsen without decisive action. We will, therefore, focus to secure the high skilled workforce needed to realise our productivity and growth ambitions.

56. Our proposals build on our successful City Deals, will deliver an ambitious programme to turn around the intractable workforce issues that would otherwise limit growth and productivity. Our solutions are driven by the needs of the economy and

developed with the private sector, giving local businesses the skilled labour they need to grow.

57. While we still face the challenge that the skills of local people are not keeping pace with the needs of our rapidly changing economy there is good evidence that our recent actions are starting to have impact. We have made good progress in improving education outcomes and will continue to focus relentlessly on our goal that every child should be able to attend a good or outstanding school. We have used the new opportunities of City Deal, Growth Deal and European Funding to make significant strides in strengthening our skills and employment offer and have demonstrated our ability to innovate and deliver in partnership with Government, through projects such as the MyGo Youth Employment Service

Therefore, we propose:

58. *Excellence in Education* – Government commitment to an Education Board. This would discharge the strategic functions on behalf of both the Regional Schools Commissioner and the Combined Authority to accelerate the pace of improvement by bringing together our expertise and capacity. Through this approach we are also seeking to agree a joint Education Infrastructure Plan to enable us to collectively meet the demands of our growing population within available resources.
59. *Skills that Drive Productivity and Growth* – Undertake An Area Review for West Norfolk and West Suffolk in 2016, chaired locally and including school sixth form provision, and an agreed timetable for further area reviews. Outcomes of these reviews will enable us to explore a plan for Institutes of Technology linked to our ambition.
60. *New Anglia Youth Pledge* – Build on the success of the MyGo Youth Employment Project to deliver the Government's Youth Obligation through a local Youth Pledge that ensures every young person aged 16-24 is earning or learning. To achieve this we will need Government to agree to integrate JobCentre Plus resources into the Youth Pledge offer.
61. *Apprenticeships* – Responsibility for the Apprenticeship Grant for Employers (and any successor schemes) to transfer to the Combined Authority enabling more locally appropriate investment, targets and support.
62. *Adult skills* – Devolved responsibility for Adult Skills Funding to cover the Adult Skills Budget, AGE and community learning from 2017 along with a commitment to a three year block allocation.
63. *Local Employment Service* – Agree a shared long term investment model with the DWP and Combined Authority for localised employment support services and agree a One Public Estate strategy that would explore collocating Job Centre Plus and skills provision to create a single skills and employment resource.
64. *Enabling the Hardest to Help to Work* – To design a public sector reform pilot bringing DWP, local partners together to find more effective, integrated employment support to help those people that find it hardest to secure work

This will deliver:

- a. 10, 000 apprenticeships by 2026

- b. More integrated and cost effective ways of achieving the best possible standards in schools and bring together expertise to identify underperformance and intervene with struggling schools before they reach crisis point.
- c. A stable and vibrant post 16 education and skills system which is closely aligned to the local economy and providing clear, high quality academic and technical routes to employment and the high level skills valued by employers in our key industries.
- d. Deliver the Government's Youth Obligation through a New Anglia Youth Pledge - building on the success of the MyGo and Norwich for Jobs Youth Employment Projects
- e. 'Work pays' – reducing reliance on benefits
- f. Help individuals to stay in employment and where appropriate, encourage them to increase their earnings
- g. Help those that find it hardest to secure work

Health and care redesign: People are able to live as healthily, safely and independently as possible for as long as possible and if needed, receive early and joined up public sector support

65. The current system does not adequately support people to live as positive and independent lives as possible. This is bad for our people and offers poor value for money. The current system is not financially sustainable both in terms of public service spending and demographic pressures facing Suffolk and Norfolk. We want to shift financial incentives and planning towards activities that maintain health rather than just treat ill health.

66. If we succeed we will not only have stemmed the increasing demand for high end in patient services but actually reduced it. We are seeing significant increases in hospital activity this year, we think we can turn this trend around to a 3% reduction in 5 years, achieved through working on two fronts, preventing people from becoming ill as well as treating illness earlier and better, out of hospital. With proper join up we could crack delays for people who are ready to go home, designing sensible services that enable people to live as independently as they can having a significant positive impact on delayed transfers of care across the county

67. We want to continue to develop an integrated system that is designed around our residents to keep them safe, healthy and cared for and through our economic ambition offer more opportunity to unlock their potential to live independently and well for as long as possible. Our residents don't care about traditional service boundaries, just that they are as independent as possible and get help when they need it and this remains our biggest priority to deliver

Therefore, we propose:

68. *Funding* – Optimise resources across the local system through a more integrated, medium term approach to financial planning that enables a shift to models of prevention and early help to enable independence and reduce demand. This would require Government to devolve multi-year settlements for health, care and safety.

69. *Estates* – local control over public service estates and capital assets including NHS and police to unlock assets across local public services. To do this we would want first rights on central government estates in Suffolk and Norfolk as highlighted in our finance section.

70. *Changing model of support* – explicit support from Government departments, inspectorates and regulators to enable longer term systemic shifts in service delivery

This will deliver:

- a. Fiscal neutrality (we need freedoms not more funding) and a public service that is more sustainable and in the longer term cheaper
- b. Greater demand reduction
- c. Quicker and broader integration and more effective and efficient use of resources as a result
- d. Greater economic growth and increased productivity as health and wellbeing improves and public assets are more effectively maximised
- e. the NHS Forward View more quickly
- f. Accountability and simpler decision making
- g. Better use of resources across the local system including a more integrated workforce that will increase productivity and efficiency as highlighted in the Carter Review
- h. Better public sector productivity as highlighted in the summer budget's accompanying command paper 'A country that lives within its means'

Finance: a radically different approach to local public service funding, where greater local autonomy creates a system that is more locally self-sufficient

71. Underpinning all elements of the Norfolk-Suffolk proposal is greater local autonomy over resources. We are seeking a radically different approach to local public service funding, where greater local autonomy creates a system that is more locally self-sufficient. This certainty and increased local autonomy would enable more rational, creative and medium term planning across local public resources. More flexibility and significantly longer term funding support is required to deliver our ambitions and manage the risks we are taking on.

72. We want to work with government to develop this model which will require a new relationship with DCLG/Treasury to ensure that new arrangements for funding can operate successfully in combined Norfolk/Suffolk authority.

73. A number of our fiscal 'asks' are around local taxation so it is probably worth setting this in context. Land and Property taxes (i.e. Council Tax, Business Rates, and Stamp Duty) are tied to a place and so the devolution of such taxes to combined authorities does not distort the system in the same way as income tax would (London Finance Commission May 2013). Land and Property taxes also play a much smaller role than Labour taxes, accounting for around 11% of total tax take at the national level. At the geography of the New Anglia LEP which broadly covers

Norfolk and Suffolk this amounts to about 12.5% but if Stamp Duty is removed then this would fall to 11.3%.

74. However what our devolution proposals will seek to do amongst other things is to increase the economy taxes (i.e. Labour, Land and Property, Consumption and Capital) which in turn will contribute to bringing down the deficit or avoid further unpalatable 'cuts'.

Therefore, we propose:

75. Fundamental to our financial model are two key proposals:

- a. Work with Government to shape and influence the design of the new Local Government finance system based on the 100% retention of business rates in advance of its universal introduction in 2020.
- b. 100% Retention of Business Rates Growth

76. Work with Government *to shape and influence the design of the new Local Government finance system based on the 100% retention of business rates* in advance of its universal introduction in 2020. Issues to be considered in any new system will include:

- i) Redistribution mechanism to reflect different needs of different authorities
- ii) An extended system of top-ups and tariffs based on a reset of the system to reflect needs and resources
- iii) A review of the current 80:20 split in the two tier areas to reflect exposure to risk and take account of potential new responsibilities
- iv) Consideration of the responsiveness of the system to changes in relative needs and resources whilst retaining a strong incentive for authorities to grow their economies
- v) The timing of futures 'reset' arrangements and the 2017 revaluation.
- vi) Safety nets to protect authorities against significant falls in income and how it is funded
- vii) The funding of reliefs
- viii) How decisions to changing the rates multiplier will be made in two tier areas above the national multiplier
- ix) The ability of an elected mayor to set a higher business rates multiplier, likely to be capped at 2p to invest in infrastructure
- x) Implications of phasing out RSG and rolling other grants into business rates
- xi) Fiscal neutrality and what further powers and functions are passed down to local government to be met from business rates
- xii) The impact of any changes to the appeals system
- xiii) Timing of implementation unlikely to be before 2018/19 as any changes would require primary legislation
- xiv) The continuation of New Burdens funding for those new duties and activities which government may impose on local government from time to time.

77. 100% retention of Business Rates Growth

- i. Need to agree a baseline from which to measure the growth. The current pooling arrangements have their baseline set in 2013 which would be more beneficial than other starting points.
- ii. Under existing baselines, i.e. April 2013 we would generate £18m (100%) growth using pooling arrangements but if we are forced to use a 2015/16 baseline, as the Manchester/Cambridge deals imply, it would probably be nearer £10m and could be less depending on how the year is progressing.
- iii. However, historically the rateable value has increased by an average of 0.5% over the last 5 years which if this continued in the short term is equivalent to £3m in growth per annum,
- iv. The negotiations would also need to establish a model which incorporates some protection against the rest of the system in 2020, safeguards against appeals, levy payments and compensation for centrally mandated changes to the system.

78. Other financial 'asks' that we would like to explore with Government are:

- i. *Council Tax* - Increase the referendum limits for Council Tax setting to 5%
- ii. *Use of Bonds* - the general power of competence will be endowed to Combined Authorities through the Cities and Local Government Devolution Bill. Until then, its ultra vires and borrowing can only be undertaken by LA's.
- iii. *One Public Sector Estate* - To agree to a joint review of the local public sector estate (to include DWP and NHS in particular) and enable local partners to retain a proportion of any cost savings that are created to reinvest in local employment and skills provision and to unlock sites for employment and housing

This will deliver:

- a) More funding certainty (if the risks can be mitigated).
- b) Local discretion to fund infrastructure and essential development to promote housing and economic growth.
- c) Enable more integrated public services across Norfolk and Suffolk particularly the Health and Social Care Agenda.

Conclusion

79. The totality of this proposal demonstrates the depth and breadth of our ambition in the East. It makes the links between people, their health, wellbeing and safety; and Places, the infrastructure, housing and connectivity which is essential to Productivity. To do this, we need a commitment from Government to a new long-term relationship between central and local public services and a joint approach to long-term investment which provides the confidence for local businesses to deliver the growth we need in Suffolk and Norfolk, and more generally for the benefit of UK plc.

Report to Cabinet
13 January 2016
Report of Executive head of strategy, people and neighbourhoods
Subject Equality information report

Item

6

KEY DECISION

Purpose

To consider the annual equality information report.

Recommendation

To approve publication of the annual equality information report.

Corporate and service priorities

The report helps to meet all of the corporate priorities and the service plan priority to reach the achieving level of the equalities framework.

Financial implications

None

Ward/s: All wards

Cabinet member: Cllr Thomas – Fairness and equality

Contact officers

Phil Shreeve, Strategy Manager

01603 212356

Background documents

None

Report

1. The annual equality information report is submitted for review and approval.
2. There is a statutory requirement for the document to be published before 31 January 2015.
3. The report was discussed at the scrutiny committee held on 17 December 2015 and there was a specific request to show, where possible, details of complaints under section four for more than one year. Given the short time between that meeting and publication for cabinet, it is suggested that this (and other minor updates as additional data becomes available) be taken between cabinet and publication date by the strategy manager in conjunction with the portfolio holder.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	13 January 2016
Head of service:	Russell O'Keefe
Report subject:	Equality Information Report
Date assessed:	23 December 2015
Description:	To consider the equality information report which is a statutory requirement under the Equality Act 2010, outlining how we carry out our public sector equality duties

	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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Analysis of the organisation as an employer and service provider has a positive impact in identifying good practice and areas for improvement.
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Council activities outlined in report which have a positive impact on financial inclusion for marginalised communities
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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Positive impact in recognising responsibilities
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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This document is responsible for identifying how we carry out our duties in these key areas.
Eliminating discrimination & harassment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As above
Advancing equality of opportunity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As above
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment	
Positive	
Continue to review and monitor how the organisation is embedding equalities in its every day work.	
Negative	
Neutral	
Issues	



Equality information report

January 2016

1. Introduction

This report provides information about the people who live in Norwich, who work at the council and who use its services. It allows all those who design services for the city's population to do so with the latest information to hand. Publishing information in this way is a specific public sector duty as laid out in the Equality Act (2010) which requires that public bodies publish annual data by 31 January each year.

This report demonstrates how we show due regard to the three general equality duties across our functions:

- Advancing equality of opportunity between people who share a protected characteristic and those who do not,
- Eliminating discrimination, harassment and victimisation and other conduct prohibited by the act
- Promoting good relations between people who share a protected characteristic and those who do not.

The council has four equality objectives, which are aligned with the revised 2015-2020 corporate priorities:

Equality objective	corporate priority
Tackling hate incidents and crimes	Safe, clean and low carbon city
Access to quality information, advice and advocacy including financial capability	Prosperous and vibrant city
Treating people with dignity and respect	Core values
Accessible and safe housing	A healthy city with good housing

The council's corporate priorities were updated in 2015 and the equality objectives were due to be reviewed in 2016. However given both the challenges in delivering services within reducing budgets, the new reducing financial inequalities plan and changes in welfare these objectives will roll forward during the next year.

Each service area has equality actions as part of its annual service plans. Reporting is undertaken through our performance management system, on a quarterly basis. In addition, Integrated Impact Assessments are undertaken for each report submitted to cabinet, and Equality Impact Assessments accompany major decisions made at the council. These are all published with committee reports or in the equality section of the website.

A councillor from cabinet is the portfolio holder for equalities, and receives regular updates from officers. This is currently Councillor Vaughan Thomas.

Glossary of terms

Protected characteristic	This is a phrase used in equalities legislation to identify groups at risk of discrimination. These are: age, disability, gender reassignment, race, sex, sexual orientation, marriage and civil partnership, pregnancy and maternity, and religion or belief.
BAME	Black and minority ethnic
Scrutiny Committee	This is a group of non-executive councillors who help to develop policy and improve performance, and holds the council's cabinet to account for their decisions.

The data in this report is taken largely from the 2011 Census, the council's own statistics and labour market statistics from the Office for National Statistics. The age of data from these sources vary but this report uses the most up-to-date statistics available at the time of publication. The report is a look back over the previous completed financial year so will again be dated in parts.

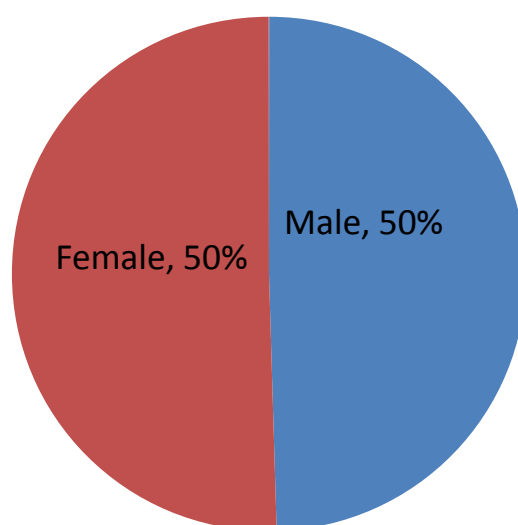
2. What do we know?

2.1 Demographics

Population

The mid-2014 population estimates indicate that **137,500** people live in Norwich, showing that Norwich continues to grow. All demographic figures are from the Office of National Statistics unless otherwise stated.

Norwich residents by gender – mid-2014 estimates



Ethnicity

Percentage of population – Ethnicity 2011 National census statistics		
	Norwich	England
Total White	90.8	86
White Non-British	6.1	5.5
Total Black, Asian or minority ethnic group	9.2	14
Asian/Asian British	4.4	7.5
Black/African/Caribbean/Black British	1.6	3.3
Mixed Heritage	2.3	2.2
Other ethnic group	0.8	1.0

The National Census of 2011 gives us the most accurate figures to date regarding the ethnicity of residents of Norwich which shows that the city is less diverse than the rest of country on average, although has a slightly higher proportion of White non-British residents than is the case nationally .

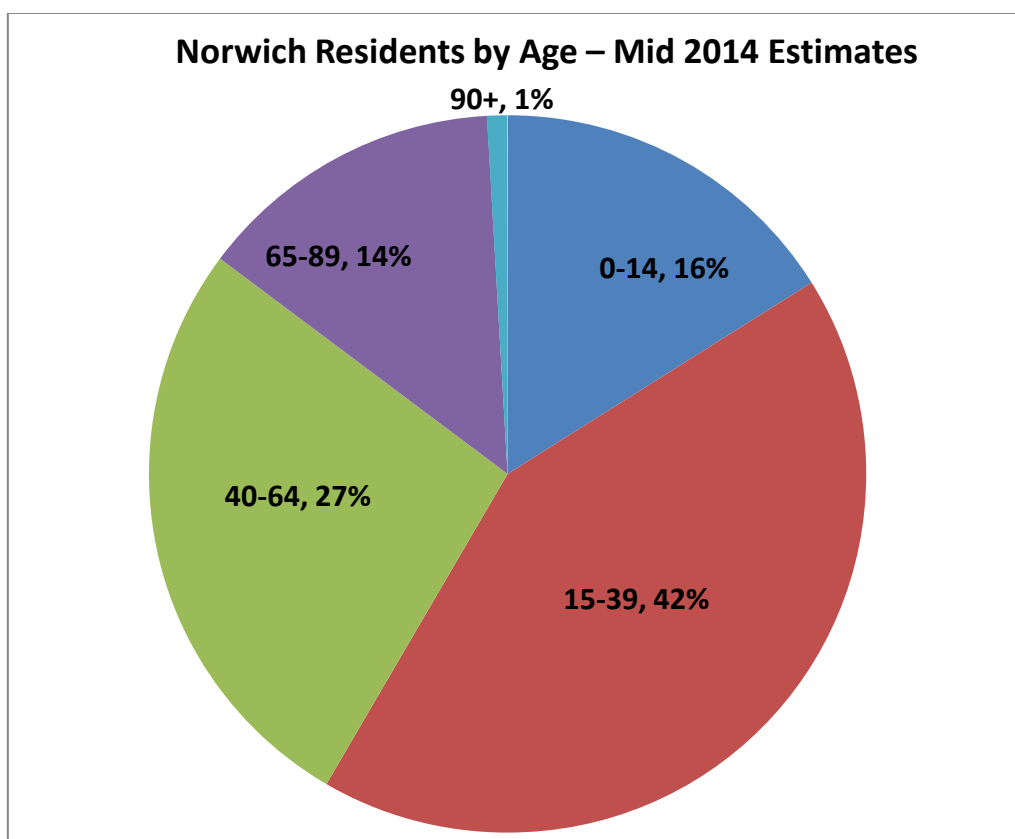
Disability

The table below provides responses 'limited a lot' and 'limited a little' to the question: 'Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?'

