

Cabinet

Date: Wednesday, 08 November 2017

Time: 17:00

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

Committee members:

Councillors:

Waters (chair)
Harris (vice chair)
Davis
Herries
Kendrick
Maguire
Ryan
Stonard

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Information for members of the public

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Agenda

Page nos

1 Apologies

To receive apologies for absence

2 Public questions/petitions

To receive questions / petitions from the public

Please note that all questions must be received by the committee officer detailed on the front of the agenda by **10am on Friday 3 November 2017**.

Petitions must be received by the committee officer detailed on the front of the agenda by **10am on Tuesday 7 November 2017**.

For guidance on submitting public questions or petitions please see appendix 1 of the council's constitution.

3 Declarations of interest

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

4 Minutes Cabinet 11 October 2017

5 - 8

Purpose: To approve the accuracy of the minutes of the meeting held on 11 October 2017.

5 Consultation 'Planning for the right homes in the right places'

9 - 20

Purpose: To raise awareness of the potential implications of the current government consultation on Planning for the right homes in the right places, and to agree a consultation response.

6 Corporate KPI target changes

21 - 30

Purpose: To consider changes to Corporate KPI's due to changing methodology.

7 Code of Corporate Governance

31 - 64

Purpose: To consider the council's revised Code of Corporate Governance, in line with the 2016 update to the CIPFA/SOLACE guidance and the Local Government Framework for Delivering Good Governance.

8 Revenue budget monitoring 2017-18 P06

65 - 82

Purpose: To update Cabinet on the provisional financial position as at

30 September 2017, the forecast outturn for the year 2017/18, and the consequent forecast of the General Fund and Housing Revenue Account balances.

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|-----------|---|-----------|
| 9 | Capital budget monitoring 2017-18 Quarter 2 Purpose: To update cabinet on the financial position of the capital programme as at 30 September 2017. | 83 - 100 |
| 10 | Procurement of a contents insurance scheme for tenants Purpose: To seek approval to award a contract for council tenants' home contents insurance following a mini-tendering exercise via the ESPO framework. | 101 - 108 |
| 11 | Procurement of a trade waste service Purpose: To consider the award of a contract for waste services. | 109 - 116 |

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.

Page nos

- | | |
|------------|--|
| 12 | Exclusion of the public Purpose - Consideration of exclusion of the public. |
| *13 | Managing Assets (Housing Revenue Account) <ul style="list-style-type: none"> • This report is not for publication because it would disclose information relating to the financial or business affairs of any particular person (including the authority holding that information) as in para 3 of Schedule 12A to the Local Government Act 1972. |

***14 NCC and NRL loan agreement**

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

Date of publication: **Tuesday, 31 October 2017**



CABINET

17:30 to 18:50

11 October 2017

Present: Councillors Waters (chair), Harris (vice chair), Davis, Herries, Kendrick, Maguire, Ryan and Stonard

Also present: Councillor Schmierer

1. Declarations of interest

Councillor Waters declared an 'other' interest in item 6, 'New Anglia Local Enterprise Partnership Norfolk and Suffolk Economic Strategy' as he was the council's representative on the New Anglia Local Enterprise Partnership board.

Councillor Stonard declared an 'other' interest in item 8, 'Norwich Airport Industrial Estate', as he was the chair of Norwich Regeneration Company Ltd which could potentially be awarded a contract to develop housing as part of the regeneration of the industrial estate.

Councillor Kendrick declared a 'other' interest in item 8, Norwich Airport Industrial Estate, because he is a director of Norwich Regeneration Company Ltd which could potentially be awarded a contract to develop housing as part of the regeneration of the industrial estate.

2. Public questions/petitions

There were no public questions or petitions.

3. Proposed variations to off-street car park fees and charges

Councillor Kendrick, cabinet member for resources, presented the report.

Councillor Stonard, cabinet member for sustainable and inclusive growth said the review of charges aimed to ensure these were competitive in the market and generate income to maintain the car parks.

In response to a question from Councillor Schmierer, the director of regeneration and development explained that the methodology used when considering an increase to car parking charges took account of the need to reinvest in facilities, to keep competitive within the market and to ensure a vibrant city centre was maintained.

RESOLVED to approve the revised fees and charges as set out in appendix C and appendix D to the report, to take effect from 13 November 2017.

4. Minutes

RESOLVED to agree the accuracy of the minutes of the meetings held on 13 September 2017.

5. The New Anglia Local Enterprise partnership is seeking Norwich City Council endorsement of its new Norfolk and Suffolk Economic Strategy.

(Councillor Waters had declared an 'other' interest in this item.)

Councillor Waters, leader, presented the report.

In response to a comment from Councillor Schmierer, Councillor Waters, said the strategy referred to the creation of 46,000 jobs in the region. He had questioned the quality of these jobs with regard to details such as zero hour contracts or part time working. He said this was the beginning not the end of the process and referred to the report 'How to deliver great jobs – towards a regional industrial strategy for Norfolk and Suffolk' (see [here](#)) for further information.

RESOLVED to endorse the New Anglia Economic Strategy and further engagement on its implementation to ensure the delivery of inclusive growth for Norwich.

6. Carbon footprint report

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

In response to a question from Councillor Schmierer, the environmental strategy manager said the number of electric vehicle charging points in Norwich and Cambridge were similar. Using a grant from Highways England the University of East Anglia (UEA) and Norwich City Council were working to install two rapid charges situated at the UEA.

RESOLVED to note the progress being made on the delivery of the council's carbon management programme.

7. Norwich airport industrial estate

(Councillor Stonard and Councillor Kendrick had declared a 'other' interest in this item.)

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

In response to a question from Councillor Schmierer, the head of city development said the figures in the report were preliminary but were positive in terms of rental returns. Redevelopment offered clear benefits in terms of regeneration and

economic development. Some buildings on the estate could no longer be let due to their condition. There was a lack of good quality industrial units in Norwich and these would cater for that demand.

RESOLVED to:

- (1) Agree to commission Carter Jonas to procure a joint venture partner to regenerate and manage the airport industrial estate
- (2) Agree that the brief for this work be brought back to cabinet for approval
- (3) Agree that the appointment of any joint venture partner is subject to a full business case
- (4) Agree to establish a subsidiary of Norwich Regeneration Ltd to develop land at Hurricane Way for housing.

8. Revenue budget monitoring 2017/18 period 5

Councillor Kendrick, cabinet member for resources, presented the report.

RESOLVED to note the financial position as at 31 August 2017 and the forecast outturn 2017/18.

9. Municipal Bonds Agency borrowing framework agreement

Councillor Kendrick, cabinet member for resources, presented the report.

In response to a question from Councillor Schmierer, the chief finance officer stated borrowing amounts would be clearer in January and February. The prudential code applied to councils and prior to agreeing an amount to borrow the prudential indicators would be applied internally. A list of councils which had borrowed from the fund would be shared with Councillor Schmierer.

RESOLVED to approve the council's entry into the UK Municipal Bonds Agency (UK MBA) framework agreement and its accompanying schedules including the joint and several guarantee.

10. Treasury Management Full Year Review Report 2016-17

Councillor Kendrick, cabinet member for resources, presented the report.

RESOLVED to recommend that council:

- (1) Approves the actual 2016/17 prudential and treasury indicators in this report; and;
- (2) Notes the Annual Treasury report for the year 31 March 2017.

11. Exclusion of the public.

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

***12. Housing related support – Key decision (Paragraph 4)**

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

The head of neighbourhood housing would inform ward councillors of the timetable for consultation with tenants.

In response to a question from Councillor Schmierer, the head of neighbourhood housing advised all providers were members of the housing alliance and this was the forum to discuss changes. Joint working with other shelter housing providers could be considered in the future.

RESOLVED to approve the proposed changes to service provision contained in the report following a service review.

***13. Managing assets (housing) – Key decision (Paragraph 3)**

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

RESOLVED to approve the disposal of property assets listed in appendix 1 of the report.

***14. Managing assets (housing revenue account) – Key decision (Paragraph 3)**

Councillor Waters proposed to defer consideration of this item to a later meeting.

RESOLVED to defer consideration of item *14, managing assets (housing revenue account) to a later meeting.

CHAIR

| | | |
|------------------|---|-------------|
| Report to | Cabinet | Item |
| | 08 November 2017 | |
| Report of | Head of planning services | 5 |
| Subject | Response to government consultation: Planning for the right homes in the right places | |

Purpose

To raise awareness of the potential implications of the current government consultation on Planning for the right homes in the right places, and to agree a consultation response.

Recommendation

To submit this report as the response of Norwich City Council to the consultation.

Corporate and service priorities

The report helps to meet the corporate priority a prosperous and vibrant city, and a healthy city with good housing.

Financial implications

None

Ward/s: All Wards

Cabinet member: Councillor Stonard - sustainable and inclusive growth

Contact officers

Judith Davison, planning policy team leader 01603 212529

Graham Nelson, head of planning services 01603 212530

Background documents

None

Report

Introduction

1. The Department of Communities and Local Government has commenced a public consultation '[Planning for the right homes in the right places](#)' with an end date for responses of 9 November.
2. The Government committed in 2015 to providing one million new homes by 2020 and a further half million by 2022. The consultation proposals seek views on a number of changes to planning policy and legislation, some of which were foreshadowed in the Housing White Paper 'Fixing our Broken Housing Market' published in February 2017.
3. The stated purpose of the consultation is to enable local planning authorities to plan for the right homes in the right places by increasing transparency in the planning system, reducing bureaucracy, and tackling affordability. The consultation document includes a number of proposals described as seeking to achieve this including a proposed methodology for calculating local housing need, and a new statement of common ground to help improve how local authorities work together to meet housing and other requirements across boundaries. It also includes proposals in relation to planning for a mix of housing needs, neighbourhood planning, viability assessments, and planning fees.
4. This consultation will inform a revised National Planning Policy Framework (NPPF), to be published in early 2018 for a short consultation, with the intention of publishing a revised updated NPPF in Spring 2018.

Overview

5. The backdrop to the proposals contained in the consultation document would appear to be a growing recognition on the part of the government, as expressed in the Housing White Paper that the housing market is broken and structural change is needed to both the housing market and planning system to ensure that the country meets its own housing need. The most significant aspects of the consultation document effectively address strategic planning matters and seek to amend the approach to strategic planning that was introduced relatively recently by the previous coalition government through the Localism Act of 2011 which among other things sought to revoke Regional Spatial Strategies and introduce a "duty to co-operate" on strategic planning matters between local planning authorities.
6. The previous Regional Spatial Strategy (in this area The East of England Plan) had been adopted in May 2008 and had set out housebuilding targets and a strategic policy framework with which the local plan for Norwich needed to conform. The Plan was finally revoked in January 2013.
7. The relatively rapid recognition that the planning system introduced following the revocation of the regional spatial strategies is not fit for purpose and needs to be changed is welcome. However, it ought to be noted that merely introducing a standard methodology for calculating housing need at a district council level and seeking to strengthen the duty to co-operate does not in any

sense seek to introduce a meaningful strategic planning process into the UK planning system which will still sorely lack any form of plan seeking to provide consistent guidance on matters of infrastructure provision, economic development and housing to inform the preparation of Local Plans.

8. So overall, whilst some of the proposals in the consultation may be welcome in their own right, at present they are not considered to go far enough to actually deal with problems they purport to address.

Proposed approach to calculating housing need

9. This is arguably the most significant aspect of the consultation paper. The Housing White Paper argued that the existing approach to assessing housing need is too complex. This was itself a response to a recommendation by the Local Plans Expert Group for a simple mechanism for establishing housing need. The current approach is set out in the NPPF and planning guidance and involves definition of a housing market area and identification of 'objectively assessed need' (OAN) for market and affordable housing within this. Adjustment is then made for a number of issues including employment growth and market signals (for example local house prices). OAN is currently established through Strategic Housing Market Assessments (SHMAs) which can be costly and time consuming. Housing need calculations are often discussed at length at local plan examinations.
10. The proposed approach is intended to be a simplified, standard and transparent approach to assessing housing need. The proposal is a two-stage process. It involves:
 - a) setting the baseline for housing need, based on the national household growth projection for each local planning authority (LPA) area over a 10 year period (this is very largely based on the continuation of past trends);
 - b) then adjusting the figure upwards to respond to data on affordability. A calculation is proposed, which determines a level of uplift that seeks to ensure more homes are delivered in the locations where affordability is worst. The greater the affordability ratio between median house prices and median earning (the assumption starting point is a ratio of 4:1), the greater the uplift, with a cap set at 40% of the annual need figure.
11. The document illustrates this with an example: if house prices are 4 times median incomes in an area then there would be no upward adjustment to housing need, if prices were 8 times income then there would be a 25% adjustment, and if prices were 12 times income there would be a 50% adjustment.
12. The consultation encourages LPAs which wish to plan for a higher OAN to make an adjustment based on anticipated employment growth. If a local authority proposes a figure lower than the standard methodology the reasons for doing so will need to be tested through examination. For plans that are being produced jointly, the consultation is seeking views on whether national policy should be changed to allow LPAs to calculate their five year housing land supply for the area as a whole, and whether this approach could be extended to the operation of the Housing Delivery test as proposed in the Housing White

paper. This has some potential implications for the City and other urban areas, and could act as a discouragement for joint working. It would seem sensible rather than to prescribe that areas planning jointly be treated as single areas that this be determined on a case by case basis. In the case of Norwich it is noticeable that parts of the south of South Norfolk District lie outside the functional housing market area so it would appear perverse to accept a system that suggests delivery in this part of South Norfolk may be taken to meet needs arising in the City.

13. Transitional arrangements are proposed for cases where plans are being developed: where plans are submitted before 31 March 2018 or are at examination LPAs can continue with the current approach. Where there is no plan in place or where plans have been adopted more than 5 years ago, the new methodology should be used.
14. The Government has published the current housing needs figures for all local authorities across England (the proposals in the consultation do not apply elsewhere). Nationally this suggests that housing need over the next 10 years will be 265,936 net additional homes per annum. This appears to be an appropriate figure to plan for but it should be noted it will be ambitious to deliver. The latest government figures for house completions¹ record that in 2016/17 only 147,920 dwellings were completed.
15. To increase output of the English housing industry to the extent proposed is considered to require further intervention in the market alongside any revisions to the planning system and whilst some further measures were mooted in the Housing White Paper overall it is doubted whether these are sufficient to allow output to be increased to the extent required and further measures will be needed to ensure delivery. In particular it is considered that measures should be brought forward to allow local authorities to significantly increase the delivery of affordable housing and to challenge landowners who are not seeking to bring forward under used and vacant developable sites.
16. Locally the implications of the proposed methodology are set out in the table below. This compares the annual average build rates required by the new methodology, in current assessments of housing needs and in the previous east of England Plan. It should be noted that these need figures relate to different periods so may not be directly comparable.

Table 1 – comparison of indicative annual housing need figure with previous assessments of need in Norfolk

¹ See DCLG live table 213 permanent dwellings completed in England

| Local Authority | Indicative Proposed methodology | Current assessment of needs through the SHMA | Previous proposed build rate through the RSS |
|-----------------|---------------------------------|--|--|
| Breckland | 680 | 612 | 780 |
| Broadland | 528 | 391 | 700 |
| Great Yarmouth | 338 | 420 | 320 |
| KLWN | 525 | 670 | 630 |
| North Norfolk | 511 | 409 | 420 |
| Norwich | 602 | 724 | 710 |
| South Norfolk | 922 | 763 | 590 |
| Norfolk | 4106 | 3989 | 4160 |

17. The table clearly shows that at the County level the variation between the new methodology and previous assessments of need is minimal, however at the level of individual district the differences are significant. These differences appear to stem from the way affordability is dealt with at the local level. It is noticeable that under the proposed methodology the need figures are reduced in the Districts that contain the main urban areas in the County and significantly increased in the more rural Districts. The potential implications for Norwich are mitigated through the Greater Norwich Local Plan and when applied across the area of the proposed joint plan annual housing need rises through the new methodology from 1878 dwellings per annum (DPA) to 2052 dpa.

18. The proposed new methodology raise a number of issues / implications:

- a) The proposed standard methodology appears to be a crude approach which may not truly reflect household need. For example the methodology is based on household projections which are in turn based on past trends; this approach may not accurately reflect household need, for example in cases where there has been previous under-delivery of housing due to economic decline. Also, the proposed affordability uplift may be a reflection of high demand in some areas rather than local need. In addition the methodology does not consider vacancies, second homes and shared households. Overall whilst the level of provision proposed appears reasonable it is highly questionable whether the allocation to individual districts will support planning in what may reasonably be described as the right places.
- b) Clarification is also required on the types of housing included in the OAN under the new methodology. It is assumed that this includes all forms of housing including for older people, students etc (see the types of housing set out in paragraph 24 below) but this is not specifically stated.

- c) The proposed methodology only provides a dwelling requirement for a 10 year period. Clarification is required in planning in relation to housing need beyond a 10 year period (the current NPPF encourages planning ahead for around a 15 year period).
- d) There is uncertainty as to whether the proposed methodology will increase housing delivery. The methodology is expected to increase the housing need requirement nationally with the result that more land will need to be allocated overall. This is likely to lead to developers cherry-picking the most attractive sites, often greenfield, whilst leaving brownfield land undeveloped. This may result in those LPAs with a greater proportion of brownfield sites being penalised for under-delivery by the Housing Delivery Test. In addition, increased housing land supply in many areas may result in lower land prices which may in turn lead to landowners sitting on land waiting for prices to rise, again impacting on delivery.
- e) If plans are brought forward for shorter time periods to reflect the 10 year dwelling requirement proposed in the consultation (which may be reflected in the revised NPPF) this may reduce certainty for developers and local communities and may mean that larger more complex allocations cannot be included where their delivery within a 10 year period cannot be guaranteed. Again this may have implications for land supply and jeopardise the ability of some LPAs to maintain a five year land supply.
- f) Nationally, the proposed new methodology is likely to encourage local authorities with emerging plans to rush them through to submission before 31 March 2018 where possible, with risk of additional work being required at examination stage. Other LPAs may delay their plans while they consider the implications for site allocations and some may challenge the projections.

Statement of Common Ground

- 19. The consultation document states that the Duty to Cooperate (DtC) is not working effectively and is one of the main reasons for plans not being found sound at examination. Some of the issues identified are: the lack of transparency on how effectively LPAs are working together; the fact that cooperation is only tested at the end of the plan process and not before; and the fact that there is no legal requirement for agreement between LPAs.
- 20. The Government sees statements of common ground (SOCG) as helping meet and demonstrate compliance with the DtC. The function of the SOCG is for it to set out how groups of authorities intend to work together on strategic matters, especially on meeting housing needs, and to provide a record of outcomes. All LPAs are required to have SOCGs in place within 12 months of publication of revised NPPF, ie by Spring 2019, but the consultation sets out the expectation that an outline Statement should be in place within 6 months of the publication of the NPPF.
- 21. SOCGs are expected to cover the housing market area or other agreed geographical area. They are intended to be the means to an end of effective cooperation, not an end in themselves. The value of a SOCG will be in identifying strategic matters that need to be resolved at an early stage, and any additional cross-boundary issues to be addressed, and for this to be regularly

updated. Some LPAs may be in more than one SOCG where their area crosses housing market area boundaries.

22. The consultation proposes amendment to the tests of soundness, so that they require plans to be prepared based on a strategy informed by agreement over the wider area, and they should be based on effective joint working on cross-boundary strategic priorities which are evidenced in the SOCG.
23. The proposals are likely to increase the pressure to genuinely resolve strategic issues and tend to move closer to a 'duty to agree', not merely to cooperate. In practice, the fact that the Norfolk local authorities have recently published a draft Norfolk Strategic Framework for consultation, with a view to publishing the final draft in early 2018, means that the new provision of SOCG is unlikely to raise any significant issues for Norfolk LPAs.

Other proposals in the consultation document

24. **Planning for a mix of housing:** It is proposed that plan makers should disaggregate total housing need into the overall need for different types of housing (including older and disabled people, families with children, affordable housing, self-build housing, student accommodation, travellers who have ceased to travel, and the private rented sector). Local plans will need to demonstrate how needs are met. However no methodology is suggested. This may have the effect of negating much of the saving from the introduction of the new standard methodology for housing need as much of the evidence currently in strategic housing market assessments will still need to be produced.
25. **Neighbourhood planning:** It is proposed that national policy will be amended to require LPAs to provide neighbourhood planning groups with a housing need figure for neighbourhood planning purposes, where needed. The proposal is that LPAs do this by making a reasoned judgment based on the settlement strategy and housing allocations in the local plan, so long as the local plan is sufficiently up to date. Where plans are out of date the suggested approach is to use the national housing need calculation aggregated down to local level based on population levels. Although not an immediate risk in Norwich due to the existing local plan, this proposed approach appears to carry significant risks in urban areas in the absence of any recognition that it will be necessary to identify capacity of areas or appropriate densities.
26. **Viability:** A standardised approach is proposed to how viability is used in plan making and decision-taking, including what issues should be tested, and proposing greater transparency on how viability assessments are used. In order to make clear how key strategic priorities need to be planned for and delivered the government propose that LPAs should set out the types and thresholds for affordable housing contribution required; the infrastructure needed to deliver the plan; and expectations for how these will be funded and the contributions developers will be expected to make. For decision-taking, where policy requirements have already been tested for their viability, the issue should not usually need to be tested again at the planning application stage.
27. On the issue of viability it is considered that whilst there may be considerable merit in seeking to introduce a more standardised and transparent approach to how viability is assessed in the planning system, there is insufficient detail in

the consultation paper to enable a meaningful response to be made and further consultation will be needed on the detail of any proposed standard methodology.

28. **Planning fees:** The Housing White Paper stated the government's intention to increase nationally set planning fees by 20% for authorities who commit to invest the additional fee in improving productivity of planning services. Norwich City Council agreed to this earlier in the year; it is anticipated that the introduction of the new fees which was originally promised before the summer will be in place by the end of the year (the draft regulations for the fee increase for England have now been laid before Parliament). The current consultation asks for suggestions about appropriate criteria for how a further increase on planning application fees could be applied in areas who are delivering the homes their communities need. It is difficult to suggest appropriate criteria for how this would be applied at this stage. Whilst it may be straightforward to apply any uplift to an authority where delivery is occurring at a rate greater than the OAN calculated by the standard methodology this would appear to be overly crude and not reflect the fact that there is a greater correlation between the strength of the market and rates of delivery than the grant of planning permission. As a result any uplift of planning to reflect delivery would seem more likely to benefit authorities in more prosperous areas rather than actually increase rates of delivery.

Integrated impact assessment



NORWICH
City Council

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

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

Report author to complete

| | |
|-----------------------------------|---|
| Committee: | Cabinet |
| Committee date: | 8 November 2017 |
| Director / Head of service | Graham Nelson |
| Report subject: | Response to Government consultation: Planning for the Right Homes in the Right Places |
| Date assessed: | 23 October 2017 |
| Description: | Members are asked to agree that this committee report is submitted as the response of Norwich City Council to the consultation. |

| | | | | |
|--|-------------------------------------|--------------------------|--------------------------|-----------------------|
| | 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"/> | No impact identified. |
| Other departments and services e.g. office facilities, customer contact | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No impact identified. |
| ICT services | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No impact identified. |
| Economic development | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No impact identified. |
| Financial inclusion | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No impact identified. |
| | | | | |
| 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"/> | No impact identified. |
| <u>S17 crime and disorder act 1998</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No impact identified. |
| Human Rights Act 1998 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No impact identified. |
| Health and well being | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No impact identified. |
| | | | | |

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|--|-------------------------------------|--------------------------|--------------------------|-----------------------|
| | Impact | | | |
| Equality and diversity (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Relations between groups (cohesion) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No impact identified. |
| Eliminating discrimination & harassment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No impact identified. |
| Advancing equality of opportunity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No impact identified. |
| | | | | |
| Environmental (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Transportation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No impact identified. |
| Natural and built environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No impact identified. |
| Waste minimisation & resource use | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No impact identified. |
| Pollution | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No impact identified. |
| Sustainable procurement | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No impact identified. |
| Energy and climate change | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No impact identified. |
| | | | | |
| (Please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Risk management | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No impact identified. |

| Recommendations from impact assessment |
|---|
| Positive |
| |
| Negative |
| |
| Neutral |
| |
| Issues |
| The recommendation to submit this report as the council's response to the consultation will not have any direct impacts as set out above. |

| | | |
|------------------|--|-------------|
| Report to | Cabinet | Item |
| | 08 November 2017 | |
| Report of | Strategy manager | 6 |
| Subject | Updating performance targets due to changing methodology | |

Purpose

To consider changes to Corporate KPI's due to changing methodology.

Recommendation

To approve the following updated targets for the Corporate KPI's in order to reflect changing methodology:-

- (1) SCL1: 88% of streets found clean on inspection (down from 94%).
- (2) VFM1: 75% of residents satisfied with the service they receive from the council (down from 93%).

Corporate and service priorities

The report helps to meet the corporate priority Value for Money

Financial implications

N/A

Ward/s: All Wards

Cabinet member: Councillor Waters - leader

Contact officers

Adam Clark, strategy manager 01603 212273

Ben Foster, business analyst 01603 212535

Background documents

None

Report

Changes to Corporate KPI targets

1. In February, Council agreed to a refreshed Corporate Plan (see appendix 1) which included detailing the targets for all corporate performance indicators.

Two performance indicators have since seen methodology changes and therefore targets need to be adjusted in order to account for this.

2. The two indicators that have seen methodology changes are
 - a) SCL1 % of streets found clean on inspection
 - b) VFM1 % of residents satisfied with the service they received from the council
3. Details about how the methodology has changes are detailed below:
 - a) SCL1: The current methodology allows sites to be selected manually in order to ensure an equal number of each classification – leading to most of the city centre being surveyed every time. This is not representative of the city as a whole, leading to under representation of different types of housing and over representation of retail areas which is cleaned continuously. Surveys are carried out every four months, totalling 918 surveys a year.
 - b) The new suggested methodology would survey every adopted road, footway, cycleway and NCC owned public space within each ward once a year. The survey would be carried out quarterly in order to match corporate plan reporting, and lead to approximately 2,700 surveys carried out over the year.
 - c) VFM1: The current methodology involves members of staff surveying customers at the end of a call/contact about the service they had just received. It is currently up to each adviser to choose who they ask to take part in the survey.
 - d) The new suggested methodology involves sending a text to a mobile phone with 5 simple questions over the period of a week. Customers can choose to opt out of the survey if they wish. One question allows comments/feedback to be provided and this has proved already to be extremely helpful when understanding the customer experience and how we can improve the way we all work.
4. Having analysed results over previous quarters, and undertaken benchmarking exercises, the suggested targets for the new indicators are:
 - a) SCL1: 88% of streets found clean on inspection (down from 94%).
 - b) VFM1: 75% of residents satisfied with the service they receive from the council (down from 93%).