Disability 2011 National census statistics by percentage			
	A little	A lot	Total
Norwich	9.8	8.6	18.4
England	9.3	8.3	17.6

The number of disabled people in Norwich has remained relatively consistent with the figures from a decade ago. These are the only reliable statistics giving a comprehensive picture of disability in Norwich.

Age



Population by broad age group in 2014 in England and Wales

Age group	0-14	15-39	40-64	65-89	90+
Percentage	18	33	32	17	1

Mid-2014 estimates (rounded figures provided)

Norwich has a youthful demographic in comparison to Norfolk and the rest of the country, with 42% of residents in the 15 to 39 age group, as opposed to 33% nationally. This has an impact on a range of issues such as working age population on benefits, young people not in employment, education and training.

2.2 Employment in Norwich

Percentage of Norwich population in employment compared with that of the region and England as a whole June 2015			
Year to June 2015	Norwich	East of England	England
Economically inactive - aged 16-64	25.2	19.9	22.3
Economically inactive - aged 16-24	43.8	35.0	37.9
Economically inactive - aged 50+	55.4	56.3	57.8
Economically inactive - aged 65+	90.4	88.2	89.3
Economically inactive - aged 16-64 - Male	25.1	13.7	16.5
Economically inactive - aged 16-64 - Female	25.3	26.1	28.1
Economically inactive - aged 16-64 - White	24.2	19.3	20.7

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Levels of the population economically inactive across the city are higher than for both England as a whole and the East of England. This is particularly true in the younger 16-24 population. In the past 12 months there has generally been a reduction in the proportion of residents economically inactive, although it has risen slightly amongst men.

The table below also suggests that a greater than average number of residents need to claim some form of benefit to support their income. This is reflected across a whole range of different benefit types and personal circumstances. The past 12 months has seen these proportions reduce, with the exception of Employment and Support Allowance (ESA) rates, which have stayed broadly static.

Percentage of working age population claiming benefits (all) May 2015			
	Norwich	East of England	England
People of working age on benefits (working age client group)	13.6	9.8	11.8
All disabled/illness related benefits	7.7	4.9	6.0
All disabled/illness related benefits as percentage of working age client group	56.5	49.9	51.0

Claimant count rate (unemployed and seeking work)	1.8	1.2	1.8
ESA/Incapacity benefits (employee support allowance paid to people with disabilities)	7.7	4.9	6.0

£ Median hourly pay – residents 2015			
	Norwich	East of England	Great Britain
Full-time workers	11.50	13.81	13.33
Male full-time workers	11.97	14.50	13.93
Female full-time workers	10.73	12.79	12.57

Median full time hourly pay for residents (excluding overtime) has increased since the last equality information report. The rate of increase has been greater for men than women, meaning that the pay gap between men and women has gone up from £1-01 to £1-24. Pay for male residents has increased at a slightly higher rate than both regionally and nationally, meaning the pay gap for local men has narrowed. However if anything it has worsened very slightly for women in Norwich..

Another key gap is between the pay of Norwich residents and those working in the city. Figures from November 2013 show that median hourly earnings for people working full time in Norwich (£12.76 per hour) are higher than those for Norwich residents (£11.30 per hour). However, whilst there is a marked difference in median earnings for male full time workers: men working in Norwich (£13.68); men resident in Norwich (£11.67) - for women there is only a slight difference between average hourly median earnings based on the workplace (£10.64) and resident based hourly earnings (£10.74). This shows that higher paid men working in Norwich are more likely than average to live outside of the City Council area and commute in [NB by the time of publication we should have 2014 figures and analysis for this paragraph.]

3. Norwich city council as an employer

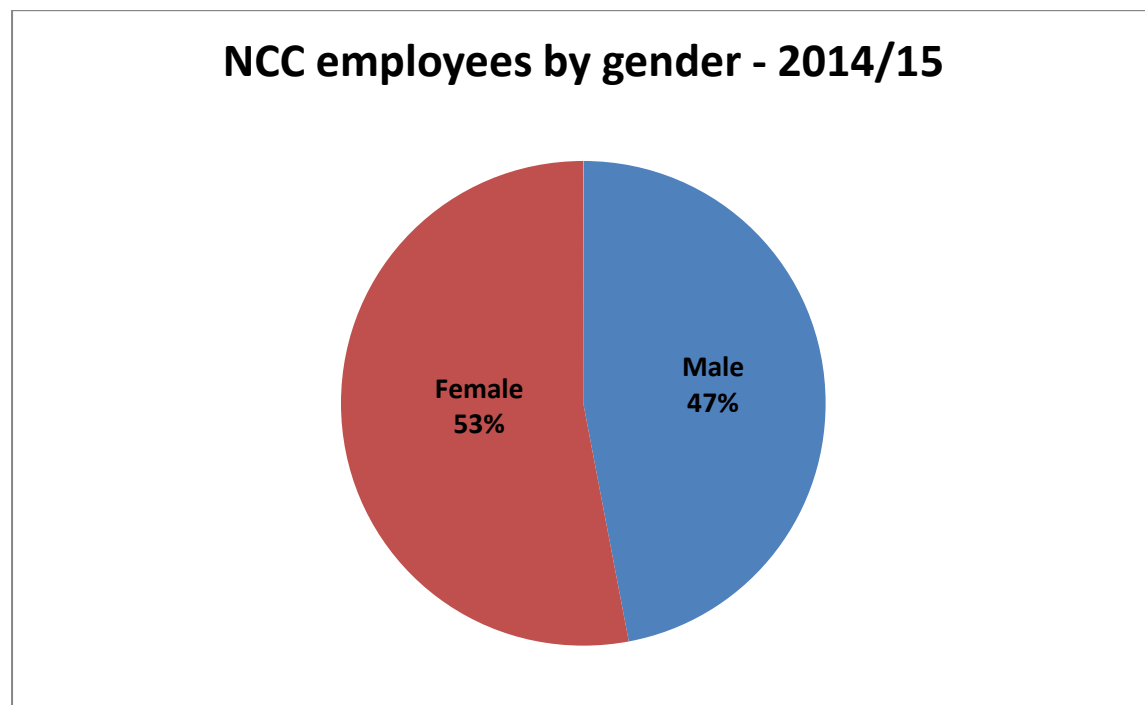
3.1 Who works here?

Statistics below are for the period from April 2014-April 2015 unless otherwise stated and are taken from internal records which employees update.

On 31 March 2014 there were **646** employees at the council, a slight increase from the previous year.

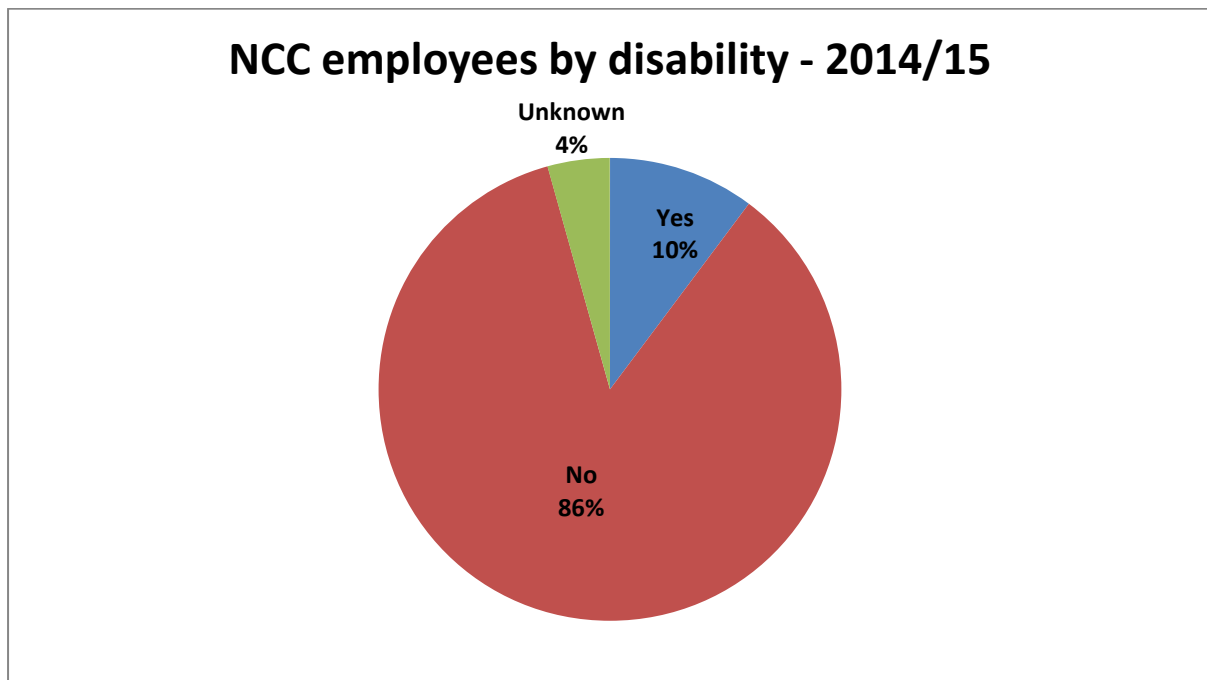
Norwich City Council's aim is for the workforce to reflect the % of the local community, who are economically active, from an ethnic minority, have a disability and match the gender balance.

Gender of employees



Women make up 72 per cent of part time employees and 40 per cent of full time employees. Therefore very broadly women are more likely than men to work in part time posts and overall the gender split of total people employed by the council is broadly representative of the city as a whole. Of those on maternity leave 84.62 per cent returned in the time stated and the other 15.38 per cent were either still on maternity leave or had not yet notified us of their intentions. No-one has resigned. The number of women taking maternity leave during the period was low (about half the number of the previous year but similar to the number in 2012/13)

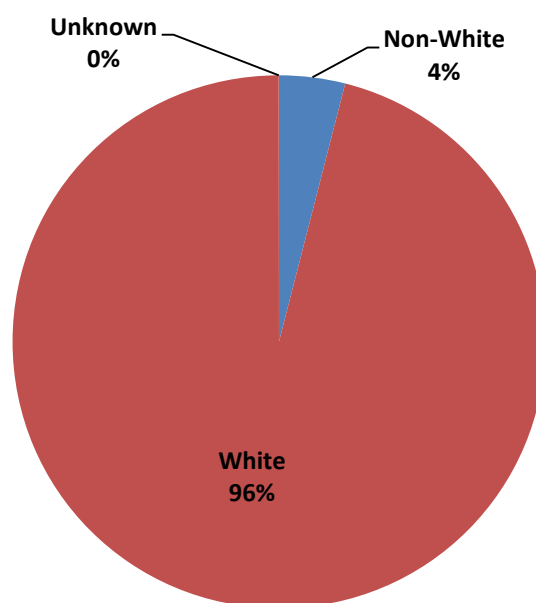
Disability



The proportion of employees with a disability has stayed the same at 10 per cent. The current local profile indicates that 18.4% of the population classifies themselves as having some limitation in day to day activity. However the proportion of those who are economically activity with a disability is closer to this employment pattern. The employee survey results in 2013 were broadly similar with 11% of respondents declaring a disability and 6 % who didn't state whether or not they had a disability. The council operates a guaranteed interview scheme in recruitment and makes reasonable adjustments for new and existing employees to support them at work.

Ethnicity

NCC employees by ethnicity - 2014/15



There is still an under-representation of black and minority ethnic (BAME) employees, as the population stands at approximately nine per cent but only four per cent of employees are from a BAME background. This figure has increased by one percentage point since the previous year. 2.6% of the top 5% of earners are from an ethnic minority..

Percentage of employees by age

16-29	30-44	45-59	60-64	65+
6.8	38.5	45.9	7.3	1.6

The majority of employees are between 30 and 59 years old, which largely reflects the demographics of the city. There remains an under-representation of younger employees.

Other protected characteristics

Of the 424 respondents to the 2013 employee survey, we know that 44 per cent have no religion, whilst 38 per cent identify as Christian. Numbers for other religions are too small to report. This is somewhat consistent with National Census data of 2011 which states that 42.5 per cent of residents have no religion, and 44.9 per cent identify as Christian.

There is no national evidence of numbers regarding sexual orientation; we understand that about seven per cent of the population may be gay, lesbian or bisexual. Six percent of respondents to the employee survey identified as gay, lesbian or bisexual. This is an encouraging figure as it means that employees are confident in responding to a survey with such personal details.

Although we have collected data regarding the gender assignment of employees, numbers are too small to report. However we have successfully supported the transition of employees in the workplace, with positive feedback from transgender awareness advocates.

3.2 Training

Number of Training courses attended			Percentages
Gender	Male	1106	42.5
	Female	1499	57.5
Disability	Yes	293	11.3
	No	2214	85.0
	Unknown	98	3.8
Ethnicity	Non-white	117	4.1
	White	2486	95.9
	Unknown	2	0.1
Age	16-29	271	10.3
	30-44	1041	40.4
	45-59	1132	43.7
	60-64	146	5.2
	65+	15	0.4
Totals		2,605	100

Numbers may not add to 100 due to rounding

This chart captures corporate training only. It largely reflects the general make up of employees and as such does not identify any significant issues regarding the proportion of employees who receive training.

3.3 Equal Pay

Median basic salary (£) by full time/part time & gender March 2015			percentage difference
Full time / Part time	Male	Female	
FT hourly rate	13.63	13.63	0%
P/T hourly rate	11.89	13.19	10%

Average basic salary (£) by full time/part time & gender March 2015			percentage difference
Full time / Part time	Male	Female	
FT hourly rate	15.22	15.43	1%
P/T hourly rate	12.45	13.19	6%

The figures provided reflect basic pay and do not include enhancements paid for shift and weekend working. As we can see, for full-time workers, there is no gender difference in the median pay received by employees. As the median denotes the midpoint in the distribution this is due to the fact that for both genders there are a significant number of full-time workers on the same pay band. However, when we look at average hourly rate for full-time workers we can see that female employees earn around one per cent more on average than male.

The divide is more pronounced for part-time workers, with the median pay for female part-time employees ten per cent greater than for male, and on average six per cent more. There are a far greater number of part-time female employees than male.

Top 5% earners:

31.58% of top earners are women, which is not representative of the gender split within the workforce.