Integrated impact assessment



NORWICH
City Council

Report author to complete

| | |
|-----------------------------------|--|
| Committee: | Cabinet |
| Committee date: | 08/11/17 |
| Director / Head of service | Helen Chamberlin |
| Report subject: | Updating performance targets due to changing methodology |
| Date assessed: | 20/10/17 |
| Description: | |

| | 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"/> | Improvements in data monitoring will allow us to improve efficient targeting of resource. |
| Other departments and services e.g. office facilities, customer contact | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| ICT services | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Economic development | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Financial inclusion | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | | | | |
| Social (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Safeguarding children and adults | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| <u>S17 crime and disorder act 1998</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Human Rights Act 1998 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Health and well being | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | | | | |

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

| Recommendations from impact assessment |
|--|
| Positive |
| |
| Negative |
| |
| Neutral |
| Please note that this is a change of methodology and not a change to service delivery. |
| Issues |
| |

16 Key measures and targets

Corporate performance measures 2017-18¹

The council sets targets for each key performance measure. These are set out in detail in service plans and as part of the quarterly performance reports. Specific measures and targets beyond 2017-18 will be developed as part of the review of the corporate plan in 2017-18.

| KEY PERFORMANCE MEASURES | PREFIX | 2017-18 TARGET |
|--|--------|----------------|
| Council priority – Safe, clean and low carbon city | | |
| % of streets found clean on inspection | SCL1 | 94% |
| % of people satisfied with waste collection | SCL2 | 85% |
| % of people feeling safe | SCL3 | 78% |
| Residual household waste per household (kg) | SCL4 | 375 |
| % of food businesses achieving safety compliance | SCL5 | 90% |
| % of residential homes on a 20mph street | SCL6 | 45% |
| Number of accident casualties on Norwich roads | SCL7 | <400 |
| % of adults cycling at least 3x a week for utility purposes | SCL8 | 14% |
| % change in the number of cyclists counted at automatic count sites | SCL13 | 5% increase |
| Reduction in CO ² emissions for the local area | SCL9 | 2.4% |
| Reduction in CO ² emissions from local authority operations | SCL10 | 2.2% |
| % of people satisfied with parks and open spaces | SCL11 | 85% |
| % of people satisfied with their local environment | SCL12 | 80% |

¹Revised KPIs as agreed at cabinet 18 January 2017

| KEY PERFORMANCE MEASURES | PREFIX | 2017-18 TARGET |
|--|--------|----------------|
| Council priority: prosperous and vibrant city | | |
| Number of new jobs created/ supported by council funded activity | PVC1 | 300 |
| Delivery of the council's capital programme | PVC2 | 80% |
| Amount of funding secured by the council for regeneration activity (4 year rolling average) | PVC3 | £2m p/a |
| Planning service quality measure | PVC6 | tbc |
| Number of priority buildings on the 'at risk register' that have been saved from decay and dereliction through the intervention of the city council. | PVC7 | 1 p/a |
| % of people satisfied with leisure and cultural facilities | PVC8 | 95% |
| Amount of visitors at council run events | PVC9 | 85,200 p/a |

| KEY PERFORMANCE MEASURES | PREFIX | 2017-18 TARGET |
|--|--------|--------------------|
| Council priority: fair city | | |
| Delivery of the reducing inequalities action plan | FAC1 | 100% on target p/a |
| % of people who felt their wellbeing had been improved following receiving advice | FAC2 | 86% |
| Delivery of the digital inclusion action plan | FAC3 | 100% |
| Timely processing of benefits | FAC4 | 100% |
| No of private sector homes where council activity improved energy efficiency | FAC5 | 165 |
| % of commissioned organisations who pay their staff the living wage for services delivered on behalf of Norwich City Council | FAC6 | 100% |

18 Key measures and targets

| KEY PERFORMANCE MEASURES | PREFIX | 2017-18 TARGET |
|---|--------|--------------------|
| Council priority: healthy city with good housing | | |
| Delivery of the Healthy Norwich action plan | HCH1 | 100% on target p/a |
| Relet times for council housing | HCH2 | 16 days |
| Number of long-term empty homes brought back into use | HCH3 | 20 |
| Number of new council or other affordable homes completed on council land or which the council has financially contributed to | HCH4 | 200 (2015-2018) |
| Preventing homelessness | HCH5 | 60% |
| Percentage of people who feel that the work of the home improvement agency has enabled them to maintain independent living | HCH6 | 90% |
| % of council properties meeting Norwich Standard | HCH7 | 97% |
| % of people satisfied with the housing service | HCH8 | 83% |
| No of private sector homes made safe | HCH9 | 100 |

| KEY PERFORMANCE MEASURES | PREFIX | 2017-18 TARGET |
|--|--------|------------------------------|
| Council priority: value for money services | | |
| % of residents satisfied with the service they received from the council | VFM1 | 93% |
| Council achieves savings target | VFM2 | <£0 (balanced or underspend) |
| Avoidable contact | VFM4 | 35% |
| Channel shift | VFM5 | 25% |
| % of income owed to the council collected | VFM6 | 95% |
| % of income generated by the council compared to expenditure | VFM7 | 45.2% |
| % of customers satisfied with the opportunities to engage with the council | VFM8 | 54% |
| Delivery of local democracy engagement plan | VFM9 | Yes on target |

| | | |
|------------------|--|-----------------------------|
| Report to | Cabinet | Item 7 |
| | 08 November 2017 | |
| Report of | Director of business services | |
| Subject | Review of the council's Code of Corporate Governance | |

Purpose

To consider the council's revised Code of Corporate Governance, in line with the 2016 update to the CIPFA/SOLACE guidance and the Local Government Framework for Delivering Good Governance.

Recommendation

To recommend that council approves the revised Code of Corporate Governance and to recommend it to council for approval.

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 Kendrick - resources

Contact officers

| | |
|--|--------------|
| Anton Bull, director of business services | 01603 212326 |
| Duncan Wilkinson, chief internal auditor | 01908 252089 |
| Neil Hunter, deputy head of internal audit | 01223 715317 |
| Jonathan Tully, principal audit manager | 01603 212575 |

Background documents

None

Report

Background

1. The Audit and Account Regulations 2015 requires the council to produce an Annual Governance Statement (AGS) to accompany the Statement of Accounts.
2. The AGS summarizes the extent to which the council is complying with its Code of Corporate Governance and details, as appropriate, any significant actions needed to improve the governance arrangements in the year ahead.

The Code of Corporate Governance

3. The council's governance arrangements are documented in its Code of Corporate Governance. This includes references to the relevant local codes, policies and procedures.
4. The council's current Code was adopted in October 2008 and is included in the constitution as appendix 19.
5. The Code is regularly reviewed and updated with the Annual Governance Statement. Significant changes, such as reflecting changes in legislation and codes of practice, are reviewed by cabinet on the recommendation of the constitution working party, and recommended to full council for approval. The most recent significant update was in 2014 to reflect governance arrangements required by the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.

Current revision

6. CIPFA / SOLACE provide guidance which is intended to be used as best practice for developing and maintaining a locally adopted Code.
7. The guidance details the principles of good governance, to categorize examples within the Code.
8. The guidance was recently reviewed to reflect that councils may be operating differently due to austerity measures, and legislative changes such as the Localism Act 2011 and the Cities and Local Government Devolution Act 2016.
9. In addition the Accounts and Audit regulations were revised in 2015, which introduced some changes to the reporting requirements of the Statement of Accounts and the Annual Governance Statement.
10. Consequently the principles and terminology in the guidance have been updated to reflect these changes, and it is good practice to update the council's Code of Corporate Governance as well.

Process

11. The Code of Corporate Governance is Appendix 19 of the Constitution.
12. Article 17 of the Constitution (Audit Committee) states that the Audit Committee should “Review, consider and agree the AGS including the adequacy of the corporate governance framework and improvement action plan contained within it”. The Code of Corporate Governance is part of the corporate governance framework.
13. The revised Code was reviewed by the Corporate Leadership Team, and also presented to the audit committee on 20 June 2017. The AGS was also reviewed by the external auditors for completeness of disclosures, compliance with relevant professional guidance, and there were no matters arising.
14. Article 15 of the Constitution (Review and revision of the Constitution) states that “Changes to the appendices of this constitution will be made by the director of business services, to reflect decisions taken in accordance with the constitution of the council, the cabinet, a committee or the chief executive as the case may be”. The Director of Business Services recommended that the Code of Corporate Governance was reviewed by the constitution working party, which continues good practice already established in the council.
15. The constitution working party reviewed and approved the revised Code of Corporate Governance on 12 October 2017.

Conclusions

16. The Code of Corporate Governance has been updated to reflect the latest professional guidance for consideration.
17. The revision has been reviewed and approved by the Corporate Leadership Team, Audit Committee, and the Constitution Working Party.

Integrated impact assessment



NORWICH
City Council

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

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

Report author to complete

| | |
|-----------------------------------|--|
| Committee: | Cabinet |
| Committee date: | 08/11/17 |
| Director / Head of service | Anton Bull, Director of Business Services, Duncan Wilkinson, Chief Internal Auditor |
| Report subject: | Review of the council's Code of Corporate Governance |
| Date assessed: | 27/10/17 |
| Description: | To review of the council's Code of Corporate Governance and to recommend to Council. |

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

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

| Recommendations from impact assessment | |
|--|--|
| Positive | |
| An updated Code of Corporate Governance will help to improve the governance arrangements within the Council. | |
| Negative | |
| None | |
| Neutral | |
| None | |
| Issues | |
| None | |



NORWICH
City Council

Code of Corporate Governance

Proposed

INTRODUCTION

Good governance

Good governance is about how the Council ensures that it is doing the right things, in the right way, for the communities it serves, in a timely, inclusive, open, honest and accountable manner.

Our commitment

Norwich City Council is committed to upholding the highest possible standards of good corporate governance, believing that good governance leads to high standards of management, strong performance, effective use of resources, increased public involvement and trust in the Council and ultimately good outcomes.

Good governance flows from shared values, culture and behaviour and from systems and structures. This Code of Corporate Governance is a public statement that sets out the framework through which the Council meets its commitment to good corporate governance.

The Governance Framework comprises the systems and processes, and cultures and values, by which the Council is directed and controlled and through which it accounts to, engages with and, where appropriate, leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate cost-effective services.

This local code of governance has been developed in accordance with and is consistent with the *Delivering Good Governance in Local Government* framework, which builds on the seven Principles for the Conduct of Individuals in Public Life (Appendix A).

Core principles of good governance

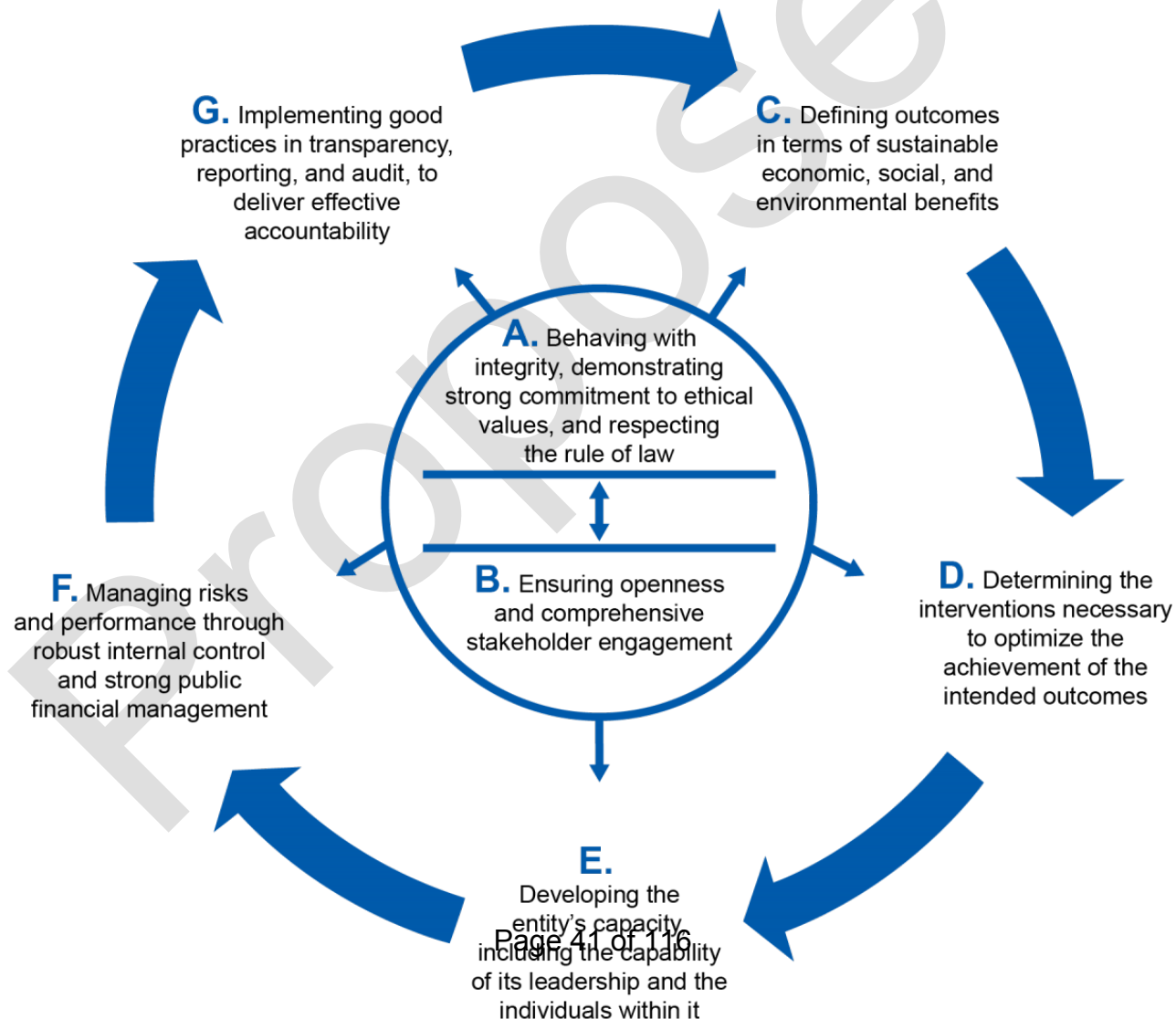
The core governance principles of the council are:-

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B. Ensuring openness and comprehensive stakeholder engagement.
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- D. Determining the interventions necessary to optimize the achievement of the intended outcomes.
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F. Managing risks and performance through robust internal control and strong public financial management.
- G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

Applying the core principles of good governance

This document describes how the Council achieves the seven principles of good governance and describes how the Council's corporate governance arrangements will be monitored and reviewed.

Achieving the Intended Outcomes While Acting in the Public Interest at all Times



Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
|---------------------------------|--|---|
| Behaving with integrity. | <ul style="list-style-type: none"> • The council's leadership sets a tone for the organisation by creating a climate of openness, support and respect through its Constitution, Corporate Plan and other key policies. • The council's constitution contains Codes of Conduct for officers (appendix 14) and members (appendix 13). This communicates the expectation that members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated, thereby protecting the reputation of the organisation. The underlying principles which underpin the Codes of Conduct build upon the Seven Principles of Public Life (the Nolan Principles). • The council has in place a competency framework, which ensures that the vision and organisational values are communicated to, and understood by, staff. This framework forms the basis of the staff appraisal process. • The council has in place arrangements to ensure that councillors and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders, and has in place appropriate processes to ensure that they continue to operate in practice. This includes maintaining the statutory Register of Members Interests, and requiring officers to make Declarations of Interests. • The council has in place arrangements to ensure that core corporate policies and processes are designed in conformity with ethical standards, and are reviewed on a regular basis to ensure they are operating effectively. | <ul style="list-style-type: none"> • Corporate plan • The Council's Constitution • Members Code of Conduct • Employee Code of Conduct • Core values • Register of Members' Interests • Declaration of Interest Guidance • Rules relating to Gifts and Hospitality • Members Induction/Training • Financial Regulations • Contract Procedure Rules • Scheme of Delegation • Statutory roles • Grievance Policy and Procedure • Information Governance |

| Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law. | | |
|---|--|--|
| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
| | | Policies |
| Demonstrating strong commitment to ethical values. | <ul style="list-style-type: none"> • The council's Constitution establishes a clear ethical framework for the Council's operation, and core corporate policies and procedures place emphasis on agreed ethical values. • The council's Codes of Conduct and VALUES ensures that personal behaviour is underpinned with ethical values which permeate all aspects of the organisation's culture and operation. • The council maintains an effective constitution. • The council's Partnerships Governance Guidance sets out key considerations to ensure that partnerships act with integrity and in compliance with the ethical standards expected by the organisation. | <ul style="list-style-type: none"> • The Council's Constitution • Constitution and Ethics Committee • Partnerships Governance Guidance • Members Code of Conduct • Officers Code of Conduct • Norwich VALUES |
| Respecting the rule of law. | <ul style="list-style-type: none"> • The council's policies and culture set the tone for members and employees to demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations, and ensure that statutory officers, other key post holders, and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements. • The council maintains and implements a Whistleblowing Policy to enable employees to raise any concerns of wrongdoing in confidence and without fear of reprisal. External suppliers, members of the public and councillors may raise any concerns about suspected illegal or illegitimate practices via the council's formal complaints procedure. • The council recognises the limits of lawful action and observes both the specific requirements of legislation and the general responsibilities placed | <ul style="list-style-type: none"> • Anti-Fraud and Corruption Policy • Anti-Money Laundering Policy • Whistleblowing Policy • Formal Complaints Procedure • Role of the Monitoring Officer as per the Constitution • Scheme of Delegation |

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
|-----------------------|---|-----------------------|
| | <p>on it by public law. The council observes all specific legislative requirements placed upon it, as well as the requirements of general law, and deals with breaches of legal and regulatory provisions effectively. The council strives to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.</p> <ul style="list-style-type: none"> • The council ensures corruption and misuse of power are dealt with effectively through the Anti-Fraud and Corruption Policy. • The council's decision making framework is set out in the council's constitution including an effective scheme of delegation. The council's constitution is kept under continuous review in line with best practice, with a clear review plan, supported by a corporate governance group consisting of the executive head of business relationship management and democracy, monitoring officer, chief finance officer (section 151 officer), head of HR and learning and local LGSS audit manager. | |

Principle B: Ensuring openness and comprehensive stakeholder engagement

| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
|-----------------------|---|--|
| Openness. | <ul style="list-style-type: none"> • The council's constitution, Forward Plan and committee system ensures that decision-making is open and there is appropriate oversight and challenge, with an organizational commitment to openness. • The council makes decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. Committee meetings are held in public, and minutes and papers are available to the public on the council's website, including regular financial and performance forecasts. If a decision needs to be kept confidential, then the justification for this is provided. • The council's Corporate Plan, Statements of Accounts, and key strategies are available through the council website. • An effective Internal Audit function is resourced and maintained, with regular reporting to the audit committee. • The council is committed to being transparent, accountable and to increasing the amount of data it publishes for reuse by others. The Council maintains a Publication Scheme listing the information available to the public as a matter of course, and publishes responses to many Freedom of Information requests online. • The council uses formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action. | <ul style="list-style-type: none"> • Forward Plan • The Council's Constitution • Committee System • Internal Audit • Audit and Accounts Committee • Publication Scheme • Freedom of Information • Council Website • Corporate Plan • Statement of Accounts • Committee agendas, reports and minutes • Register of Members' Interests |

Principle B: Ensuring openness and comprehensive stakeholder engagement

| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
|---|--|---|
| Engaging comprehensively with institutional stakeholders. | <ul style="list-style-type: none"> The council considers those institutional stakeholders to whom the authority is accountable, to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably. The council aims to develop formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively. The council has a corporate governance framework for working in partnerships, with significant partnerships and joint ventures such as those with LGSS and NPS Norwich being covered by service level agreements. | <ul style="list-style-type: none"> Corporate Governance Framework for working in Partnerships The Council's Constitution Consultation with unions Cabinet portfolio |
| Engaging with individual citizens and service users effectively. | <ul style="list-style-type: none"> The council makes decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. Committee meetings are held in public, and minutes and papers are available to the public on the Council's website, including regular financial and performance forecasts. If a decision needs to be kept confidential, then the justification for this is provided. The council consults on its Corporate Plan proposals and other key aspects of its vision, strategic plans and priorities, with the local community and other key stakeholders. The council takes account of the impact of decisions on future generations of tax payers and service users. The council encourages, collects and evaluates the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs. The council maintains a customer feedback and complaints procedure to enable stakeholders to submit their views on council performance and services. | <ul style="list-style-type: none"> Corporate Plan Consultation Consultation Strategy Public consultation, including the Norfolk Compact and Your Voice Community Impact Assessments Communications strategy and Communications handbook Tenant involvement web-page |

Principle B: Ensuring openness and comprehensive stakeholder engagement

| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
|-----------------------|---|-----------------------|
| | <ul style="list-style-type: none">Any public consultations that are planned for the year are included in service plans. All consultations are co-ordinated by the council's business management group and reviewed on a quarterly basis. Information on current and closed consultations, including reports and minutes, is available on the council website. | |

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits.

| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
|-----------------------|--|---|
| Defining outcomes. | <ul style="list-style-type: none"> The council's Corporate Plan states the organisation's purpose and intended outcomes, which provides the basis for the authority's overall strategy, planning and other decisions. It sets out the council's Vision and defines the key outcomes for the people of Norwich. Specific Council strategies and policies link to the outcomes defined in the Corporate Plan. The council's five priorities are to make Norwich a safe, clean and low carbon city; a prosperous and vibrant city; a fair city; a healthy city with good housing; and to provide value for money services. The Corporate Plan sets out how the council will deliver defined outcomes on a sustainable basis, within the resources that will be available. It also specifies the intended impact on, or changes for, stakeholders including citizens and service users, for the next five years. The Corporate Plan sets out Key Performance Indicators (KPIs) to be used to assess the achievement of the council's outcomes. The council's corporate KPIs are reported to cabinet as part of the regular Finance and Performance reporting. The council operates a risk management system to identify and manage risks to the achievement of outcomes. The Corporate Risk Register is reported to and reviewed by the council's Corporate Leadership Team, cabinet, and audit committee on a regular basis. | <ul style="list-style-type: none"> Corporate Plan 2015-2020 Corporate Management Team Risk Management Policy and Procedures Corporate Risk Register Statement of Accounts Finance & Performance Reports Capital Strategy |

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits.

| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
|---|--|--|
| Sustainable economic, social and environmental benefits. | <ul style="list-style-type: none"> • The council considers and balances the combined economic, social and environmental impact of policies and plans when taking decisions about service provision. The council seeks to take a longer-term view with regard to decision-making, which takes account of risks. • Community Impact Assessments are undertaken for the key proposals included in the council's Corporate Plan, which identify the impact of decisions on different groups within the communities affected by the proposals. The Corporate Plan also incorporates the results of consultation with the local community and businesses. • The council seeks to determine the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs. • The council identifies and monitors corporate performance indicators, which demonstrate performance against the council's planned outcomes and how benefits are being delivered. • The council maintains a prudential financial framework, balancing commitments with available resources and monitoring income and expenditure levels to ensure a sustainable balance is achieved. | <ul style="list-style-type: none"> • Corporate Plan • Corporate Plan Consultation • Annual Statement of Accounts • External Auditors reports • Community Impact Assessments • Finance & Performance Reporting • Consultation Strategy |

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
|-----------------------------------|---|--|
| Determining interventions. | <ul style="list-style-type: none"> • The council's Corporate Planning process incorporates business cases for proposed projects and savings, ensuring decision makers receive objective and rigorous analysis of a variety of options for achieving outcomes, indicating how intended outcomes would be achieved and associated risks. This ensures best value is achieved, however services are provided. • Feedback from citizens and service users is considered when making decisions about service improvements or where services are no longer required, in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts | <ul style="list-style-type: none"> • Corporate Plan • Business Cases • Corporate Plan Consultation • Community Impact Assessments • Consultation Strategy • Transformation programme |

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
|---|--|--|
| Planning interventions. | <ul style="list-style-type: none"> The council has an established annual Corporate Planning process which sets a five-year strategic plan for the council that informs the development of strategic and operational plans, priorities and targets. The Corporate Plan is reviewed annually meaning that mechanisms for delivering outcomes are regularly reviewed and can be adapted to changing circumstances. The Corporate Plan incorporates medium term resource planning, including estimates of revenue and capital expenditure. Budgets are prepared in accordance with the council's objectives, strategies and the Corporate Plan. The Corporate Plan establishes appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured. The council ensures that capacity exists to generate the information required to review service quality regularly. As part of the corporate planning process, the council engages with internal and external stakeholders in determining how services and other courses of action should be planned and delivered. | <ul style="list-style-type: none"> Corporate Planning process Corporate Plan Partnerships Governance Guidance Corporate Plan Consultation Community Impact Assessments Consultation Strategy |
| Optimising achievement of intended outcomes. | <ul style="list-style-type: none"> The council ensures the Corporate Plan integrates and balances service priorities, affordability and other resource constraints, and that the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term. The council's Corporate Plan sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period, in order for | <p>Corporate Plan Risk Management Policy Corporate Risk Register Finance and Performance Reports Transformation programme</p> |

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
|-----------------------|---|---|
| | <p>outcomes to be achieved while optimising resource usage.</p> <ul style="list-style-type: none">• Achievement of Corporate Plan outcomes is monitored and reported to the council's Corporate Leadership Team through the Finance and Performance Reports, the Transformation Programme and other reporting.• The council maintains a robust system of risk management which identifies risks to the achievement of the council's intended outcomes and puts in place mitigating actions to support achievement.• The council maintains systems of business continuity and emergency planning to deal with failures in service delivery or emergencies which may threaten achievement of the council's intended outcomes. | <p>Corporate Leadership Team Business Continuity Plans Emergency Planning</p> |

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
|--|--|--|
| Developing the entity's capacity. | <ul style="list-style-type: none"> • The council recognises the benefits of partnerships and collaborative working where added value can be achieved. • The council maintains robust recruitment and selection processes to ensure that the council is able to attract suitable candidates, ensuring a diverse workforce that will add value to the organisation. • The council seeks to understand the capacity of its workforce and any gaps, and workforce development strategies are in place to develop the organisation's capacity as required to enhance the strategic allocation of resources. • The council reviews its operations, performance and use of assets on a regular basis to ensure their continuing effectiveness, and seeks to improve resource use through appropriate application of techniques such as benchmarking and other options, in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently. | <ul style="list-style-type: none"> • Partnership Governance • Recruitment and Selection Policy and Toolkit • Workforce Development Strategies • Transformation Programme • Corporate Plan • Corporate Planning Process • Finance and Performance Reporting • Corporate Risk Register |
| Developing the capability of the entity's leadership and other individuals. | <ul style="list-style-type: none"> • The council's constitution and Scheme of Delegation set out a clear statement of the respective roles and responsibilities of the council's executive (cabinet), the full council and individual members. The Scheme of Delegation clarifies the type of decisions that are delegated and those reserved for collective decision making of the governing body. Committee Terms of References set out a clear statement of the respective roles and | <ul style="list-style-type: none"> • The Council's Constitution • Scheme of Delegation • Committee Terms of Reference • Members Code of Conduct |

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
|-----------------------|---|---|
| | <p>responsibilities of the council's committees. This ensures that a shared understanding of roles and objectives is maintained</p> <ul style="list-style-type: none"> • The council maintains protocols to ensure effective communication between council members and officers in their respective roles. • The Chief Finance Officer is a member of the Corporate Leadership Team with direct access to the Chief Executive and other members of the leadership team. • The council develops the capabilities of members, senior management, and officers to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks, by: <ul style="list-style-type: none"> ○ Ensuring members and staff have access to appropriate induction tailored to their role, and that ongoing training and development matching individual and organisational requirements is available and encouraged; ○ Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis; ○ Holding staff to account through regular performance reviews which take account of training or development needs; ○ Ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance | <ul style="list-style-type: none"> • Officers Code of Conduct • Protocol on Members/Officer Relations • Workforce Development Strategies • Corporate Induction • Members induction and development • Performance Appraisal • Improving Performance Policy • Supervision Policy • Role of Internal Audit • CFO member of CLT |

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
|------------------------------|--|------------------------------|
| | <p>weaknesses both internal and external;</p> <p>Ensuring arrangements are in place to maintain the health and wellbeing of the workforce, and support individuals in maintaining their own physical and mental wellbeing.</p> | |

Principle F: Managing risks and performance through robust internal control and strong public financial management

| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
|-----------------------------|--|---|
| Managing risk | <ul style="list-style-type: none"> The council recognises that risk management is an integral part of all activities and must be considered in all aspects of decision making. Robust and integrated risk management arrangements are in place and regularly reviewed to ensure that they are working effectively. Risk management is embedded into the culture of the Council. The council ensures that responsibilities for managing individual risks are clearly allocated, and the Corporate Risk register is reported to and reviewed by the council's Corporate Leadership Team, Audit Committee and Cabinet on a regular basis. | <ul style="list-style-type: none"> Risk Management Policy Risk Management Strategy Corporate Risk Register Audit Committee Risk Reports to Committees Project Management guidance Shared risk registers with Joint Ventures and Partners |
| Managing performance | <ul style="list-style-type: none"> Members and senior management are provided with regular reports on performance and progress towards achievement of outcomes. The council makes decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook The council encourages effective and constructive challenge and debate on policies and objectives, to support balanced and effective decision making. | <ul style="list-style-type: none"> Finance and Performance Reporting Committee agendas, reports and minutes Transformation programme Customer Feedback Internal Audit Reports |