3.4 Recruitment

Recruitment by age, disability, gender and ethnicity for 1 April 2014 to 31 March 2015

Applicants	Ethnicity			Disabled			Gender		
	White	Non-white	Unspecified	Yes	No	Unspecified	Female	Male	Unspecified
Applicants	949	78	27	96	800	158	517	514	23
Shortlisted	247	12	3	41	187	34	128	130	4
Offered	74	5	0	3	71	5	42	37	0

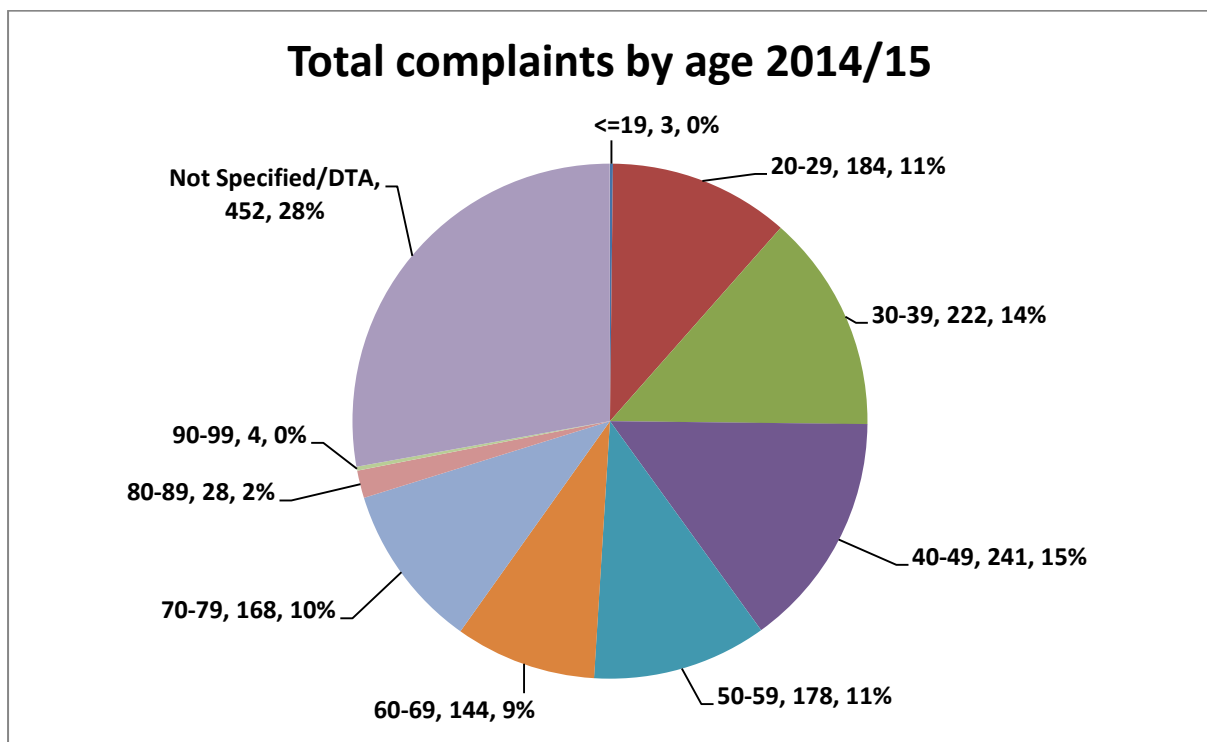
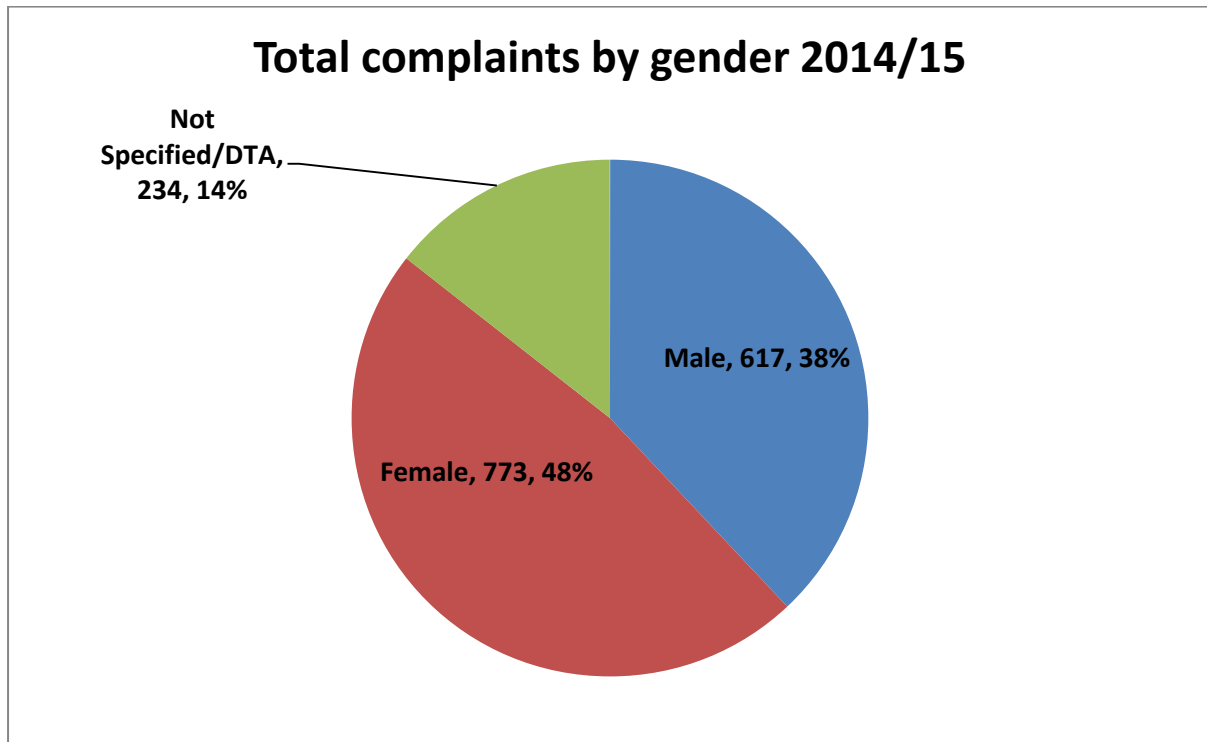
3.5 Disciplinary/Grievances

The data available regarding disciplinary, grievance, leavers and promotions for April 2014-15 is not appropriate to publish as some data sets are fewer than ten employees at a time which may suggest trends that do not exist. Low numbers also pose a threat to the confidentiality of employees.

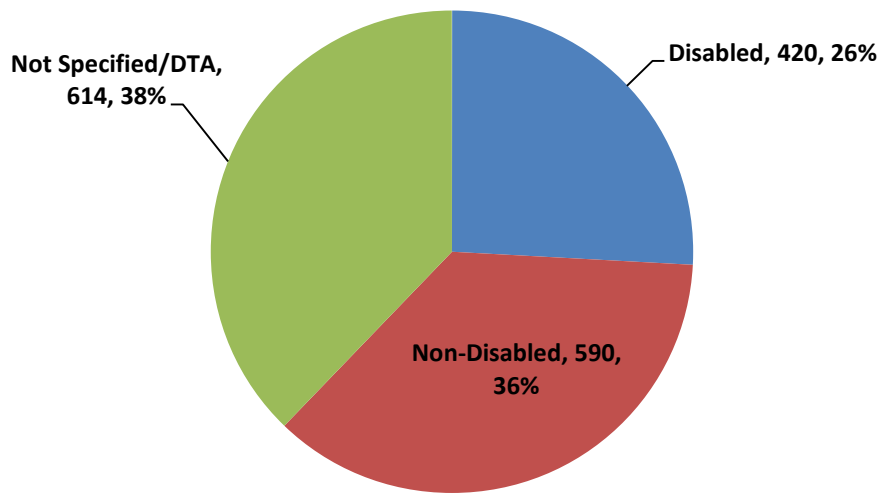
4. Customer complaints and satisfaction rates

4.1 Complaints

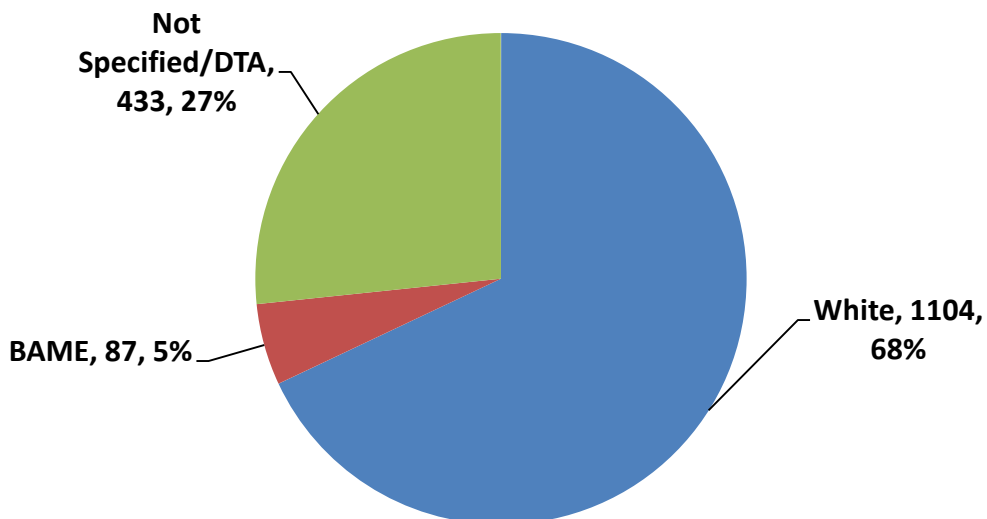
There were **1,624** complaints from April 2014 to March 2015.



Total complaints by disability 2014/15



Total complaints by ethnicity 2014/15



At first glance this suggests that residents with a disability are more likely to complain about our services. However with a large number of unknown / did not answer responses it may be that responses more generally reflect the population of the city. Furthermore satisfaction data (see 4.2 below) does not indicate a significant difference in satisfaction levels between residents with or without a disability.

4.2 Customer satisfaction

Once a quarter the customer contact team asked questions relating to customer satisfaction. This survey is an aggregate of the four quarterly surveys carried out in 2013-14.

Please note that in some cases, numbers of responses are dependent on a combination of questions being answered. Total responses to a given question will therefore not always add up to the total number of customers surveyed.

A total of 2,124 surveys were completed.

The table below indicates respondent's satisfaction levels by ethnicity:

Ethnic Group	Ethnic Composition - population of Norwich (%)	Ethnic composition of survey	Good %	Satisfactory %	Poor %
Black Asian Minority Ethnic group	9.2	6	77	15	8
White (including non British groups)	90.8	94	83	13	4

Numbers may not add to 100 due to rounding. Not all respondents stated their ethnic group – this is based only on those who did.

Gender: The table below indicates satisfaction levels by gender.

Gender	Number of survey responses	Good %	Satisfactory %	Poor %	Overall Satisfaction %
Female	1208	81	16	4	96.18
Male	916	83	11	5	94.70

Numbers may not add to 100 due to rounding. Not all respondents stated their gender – this is based only on those who did.

Age: The table below indicates satisfaction levels by age.

Age Group	Number of survey responses	Good %	Satisfactory %	Poor %	Overall satisfaction %
<=19	29	79	17	3	96.55
20-29	474	88	9	3	96.62
30-39	432	83	13	4	95.83
40-49	395	82	14	4	96.20
50-59	291	81	12	7	93.47
60-69	305	80	15	4	95.74
70-79	125	73	18	10	90.40
80-89	53	74	21	6	94.43

Numbers may not add to 100 due to rounding. Not all respondents stated their age – this is based only on those who did.

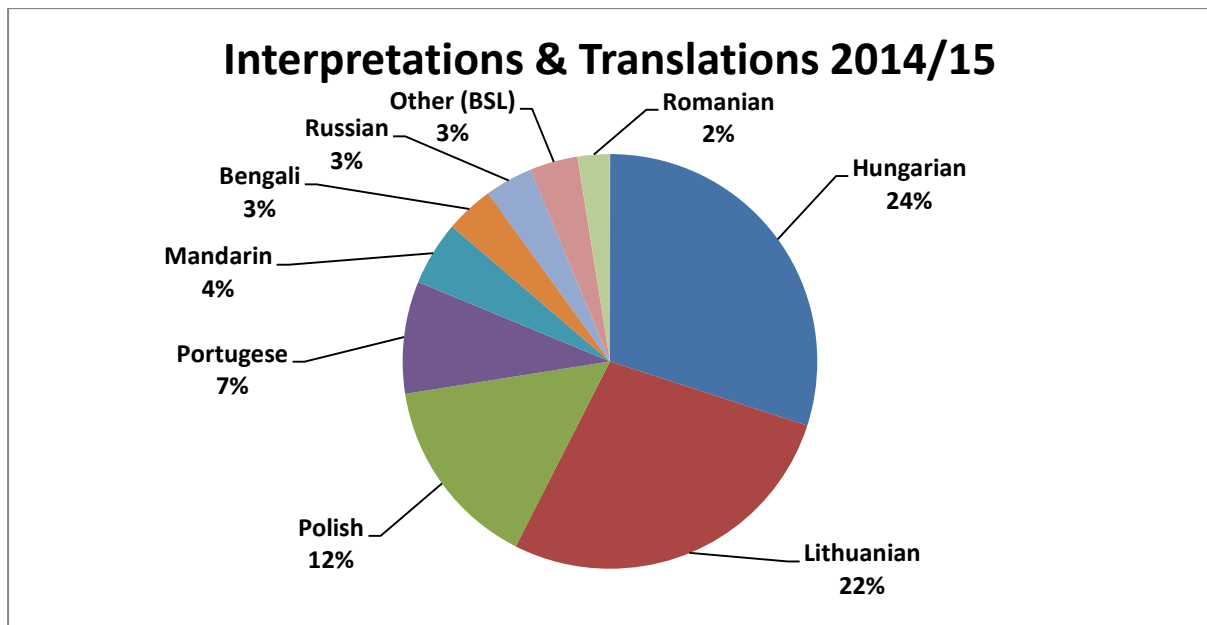
The table below indicates satisfaction levels by disability:

Disability	Number of survey responses	Good %	Satisfactory %	Poor %	Overall satisfaction %
Non-disabled	1722	83	12	4	95.53
Disabled	376	78	16	5	94.68

Numbers may not add to 100 due to rounding. Not all respondents stated whether or not they had a disability – this is based only on those who did.

4.3 Interpretation and translations

We are part of INTRAN which is a multi-agency partnership providing language services throughout the Eastern Region. INTRAN interpretation and translation requests, Norwich City Council 2014-2015:



This chart shows the numbers of interpreters and translators used by the council for the top most commonly requested languages during the period. The category 'other' includes BSL interpreters.

We do not have precise numbers for requests for interpretation and translation, so these figures give a general idea of trends. The numbers of requests are always quite low so any conclusions about patterns are tentative. The main languages represented are broadly the same as in the previous report.

We ensure that we promote the use of professional translation services and issue reminders for employees to use them as needed.

5 ■ How we demonstrate we carry out our equality duties

5.1 Tackling hate incidents and crimes

We are members of the Hate Free Norfolk network, a Norfolk wide response to hate crimes and incidents, where partner agencies work together to improve reporting and responses to incidents and crimes. This has developed in tandem with the Norfolk Community Relations and Equality Board. As part of this partnership, we have participated in and promoted the 'Hate Free Norfolk' campaign, attempting to ensure that people understand what a hate crime or incident is and how they can report it. We are organisational signatories to the Hate Free Norfolk pledge.

Hate incidents and hate crimes in Norwich and Norfolk

A hate incident is any incident which is perceived by the person, or any other person as being motivated by prejudice or hatred. It may or may not be a crime. A hate crime is a crime committed against someone because of their disability, gender-identity, race, religion or belief, or sexual orientation.

(Q2) July 2014 - (Q1) June 2015		
Hate incidents	Norwich	Norfolk
Race	161	342
Homophobic/Transphobic	59	134
Faith	20	36
Disabled	31	78
Hate Other	3	50
Total hate incident indicators	274	640
<i>Total number of hate incidents</i>	261	598
Hate crimes	Norwich	Norfolk
Race	161	401
Homophobic/Transphobic	51	107
Faith	20	36
Disabled	28	78
Hate Other	2	39
Total hate crime indicators	262	661
<i>Hate crime totals without indicators</i>	262	661

A crime or incident can be marked with a multiple number of relevant indicator flags (this means that it could be a race and faith crime and marked as both) which is why there are two figures for totals in the period reviewed.

As noted in previous equality information reports, it is likely that the majority of hate crimes or incidents are not reported, so what we seek are higher, not lower figures. In the last period the numbers of reported incidents actually went down but the number of reported crimes went up (in both Norwich from 160 to 262 and Norfolk from 493 to 661).

For the period April 2014-March 2015, the highest category of hate incidents reported to the Council related to ethnicity with 60% of reports.

5.2 Domestic abuse

The Council is an active partner in the Domestic Abuse Sexual Violence Board (DASVB); which - as a sub group of the Norfolk Community Safety Partnership - co-ordinates partners' approaches to domestic abuse and sexual violence and ensuring lessons are learned from domestic homicide reviews locally.

Employees have, as a result of this partnership, the opportunity to undertake free training on domestic abuse awareness; domestic abuse, stalking and harassment risk model, 'honour' based abuse, female genital mutilation (FGM); domestic abuse briefing sessions; basic, entry level, online abuse, 'sexting' and grooming) available to statutory and voluntary agencies across Norfolk.

DASVB also delivers an annual domestic abuse conference for practitioners and strategic managers and co-ordinates the annual week long 'Norfolk Says No' campaign; to raise awareness of domestic abuse and sexual violence, promoting healthy relationships and the support services available. This is a high profile campaign involving local dignitaries and ambassadors and involves activities and events delivered by, for and through voluntary, statutory and corporate sector partners. This year the campaign was launched at Norwich City council's City Hall with the message that anyone can suffer from domestic abuse. A wide range of activities took place in all four Norwich neighbourhoods, as well as the city centre, to help raise awareness of the issues and support services available. In addition this year, a strand of the campaign called 'Norfolk Men Say No' was launched, to increase involvement of men and boys in standing up to say no to domestic abuse and sexual violence.

DASVB has also developed a 'model' domestic abuse workplace policy, as guidance for organisations to use to support employees and volunteers that are subject to domestic abuse. It holds a web page on the county council website with links to resources for individuals and partner organisations.

Norwich City Council was awarded white ribbon status in August 2014, following the 'Norfolk Says No' campaign, highlighting the ongoing services it provides to support victims of domestic abuse and the non acceptance of abusive behaviours by perpetrators.

Norwich City Council has been involved this year in a transformational project led by the Norfolk community safety partnership to improve the County's response to domestic abuse. Four work streams have been identified for implementation this year; to provide a more co-ordinated partnership approach to commissioning, improve workforce capabilities, improve service delivery and increase marketing and awareness. The aim of the domestic abuse change programme is to provide more cohesive, comprehensive services that are consistent across the county, to ensure all voluntary and public sector staff are trained to have a 'public welfare responsibility', to change how we talk about domestic abuse by reducing the stigma, making it easier to both ask about and tell about domestic abuse and then

communicate this effectively across the county. Norwich City council leads one of those work streams and contributes to the overall programme as a partner in the change programme board.