Principle F: Managing risks and performance through robust internal control and strong public financial management

| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
|--------------------------------|--|--|
| Robust internal control | <ul style="list-style-type: none"> The council ensures effective counter fraud, anti-corruption and anti-money laundering arrangements are in place. Additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by Internal Audit. The audit committee is independent of the executive and accountable to the governing body, and: <ul style="list-style-type: none"> provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment; ensures that its recommendations are listened to and acted upon. | <ul style="list-style-type: none"> Anti-Fraud & Corruption Policy Anti-Money Laundering Policy Whistleblowing Policy Internal Audit Internal Audit Annual Report Annual Governance Statement Risk Management Policy Risk Management Procedures Corporate Risk Register Audit Committee |
| Managing data | <ul style="list-style-type: none"> The council's information governance policies and procedures ensure that effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data. The council's Senior Information Risk Owner (SIRO) has lead responsibility to ensure that organisational information risks are properly identified and managed. The council ensures effective arrangements are in place and operating effectively when sharing data with other bodies. | <ul style="list-style-type: none"> Data Protection Policy Freedom of Information/EIR Regulations Information Security Incident Policy Records Management Senior Information Risk Owner |

Principle F: Managing risks and performance through robust internal control and strong public financial management

| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
|---|--|--|
| | | <ul style="list-style-type: none"> • Partnership Governance |
| Strong public financial management | <ul style="list-style-type: none"> • The council ensures that its financial management supports both long term achievement of outcomes and short-term financial and operational performance. • Ensures well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls. • The council ensures that officers with a role in financial management are provided with the support and resources to ensure strong public financial management. | <ul style="list-style-type: none"> • Financial Regulations • Finance and Performance Reporting • Corporate Plan • Corporate Planning Process |

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
|---|--|--|
| Implementing good practice in transparency | <ul style="list-style-type: none"> • The council seeks to write and communicate reports and other information for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate. • The council complies with the Local Government Transparency Code and publishes information required in a timely manner. • The council provides appropriate information to the public to ensure transparency, striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny, while not being too onerous to provide and for users to understand. | <ul style="list-style-type: none"> • Committee agendas, papers and minutes • County Council website • Publication Scheme • Forward Plan |
| Implementing good practice in reporting | <ul style="list-style-type: none"> • The council's Annual Governance Statement ensures robust arrangements for assessing the extent to which the principles contained in this Framework have been applied, and the results of this assessment are published. • The council ensures that the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations. • The council maintains open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based. | <ul style="list-style-type: none"> • Statement of Accounts • Annual Governance Statement • Annual External Audit Report and Letter • Internal Audit Reports • Finance and Performance Reporting • Partnerships Governance Guidance |

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
|-----------------------|---|--|
| | | <ul style="list-style-type: none">• Committee agendas, reports and minutes |

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

| Supporting Principles | To meet the requirements of this Principle, Norwich City Council: | This is evidenced by: |
|---|--|---|
| Assurance and effective accountability | <ul style="list-style-type: none"> • The council maintains an effective Accounts Committee and ensures that an effective internal audit function, with direct access to Members, is resourced and maintained. The Internal Audit service provides assurance with regard to governance arrangements, and verifies that recommendations are acted upon. • The council ensures that recommendations for corrective action made by external audit are acted upon. • Norwich City Council welcomes peer challenge, reviews and inspections from regulatory bodies, as a result of which action plans are identified to implement recommendations. • When working in partnership, the council ensures that arrangements for accountability are clear and the need for wider public accountability has been recognised and met. | <ul style="list-style-type: none"> • Audit & Accounts Committee • Role of Internal Audit • Peer Reviews • Results of External Inspections • Partnership Governance • Risk Management Procedures • Council Meetings |

MONITORING AND REPORTING

The council will undertake an annual review of its governance arrangements to ensure continuing compliance with best practice to provide assurance that corporate governance arrangements are adequate and operating effectively in practice. Where reviews of the corporate governance arrangements have revealed gaps, actions will be planned to enhance the governance arrangements accordingly.

The council will prepare an Annual Governance Statement which will be submitted to the audit committee for consideration and will form part of the council's annual Statement of Accounts.

The Governance Statement will include:

- an acknowledgement of responsibility for ensuring there is a sound system of governance (incorporating the system of internal control) and reference to the authority's code of governance;
- a reference to and assessment of the effectiveness of key elements of the governance framework and the role of those responsible for the development and maintenance of the governance environment;
- an opinion on the level of assurance that the governance arrangements can provide and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework;
- a reference to how issues raised in the previous year's annual governance statement have been resolved; and
- a conclusion including a commitment to monitoring implementation as part of the next annual review.

The Annual Governance Statement will be signed by the Leader of the Council and the Chief Executive on behalf of the council.

In reviewing and approving the Annual Governance Statement, members will be provided with detailed information regarding the effectiveness of the governance arrangements and system of internal control and how these address the key risks faced by the council. Those assurances will be available from a wide range of sources, including internal and external audit, a range of external inspectorates and managers from across the council.

The council will continually strive to operate an assurance framework, embedded into its business processes, that maps corporate objectives to risks, controls and assurances. This framework and regular reports on its application and effectiveness will provide members with assurances to support the Annual Governance Statement and will help members to identify whether corporate objectives and significant business risks are being properly managed.

APPENDIX A - Seven principles for the conduct of individuals in public life

The governance framework is supported by the seven **Principles of Public Life**, which set the standards of conduct and behaviour to which councillors and employees should aspire in their day-to-day dealings.

1. **Selflessness**

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

2. **Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

3. **Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

4. **Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to whatever scrutiny is appropriate to their office

5. **Openness**

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

6. **Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

7. **Leadership**

Holders of public office should promote and support these principles by leadership and example.

Report to Cabinet

Item

Report of Chief finance officer

8

Subject Revenue budget monitoring 2017/18 – Period 6

Purpose

To update Cabinet on the provisional financial position as at 30 September 2017, the forecast outturn for the year 2017/18, and the consequent forecast of the General Fund and Housing Revenue Account balances.

Recommendations

- 1) To note the financial position as at 30 September 2017 and the forecast outturn 2017/18;
- 2) To note additional unbudgeted grants awarded for 2017/18.

Corporate and service priorities

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

Financial implications

The General Fund budget is forecast to underspend by £0.557m. The Housing Revenue Account budget is forecast to underspend by £1.643m.

Ward/s: All wards

Cabinet member: Councillor Kendrick – Resources

Contact officers

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

01603 212440
01603 212567

Background documents

None

Report

1. Council approved budgets for the 2017/18 financial year on 21 February 2017.
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
 - [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 £0.688m 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 | 16,152 |
| Non-Domestic Rates | (5,452) |
| Revenue Support Grant | (1,671) |
| Council Tax Surplus (prior years) | (297) |
| Council Tax precept | (8,732) |
| Total General Fund budget | 0 |

4. The General Fund has been forecast to underspend by **£0.557m** at year end. Key forecast variances from budget are set out below:

| <i>Forecast Outturn P5 £000s</i> | <i>General Fund Service</i> | <i>Forecast Outturn P6 £000s</i> | <i>Commentary</i> |
|--|-------------------------------------|--|---|
| (312) | Human Resources | (282) | Lower than budgeted pension liability costs for former employees. The payment value was amended following the triennial valuation of the pension scheme. In addition, there are vacant posts within service area. |

| <i>Forecast Outturn P5 £000s</i> | <i>General Fund Service</i> | <i>Forecast Outturn P6 £000s</i> | <i>Commentary</i> |
|---|--|---|---|
| 353 | Finance | 208 | <p>Net overspend forecast on Housing Benefit of £155k. This is due to government policy changes which have resulted in a reduction to the amount of housing benefit subsidy claimable on short term leased or self-contained licensed accommodation where the local authority is the landlord. The impact of the changes has been partially offset by the Flexible Homelessness Support Grant of £129k.</p> <p>Additionally higher debit card charges forecast than budgeted (£40k).</p> <p>The reduction in forecast overspend from Period 5 is due to higher forecast interest income from the planned loan to the Council's Housing Company.</p> |
| (283) | Citywide Services | (403) | <p>Lower than budgeted pension liability costs for former employees. The payment value was amended following the triennial valuation of the pension scheme.</p> <p>In addition, there are vacant posts within the service area following the recent restructure.</p> |

5. The 17/18 budgets included £3.312m of transformation savings/income. Current forecasts indicate that £0.245m of those savings are at risk and these have been included in the overall forecast outturn shown above. Currently unbudgeted savings related to the pension deficit payments, additional income and salary underspends are offsetting these and reducing the forecast to an underspend of £0.557m. All transformation items are closely tracked and actions taken by managers to address shortfalls. The high value items with reduced forecasts are all reflected in the table above.
6. In terms of the actual expenditure and income that has gone through the Council's General ledger, the General Fund shows an underspend against profiled budget to date of **£0.467m**. This variance to date is made up of multiple debit and credit figures where various income and expenditure lines are ahead of or behind budget profile. The main variances at P6 relate to invoices not being received and processed in line with the expected profile.
7. When setting the 17/18 budget an allowance was made for an expected increase in our pension deficit contributions following the transfer of revenues and benefits staff back into the Council. Due to the timescales required for the actuaries to calculate the impact, the Norfolk Pension Fund has confirmed no additional amount will be invoiced in 17/18 with the impact instead to be reflected in our 18/19 pension deficit payment charge. The impact is that

overall the Council's general fund contribution to the pension deficit will be £258k lower in 2017/18. As the cost is distributed across the service areas, it is currently showing as a number of small underspends in all areas.

8. During period 6 an additional amount of grant income has been confirmed. This grant relates to the costs of administering the tax and benefits systems and will be applied to the revenues and benefit service in line with the terms of the grant. Detail of the grant is set out in the table below:

| Income | Purpose | Value £000s |
|--|--|------------------------|
| New Burdens: Real Time Information Bulk Data Matching Initiative | To meet New Burdens incurred by local authorities as a result of the on-going implementation of the Real Time Information Bulk Data Matching Initiative. | 11 |

Housing Revenue Account

9. The budgets reported include a £10.0m use of HRA balances, so that the net budget totals zero:

| <i>Item</i> | <i>Approved Budget £000s</i> |
|-------------------------------|----------------------------------|
| Gross HRA Expenditure | 59,024 |
| Gross HRA Income | (49,051) |
| Contribution from HRA Balance | (9,973) |
| Total net HRA budget | 0 |

10. The Housing Revenue Account has been forecast to underspend by **£1.643m** at year end. Key forecast variances from budget are set out below:

| Forecast Outturn P5 £000s | HRA Division of Service | Forecast Outturn P6 £000s | Commentary |
|--|--|--|---|
| (69) | Repairs & Maintenance | (1,952) | <p>The key variances are:</p> <ul style="list-style-type: none"> £600k forecast underspend relating to major and minor repairs – more works funded from the housing capital programme than originally anticipated. £320k forecast underspend relating to drainage repairs – less works required than originally anticipated. £100k lower than originally anticipated in respect of rechargeable repair write-offs. £711k variance relating to additional leasehold major works contributions offset by £711k variance against financing code. |

| Forecast Outturn P5 £000s | HRA Division of Service | Forecast Outturn P6 £000s | Commentary |
|--|--|--|--|
| (391) | General Management | (359) | Reduced requirement for grant expenditure as a result of delayed implementation of Universal Credit and forecast lower expenditure on professional fees and area offices than initially anticipated. Lower than budgeted forecast spend on energy performance certificates and car parking permits, plus vacant posts within the service area. |
| 2 | Adjustments & Financing Items | 711 | Additional leasehold major works capital contribution offset by £711k variance against repairs & maintenance. |

10. In terms of the amounts that are currently showing in the General Ledger, the Housing Revenue Account shows an underspend against profiled budget to date of **£3.677m**. This underspend to date is made up of many debit and credit figures where various income and expenditure lines are ahead of or behind budget profile, mainly in relation to the repairs and maintenance budgets. The main variances at P6 relate to invoices not being received and processed in line with the expected profile along with leasehold service charges being raised earlier than profiled.

Risks

11. 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 & Subsidy | -160 | -33 | 20% | GREEN | 155 | -97% | RED |
| HRA Repairs - Tenanted Properties | 10,584 | -1,893 | -18% | RED | -1,108 | -10% | RED |
| HRA Repairs - Void Properties | 2,539 | -239 | -9% | RED | 0 | 0% | GREEN |
| Multi-Storey Car Parks | -1,315 | -105 | 8% | RED | -54 | 4% | GREEN |
| City Hall | 977 | -52 | -5% | GREEN | -27 | -3% | GREEN |
| HRA Rents - Estate Properties | -57,942 | -33 | 0% | GREEN | -55 | 0% | GREEN |
| Corporate Management including Contingency | -2,032 | 28 | -1% | GREEN | -13 | 1% | GREEN |
| Private Sector Leasing Costs | -290 | 56 | -19% | GREEN | 71 | -24% | GREEN |

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

| Key Risk Budgets | Comment |
|--------------------------------------|--|
| Housing benefit payments and subsidy | Net overspend forecast on Housing Benefit of £155k. This is due to government policy changes which have resulted in a reduction to the amount of housing benefit subsidy claimable on short term leased or self-contained licensed accommodation where the local authority is the landlord. The impact of the changes has been partially offset by the Flexible Homelessness Support Grant of £129k. |
| HRA repairs – tenanted properties | £600k forecast underspend relating to major and minor repairs – more works funded from the housing capital programme than originally anticipated. £320k forecast underspend relating to drainage repairs – less works required than originally anticipated. |

13. The 2017/18 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.

14. 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.
- 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 & 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

15. 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.
16. Net overspends and underspends will be consolidated into the General Fund and Housing Revenue Account balances carried forward to 2018/19. These are reflected in periodic updates to the Medium Term Financial Strategy and Housing Revenue Account Business Plan.

Impact on Balances

17. The prudent minimum level of General Fund reserves has been assessed as £4.161m. The budgeted and forecast outturn's impact on the 2016/17 balance brought forward, is as follows:

| <i>Item</i> | <i>£000s</i> |
|--|-----------------|
| Balance at 1 April 2017 | (14,344) |
| Budgeted contribution from reserves 2017/18 | 688 |
| Transfer to earmarked invest to save reserve | 500 |
| Forecast outturn 2017/18 | (557) |
| = Forecast balance at 31 March 2018 | (13,713) |

18. The General Fund balance is therefore expected to continue to exceed the prudent minimum.
19. The prudent minimum level of HRA reserves has been assessed as £5.885m. The budgeted and forecast outturn's impact on the 2016/17 balance brought forward, is as follows:

| <i>Item</i> | <i>£000s</i> |
|---|-----------------|
| Balance at 1 April 2017 | (30,383) |
| Budgeted contribution from reserves 2017/18 | 9,973 |
| Forecast outturn 2017/18 | (1,643) |
| = Forecast balance at 31 March 2018 | (22,053) |

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

Collection Fund

21. 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.

22. 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.

23. These risks are monitored and mitigated through normal Revenues operations.

24. A summary of the Collection Fund is provided below:

| <i>Approved Budget £000s</i> | <i>Current Budget £000s</i> | Collection Fund Summary | <i>Forecast Outturn £000s</i> | <i>Forecast Variance £000s</i> |
|----------------------------------|---------------------------------|--------------------------------------|-----------------------------------|------------------------------------|
| | | Council tax | | |
| 63,785 | 63,785 | Expenditure | 63,785 | 0 |
| (63,785) | (63,785) | Income | (63,785) | 0 |
| 0 | 0 | Surplus/(deficit) | 0 | 0 |
| | | Business Improvement District | | |
| 656 | 656 | Expenditure | 656 | 0 |
| (656) | (656) | Income | (656) | 0 |
| | | National Non-Domestic Rate | | |
| 76,728 | 76,728 | Expenditure | 77,454 | 1,056 |
| (76,728) | (76,728) | Income | (77,784) | (1,056) |
| 330 | 330 | Surplus/(deficit) | 330 | 0 |
| 0 | 0 | Total Collection Fund | 0 | 0 |

25. The variances on national non-domestic business rates are due to transitional relief payments. Transitional relief limits the percentage a business rates bill can be increased or decreased each year following revaluation. The transitional relief will apply each year until the full amount is due. The overall impact is an increase in the amount collectible of £1.056m all of which will be paid over to the government, leaving no net impact on the collection fund.

26. 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).

27. The council operates the BID account on behalf of the BID company, so no surplus or deficit will fall on the council's accounts.
28. Any deficit reported on the NNDR account will roll forward and be distributed in the 2018/19 budget cycle.

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 2017/18 |
| Date assessed: | 23/10/17 |
| Description: | This is the integrated impact assessment for the Revenue Budget Monitoring 2017/18 report to Cabinet |

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

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

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

Budget Monitoring Summary

Year: 2017/18

Period: 6 (September)

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 Services | | | | | | | |
| 3,096,603 | 3,152,489 | Business Services | 1,210,668 | 734,667 | (476,001) | 3,180,229 | 27,740 |
| 291,867 | 291,867 | Democratic Services | 387,549 | 452,836 | 65,287 | 297,912 | 6,045 |
| (19,214,059) | (19,300,709) | Finance | (4,847,010) | (4,981,357) | (134,347) | (19,093,059) | 207,650 |
| 0 | 0 | Human Resources | 636,027 | 485,685 | (150,342) | (282,409) | (282,409) |
| 0 | 0 | Procurement & Service Improvement | 1,940,801 | 1,614,246 | (326,555) | (74,376) | (74,376) |
| (15,825,589) | (15,856,353) | Total Business Services | (671,965) | (1,693,922) | (1,021,957) | (15,971,702) | (115,349) |
| Chief Executive | | | | | | | |
| 0 | 0 | Chief Executive | 112,972 | 119,020 | 6,048 | (14,207) | (14,207) |
| 201,843 | 201,843 | Strategy & Programme Management | 378,894 | 308,896 | (69,998) | 110,162 | (91,681) |
| 201,843 | 201,843 | Total Chief Executive | 491,866 | 427,916 | (63,950) | 95,955 | (105,888) |
| Customers, Comms & Culture | | | | | | | |
| 2,143,249 | 2,180,455 | Communications & Culture | 1,182,765 | 1,195,859 | 13,094 | 2,219,553 | 39,098 |
| (2,760) | (2,760) | Customer Contact | 978,708 | 966,148 | (12,560) | 30,483 | 33,243 |
| 2,140,489 | 2,177,695 | Total Customers, Comms & Culture | 2,161,473 | 2,162,007 | 534 | 2,250,036 | 72,341 |
| Neighbourhoods | | | | | | | |
| 10,229,891 | 10,234,239 | Citywide Services | 4,601,719 | 5,047,722 | 446,003 | 9,831,423 | (402,816) |
| 1,728,634 | 1,728,634 | Neighbourhood Housing | 544,929 | 409,000 | (135,929) | 1,772,271 | 43,637 |
| 807,037 | 874,860 | Neighbourhood Services | 438,548 | 352,804 | (85,744) | 844,144 | (30,716) |
| 12,765,562 | 12,837,733 | Total Neighbourhoods | 5,585,196 | 5,809,525 | 224,329 | 12,447,838 | (389,895) |
| Regeneration & Growth | | | | | | | |
| (1,994,594) | (1,841,690) | City Development | (1,376,473) | (1,145,468) | 231,005 | (1,890,222) | (48,532) |
| 0 | 0 | Environmental Strategy | 65,436 | 56,853 | (8,583) | 28,610 | 28,610 |
| 0 | 0 | Executive Head of Regeneration & | 75,026 | 68,351 | (6,675) | (10,147) | (10,147) |
| 1,500,637 | 1,500,637 | Planning | 519,748 | 506,442 | (13,306) | 1,449,483 | (51,154) |
| 1,211,652 | 980,137 | Property Services | 544,989 | 736,513 | 191,524 | 1,042,979 | 62,842 |
| 717,695 | 639,084 | Total Regeneration & Growth | (171,274) | 222,692 | 393,966 | 620,702 | (18,382) |
| 0 | 2 | Total General Fund | 7,395,296 | 6,928,217 | (467,079) | (557,171) | (557,173) |

Budget Monitoring Report

Year: 2017/18

Period: 6 (September)

HOUSING REVENUE ACCOUNT STATUTORY SUMMARY

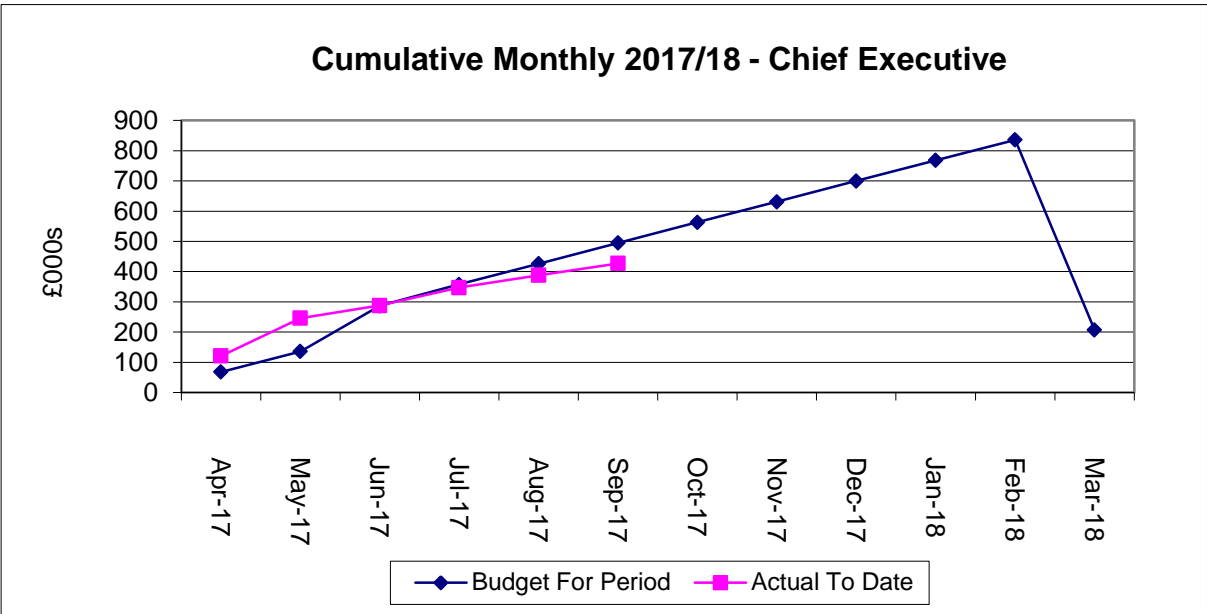
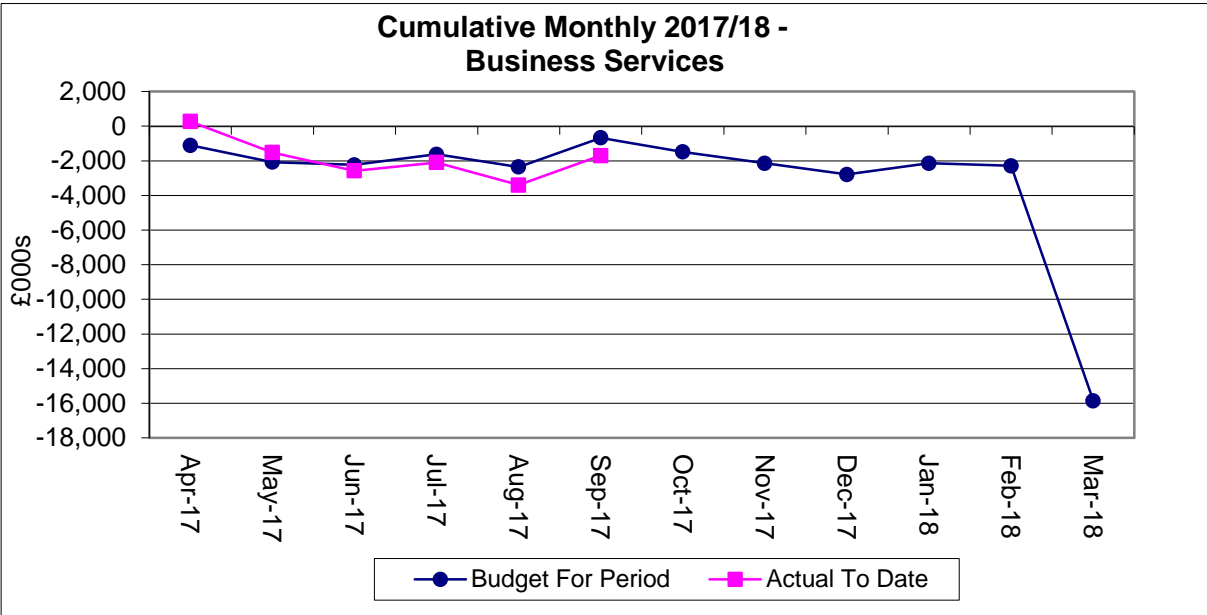
| <i>Approved Budget</i> | <i>Current Budget</i> | | <i>Budget To Date</i> | <i>Actual To Date</i> | <i>Variance To Date</i> | <i>Forecast Outturn</i> | <i>Forecast Variance</i> |
|----------------------------|---------------------------|--------------------------------------|---------------------------|-----------------------|-----------------------------|-----------------------------|------------------------------|
| | 13,815,288 | 13,815,288 | | | | | |
| | | Repairs & Maintenance | | 6,910,758 | 4,707,633 | (2,203,125) | 11,863,327 |
| (1,951,961) | | | | | | | |
| 5,789,133 | 5,789,133 | Rents, Rates, & Other Property Costs | 3,022,593 | 2,986,893 | (35,700) | 5,844,096 | 54,963 |
| 12,115,683 | 12,115,683 | General Management | 3,479,370 | 3,212,871 | (266,499) | 11,757,025 | (358,658) |
| 5,090,423 | 5,090,419 | Special Services | 2,081,595 | 1,885,896 | (195,699) | 5,105,172 | 14,753 |
| 21,992,115 | 21,992,115 | Depreciation & Impairment | 39,600 | (2,350) | (41,950) | 21,987,115 | (5,000) |
| 223,000 | 223,000 | Provision for Bad Debts | 0 | 7,887 | 7,887 | 223,000 | 0 |
| (57,692,382) | (57,692,382) | Dwelling Rents | (30,005,041) | (30,055,844) | (50,803) | (57,721,939) | (29,557) |
| (2,169,466) | (2,169,466) | Garage & Other Property Rents | (1,049,156) | (1,083,895) | (34,739) | (2,221,758) | (52,292) |
| (8,373,746) | (8,373,746) | Service Charges - General | (4,699,299) | (5,619,674) | (920,375) | (8,385,264) | (11,518) |
| (85,000) | (85,000) | Miscellaneous Income | (42,498) | (76,617) | (34,119) | (100,050) | (15,050) |
| 10,056,112 | 10,056,112 | Adjustments & Financing Items | (97,700) | 0 | 97,700 | 10,767,519 | 711,407 |
| (586,160) | (586,160) | Amenities shared by whole community | 0 | 0 | 0 | (586,160) | 0 |
| (175,000) | (175,000) | Interest Received | 0 | 0 | 0 | (175,000) | 0 |
| 0 | (4) | Total Housing Revenue Account | (20,359,778) | (24,037,200) | (3,677,422) | (1,642,918) | (1,642,914) |