5.3 Training undergone by Norwich City Council employees

- Leading equality & diversity (mandatory for managers)
- Equality and diversity training (mandatory for all employees)
- Mental health awareness for managers (mandatory)
- Raising mental health awareness (for employees)
- Customer Service Excellence face to face training (including a human rights element - mandatory)
- Human Library event
- Child sexual exploitation awareness
- Recruitment and selection training for managers (mandatory)
- Hate crime e-learning package
- Equalities & diversity e-learning package (mandatory for all new employees)
- Bullying and harassment
- Community safety problem solving
- INTRAN training
- Management training programme – modular
- Safeguarding
- Tackling drug and alcohol abuse
- Tackling hate crime
- Welfare reform act
- Warm and welcome in Norfolk
- Workshop to raise awareness of Prevent
-

5.4 Working with communities

We support a range of voluntary and community sector activities either through funding, support, advice or signposting, as well as undertaking some activities ourselves:

- We have held the launch of annual Refugee week here at City Hall for the past five years (launch attended by Lord Mayor or Sheriff and Councillors).
- We have funded numerous community groups from minority communities, often applying for any funding for the first time, for activities in the city through small grants.
- We have provided grants for Norwich Mind Festival of Cultures to be held in the city centre celebrating cultural diversity in Norwich.
- Norwich Asylum Seekers and Refugees Forum (Nasref) hold regular meetings in our meeting rooms.
- We commissioned a Human Library event in The Forum to promote dialogue, reduce prejudices and encourage understanding.

- We are members of the Norfolk Community Relations and Equality Board (CREB), a new county wide network which replaces the former county cohesion network.
- We send out a regular community and neighbourhood bulletins which enables those that might not otherwise get a chance for a wider audience e.g. media/councillors/other groups and to be aware of opportunities available to them.
- We run regular City Hall tours for communities to meet employees and Councillors, and gain an understanding of how the Council and how the democratic process works.
- LGBT History Month – we have hosted events at City Hall for three years running
- Norwich Access Group regularly receives a grant. They are a local pressure group of disabled people who are actively involved in trying to improve access for disabled people to all aspects of life in the city of Norwich and surrounding area
- Norwich Access Group liaises with Food safety team on the Business Merit scheme
- When updating our website we used the feedback from disabled volunteers with visual impairments and learning disabilities.
- We support the Women's Institute who run annual International women's day events.
- We provide financial and in-kind support to the Norwich Older People's Forum.
- We have held the launch of annual Black History Month here at City Hall for the last five years (launch attended by Lord Mayor or Sheriff and Councillors).
- Norwich Door-to-door receive a grant to fund core costs delivering subsidised on demand ('dial a ride' type) accessible bus transport, for disabled and mobility impaired residents.
- Age UK Norwich received a grant to provide an income maximisation service aimed at a vulnerable section of the Norwich community.
- We organise regular networking sessions for individuals, groups, organisations, agencies and Councillors from or serving communities of interest city wide and those active in neighbourhoods
- We organise workshops and 1:1 work focusing on capacity building of community groups from communities of interest to strengthen community leadership and to support community groups from communities of interest to take action themselves.
- We organise workshops on applying for funding and improving funding applications, in partnership with Voluntary Norfolk as well as workshops on specific funds and meeting those funders with the Big Lottery, Tudor Trust, NCC and Norfolk Community Foundation as examples.
- On-going community engagement at a neighbourhood level and specifically for communities of interest working across the city.

If you would like further information about the contents of this report please contact the Council by calling 01603 212356 or via email at performance@norwich.gov.uk

Report to	Cabinet	Item
	13 January 2016	
Report of	Chief finance officer	7
Subject	Revenue budget monitoring 2015-16: Period 8	

Purpose

To provide an update on the provisional financial position as at 30 November 2015, the forecast outturn for the year 2015-16, and the consequent forecast of the general fund and housing revenue account balances.

Recommendation

To note the financial position as at 30 November 2015 and the forecast outturn 2015-16.

Corporate and service priorities

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

Financial implications

The general fund budget is forecast to underspend by £0.902m. The housing revenue account budget is forecast to underspend by £1.067m.

Ward/s: All wards

Cabinet member: Councillor Stonard – Resources and income generation

Contact officers

Justine Hartley, Chief finance officer	01603 212440
Hannah Simpson, Group accountant	01603 212561

Background documents

None

Report

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

General Fund

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

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

4. The general fund has been forecast to underspend by **£0.902m** at year end compared to a forecast underspend last month of **£0.631m**. Key forecast variances from budget are set out below:

<i>Forecast outturn variance P7 £000s</i>	<i>General fund service</i>	<i>Forecast outturn variance P8 £000s</i>	<i>Commentary</i>
(203)	Business relationship management	(202)	Reduced external audit fee; LGSS fraud team transfer to DWP but reduced grant still received for one year.
(310)	Procurement and service improvement	(312)	Expected underspend on IT services development fund; current vacant posts in procurement.
29	Finance	(202)	Correction to the minimum revenue provision expenditure.

<i>Forecast outturn P7 £000s</i>	<i>General fund service</i>	<i>Forecast outturn variance P8 £000s</i>	<i>Commentary</i>
(152)	Customer contact	(147)	Land search fee income refunds and receipt of grant income re: land searches refunds. Savings from vacant posts.

5. For the year to date, an underspend against budget of **£3.944m** is being reported. This underspend is made up of many debit and credit figures where various income and expenditure lines are ahead of or behind budget profile. Significant variances are explained below. These lines will be monitored closely as the year progresses to identify any potential impact on forecast outturn figures.

<i>General fund service</i>	<i>Variance to date P8 £000s</i>	<i>Commentary</i>
Business relationship management	(1,251)	Shared services expenditure currently lower than profile however is expected to match budget by year end. Corporate and benefits admin grants received higher than budget to date. No use of the contingency fund to date.
Democratic services	306	Timing differences in relation to elections costs and income. Awaiting transfer of income to net off against prior year accrued income reversal.
Procurement and service improvement	(254)	Expected underspend on IT services development fund; Shared services expenditure currently lower than profile however is expected to match budget by year end.
City development:	(1,042)	The current underspend against profile relates to county's parking income not paid over till year end. Income on asset properties showing income higher than budget do to income timings and underspends and higher income, to date on parking budgets.
Customer contact	(610)	Transformation Challenge grant funding; Land search fee income refunds; grant income re land searches refunds.
Planning:	(458)	Planning income up on budget due to large applications distorting profile of income. Also unbudgeted income from Norfolk strategic framework, which will be carried over to next year's budget, which will reduce the variance accordingly.

<i>General fund service</i>	<i>Variance to date P8 £000s</i>	<i>Commentary</i>
Property services:	(555)	Depreciation charge has not yet been allocated for City Hall. Remaining variance due to timing differences between the budget profile and receipt of invoices e.g. for gas, electric and repairs works.
Neighbourhood Housing	(428)	Incorrect posting in period 8 and subsequently corrected in P9 (correction will show on the next report).

Housing revenue account

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

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

7. The housing revenue account has been forecast to underspend by **£1.067m** at year end compared to a forecast last month of **£1.066m**. Key forecast variances from budget are set out below:

<i>Forecast outturn variance P7 £000s</i>	<i>HRA division of Service</i>	<i>Forecast outturn variance P8 £000s</i>	<i>Commentary</i>
(875)	Repairs and maintenance	(900)	Lower than anticipated requirement for general repairs (£249k); less painting (£350k) and internal wall insulation carried out than originally planned (150k); due to change in contractor (currently out to tender) no work in first 6 months (£200k).
(276)	Rents, rates, and other property costs	(289)	Underspend on Anglian Water costs, partially offset by under-recovery through water service charges.

<i>Forecast outturn variance P7 £000s</i>	<i>HRA division of service</i>	<i>Forecast outturn variance P8 £000s</i>	<i>Commentary</i>
(559)	General management	(515)	Unrequired audit fee budget (£101k) and lower than expected NPS recharge relating to housing property management cost centre (£80k) along with various staffing underspends due to vacancies throughout the year.
98	Special services	194	Following restructure and associated costs full savings not due to be realised in financial year 2015-16.
0	Depreciation and impairment	(1,377)	Unbudgeted forecast for profit / loss on sale of assets, offset by corresponding debit against 'adjustments and financing items'.
(234)	Provision for bad debts	(234)	Forecast reduction in provision required based on first quarter arrears figures, impact partially offset by unbudgeted write-off costs against 'dwelling rents'.
331	Dwelling rents	331	Long term voids at St James and Britannia - originally anticipated that sites would be re-occupied by September 2015, but now delayed until April 2016. Includes unbudgeted write off costs, impact to be partially offset by underspend against bad debt provision (see above).
(198)	Garage and other property rents	(182)	Lower than anticipated garage void rate.
638	Service charges - general	641	Income from Anglian Water service charges lower than anticipated, impact partially offset by reduced Anglian Water expenditure against 'rents, rates and other property costs'.
(25)	Adjustments and financing items	1,354	Unbudgeted forecast for profit / loss on sale of assets, offset by corresponding credit against 'depreciation and impairment'.

8. For the year to date, an underspend of **£4.809m** is being reported. This underspend is made up of many debit and credit figures, where various income and expenditure lines are ahead of or behind budget profile. Significant underspends and overspends to date are explained below. These lines will be monitored closely as the year progresses to identify any potential impact on forecast outturn figures.

<i>HRA division of service</i>	<i>Variance to date P8 £000s</i>	<i>Commentary</i>
Repairs and maintenance	(4,295)	These variances have arisen due to invoice delays at the start of the financial year, which is usual for work of this nature. Also, overall projected underspend now being reported (£900k).
General management	(562)	Mainly due to staff vacancies. Also, families' unit grant income has been received for the year, but profiled to be received in quarters.
Depreciation and impairment	(918)	£917k relating to profit / loss on sale of assets, offset by corresponding debit against 'adjustments and financing items'.
Provision for bad debts	(292)	Bad debt provision charges not yet posted.
Dwelling rents	290	Long term voids at St James and Britannia - originally anticipated that sites would be re-occupied by September 2015, but now delayed until April 2016. Also unbudgeted write off costs.
Service charges - general	367	Income from Anglian Water service charges lower than anticipated.
Adjustments and financing items	926	£917k relating to profit / loss on sale of assets, offset by corresponding credit against 'depreciation and impairment'.

Risks

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

Key Risk Budgets	Budget £000s	Current Variance	Current Var %	Current RAG	Forecast Variance	Forecast Var %	Forecast RAG
Housing Benefit Payments - Council tenants	36,254	602	2%	GREEN	541	1%	GREEN
Housing Benefit Subsidy - Council tenants	-35,639	-1,168	3%	AMBER	-1,294	4%	AMBER
Housing Benefit Payments - Other tenants	32,280	-1,099	-3%	AMBER	-2,899	-9%	RED
Housing Benefit Subsidy - Other tenants	-33,048	1,993	-6%	RED	3,761	-11%	RED
HRA Repairs - Tenanted Properties	12,369	-3,637	-29%	RED	-851	-7%	RED
HRA Repairs - Void Properties	2,639	-422	-16%	RED	0	0%	GREEN
Multi-Storey Car Parks	-1,174	34	-3%	GREEN	-107	9%	RED
HRA Rents - Estate Properties	-60,144	290	0%	GREEN	331	-1%	GREEN
Property Services - City Hall	906	-336	-37%	RED	-34	-4%	GREEN
Corporate Management including Contingency	-2,663	-754	28%	RED	-67	3%	GREEN
Private Sector Leasing Costs	-286	56	-19%	GREEN	9	-3%	GREEN

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

Key Risk Budgets	Comment
Housing benefit payments and subsidy	Although both of these areas are currently showing a red or amber RAG status, they largely offset one another. There is an overall net forecast overspend on housing benefits budgets of £109k.
HRA repairs	Lower than anticipated requirement for general repairs (£249k); less painting (£350k) and internal wall insulation carried out than originally planned (150k); due to change in contractor (currently out to tender) no work in first 6 months (£200k).
Multi-storey car parks	Forecast variance reflects additional income expected compared to budget.

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

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

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

- Bad debts – budget reports show gross debt, i.e. invoices raised. While allowance has been made in the budget for non-collections, the current economic climate may have an adverse influence on our ability to collect money owed. This may be reflected in higher provisions for bad debt, as may the impact of welfare reforms such as the so-called 'Bedroom Tax'.
- Seasonal factors – if adverse weather conditions or a worsening economic climate depress levels of trade and leisure activities in the city, there may be a negative impact on parking and other income.
- Housing repairs and improvements – the rate of spend on void properties, though closely managed, is heavily influenced by void turnaround, since transfers can create a chain of voids involving significant repair costs.

Financial planning

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

Impact on balances

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

16.

<i>Item</i>	<i>£000s</i>
Balance at 1 April 2015	(9,615)
Budgeted use of balances 2015-16	383
Forecast outturn 2015-16	(902)
= Forecast balance at 31 March 2016	(10,134)

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

<i>Item</i>	<i>£000s</i>
Balance at 1 April 2015	(20,181)
Budgeted use of balances 2015-16	13,933
Forecast outturn 2015-16	(1,067)
= Forecast balance at 31 March 2016	(7,285)

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

Collection fund

20. The collection fund is made up of three accounts – council tax, the business improvement district (BID) account, and national non-domestic rates (NNDR).
 - Council tax is shared between the city, the county, and the police and crime commissioner based on an estimated tax base and the council tax rates agreed by each of the preceptors. Any surplus or deficit is shared in the following financial year.
 - The BID account is operated on behalf of the BID company, to collect their income from the BID levy. Any surplus or deficit is passed on to the BID company.

- NNDR income is shared between the city, the county, and central government. Since localisation, any surplus or deficit is also shared, rather than as formerly being borne wholly by the government.

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

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

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

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

<i>Approved budget £000s</i>	<i>Current budget £000s</i>	Collection fund summary	<i>Actual to date £000s</i>	<i>Forecast outturn £000s</i>	<i>Forecast variance £000s</i>
		Council tax			
53,797	53,797	Expenditure	40,110	58,606	4,809
(53,797)	(53,797)	Income	269	(58,606)	(4,809)
		Business improvement district			
656	656	Expenditure	468	661	(2)
(656)	(656)	Income	(16)	(652)	4
		National non-domestic rate			
77,698	77,698	Expenditure	50,260	72,697	(5,001)
(77,698)	(77,698)	Income	2,873	(72,697)	5,001
0	0	Total collection fund	93,964	9	2

24. On council tax, actual income is not posted from the council tax system into the finance system until year-end. The actual year-end surplus or deficit will be taken into account in considering distribution of balances between the preceptors (city, county, and police).

25. The council operates the BID account on behalf of the BID company, so no surplus or deficit will fall on the council's accounts.

26. Any deficit reported on the NNDR account will roll forward and be distributed in the 2016-17 budget cycle.

27. Additional (section 31) grant is received in the general fund to offset all or part of any shortfall in business rate income due to additional reliefs granted by government. All such grant monies received are transferred to an earmarked reserve and held to be offset against deficits in the years that they impact on the revenue accounts.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	
Head of service:	Chief Finance Officer
Report subject:	Revenue Budget Monitoring 2015-16
Date assessed:	21/12/15
Description:	This is the integrated impact assessment for the Revenue Budget Monitoring 2015-16 report to cabinet

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

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

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

Budget Monitoring Summary

Year: 2015-16

Period: 8 (November)

GENERAL FUND SERVICE SUMMARY

<i>Approved Budget</i>	<i>Current Budget</i>		<i>Budget To Date</i>	<i>Actual To Date</i>	<i>Variance To Date</i>	<i>Forecast Outturn</i>	<i>Forecast Variance</i>
Business Relationship Mgt and Democracy							
1,537,574	1,645,420	Business Relationship Management	143,445	(1,107,379)	(1,250,824)	1,443,519	(201,901)
292,745	292,328	Democratic Services	606,840	913,318	306,478	303,462	11,134
(19,263,443)	(19,390,633)	Finance	(7,798,032)	(7,640,755)	157,277	(19,592,507)	(201,874)
0	(256)	Procurement and Service Improvement	2,270,763	2,016,790	(253,973)	(312,106)	(311,850)
(17,433,124)	(17,453,141)	Total Business Relationship Management and Democracy	(4,776,984)	(5,818,026)	(1,041,042)	(18,157,631)	(704,490)
Chief Executive							
0	0	Chief Executive	166,461	163,376	(3,085)	(6,779)	(6,779)
0	0	Total Chief Executive	166,461	163,376	(3,085)	(6,779)	(6,779)
Customers, Comms and Culture							
2,124,719	2,139,345	Communications and Culture	1,544,944	1,421,495	(123,449)	2,237,610	98,265
(105,756)	(93,389)	Customer Contact	1,594,454	984,640	(609,814)	(240,773)	(147,384)
2,018,963	2,045,956	Total Customers, Comms and Culture	3,139,398	2,406,136	(733,262)	1,996,837	(49,119)
Regeneration and Growth							
(1,101,624)	(1,213,353)	City Development	(2,039,704)	(3,081,633)	(1,041,929)	(1,216,156)	(2,803)
0	0	Environmental Strategy	105,007	243,473	138,466	(4,491)	(4,491)
0	0	Executive Head of Regeneration and	86,861	92,140	5,279	3,174	3,174
1,447,674	1,447,502	Planning	800,709	342,817	(457,892)	1,389,683	(57,819)
262,834	262,195	Property Services	1,220,087	665,519	(554,568)	201,074	(61,121)
608,884	496,344	Total Regeneration and Growth	172,960	(1,737,685)	(1,910,645)	373,285	(123,059)
Strategy, People and Neighbourhoods							
10,069,543	10,055,846	Citywide Services	5,314,889	5,474,927	160,038	9,973,108	(82,738)
0	(1,172)	Human Resources	796,559	828,317	31,758	(16,034)	(14,862)
2,315,862	2,433,505	Neighbourhood Housing	814,369	386,620	(427,749)	2,507,589	74,084
2,419,872	2,422,932	Neighbourhood Services	1,483,502	1,271,663	(211,839)	2,396,076	(26,856)
0	(271)	Strategy and Programme Management	309,946	501,900	191,954	31,753	32,024
14,805,277	14,910,840	Total Strategy, People and Neighbourhoods	8,719,265	8,463,427	(255,838)	14,892,491	(18,349)
0	(1)	Total General Fund	7,421,100	3,477,228	(3,943,872)	(901,798)	(901,797)

Budget Monitoring Report

Year: 2015-16

Period: 8 (November)