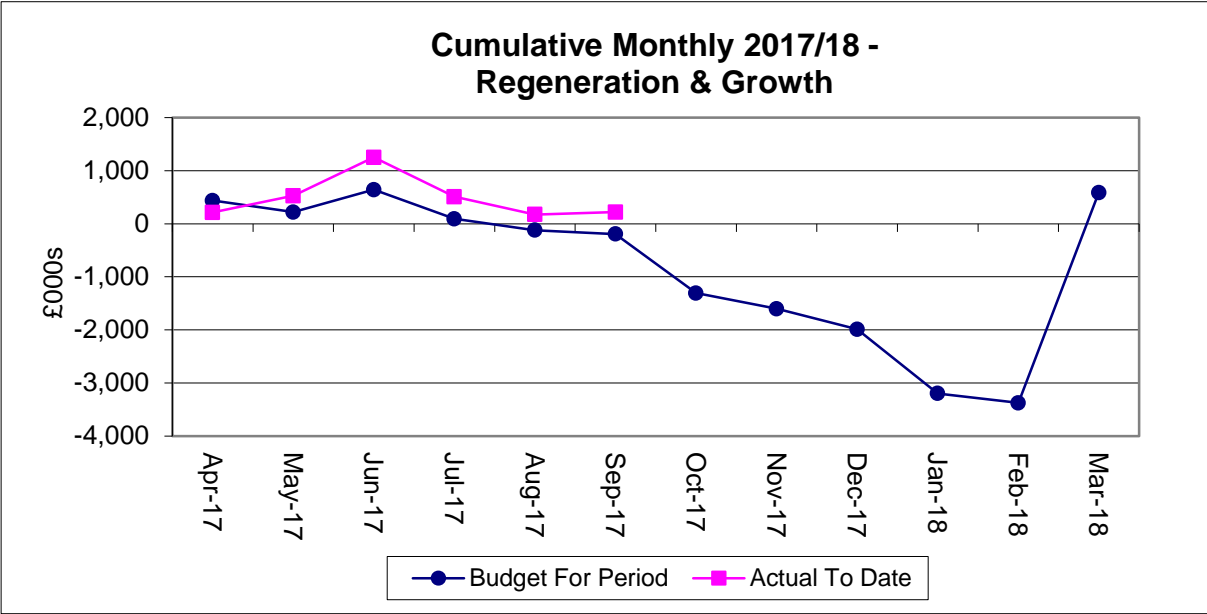
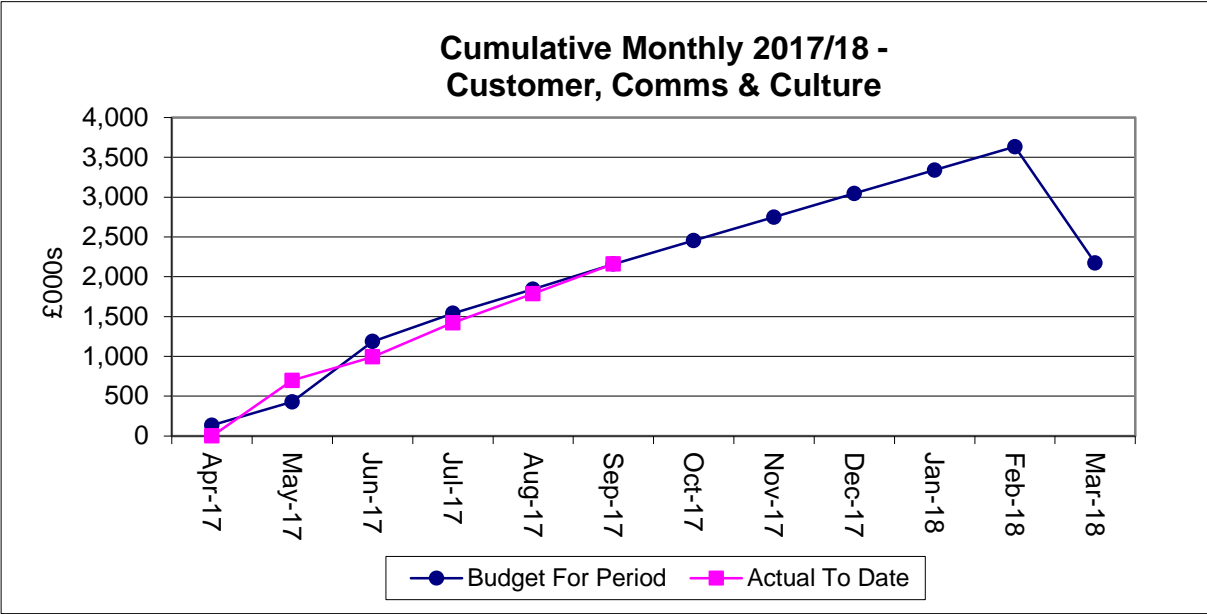
Budget & Expenditure – Monthly by Service Graphs

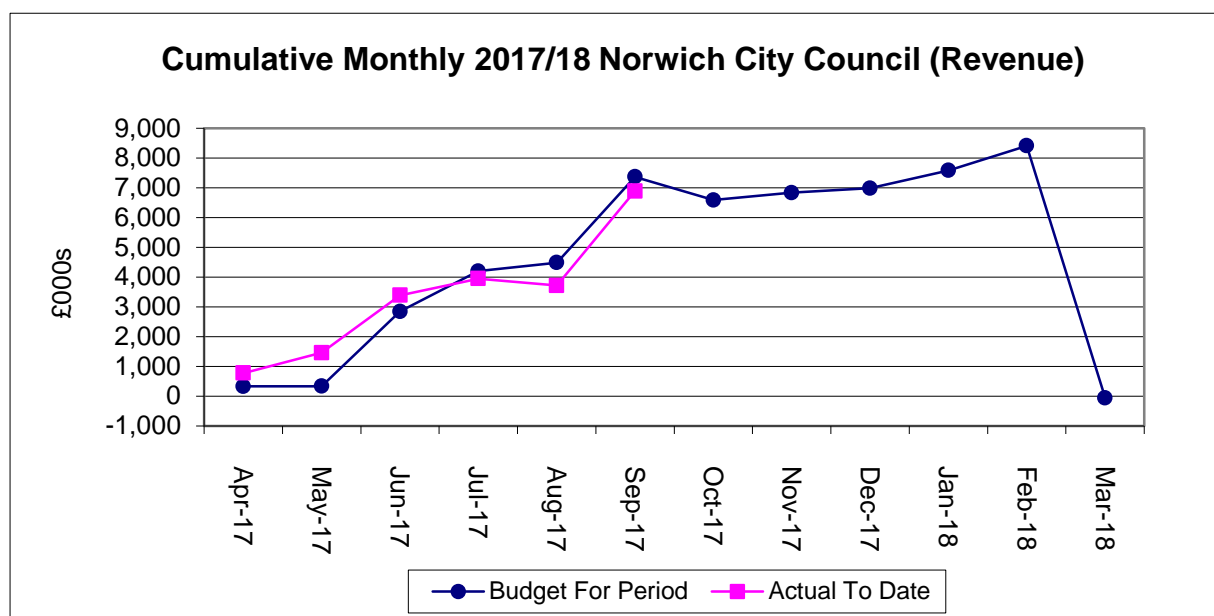
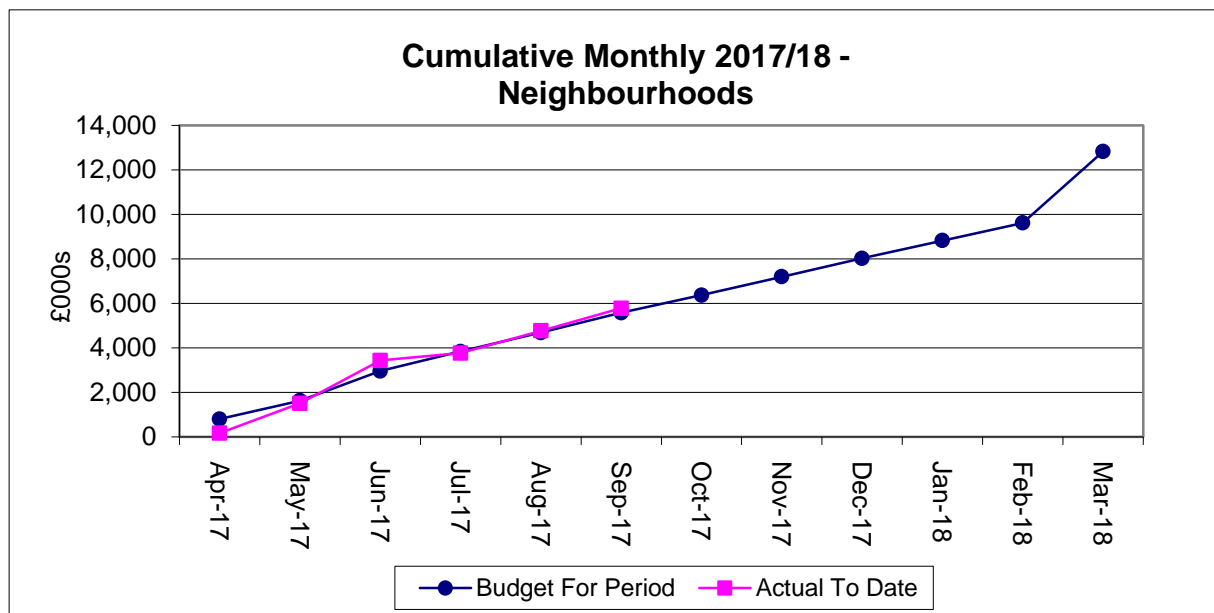
The following graphs show the monthly budget profile and income/expenditure to date for each general fund service for the financial year.

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 & expenditure, and will be refined and improved during the course of the financial year.







| | | |
|------------------|---|-------------|
| Report to | Cabinet | Item |
| | 8 November 2017 | |
| Report of | Chief finance officer | 9 |
| Subject | Capital budget monitoring 2017-18 – Quarter 2 | |

Purpose

To update cabinet on the financial position of the capital programme as at 30 September 2017.

Recommendations

To:

- (1) note the position of the housing and non-housing capital programmes as at 30 September 2017;
- (2) approve the proposed capital virements within the housing capital programme as detailed in paragraphs 16 and 17; and
- (3) recommend to council the proposed additions to the non-housing capital programme, as described in paragraphs 8, 9 and 10.

Corporate and service priorities

The report helps to meet the corporate priorities to provide value for money services and to make Norwich a healthy city with good housing.

Financial implications

The financial implications are set out in the body of the report.

Ward/s: All wards

Cabinet member: Councillor Kendrick – resources

Contact officers

Karen Watling, chief finance officer 01603 212440

Shaun Flaxman, senior finance business partner 01603 212805

Background documents

None

Report

1. The housing and non-housing capital programmes for 2017/18 were approved by cabinet and council on 8 and 23 February 2017 respectively.
2. The carry-forward of unspent 2016/17 capital budgets into the 2017/18 capital programme was approved by cabinet on 21 June 2017. These are included in the budgets shown below.

Non-housing capital programme

2017-18 current position

3. The financial position of the non-housing capital programme is set out in detail in Appendix 1 and summarised with commentary in the following paragraphs.
4. The following table shows expenditure to date and the forecast outturn for expenditure against the approved capital budgets. This does not take into account the additional capital budget requested in this report as described in paragraph 8 below.

| Programme Group | Original Budget £000's | Current Budget £000's | Actual to Date £000's | Forecast Outturn £000's | Forecast Variance £000's |
|------------------------------------|---------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Asset Improvement | 843 | 1,240 | 36 | 708 | (532) |
| Asset Investment | 10,000 | 15,026 | 2,190 | 15,026 | 0 |
| Asset Maintenance | 1,371 | 1,646 | 448 | 1,168 | (478) |
| Initiatives Funding | 250 | 1,169 | 253 | 810 | (359) |
| Regeneration | 7,143 | 20,600 | (127) | 15,684 | (4,916) |
| Community Infrastructure Levy | 1,706 | 1,807 | 15 | 1,445 | (362) |
| Greater Norwich Growth Partnership | 410 | 512 | 8 | 130 | (383) |
| Section 106 | 119 | 681 | 71 | 500 | (181) |
| City Cycle Ambition (Group 1) | 0 | 0 | 1 | 1 | 1 |
| City Cycle Ambition (Group 2) | 3,950 | 5,853 | 644 | 5,376 | (477) |
| Total Non-Housing | 25,793 | 48,535 | 3,538 | 40,847 | (7,688) |

5. As at 30 September 2017, the non-housing forecast outturn is £40.8m, which would result in an underspend of £7.7m. The variances are largely due to planned expenditure being extended into the next financial year for some schemes (City Cycle Ambition £0.5m, Park Tennis Expansion £0.35m, Riverside Walk £0.3m, Park Depots £0.25m, IT systems £0.2m), a significant regeneration scheme (NAIE) not progressing in this financial year (£4m), and some projects planned to be funded from capital receipts resulting from asset sales, being placed on hold in accordance with the council's policy of not committing spend against forecast resources until the resources materialise (£1.7m).
6. The non-housing capital programme will continue to be monitored throughout the financial year to ensure that programmes deliver to budget within revised project timescales.

Non-housing capital resources

7. The following table shows the approved sources of non-housing capital resources and receipts.

| Non Housing Capital Resources | Original Anticipated (inc B/F) £000s | Actual Brought Forward £000s | Arisen to Date £000s | Total Resources To Date £000s | Forecast Actual Resources £000s |
|--|---|-------------------------------------|-----------------------------|--------------------------------------|--|
| Section 106 | (1,201) | (2,847) | 0 | (2,847) | (2,988) |
| Community Infrastructure Levy | (1,521) | (204) | (831) | (1,035) | (1,725) |
| CIL Neighbourhood | (201) | (228) | (156) | (383) | (429) |
| Planned Borrowing | (22,791) | (18,239) | 0 | (18,239) | (37,030) |
| Capital Grants & Contributions | (7,702) | (3,516) | (3,366) | (6,882) | (8,459) |
| Greater Norwich Growth Partnership | (929) | (1) | 0 | (1) | (930) |
| Capital Receipts and Balances | (2,125) | (2,258) | (357) | (2,615) | (6,295) |
| Total Non-Housing Capital Resources | (36,471) | (27,293) | (4,710) | (32,003) | (57,856) |

Proposed additions to non-housing capital programme

8. Cabinet is asked to recommend to full council that the following additional amounts are added to the current approved 2017/18 non-housing capital programme:

| Scheme | Current approved budget £000s | Requested increase to programme £000s | Revised budget £000s |
|---------------------------------|--------------------------------------|--|-----------------------------|
| Asset Investment for Income | 15,000 | 15,000 | 30,000 |
| New Build - Three Score Phase 2 | 11,122 | 1,647 | 12,769 |

9. Asset Investment for Income:

- The council recently bought its first acquisition for the sum of £2.4m and is currently bidding for another property which may cost, inclusive of fees etc., some £7m. Officers are also reviewing a further 4 properties with a value of £9m plus. It has become apparent that the 2017/18 capital budget is unlikely to be sufficient to purchase all the opportunities the council may wish to pursue this financial year.
- Cabinet is reminded that delegated authority was given to the director of regeneration and development, in consultation with the chief finance officer and the equivalent number of a quorum of cabinet members, including the cabinet member for resources, to invest in income generating assets up to the limit in value budgeted for in the council's capital programme.
- The approved capital programme agreed by Council in February 2017 is for £15m of acquisitions in this financial year and £10m per annum for the next 4 financial years. It is recommended that council brings forward to this financial year some of the future years' capital budget to give more flexibility in purchasing suitable property investments. The divvying up of the total budget the council wishes to spend on property acquisition into financial years is not particularly helpful in aiding the council pursue potential opportunities as they present themselves in the market place.
- Obviously the council is in a competitive market and has already been unsuccessful in two of its bids. The capital budget therefore may not be totally spent by the year end, but unless the budget is increased then the

sum approved by Council for this financial year seems likely, at this point in time, to stop further acquisitions until next financial year, which may mean the council does not receive potential new rental income that it could otherwise have gained.