HOUSING REVENUE ACCOUNT STATUTORY SUMMARY

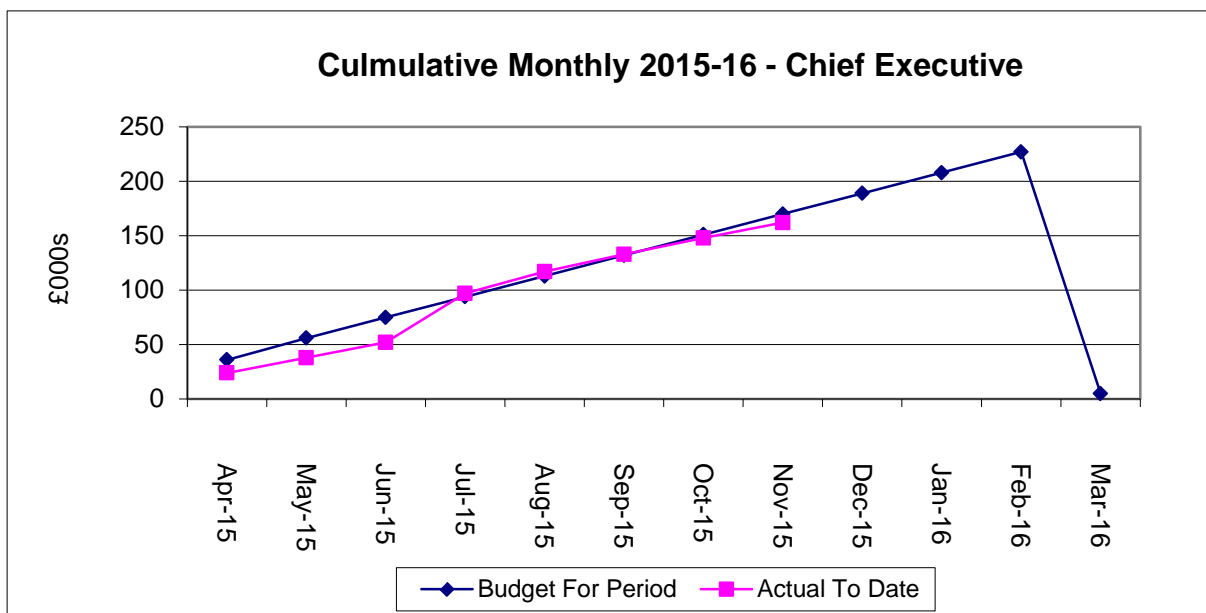
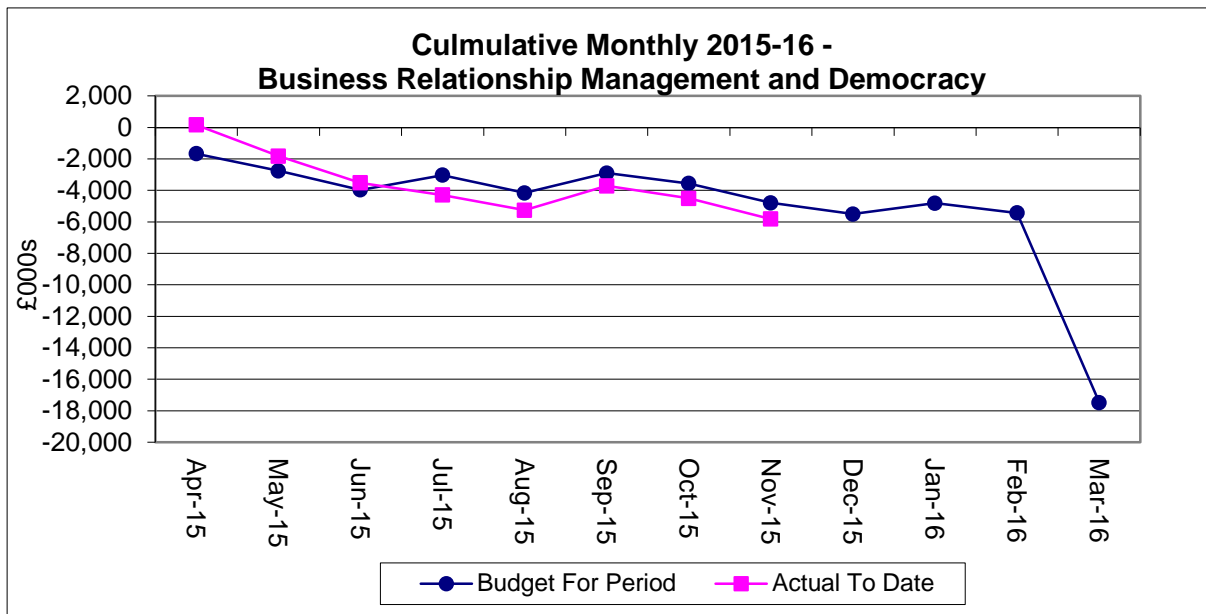
<i>Approved Budget</i>	<i>Current Budget</i>		<i>Budget To Date</i>	<i>Actual To Date</i>	<i>Variance To Date</i>	<i>Forecast Outturn</i>	<i>Forecast Variance</i>
16,069,344	16,069,344	Repairs and Maintenance	10,848,364	6,553,113	(4,295,251)	15,169,277	(900,067)
6,436,719	6,436,719	Rents, Rates, and Other Property Costs	6,185,793	6,102,888	(82,905)	6,147,609	(289,110)
11,016,261	11,016,261	General Management	4,500,199	3,938,453	(561,746)	10,501,674	(514,587)
5,086,385	5,086,393	Special Services	2,691,025	2,568,556	(122,469)	5,280,057	193,664
21,430,943	21,430,943	Depreciation and Impairment	0	(917,667)	(917,667)	20,054,443	(1,376,500)
584,000	584,000	Provision for Bad Debts	292,000	0	(292,000)	350,000	(234,000)
(60,143,678)	(60,143,678)	Dwelling Rents	(42,100,574)	(41,810,932)	289,642	(59,812,543)	331,135
(1,980,123)	(1,980,124)	Garage and Other Property Rents	(1,424,997)	(1,483,974)	(58,977)	(2,162,000)	(181,876)
(9,144,884)	(9,144,884)	Service Charges - General	(6,673,004)	(6,306,389)	366,615	(8,503,748)	641,136
0	0	Miscellaneous Income	0	(60,170)	(60,170)	(90,255)	(90,255)
11,355,513	11,355,513	Adjustments and Financing Items	(98,100)	827,657	925,757	12,709,089	1,353,576
(560,480)	(560,480)	Amenities shared by whole community	0	0	0	(560,480)	0
(150,000)	(150,000)	Interest Received	0	0	0	(150,000)	0
0	7	Total Housing Revenue Account	(25,779,294)	(30,588,465)	(4,809,171)	(1,066,877)	(1,066,884)

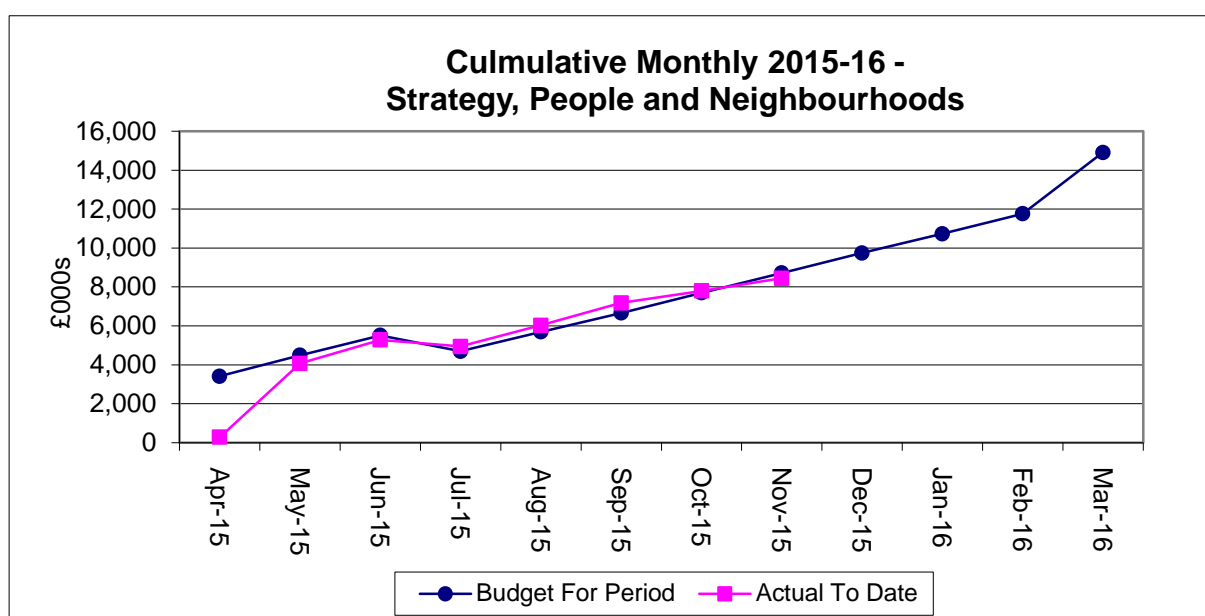
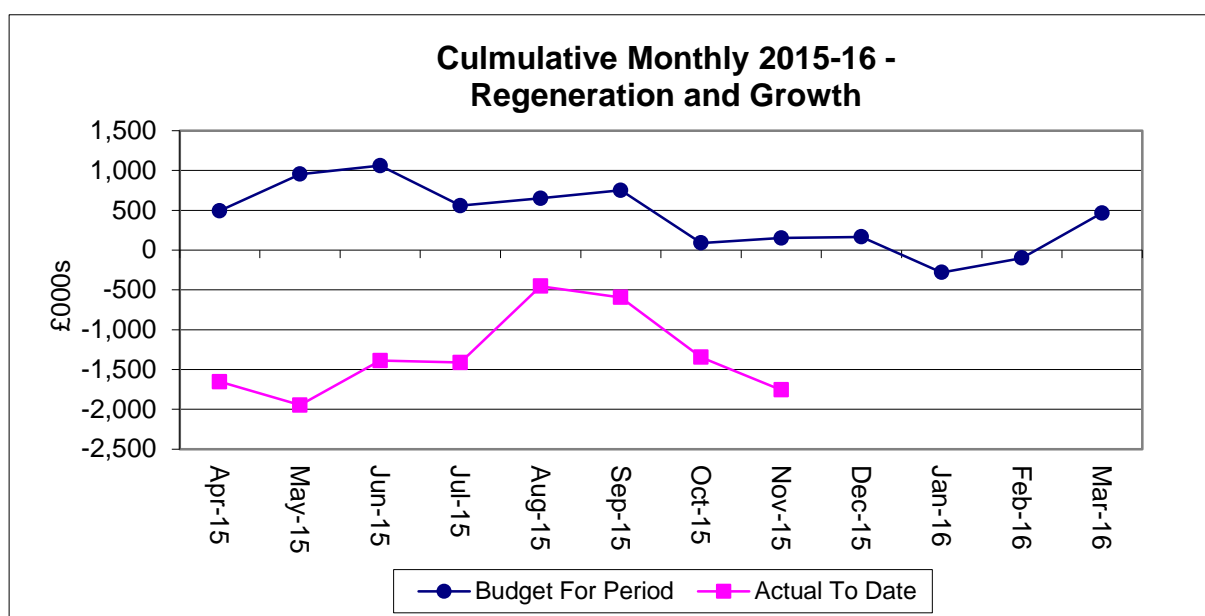
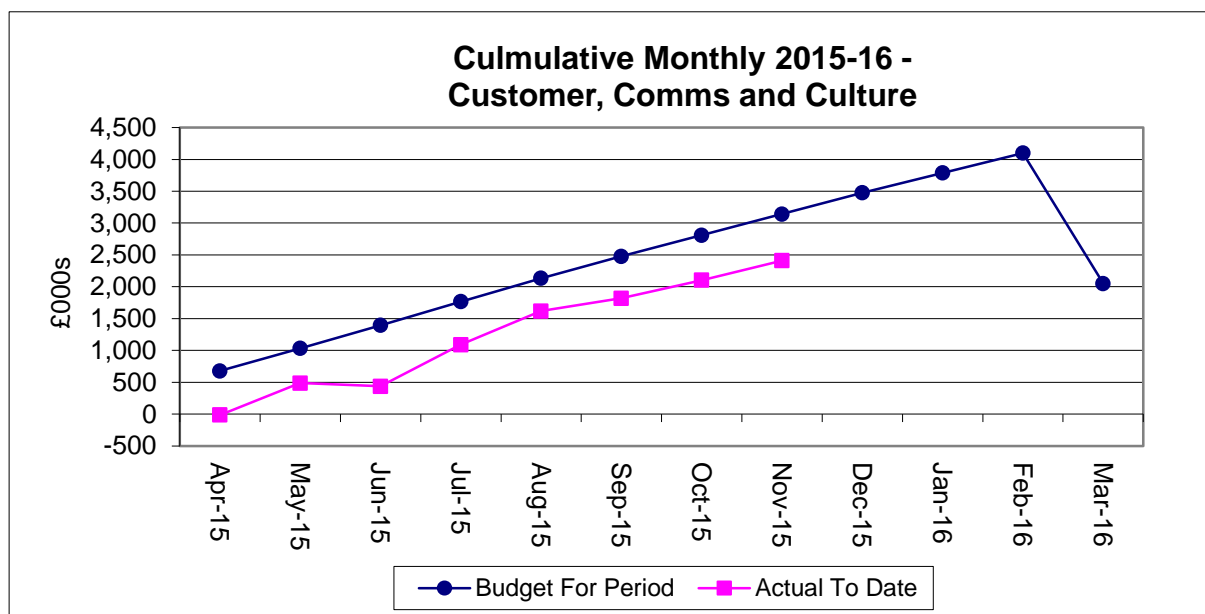
Budget and Expenditure – Monthly by Service Graphs

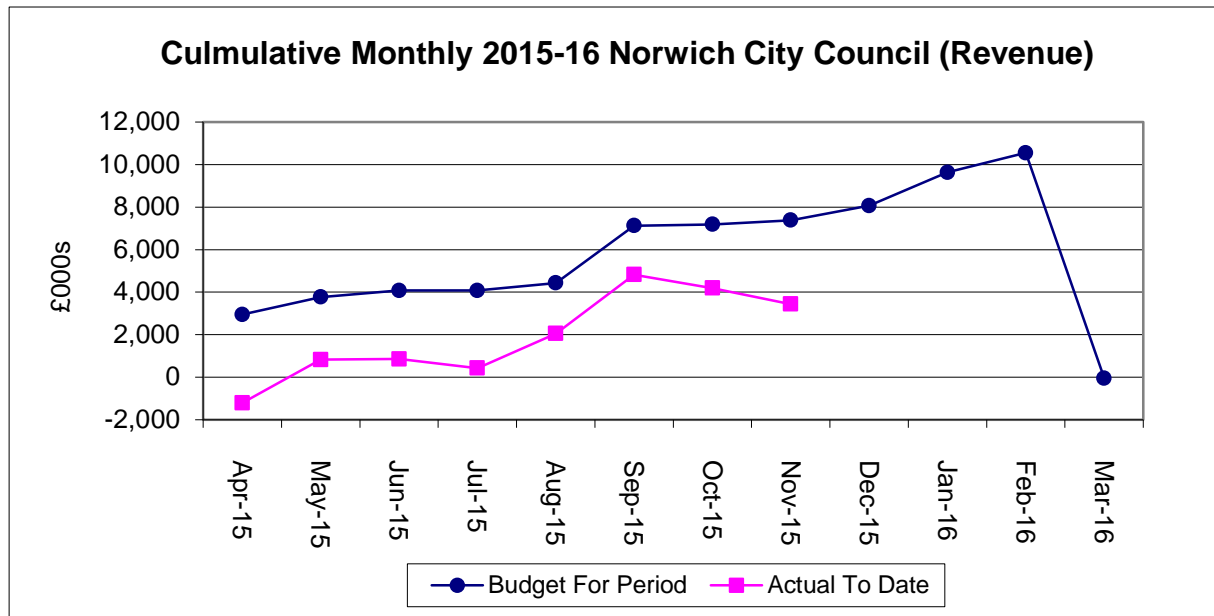
The following graphs show the monthly budget profile and income/expenditure to date for each service (both General Fund and Housing Revenue Account) for the financial year.

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

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







Report to Cabinet
13 January 2016
Report of Chief finance officer
Subject Risk management report

Item

8

Purpose

To update members on the results of the review of

- a) the key risks facing the council and the associated mitigating actions recorded in the council's corporate risk register; and,
- b) the council's risk management policy

Recommendations

To approve the:

- 1) updated corporate risk register; and,
- 2) minor updates to the risk management policy.

Corporate and service priorities

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

Financial implications

None

Ward/s: All wards

Cabinet member: Councillor Stonard – Resources and income generation

Contact officers

Justine Hartley, head of finance	01603 212440
Steve Dowson, audit manager	01603 212575

Background documents

None

Report

Background

1. Risk management is a fundamental aspect of the council's business practices. Cabinet has an executive role in the management of risks across the council as a key element in ensuring the delivery of the council's priorities.
2. Audit committee provides independent assurance of the adequacy of the council's risk management framework and the associated control environment.
3. Cabinet approved the council's updated risk management policy on 10 December 2014.
4. The corporate risk register was previously reported to cabinet on 8 July 2015.

Review of corporate risks

5. Corporate leadership team (CLT) carried out a review of corporate risks on 14 October 2015 and updated the corporate risk register accordingly.
6. The updated risk register was reported to audit committee on 17 November 2015, where it was resolved to endorse and recommend to cabinet that it approves the proposed amendments to the corporate risk register and risk management policy.

Corporate risk register

7. The updated risk register, with tracked changes since the version previously reported to cabinet, is attached at **appendix 1**.
8. The template for risk registers includes scoring for **inherent** risks (before any mitigating controls are considered) and **residual** risk (after taking account of key controls, which are listed). Any planned actions to further mitigate risks are also shown.
9. The first point to note is that the residual risk score of 20 for risk B1, public sector funding, remains above the council's risk appetite (maximum 15). This was approved by cabinet on 8 July 2015.
10. Significant changes to the risk register are as follows:
11. Risk A1, customer demand – action added relating to the refresh of the council's website to incorporate improvements such as interactive forms, customer portal, full functionality on mobile devices, all of which should help to reduce visits to City Hall.
12. Risk A4, safeguarding duties – key controls and actions updated.
13. Risk A6, delivery of the joint core strategy (JCS) – the first cause, relating to failure to identify sufficient sites, has been removed as all districts now have plans at or through examination. The other causes still apply, and in some cases the risks have increased. For example, the rate of allocated sites being brought forward is slow; a funding deficit still remains; there is a risk to income from business rates as conversions from office use to residential use no longer require planning permission.

For these reasons the residual likelihood score has increase from two to three, meaning the overall residual risk score is now nine (still amber).

14. Risk A8, housing investment strategy – causes have been amended to reflect the 1% government cut in social housing rent and improved right to buy incentives, with the effect that the housing investment plan may need to be reprogrammed. This has increased both the inherent and residual risk scores to twelve and nine respectively (both amber), and an action has been added to review the housing investment plan. Also, the provisions in the draft housing and planning bill currently going through parliament will have significant implications for the council's housing investment plan. Once further details are known the effects on the plan will be looked at in detail and reported to members, with the corporate risk register updated accordingly.
15. Risk B2, income generation – action added relating to the commissioning of an independent review of income generating opportunities.
16. Risk C1, emergency planning and business continuity – further controls added around business continuity.
17. Risk D1, industrial action – based on the low impact from the most recent industrial action the residual impact score has reduced from three to two, as there are well embedded business continuity and industrial action plans. The residual likelihood score has increased from two to three to reflect uncertainties over a pay deal for 2016-17 or longer and further government plans for pension funds. The overall risk score remains at six (amber).
18. Most of the other changes are minor updates to causes, controls or planned actions to further mitigate certain risks, including actions that have been completed.

Corporate residual risk map

19. An updated risk map is included at **appendix 2** which shows the residual risk level for each of the risks. This gives a quick view of where each risk sits in relation to the council's risk appetite, ie there should be no risks with a residual score greater than 15, unless specifically approved by cabinet.
20. As mentioned above the residual risk score for B1, public sector funding, remains above the council's level for risk appetite. All other residual risk scores are amber.

Risk management policy

21. The risk management strategy requires cabinet to review the risk management policy on an annual basis. CLT's review of the policy confirmed that it continues to provide the council with an effective approach to risk management and does not therefore require any significant update. The main change is to the chief executive's introduction, which has been updated to reflect the wording in the latest Accounts and Audit Regulations 2015.
22. The latest version of the policy showing tracked changes is shown at **appendix 3**.

Conclusion

23. Risk management review processes are well embedded within the council, and members can be assured that the corporate risk register is up to date following review by CLT of the key risks to achieving the council's objectives.
24. Each risk shows the owner and the key controls in place or planned to minimise any impact on the council and its provision of services to stakeholders.
25. The risk management strategy requires managers to keep all risks under review, and the corporate risk register will be regularly updated 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

Committee:	Cabinet
Committee date:	13 January 2016
Head of service:	Chief finance officer
Report subject:	Risk management report
Date assessed:	14 December 2015
Description:	This report presents an update to the council's corporate risk register and risk management policy

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Effective risk identification and management across all aspects of the council's business (eg policy setting; projects; partnerships) helps to minimise extra costs that may arise from unexpected events
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Specifically referred to in the corporate risk register
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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

Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The report provides assurance that the current corporate risk register and risk management policy are up to date and based on best practice.</p> <p>In practice, risk management has a positive impact on many of the above categories by contributing to the identification and mitigation of risks and the meeting of objectives</p>
Recommendations from impact assessment				
Positive				
<p>The application of effective risk management, in line with the updated policy, will contribute to the achievement of corporate and service objectives</p>				
Negative				
Neutral				
Issues				

CORPORATE RISK REGISTER

Version Date: October 2015

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
CUSTOMER PERSPECTIVE																	
A1	Customer demand	1. Customer demand exceeds our capacity to deliver services as they are currently configured 2. Transfer of demand arising from service delivery changes or budget cuts by other public agencies 3. Excessive customer demand in key areas, particularly in relation to the need to cut services, or changes to policies eg council tax reduction scheme; universal credit	1. Unable to cope with demand 2. Complaints 3. Reputation damage 4. Increased homelessness risk to housing	EH-CC&C	All	4	4	16 (R)	1. Proactive research on customer profile, forward planning, eg anticipating future events that will generate higher demand and use of data held to map and channel shift. 2. Data capture, consultation, survey and service planning. 3. Being robust about the role and responsibilities of Norwich City Council	3	2	6 (A)	1. Customer service improvement plan for F2F service - Phase 1 2. 'Self-serve' website refresh, incl. interactive forms, housing repairs diagnostics, customer portal. Also full functionality on mobile devices	Head of customer services Head of customer services	Ongoing March 2016 January 2016	Mar-16	G G
A2	Delivery of the corporate plan and key supporting policies and strategies within the council's strategic framework	Corporate priorities are not on target to be delivered. The council has a clear set of corporate priorities within its corporate plan. Within the council's wider strategic framework, there are a number of key corporate strategies and policies which must be delivered across the organisation to realise the council's priorities e.g. environmental strategy, housing strategy etc Policy from the new government will be further changing the framework for local government and put new requirements on the council that must be met in a number of different areas. When this is combined with the very significant savings the council will need to make to meet the government funding reductions, there is a risk that these changes will reduce the capacity of the council to deliver on its key corporate priorities.	1. Key priorities for the city are not delivered 2. Adverse public opinion 3. Projects / work completed to a lower quality 4. Negative impact on outcomes for citizens 5. Negative performance ratings for the council 6. Continual over-stretching of capacity	EH-SP&N	All	4	4	16 (R)	1. Regular review of corporate plan, medium term financial strategy and other key policies and strategies. 2. Effective performance and programme management 3. Corporate planning and service planning aligned with budget setting to ensure resources are in place to deliver priorities. 4. Effective preparation for changes in government policy. 5. Effective transformation programme to ensure savings are delivered.	2	4	8 (A)					

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions					
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG	
A3	<p>Relationship management with key service delivery partners and the management of contracts.</p> <p>The council has a number of key partnerships with LGSS, NPS Norwich, and NP Law. There is also a highways agency agreement with Norfolk County Council. This approach to service delivery requires a different managerial approach by the city council. The council also has a number of key contracts – eg with NORSE, BIFFA, and Anglia Windows Ltd, – which require strong, consistent procurement and client management.</p>	<p>1. Partnerships not managed effectively and key service outcomes not achieved.</p> <p>2. Contracts not managed effectively, and key service outcomes not achieved.</p>	<p>1. The council doesn't get value for money</p> <p>2. Benefits of partner and contract arrangements not realised</p> <p>3. Constant negotiation around the service delivery agreement</p> <p>4. Specification not adhered to</p> <p>5. Services not provided at an acceptable level</p> <p>6. Customer and staff complaints</p>	EH-BRM&D	5	3	4	12 (A)	<p>1. Governance structure is in place to manage the individual partnership agreements (eg NPS Norwich Board, LGSS liaison group, NP Law Board, all major contracts have strategic and operational governance arrangements with officer and member representation.</p> <p>2. In response to the council operating model training requirements have been reviewed and staffing structures refreshed to reflect this change.</p> <p>3. A contract and business relationship management toolkit has been deployed. This aims to create consistency of management of both financial and performance objectives and monitoring and management of all economic, social and environmental issues associated with the service.</p> <p>4. Internal audit has reviewed arrangements to ensure that robust governance by client managers is in place for LGSS, nplaw, NPS Norwich, Norwich Norse (Environmental) and Norse Envoronmental Waste Service. Reported to CLT in April 2015 - result was 'substantial' assurance opinion.</p> <p>5. Regular reviews of joint ventures</p>	2	4	8 (A)						

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
A4	Safeguarding children, vulnerable adults and equalities duties	<p>1. Safeguarding and equalities duties and responsibilities not embedded throughout the council and its contractors/ commissioned services/ partners.</p> <p>2. Continued change in council service delivery model with an increase in the number of partnership arrangements is likely to require new arrangements for the delivery of safeguarding and equalities duties.</p> <p>3. Impact of cuts on care services and benefit funding.</p> <p>4. Critical incident</p> <p>5. Change in contractor/ commissioned service/partner</p> <p>6. Reduced service provision</p> <p>7. Not being able to attract staff with diverse abilities and backgrounds</p> <p>8. Reviews of safeguarding at Norfolk County Council found a number of significant issues, which increases the risks for partner organisations</p>	<p>1. Vulnerable adults and children at greater risk of exclusion or harm</p> <p>2. Individuals from a community of identity dealt with inappropriately and at risk of exclusion</p> <p>3. Risk of judicial review on accessibility of services</p> <p>4. Risk of damage to reputation if an employee discrimination claim is made based on equalities legislation</p> <p>5. NCC's reliance on systems at Norfolk and impact on Norwich City Council if these are inadequate</p>	EH-SP&N	All	3	4	12 (A)	<p>1. Safeguarding children policy and procedures in place and reviewed annually through safeguarding group.</p> <p>2. Safeguarding adult policy and procedures in place and reviewed annually.</p> <p>3. Safeguarding duties included in new contracts to ensure duties are embedded with new contractors. Where appropriate, joint training/ awareness sessions are held.</p> <p>4. Equalities duties overseen by BMG</p> <p>5. A contract and business relationship management toolkit has been deployed. This aims to create consistency of management of both financial and performance objectives and monitoring and management of all economic, social and environmental issues associated with the service and particularly in relation to safeguarding</p> <p>6. Equality training undertaken for all staff and managers</p> <p>7. Managing mental health training for managers</p> <p>8. Safeguarding training provided to all staff.</p> <p>9. Safeguarding guidance provided to all councillors</p> <p>10. External reviews of the council's approach</p> <p>11. Annual self-assessments against Sec.11 of Children Act 2014, then challenge session with chair of Norfolk Safeguarding Children Board (NSCB). Confirmed that NCC is playing its part in the NSCB and is alert to its duties and responsibilities.</p> <p>12. NCC plays full part in Norfolk Public Protection Forum</p> <p>13. NCC chief executive chairs Community Safety Partnership linking to domestic abuse across the county</p> <p>14. Constantly monitoring outcomes from serious case reviews (children adult and domestic abuse) and ensure any recommendations are actioned.</p>	2	4	8 (A)	<p>1. Work is progressing with contract managers to ensure monitoring and annual reporting of cross cutting themes including safeguarding and equalities is undertaken consistently with contractors.</p> <p>2. Training for all staff being reviewed to ensure it is relevant to job roles and reflects emerging safeguarding issues and priorities.</p> <p>3. Action plan developed to ensure continual</p> <p>improvement against Sec 11 of the Children Act 2014 - progress will be reported to a future cabinet</p>	Head of local neighbourhood services	From Oct-15 onwards	<p>Jul-14</p> <p>Sep-15 Complete for 'Platinum' contractors; currently reviewing 'Gold' contractors</p>	<p>G</p> <p>G</p> <p>G</p>

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
A6	Delivery of Joint Core Strategy (JCS). The council, through the Greater Norwich Growth Board, is seeking to promote delivery of the JCS. If delivered, JCS will see more than 30,000 homes built in the greater Norwich area, and 35,000+ jobs created over next 15 years	Delivery of the JCS may be jeopardised by: 1. One or more district councils failing to identify sufficient sites or bring forward detailed development plans to deliver the JCS in the next five years. 2. Markets failing to deliver on preferred development sites identified for housing 3. The government Changing allowed approaches to calculating housing land supply to require all the backlog in housing supply that has arisen since 2008 to be met in the next five-year period rather than over the remainder of the plan period of the JCS (ie up to 2026). 4. Failure to deliver the infrastructure required to support development 5. The council increasingly relies on income from NNDR (business rates). This may be at risk if other councils allow commercial developments on the edge of the city but outside the boundary or the number of commercial premises in the City reduce.	1. Reputation damage 2. Significant likelihood that the overall development strategy for the Greater Norwich area will not be delivered	EH-R&D	2 & 4	3	4	12 (A)	1. Ensuring that strategies being prepared with GNGB colleagues are as robust as possible and firmly grounded in reliable evidence. 2. Inter-authority working based on consensus decision-making ensures all parties are in agreement with the proposed agreed policy framework. 3. All policy work is supported by comprehensive and up-to-date evidence in accordance with government guidelines. 4. Greater Norwich Growth Board responsible for ensuring funding is available for investment in infrastructure to support growth.	2 3	3	6 (A) 9 (A)					
A8	Housing Investment Strategy As part of the reform of the HRA the council has taken on a substantial debt to replace the former negative housing subsidy system. This debt will is currently planned to be repaid over a period not exceeding 30 years. In addition to debt repayments the council has adopted a new standard for investment in the housing stock and a commitment to fund a new build programme	1. Should the cost of works increase and/or the level of income reduce, then it may be necessary to review the housing investment strategy. 2. In addition, below inflation/rpi increases in rents will impact on income. 3. Reduction in rental income arising from: • compulsory 1% reduction in social housing rent for next four years wef April 2016 • higher level of council house sales due to improved incentives • increasing debt or other factors 4. Significant increase in the cost of delivering improvement works 5. Failure to deliver by contractors	1. Failure to deliver the Norwich Standard within the expected timescale 2. Lack of resources to support a new build programme. 3. Reduced tenant satisfaction 4. Reduced new build programme. Need to reprogramme the housing investment plan	EH-SP&N	4	3 4	3	9 (A) 12 (A)	1. Regular review of HRA business plan and housing investment plan to reflect financial position of the HRA. 2. The main control will be the timescale for delivering the Norwich Standard to all properties together with the delivery of any agreed new build programme. 3. Regular review of key projects. 4. Effective contract management 5. Work with Registered Providers to maximise use of retained Right to Buy receipts for the development of new social housing where spend by the Council is not possible.	2 3	3	6 (A) 9 (A)	Review housing investment plan	EH-SP&N CFO	Feb-16		G

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
FINANCE AND RESOURCES																	
B1	Public sector funding	1. Further economic decline. 2. Change in national government policy as a result of the economic position 3. New policies and regulations place a major financial burden on the council 4. Effects of funding cuts on major partners despite increased referrals, eg health and social care, may result in increased costs for the council	1. Major reduction in public sector funding, including consequences of changes in funding arrangements for other bodies. 2. Impact on balancing the budget – significant change and financial savings required. 3. Unable to make saving within the required timescales 4. Erosion of reserves 5. Major financial problems 6. Reputation damage 7. Possible industrial action 8. Changes become “knee jerk” 9. Govt intervention 10. Council loses critical mass in key areas 11. Service failures 12. Potential disproportionate impact on the poorest and most vulnerable members of society	CFO	All	5	5	25 (R)	1. Comprehensive 5-year transformation programme based on minimum resource allocation and robust benefit realisation. 2. Medium Term Financial Strategy incl. reserves policy, financial reporting to BMG & cabinet, transformation projects regularly monitored, MTFS is regularly reviewed and updated. 3. HRA business plan. 4. Weekly review by CLT of government announcements to assess implications and response required. 5. Keep service design under review 6. Continual review of financial position by the council and major partners	5	4	20 (R)	Report to cabinet for approval in line with risk management policy	Chief finance officer	Complete - reported and approved 8 July 2015		
B2	Income generation	1. Further economic decline. 2. Under-utilisation of assets 3. CIL (community infrastructure levy) income is below expectations. 4. Collapse in world markets leading to loss of income 5. Low economic growth or recession reduces income 6. Other triggers: a) Bethel St Police Station – market value payment b) Triennial pensions review. c) VAT partial exemption. d) Variable energy prices. e) Increasing voids due to market and economy factors. f) Loss of major tenant. g) GNGP board decision or cabinet decision on CIL investment arrangements. h) The council increasingly relies on income from NNDR (business rates). This is a volatile income stream and may be at risk from changes to Government policy around planning and if other councils allow commercial developments on the edge of the city but outside the boundary. i) Lack of experience in some services for generating income	1. Inability to raise capital receipts 2. Impact on balancing the budget – significant change and financial savings required. 3. Decline in income streams (eg rents from investment properties) – insufficient funds to maintain current service levels 4. Unable to make saving within the required timescales 5. Erosion of reserves 6. Major financial problems 7. Reputation damage 8. Govt intervention 9. Council loses critical mass in key areas 10. Service failures 11. Potential disproportionate impact on the poorest and most vulnerable members of society 12. Damage/costs across void portfolio 13. Essential infrastructure to deliver growth in the GNGP area is delayed.	CFO	All	5	4	20 (R)	1. Comprehensive 5-year transformation programme based on minimum resource allocation, maximisation of income generation and robust benefit realisation. 2. Medium Term Financial Strategy incl. reserves policy, capital and revenue financial reporting to BMG & cabinet, transformation projects regularly monitored, MTFS is regularly reviewed and updated. 3. HRA business plan kept under review. 4. GNGP have an agreed investment plan for the Greater Norwich area and have appointed consultants to advise on the use of CIL to help deliver this programme. 5. Clear strategy for investment 6. Commercial skills training provided to all Heads of Service 7.Element of CIL programme controlled by Norwich prioritised and caution taken to ensure spend not incurred until monies certain to be received.	4	3	12 (A)	Independent review of income generating opportunities	EH-SP&N	Feb-16		G

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
B3	Level of reserves The council has a legal duty to ensure it has a prudent level of reserves to conduct its business	1. Government policy. 2. Economic climate 3. Reserves fall below acceptable levels	1. Inadequate levels of reserves publicly reported by external auditors 2. Government intervention 3. Impact on reputation of the council	CFO	All	3	4	12 (A)	1. Medium term financial strategy (MTFS). 2. Development of the 5-year corporate plan and transformation programme in conjunction with the MTFS. 3. HRA Business Plan. 4. Planning and delivery of transformation (savings and income generation) programme. 5. Contract and business relationship management to identify and respond to business delivery risks. 6. Budget development, in-year monitoring and control	2	3	6 (A)					
B4	Capital developments	1. Housing / other developments may take longer to proceed than planned. 2. Housing / other developments may cost more than planned . 3. Interest rates on debt may rise beyond projections. 4. Developments may not generate planned levels of income.	1. Delay in income streams may put pressure on revenue budgets. 2. Reduced net revenue contribution from developments. 3. May put pressure on revenue budgets / reserves to service debts 4. Pressure on revenue budgets	CFO	All	5	4	20 (R)	1. Medium Term Financial Strategy incl. reserves policy, capital and revenue financial reporting to BMG & cabinet, transformation projects regularly monitored, MTFS is regularly reviewed and updated. 2. HRA business plan. 3. Capital Management Group set up and Capital Board ToR being developed 4. Continual review of investments 5. Balanced risk profile 6. Business plan for new housing development company approved by cabinet and company's own risk register	3	4	12(A)					

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
PROCESSES AND SYSTEMS																	
C1	Emergency planning and business continuity (The council delivers a range of complex services to vulnerable elements of the community. Organisations generally are experiencing significant continuity events once every five years on average)	Occurrence of a significant event: <ul style="list-style-type: none">• Loss of City Hall• ICT failure• Contractor collapse• Severe weather events – storms, heatwaves, strong winds• Flooding• Sea level rise• Fuel shortages• Communications failure• Pandemic• Loss of power The council, businesses and members of the public in the city will also be at risk from the local effects of climate change in the medium to long term.	1. Service disruption and inability to deliver services 2. Disruption of the delivery of goods and services to the council 3. Increased requests for council resources and services 4. Health and safety impact on staff and vulnerable residents 5. Damage to council property and impact on tenants 6. Reputation damage 7. Years to recover	EH-BRM&D	All	4	4	16 (R)	1. The council is a member of the Norfolk Resilience Forum, which has produced a Norfolk Community Risk Register 2. Business continuity team with access to resources; action plans have been used to deal with actual total City Hall IT failure; alternative site for customer contact team; disaster recovery plan and the use of Blackberries for communications. 3. The council has a major emergency management strategy and emergency planning room established at City Hall. Approach has also been used to test business continuity in the event of the main works contractor changing. 4. Flu pandemic plan. 5. Adaptations to protect the council from the local effects of climate change and address the causes are covered by corporate strategies such as the environmental strategy, together with service plans. 6. A new business continuity management policy and framework was approved by cabinet 25 June 2014. 7. A business impact analysis for each service is reviewed and assessed by CLT once complete—signed off by the head of service and executive head of service. 8. Business continuity steering group chaired by the EH-BRM&D. 9. Overall business continuity plan reviewed by CLT.	4	3	12 (A)					
C2	ICT strategy. The council has transferred its ICT service to LGSS. The ICT Programme Board works alongside LGSS to keep up to date the ICT strategy for the council	ICT strategy fails to support the organisation moving forward and the blueprint for a new council	1. Incoherent approach to ICT systems 2. Systems not customer friendly 3. Systems are not integrated with one another 4. Drain on resources as staff work around the systems 5. Lack of accuracy in key data 6. Data are unreliable 7. Key information not trusted 8. Hinders management and service improvements 9. Failure to deliver council priorities	EH-BRM&D	All	3	4	12 (A)	1. NCC has developed an ICT strategic direction document detailing the key areas where ICT is required to support business objectives and change. 2. Management of the LGSS relationship will seek to ensure that NCC requirements are delivered. 3. The council has introduced a new an ICT Programme Board, attended by LGSS IT.	2	4	8 (A)					

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
C3	Information security	1. Sensitive and/or personal data is sent to the incorrect recipient or not kept securely, or is lost 2. Data is emailed to insecure email addresses. 3. Lap top or memory stick containing data is lost or stolen. 4. Information is sent to incorrect addresses. 5. External malicious attack (hacking) 6. Hard copy data is lost or stolen	1. Fine up to £0.5 million 2. Potential harm to data subjects through loss, release or corruption of personal data 3. Reputational risk	EH-BRM&D	5	5	4	20 (R)	1. Regularly remind all managers, employees and members of their responsibilities for the use of and security of data. 2. Prohibit using mobile devices to store or process sensitive or personal data unless device is encrypted. 3. Encrypt lap tops and data sticks when they are used to store or process sensitive or personal data. 4. Proper disposal of confidential waste. 5. Updated IT User Security policy issued June 2013 April 2015 to all staff and other people who access the councils systems (e.g. partners, contractors etc.) 6. The council has achieved public sector network (PSN) & payment card industry (PCI) compliance 7. The council has introduced an ICT programme board, attended by LGSS IT.	3	4	12 (A)	Review IT user security policy	Systems support team leader	September 2014	April 2015 Complete	G

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
C4	Failure of major contractor or legal challenge following an unsuccessful tender bid	1. The council has a number of key contractors who may be vulnerable to market and economy factors. 2. In addition the number of legal challenges (and therefore injunctions preventing a contract award) is increasing due to the financial pressures and reducing workload 3. Key contractor goes into administration or an injunction is issued preventing the award of a new contract	1. Customer and staff complaints 2. Services not delivered 3. Contingency plans have to be invoked 4. Cost and time to retender contract 5. Cost and time to defend legal challenge 6. Additional unforeseen costs impact delivery of balanced outturn and reserve levels	EH-BRM&D	5	4	3	12 (A)	1. Monitor major contractors for warning signs and make any necessary contingency plans. Recently put into practice and contingency plans tested. 2. Ensure a robust procurement process is followed in accordance with the appropriate procurement regulations, NCC processes and best practice. 3. NPS JV extended to include works division. This arrangement enables the JV to carry out work that was previously contracted to private sector. This approach is in line with the Council's operating model. This provides enhanced security over the supplier and increased direct control by the council. 4. Contingency budget and allowance for failures within the calculation of prudent minimum balance of reserves 5. More use of shared services reduces size and scope of contracts with private sector providers (eg ICT) 6. Increased use of framework contracts increases resilience against contractor failure.	3	3	9 (A)					
C5	Fraud and corruption	1. Poor internal controls lead to fraudulent acts against the council, resulting in losses. 2. Bribery Act 2010 came into force 1 July 2011 – lack of guidance or policies - council fails to prevent bribery 3. Failure in internal control. 4. Discovery of fraudulent acts. 5. Allegations received. 6. Member of staff or councillor breaks the law.	1. Loss of income or assets 2. Adverse public opinion 3. Effect on use of resources 4. Increased costs of external audit 5. Cost of investigation and rectifying weaknesses 6. Prison	CFO	5	3	3	9 (A)	1. Internal audit 2. Anti-fraud and corruption policy, 3. Payment Card Industry security assessment to protect card payments, 4. National Fraud Initiative, 5. Whistleblowing policy 6. Review and update as necessary policies and procedures. 7. Assess risk of bribery, train staff and monitor and review procedures. 8. Robust procurement procedures, e-tendering portal and governance by the procurement team 9. Delegation procedures	2	3	6 (A)	Review needed of anti-fraud, whistleblowing and anti-bribery policies,	Chief finance officer	Sep-15	Dec-15	G

Details of Risk						Inherent Risk			Key Controls	Residual Risk			Actions				
Risk No.	Risk Description	Caused by	Effect	Owner	Corporate Priorities	Likelihood	Impact	Score and RAG		Likelihood	Impact	Score and RAG	Actions	Owner	Target Date	Revised Target Date	Action Status RAG
LEARNING AND GROWTH																	
D1	Industrial action	1. Changes to pension regulations and pay restraint and changes to terms and conditions could lead to industrial action by employees 2. National negotiating framework - failure to agree. 3. Ballot of union members. 4. Implementation of changes to the LGPS. 5. Implementation of government interventions on pay	1. Loss of key services 2. Public safety 3. Loss of income 4. Reputation	EH-SP&N	All	3	4	12 (A)	2 stages – managing the threat of industrial action and responding to industrial action 1. Identify and agree with UNISON exemptions from strike action 2. Identify and implement business continuity/contingency plans to maintain essential services and ensure statutory duties are met 3. CLT agree and implement strategy for response to strike action ie assessing the scale of the action, communications, response depending on nature of the action, wider industrial relations implications, deductions from pay etc 4. National and regional guidance 5. Statutory immunities – Trade Union Labour Relations (Consolidation) Act 6. Well embedded business continuity and industrial action plans	3	2	6 (A)					

Council Priorities 2015-2020:

- 1. To make Norwich a safe, clean and low-carbon city
- 2. To make Norwich a prosperous and vibrant city
- 3. To make Norwich a fair city
- 4. To make Norwich a healthy city with good housing
- 5. To provide value for money services

Key to risk owners (above):	
EH-SP&N	Executive head of strategy, people & neighbourhoods
EH-BRM&D	Executive head of business relationship management & democracy
EH-CC&C	Executive head of customers, communications & culture
EH-R&D	Executive head of regeneration & development
CFO	Chief finance officer (s151)

RISK SCORING MATRIX

VERY HIGH (V)	5	10	15	20	25
HIGH (H)	4	8	12	16	20
MEDIUM (M)	3	6	9	12	15
LOW (L)	2	4	6	8	10
NEGLECTIBLE	1	2	3	4	5
IMPACT LIKELIHOOD	VERY RARE	UNLIKELY	POSSIBLE	LIKELY	VERY LIKELY

Red scores – in excess of the council's risk appetite (risk score 16 to 25) – action needed to redress, quarterly monitoring.

In exceptional circumstances cabinet can approve a residual risk in excess of the risk appetite if it is agreed that it is impractical or impossible to reduce the risk level below 16. Such risks should be escalated through the management reporting line to CLT and cabinet (see section 3.8 of the strategy).

Amber scores – likely to cause the council some difficulties (risk score over 5 to 15) – quarterly monitoring

Green scores (risk score 1 to 4) – monitor as necessary

Descriptors to assist in the scoring of risk impact are on the following page

Likelihood scoring is left to the discretion of managers as it is very subjective, but should be based on their experience of the risk

As a guide, the following may be useful:

Very rare - highly unlikely, but it may occur in exceptional circumstances. It could happen, but probably never will

Unlikely - not expected, but there's a slight possibility it may occur at some time

Possible - the event might occur at some time as there is a history of occasional occurrence at the council

Likely - there is a strong possibility the event will occur as there is a history of frequent occurrence at the council

Very likely - the event is expected to occur in most circumstances as there is a history of regular occurrence at the council

IMPACT DESCRIPTORS

The following descriptors are designed to assist the scoring of the impact of a risk:

	Negligible (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Legal and Regulatory	Minor civil litigation or regulatory criticism	Minor regulatory enforcement	Major civil litigation and/or local public enquiry	Major civil litigation setting precedent and/or national public enquiry	Section 151 or government intervention or criminal charges
Financial	<£25k	<£50k	<£100k	<£500k	>£500k
Service provision	Insignificant disruption to service delivery	Minor disruption to service delivery	Moderate direct effect on service delivery	Major disruption to service delivery	Critical long term disruption to service delivery
People and Safeguarding	Slight injury or illness	Low level of minor injuries	Significant level of minor injuries of employees and/or instances of mistreatment or abuse of individuals for whom the council has a responsibility	Serious injury of an employee and/or serious mistreatment or abuse of an individual for whom the council has a responsibility	Death of an employee or individual for whom the council has a responsibility or serious mistreatment or abuse resulting in criminal charges
Reputation	No reputational impact	Minimal negative local media reporting	Significant negative front page reports/ editorial comment in the local media	Sustained negative coverage in local media or negative reporting in the national media	Significant and sustained local opposition to the council's policies and/or sustained negative media reporting in national media
Project	Minimal effect on budget or overrun	Project overruns or over budget	Project overruns or over budget affecting service delivery	Project significantly overruns or over budget	Project failure
Sustainability/ Environment	Minimal or no impact on the city's environment or sustainability targets	Minor impact on the city's environment or sustainability targets	Moderate impact on the city's environment or sustainability targets	Serious impact on the city's environment or sustainability targets	Very serious impact on the city's environment or sustainability targets

Norwich City Council

Summary of Residual Scores for Corporate Risks (one red, 16 amber) as at October 2015

Impact	Very High	5					
	High	4		A2, A3, A4, C2	B4, C3		B1
	Medium	3		A5, B3, C5,	A6, A8, C4	B2, C1	
	Low	2			A1, D1		
	Negligible	1					
			1	2	3	4	5
			Very rare	Unlikely	Possible	Likely	Very Likely
			Likelihood				

Red scores – in excess of the council's risk appetite (risk score 16 to 25) – action needed to redress, quarterly monitoring. In exceptional circumstances cabinet can approve a residual risk in excess of the risk appetite if it is agreed that it is impractical or impossible to reduce the risk level below 16. Such risks should be escalated through the management reporting line to CLT and cabinet.

Amber scores – likely to cause the council some difficulties (risk score 5 to 15) – quarterly monitoring

Green scores (risk score 1 to 4) – monitor as necessary

NORWICH CITY COUNCIL**RISK MANAGEMENT POLICY**

Document control

Version	Author	Date	Summary of changes
V0.1d	S Dowson	5/9/13	First draft
V0.2d	S Dowson	10/10/13	Updated following comments from Anton Bull and John Davies
V0.3d	S Dowson	31/10/13	Updated following comments from BMG
V1.0	S Dowson	11/11/13	Final version for committee
V1.1	S Dowson	6/11/14	Minor updates following comments from BMG
V2.0	S Dowson	7/11/14	Final version approved by cabinet 10 December 2014
V2.1	S Dowson	30/9/15	Tracked updates for approval by CLT and audit committee

Next review date:	October 2016
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NORWICH CITY COUNCIL

RISK MANAGEMENT POLICY

1. INTRODUCTION BY CHIEF EXECUTIVE

Norwich City Council seeks to ensure that services, delivered either directly or through others, are of a high quality, provide value for money and meet evidenced need.

We are a complex organisation that works with a wide variety of other organisations in different and varying ways. As a result we need to ensure that the way we act, plan and deliver is carefully thought through both on an individual and a corporate basis.

The council defines what it seeks to achieve in the form of corporate priorities and details how it expects to deliver them through the corporate plan, as well as service and team plans.

There are many factors which might prevent the council achieving its plans, therefore we seek to use a risk management approach in all of our key business processes with the aim of identifying, assessing and managing any key risks we might face. This approach is a fundamental element of the council's code of governance.

This risk management policy is fully supported by members, the chief executive and the corporate leadership team who are accountable for the effective management of risk within the council. On a daily basis all officers of the council have a responsibility to recognise and manage risk in accordance with this policy and the associated risk management strategy. **Risk management is everyone's business.**

The Accounts and Audit Regulations 2015 state:

A relevant authority must ensure that it has a sound system of internal control which

(a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;

(b) ensures that the financial and operational management of the authority is effective; and

(c) includes effective arrangements for the management of risk.

In Norwich City Council risk management is about improving our ability to deliver our strategic objectives by managing our threats, enhancing our opportunities and creating an environment that adds value to ongoing operational activities.

I am committed to the effective management of risk at all levels of this council.

This policy, together with the risk management strategy, is an important part of ensuring that effective risk management takes place.

Laura McGillivray
Chief Executive

2. WHAT IS RISK?

The council's definition of risk is:

“Factors, events or circumstances that may prevent or detract from the achievement of the council's corporate priorities and service plan objectives.”

3. RISK MANAGEMENT OBJECTIVE

Risk management is the process by which risks are identified, evaluated and controlled. It is a key element of the council's governance framework.

The council will operate an effective system of risk management which will seek to ensure that risks which might prevent the council achieving its plans are identified and managed on a timely basis in a proportionate manner. In practice this means that the council has taken steps to ensure that risks do not prevent the council achieving its corporate priorities or service plan objectives.

4. RISK MANAGEMENT PRINCIPLES

- The risk management process should be consistent across the council, clear and straightforward and result in timely information that helps informed decision making
- Risk management should operate within a culture of transparency and openness where risk identification is encouraged and risks are escalated where necessary to the level of management best placed to manage them effectively
- Risk management arrangements should be dynamic, flexible and responsive to changes in the risk environment
- The response to risk should be mindful of risk level and the relationship between the cost of risk reduction and the benefit accruing, ie the concept of proportionality
- Risk management should be embedded in everyday business processes
- Officers of the council should be aware of and operate the council's risk management approach where appropriate
- Members should be aware of the council's risk management approach and of the need for the decision making process to be informed by robust risk assessment, with cabinet members being involved in the identification of risk on an annual basis.

5. APPETITE FOR RISK

As an organisation with limited resources it is inappropriate for the council to seek to mitigate all of the risk it faces. The council therefore aims to manage risk in a manner which is proportionate to the risk faced based on the experience and expertise of its senior managers. However, cabinet has defined the maximum level of residual risk which it is prepared to accept as a maximum

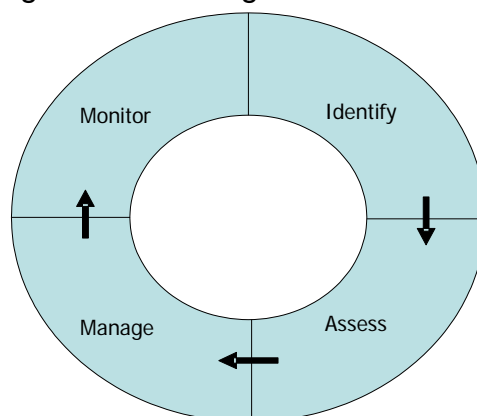
risk score of 15 in line with the scoring matrix attached at **appendix 1** (for corporate priority and service plan objective risks). Other areas of risk, such as small projects or health and safety, may have a different risk appetite depending on the circumstances, but only if they do not impact on corporate priorities or service plan objectives.

6. BENEFITS OF RISK MANAGEMENT

- Alerts members and officers to the key risks which might prevent the achievement of the council's plans, in order that timely mitigation can be developed to either prevent the risks occurring or to manage them effectively if they do occur.
- Risk management at the point of decision making should ensure that members and officers are fully aware of any key risk issues associated with proposals being considered.
- Leads to greater risk awareness and an improved and cost effective control environment, which should mean fewer incidents and other control failures and better service outcomes.
- Provides assurance to members and officers on the adequacy of arrangements for the conduct of business. It demonstrates openness and accountability to various regulatory bodies and stakeholders more widely.
- Allows the council to take informed decisions about exploiting opportunities and innovation, ensuring that we get the right balance between rewards and risks.

7. RISK MANAGEMENT APPROACH

The risk management approach adopted by the council is based on identifying, assessing, managing and monitoring risks at all levels across the council:



The detailed stages of the council's risk management approach are recorded in the risk management strategy, which is reviewed by corporate leadership team (CLT) on an annual basis. The strategy provides managers with detailed guidance on the application of the risk management process.

The strategy can be located on citynet [\[here\]](#).

Additionally individual business processes, such as decision making, project management will provide guidance on the management of risk within those processes.

8. AWARENESS AND DEVELOPMENT

The council recognises that the effectiveness of its risk management approach will be dependent upon the degree of knowledge of the approach and its application by officers and members.

The council is committed to ensuring that all members, officers and partners where appropriate, have sufficient knowledge of the council's risk management approach to fulfil their responsibilities for managing risk. This will be delivered thorough formal training programmes, risk workshops, briefings, and internal communication channels.

9. CONCLUSION

The council will face risks to the achievement of its plans. Compliance with the risk management approach detailed in this policy should ensure that the key risks faced are recognised and effective measures are taken to manage them in accordance with the defined risk appetite.

SCORING MATRIX

VERY HIGH	5	10	15	20	25
HIGH	4	8	12	16	20
MEDIUM	3	6	9	12	15
LOW	2	4	6	8	10
NEGLIGIBLE	1	2	3	4	5
<div>IMPACT</div> <div>LIKELIHOOD</div>	VERY RARE	UNLIKELY	POSSIBLE	LIKELY	VERY LIKELY

Red: In excess of the council's risk appetite (risk score 16 to 25) - action needed to redress, quarterly monitoring

Amber: Likely to cause the council some difficulties (risk score 5 to 15) - quarterly monitoring

Green: Monitor as necessary (risk score 1 to 4)

Report to Cabinet
13 January 2016
Report of Executive head of regeneration and development
Subject Award of contract for the Passivhaus development at
Hansard Close

Item

10

KEY DECISION

Purpose

To consider the award of a contract relating to the design and construction of ten Passivhaus dwellings at Hansard Close

Recommendation

To award the contract for the construction of ten Passivhaus dwellings at Hansard Close to E N Suiter

Corporate and service priorities

The report helps to meet the corporate priority of a healthy city with good housing and the service plan priority to bring forward new build housing development for the council.

Financial implications

The Hansard Close development has an approved budget of £1,300,000.

30% of the cost can be funded from Right to Buy one for one replacement receipts.

Ward/s: Mile Cross

Cabinet member: Councillor Harris – Housing

Councillor Bremner – Environment and Sustainable Development

Contact officers

Debbie Gould, senior development officer (enabling) 01603 212851

Paul Swanborough, private sector housing manager 01603 212388

Dave Moorcroft, executive head of regeneration & development 01603 212225

Background documents

None

Report

Background

1. In 2012, cabinet took the decision to develop the former Area Office at Hansard Close for affordable housing. It was later agreed that the development should be designed to meet the Passivhaus standard.
2. This will be the council's first Passivhaus scheme. Delivering to the Passivhaus standard brings benefits both to the environment and also to tenants, who will be able to enjoy health benefits and significant cost savings on energy bills.
3. Following public consultation and further discussions with housing management and the Housing options manager, plans were revised from eight one bedroom flats to a total of 10 flats, eight of which will be one bedroom, general needs and two which will be two bedroom, with wheelchair access, to better meet housing need.
4. The council appointed NPS (Norwich) to act as development agent for the site.
5. Planning permission was granted in June 2015.
6. All contractors that are members of the Fabric First Framework were invited to tender for the contract.

Procurement process

7. NPS (Norwich) - acting as development agent - has carried out a tender process to procure a contractor for the development. NPS (Norwich) is managing the whole process on behalf of the council, as development agent.
8. Due to this being the council's first ever Passivhaus scheme, it was agreed that the tenders would be scored on a 50% cost, 50% quality basis.
9. Four local developers responded to the tender:-

E N Suiter	£1,270,601.85
Developer A	£1,598,575.54
Developer B	£1,343,350.32
Developer C	£1,608,126.94
10. On receipt, the quantity surveyor has confirmed that all items had been priced with no arithmetical errors. Work is underway with E N Suiter to clarify detailed costings and the contract will be awarded subject to these being satisfactory.
11. In order to safeguard against any rising material costs and to allow a provisional sum for any unknown archaeological work it is recommended to allow a 5% contingency on the above price. This would still mean that E N Suiter is the preferred contractor and is within the approved budget.

Timescales

12. Once cabinet has awarded the contract, the tenderers will be informed of the outcome and the successful tenderer would make a start on site in February.
13. All tenderers were asked for a commitment to complete the scheme by mid-October, to allow for the official handover of the properties and for tenants to be able to move in before December.

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

Committee:	Cabinet
Committee date:	13 January 2016
Head of service:	Andy Watt
Report subject:	Award of contract for the Passivhaus development at Hansard Close
Date assessed:	16 December 2015
Description:	To consider the award of a contract for the construction of ten Passivhaus dwellings at Hansard Close

	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"/>	Provision of more council homes will improve overall affordability of the housing stock. This represents a prudent use of financial resources to meet corporate priorities
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This project will provide employment opportunities, opportunities for local contractors and businesses and will generate local spending for the benefit of the wider economy. Providing more housing is important in supporting sustainable economic growth and prosperity.
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Providing additional social rented housing will advance financial inclusion by helping to improve housing affordability
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Building more council homes to meet changing needs will help provide accommodation for vulnerable adults and children.
<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"/>	

	Impact			
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The provision of sufficient and decent quality housing is essential to ensuring decent levels of health and well being
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The new council homes have been designed and will be built to meet the Passivhaus standard, which will bring significant benefits to both the environment and tenants, when compared with standard build types.

	Impact			
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The new homes will be subject to the Right to Buy which represents a risk to the council.

Recommendations from impact assessment
Positive
Overall the project will provide more council homes which will improve overall affordability of the housing stock. The investment priorities represent a prudent use of financial resources to meet corporate priorities and will provide local employment opportunities.
Negative
The Right to Buy risk is mitigated as the 'cost floor' means that any monies spent on developing or maintaining these properties for 15 years can be deducted from any discount.
Neutral
Issues

Report to Cabinet
13 January 2016
Report of Executive head of regeneration and development
Subject Community centre at the Hall Road Asda site

Item

11

Purpose

To agree to the leasehold acquisition to provide a new community centre at the Hall Road Asda site

Recommendation

To approve the acquisition of building and associated land at the Asda site on Hall Road on a long lease for 20 years to provide a new community centre.

Corporate and service priorities

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

Financial implications

The proposals can be completed within existing resources.

Ward/s: Lakenham

Cabinet member: Councillor Stonard, resources and income generation
Councillor Driver, neighbourhoods and community safety

Contact officers

Andy Watt	01603 212691
Bob Cronk	01603 212463

Background documents

None

Report

Background

1. As part of the planning policies for the former Bally shoe factory site on Hall Road any developer were required to provide an element of mixed use including community facilities. Asda purchased the site and following discussions with the council it was proposed to provide a community centre on the site which could potentially replace provision at the Harford community centre at Harford Park, Peterkin Road.
2. Following the granting of planning permission Asda has redeveloped the site and the new superstore recently opened. As set out in the planning agreement Asda have provided a community centre building within the site – next to the superstore on its east side – which they are also obliged to fit out. The council has an option to take a lease on the building for use as a community centre.
3. The outline plans for the new building has been inspected by officers in local neighbourhood services along with the management committee of the of the Harford community centre. The building provides a modern purpose built facility which the trustees believe would work well as a community centre. It provides both indoor accommodation and an external area for external play and breakout. The management committee agree that if the internal fit out is completed to the required standard it would provide a more modern facility with lower costs to operate to the existing site and that most existing groups who currently use the existing centre could re-locate to the new building.

Proposal

4. Officers therefore propose that the council take a long lease on the property to provide a new community centre for the Tuckswood and south Lakenham area. The proposed terms are set out in the original section 106 planning agreement. The main elements are as follows:
 - 20 year term;
 - Nil rent;
 - Ability for council to break giving 6 months' notice;
 - The council will be responsible for payment of rates¹;
 - The council will be required to pay a service charge fixed at £250 p.a. subject to an annual RPI increase;
 - The council to be responsible for both internal and structural repair and maintenance (excluding inherent defects);
 - The council to be responsible for insuring the property;
 - Right for the council to sublet in whole to enable an local community organisation to undertake day to day running; and
 - Use for community purposes.
5. Apart from the community advantages in providing a modern purpose built community centre there are also financial benefits. Whilst the council will be responsible for all costs associated with the building in the first 20 years they are

¹ At community centres these costs are passed on to the community centre.

likely to be modest. The council is also protected from inherent defects. In contrast the existing Harford Community Centre is expensive to maintain and has major repair liabilities including a need for major roof repairs.

Existing Harford Community Centre

6. In taking on the lease and once fitted out the Harford Community Centre will transfer to the Asda site leaving the existing building void and it will be necessary to reach a conclusion on its future as quickly as possible. NPSN have been instructed to undertake an asset review to inform a decision on the building's future.

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

Committee:	Cabinet
Committee date:	13 January 2016
Head of service:	Head of city development services
Report subject:	Community centre at the Hall Road Asda site
Date assessed:	16 December 2015
Description:	To agree to the leasehold acquisition to provide a new community centre at the Hall Road Asda site

	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"/>	Transfer of the Harford Community Centre to the Asda site is likely to reduce running costs and may avoid the need to incur repair liability expenditure on the existing community centre premises.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The new community facility will provide a modern up to date building that will attract new users and will provide a venue that can be used for activities and services that will reduce financial, social and health inequality.
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"/>	

	Impact			
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The new community facility will provide a modern up to date building that will attract new users and will increase the opportunity for local community activities and services that can enhance the health and wellbeing of residents.
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	

Report to Cabinet

Item

13 January 2016

Report of Executive head of regeneration and development

Subject Development company- business plan

12

Purpose

To consider the business plan of The Regeneration Company Ltd.

Recommendations

To:

- a) approve the business plan for The Regeneration Company Ltd.;
- b) agree the following elements (as detailed in the confidential appendix to this report):
 - the value of the loan to the company;
 - the value of the land (the “best consideration”) to be transferred to the company;
 - the value of the equity investment to allow the land to be transferred to the company;
 - the scope and value of the service level agreement between the council and the company;
 - to purchase the social units at build cost the cost in section 1 of phase 2 at Three Score; (currently assumed to be 25 units).
- c) agree to enter into a development agreement with The Regeneration Company to acquire the social housing units within section 1 of phase 2 at Three Score by the end of March 2016 (or such later date as is agreed with The Regeneration Company Ltd) so as not to delay a start on site;
- d) delegate any further changes to the business plan to the executive head of regeneration and development in consultation with the section 151 officer and the portfolio holder for resources and income generation.

Corporate and service priorities

The report helps to meet the corporate priority of a prosperous city.

Financial implications

None.

Ward/s: All

Cabinet member:

Cllr Stonard - Resources and income generation.

Contact officers

Gwyn Jones, city growth and development manager 01603 212364

Philippa Dransfield, chief accountant 01603 212562

Background documents

None

Report

Background

1. In July 2015 cabinet resolved to:
 - approve the establishment of a local housing development company to build, sell and manage houses for sale and rent; and,
 - delegate the detailed arrangements to allow the establishment of the company to the executive head of regeneration and development in consultation with the portfolio holders for resources and income generation and environment and sustainable development.
2. The first development to be taken forward by the company is Three Score phase 2. This is a 172 dwelling development, of which 112 dwellings will be built to passivhaus standards. The development is intended to include 33% affordable housing (85% social rent, 15% shared equity) with the remainder of the units being private dwellings to be sold or rented on the private market by the company. The intention is that the council will acquire the social units from the company at build cost. The company needs a commitment from the Council to do so before it can enter into a construction contract.
3. In October 2015, cabinet resolved to transfer the land for Three Score phase 2 to the housing development company, to loan funds to the company to carry out the development and to enter into a service level agreement (SLA) with the company to enable the council to provide services to the company.
4. The company is wholly owned by the city council has now been incorporated. The company board has agreed the name for the company: The Regeneration Company Ltd. The company is required to seek approval from the council for its business plan. The company is then able to carry out its activities within the parameters of the business plan.
5. The board of the company held its first meeting on 21 October 2015 and agreed in principle to enter into the necessary agreements with the council to allow it to take forward the development of Three Score phase 2. At this first meeting, the board also approved the company business plan, subject to further detailed information being provided.
6. In order to minimise the risk to the Council and the company, the construction contract for Phase 2 is divided into 4 sections with a break clause between each to allow the development company to determine whether to continue with the contract at each break point. The decision on whether to proceed to the next section needs to be made 6 months from the end of construction of the previous section.

Affordable housing

7. The publication of the Housing and Planning Bill led to some uncertainty about the ability of the council to purchase the social housing included in the development through the Housing Revenue Account (HRA). The approval of the business plan was therefore put on hold to allow some modelling of options for the delivery of affordable housing to be carried out.
8. The options below were considered:
 - (a) Proceed as planned (the baseline);
 - (b) reduce the cost to the HRA- this was tested in 2 ways:
 - i) Provide 0% affordable housing in phase 2, (phase 1 includes 100% affordable housing in the housing with care element, so the development of Three Score a a whole could still be be policy compliant);
 - ii) Change the mix of units of social housing in Section 1 (more 1 and 2 bedroom units rather than 4 bedroom);
 - (c) affordable housing provision by a registered provider (RP);
 - (d) Deliver the affordable housing units at discounted market rent (via the development company);
 - (e) Dispose of the site.
9. The baseline, which consists of 112 pasivhaus units continues to represent a viable option for the company and the council. Options ii a) and ii b) are also viable whereas options iii) and iv) are not viable. Option v) provides for a future exit strategy. (Details are included in the confidential appendix to the report).
10. The recommended approach is to proceed initially on the basis of option ii b). It allows the delivery of a policy compliant affordable housing scheme but at this stage the Council would need to commit to buying the social units in Section 1 only. A decision would need to be made by the end of March 2016 about the precise mix of housing to be included in the affordable housing scheme to be submitted to planning for approval and the development agreement between the council and the company. Approval of the affordable housing scheme is required before a start on site, which is currently programmed for June 2016. Further work can be undertaken over the coming months with the contractor, sales and marketing agent and the council's housing service to determine the most appropriate mix of dwelling sizes, types and tenures to balance housing need, cost to the HRA and financial return whilst complying with planning policy.
11. The commitment by the council relating to the social housing units for section 2 of phase 2 would not be needed until around May 2017. By this time the position on the HRA business plan should be clearer.

The Regeneration Company Business Plan

12. The board of The Regeneration Company met again on 17 December 2015 to approve an amended business plan, based on affordable housing option iib) above. The business plan includes the loan agreement between the council and the company and details of the equity investment that the council needs to take out to allow the company to buy the land. It also includes the service level agreement between the council and the company. This plan now needs to be approved by cabinet.
13. The business plan covers the remainder of 2015-6 and the lifetime of the development of Three Score phase 2. The plan will be reviewed at the start of the 2016-7 financial year and thereafter on an annual basis. In future other development sites may be considered for inclusion within the company business plan. Future reviews will be reported to cabinet for approval.
14. The business plan itself is a confidential appendix which can be found at item *14 in this cabinet agenda.

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

Committee:	Cabinet
Committee date:	13 January 2016
Head of service:	Andy Watt
Report subject:	Development company business plan
Date assessed:	10/12/2015
Description:	To approve the business plan of the development company.

	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"/>	Will generate an income stream for the council's general fund
Other departments and services e.g. office facilities, customer contact	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The company will purchase services from the council
ICT services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Will deliver construction jobs
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Will deliver affordable housing
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 checked="" type="checkbox"/>	<input type="checkbox"/>	Will create high quality new housing development which encourages a healthy lifestyle (emphasis on walking and cycling) and provides homes which provide a healthy environment (passivhaus)

	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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Delivers new affordable housing
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Whilst the report results in new development , it will be taken forward in a way that reduces the impact on the envoronment
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As above
Waste minimisation and resource use	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As above
Pollution	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	As above
Sustainable procurement	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As above
Energy and climate change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As above
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
Risk management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment				
Positive				
The report will result in positive economic benefits for the council and the city				
Negative				
Whilst there are some negative impacts from development, the quality of development will minimise environmental impacts				
Neutral				
Issues				