- Each potential property opportunity is reviewed by the council's retained property consultants, Carter Jonas. The costs and income flows are modelled financially by LGSS Finance to give a worst case and best case scenario:
 - Worst case is where the council has to fund the acquisition by loan and has to offset the gross rental income from the property with interest rate and MRP (Minimum Revenue Provision) charges.
 - Best case is where the council self-funds the acquisition using its available cash and thereby charges the loss of interest income and MRP against the gross rental income.
 - MRP is an annual cost to the revenue budget over the economic life of the asset which provides a sum of money over time to repay the loan principal (if the property is funded by external loan) or to replace the amount of cash "borrowed" internally.
- The potential property acquisition is physically visited by council, NPS and Carter Jonas staff and the latter score the property against a matrix of criteria including macro and micro location, financial strength of the existing tenant, the nature of the lease, likelihood of future rental increases, and the physical condition of the property. Once a bid is made and accepted by the vendor, various condition surveys are undertaken and NPLaw undertakes the due diligence required to exchange heads of terms at which point the council is legally committed to complete the contract.
- The first property acquisition has given the Council a full year rate of return of 3.8% which is net new income of £90k per annum. This purchase was financed by using available cash (in the bank or in other investment deposits) which earns a rate of interest of some 0.5% to 0.8%. The CFO has undertaken an analysis of the property the council has reviewed and bid for to-date and has assumed a 2% return in the MTFS for new net rental income arising from the acquisition of commercial property. The target return takes into account that the council cannot fund all property acquisitions in the future by using its cash but will need to borrow at some point to do so. The extra £15m would therefore be expected to generate at least £300k extra income into the General Fund revenue budget.

10. New build – Three score Phase 2

- This capital budget is used to fund the council's lending to Norwich Regeneration Ltd (NRL). The company then uses the loan to finance the house building at the Threescore site.
- Now that construction has physically started on site, and a new, more robust, financial model for the company has been created, firmer projections can be given for the timing of the Phase 2 construction and the impact on the company's financial position. The company will need to borrow £1.65m more this year from the council than originally anticipated, not due to any increase in construction costs, but to re-phasing of the construction programme.

- The council receives new income into its General Fund revenue budget by lending to the company at a commercial rate which is above the rate it can itself borrow from the Public Works Loans Board (PWLB).

Housing capital programme

2017-18 current position

11. The financial position of the housing capital programme is set out in detail in Appendix 2 and summarised with commentary in the following paragraphs.
12. The following table shows expenditure to date and the forecast outturn for expenditure against the approved capital budgets.

| Programme Group | Original Budget £000's | Current Budget £000's | Actual to Date £000's | Forecast Outturn £000's | Forecast Variance £000's |
|-----------------------|---------------------------|--------------------------|--------------------------|----------------------------|-----------------------------|
| Housing Investment | 8,865 | 18,129 | 3,055 | 16,265 | (1,864) |
| Neighbourhood Housing | 23,386 | 33,623 | 4,794 | 23,371 | (10,252) |
| Strategic Housing | 7,426 | 7,495 | 1,578 | 7,432 | (63) |
| Total Housing | 39,677 | 59,246 | 9,428 | 47,067 | (12,179) |

13. As at 30 June 2017, the forecast outturn is £47.1m which would result in an underspend of £12.2m. The variance is largely due to the expenditure profile of large new build social housing projects that are planned to extend into the next financial year (£1.4m), structural projects starting later than planned (£3.2m), contractor delays with heating upgrades (£3m), projected contract savings on kitchen and bathroom upgrades (£3m) and lower than anticipated expenditure on the right to buy buy-back scheme (£0.5m).
14. The housing capital programme will continue to be monitored throughout the financial year to ensure that programmes deliver to budget within revised project timescales.

Housing capital resources

15. The following table shows the approved sources of housing capital resources and receipts.

| Housing Capital Resources | Original Anticipated (inc B/F) £000s | Actual Brought Forward £000s | Arisen to Date £000s | Total Resources To Date £000s | Forecast Actual Resources £000s |
|---|--|---------------------------------|-------------------------|----------------------------------|------------------------------------|
| Housing Capital Grants | (951) | (200) | (969) | (1,169) | (1,169) |
| HRA Major Repairs Reserve | (6,925) | 0 | 0 | 0 | (6,925) |
| HRA Borrowing | (8,788) | 0 | 0 | 0 | (8,788) |
| HRA Revenue Contribution to Capital | (19,677) | 0 | 0 | 0 | (19,677) |
| HRA Contributions to Costs | (250) | 0 | 0 | 0 | (1,159) |
| Section 106 Commuted Sum | (817) | 0 | 0 | 0 | (817) |
| HRA Capital Receipts and Balances | (3,898) | (10,190) | (2,528) | (12,718) | (12,819) |
| HRA Retained One for One Capital Receipts | (10,044) | (14,105) | (4,019) | (18,124) | (22,142) |
| HGF Other Contributions | 0 | (31) | (10) | (41) | (41) |
| Total Housing Capital Resources | (51,349) | (24,526) | (7,526) | (32,052) | (73,537) |

Housing virements

16. Cabinet is asked to approve the following capital virements relating to the housing capital programme.

| Scheme | Approved budget | Virement | Revised Budget |
|--|------------------|----------|------------------|
| Whole House Improvements | 1,183,489 | 100,000 | 1,283,489 |
| Thermal Comfort (External Wall Insulation) | 807,077 | 60,000 | 867,077 |
| Solar Thermal & PV | 620,574 | 115,000 | 735,574 |
| Windows - New Installations | 552,000 | -275,000 | 277,000 |
| Composite Doors | 1,692,020 | 250,000 | 1,942,020 |
| Kitchen Upgrades | 4,307,271 | -250,000 | 4,057,271 |
| Total | 9,162,431 | 0 | 9,162,431 |

17. Additional funds are requested for the following:

- Whole house improvements – higher than anticipated demand; completing these assists with keeping void times low.
- Thermal comfort – an additional project is required in relation to external wall insulation.
- Solar Thermal & PV - housing management have requested additional thermodynamic installations to be completed in 2017/18.
- Composite doors – costs of door installations have been higher than anticipated due to an increased number of properties requiring the replacement of multiple doors (front, store and meter doors).
- It is proposed to fund these additional requirements from the windows installations budget, where there is currently a projected underspend due to reduced workflow and the kitchen upgrades budget where an underspend is forecast due to reductions in the contract rate.

Capital programme risk management

18. The following table sets out a risk assessment of factors affecting the planned delivery of the 2017-18 capital programmes.

| Risk | Likelihood | Impact | Rating | Mitigation |
|--|--------------|--------------|--------|---|
| General Fund Capital Receipts not received or delayed | Possible (3) | Major (5) | (15) | Expenditure incurred only as receipts secured |
| Detailed schemes not brought forward to utilise agreed capital funding | Possible (3) | Moderate (3) | (9) | Active pursuit of investment opportunities; budget provisions unspent could be carried forward if necessary |

| Risk | Likelihood | Impact | Rating | Mitigation |
|---|--------------|--------------|--------|---|
| Cost overruns | Possible (3) | Moderate (3) | (9) | Robust contract management and constraints |
| Business case for asset improvement programme not sustainable | Unlikely (2) | Moderate (3) | (6) | Advice taken from expert property specialists |
| Contractor failure or capacity shortfall(s) prevents/delays capital works being carried out | Unlikely (2) | Moderate (3) | (6) | Robust financial checks during procurement process and awareness of early signs of financial difficulties |
| Housing Capital Receipts varying significantly as a result of fluctuating RTB sales | Possible (3) | Moderate (3) | (9) | Sensitivity modelling through HRA Business Plan; Arrangements in place to contribute to housing development through RPs where RTB sales generating higher than anticipated receipts; in-year monitoring |
| Housing Capital Receipts not received from sale of houses beyond economic repair | Possible (3) | Minor (1) | (3) | No plans to use funding until it has been received |
| Level of Housing contributions from leaseholders does not match forecast | Unlikely (2) | Minor (1) | (2) | Robust charging procedures within contract to ensure amounts due are recovered |

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: | 8 November 2017 |
| Head of service: | Karen Watling, chief finance officer |
| Report subject: | Capital budget monitoring 2017/18 Q2 |
| Date assessed: | 26.10.17 |
| Description: | To report the current financial position |

| | 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"/> | Report demonstrates efficient, effective, and economic delivery of capital works |
| Other departments and services e.g. office facilities, customer contact | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| ICT services | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Economic development | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Financial inclusion | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Social (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Safeguarding children and adults | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| <u>S17 crime and disorder act 1998</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Human Rights Act 1998 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Health and well being | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

| | Impact | | | |
|--|-------------------------------------|-------------------------------------|--------------------------|--|
| Equality and diversity (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Relations between groups (cohesion) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Eliminating discrimination & harassment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Advancing equality of opportunity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Environmental (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Transportation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Natural and built environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Waste minimisation & resource use | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Pollution | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Sustainable procurement | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Energy and climate change | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| (Please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Risk management | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Report demonstrates awareness of risks to delivery of planned capital works and mitigating actions |

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

Non-Housing Capital Programme

| Approved Budget | Current Budget | | Actual To Date | Forecast Outturn | Forecast Variance |
|-------------------|-------------------|---|------------------|-------------------|-------------------|
| 205,750 | 265,750 | 5020 CCTV replacement | 0 | 265,750 | 0 |
| 135,000 | 196,094 | 5040 Customer centre redesign | 2,268 | 196,094 | 0 |
| 415,000 | 415,000 | 5093 Norwich Parks tennis expansion | 1,020 | 60,262 | (354,738) |
| 7,635 | 7,635 | 5094 Car park payment machines upgrade | 5,570 | 5,570 | (2,065) |
| 80,000 | 80,000 | 5095 Replacement of multi-use games | 0 | 0 | (80,000) |
| 0 | 45,775 | 5294 Eaton Park Tennis Development | 0 | 0 | (45,775) |
| 0 | 80,850 | 5324 City Hall 2nd Floor | 17,977 | 80,850 | 0 |
| 0 | 37,330 | 5332 City Hall external lighting | 2,059 | 27,330 | (10,000) |
| 0 | 72,351 | 5350 Parking Management System | 6,922 | 72,351 | 0 |
| 0 | 10,000 | 5450 Energy saving lighting | 0 | 0 | (10,000) |
| 0 | 29,686 | 5931 Eaton Park access improvements | 0 | 0 | (29,686) |
| 843,385 | 1,240,471 | Subtotal Asset Improvement | 35,816 | 708,207 | (532,264) |
| 10,000,000 | 12,622,980 | 5315 Asset investment for income (other | 0 | 12,622,980 | 0 |
| 0 | 26,000 | 5480 Traveller Site | 0 | 26,000 | 0 |
| 0 | 2,377,020 | 5344 The Gym - Kent | 2,190,303 | 2,377,020 | 0 |
| 10,000,000 | 15,026,000 | Subtotal Asset Investment | 2,190,303 | 15,026,000 | 0 |
| 21,000 | 21,000 | 5081 City Hall heating pumps replacement | 740 | 28,200 | 7,200 |
| 283,000 | 283,000 | 5082 City Hall roof membrane replacement | 5,756 | 227,000 | (56,000) |
| 33,000 | 33,000 | 5083 Hewett Yard major repairs | 0 | 0 | (33,000) |
| 50,000 | 50,000 | 5088 Pedestrian bridges / boardwalks | 0 | 0 | (50,000) |
| 11,000 | 14,000 | 5089 Norman centre corridor lighting | 2,273 | 15,000 | 1,000 |
| 200,000 | 200,000 | 5090 Norman Centre heating replacement | 0 | 0 | (200,000) |
| 38,500 | 38,500 | 5091 Norman Centre roof replacement | 0 | 0 | (38,500) |
| 75,000 | 75,000 | 5097 Riverbank stabilisation (River Yare & | 0 | 0 | (75,000) |
| 11,000 | 11,000 | 5098 St Andrews - fire system voice alarm | 0 | 11,800 | 800 |
| 16,500 | 1,500 | 5099 St Giles MSCP - replace central | 231 | 231 | (1,269) |
| 68,700 | 0 | 5241 Bowthorpe B1108 - Various Works | 4,850 | 383 | 383 |
| 0 | 0 | 5245 Memorial Gardens temporary works | 580 | 580 | 580 |
| 0 | 0 | 5308 St Andrews MSCP repair | 1,238 | 1,238 | 1,238 |
| 475,000 | 568,578 | 5340 Co-St Giles MSCP Refurb | 284,065 | 568,578 | 0 |
| 0 | 0 | 5341 The Halls refurbishment project | 168 | 168 | 168 |
| 0 | 41,000 | 5421 Major Repairs 2016-17 Community | 0 | 41,000 | 0 |
| 0 | 214,070 | 5937 City Hall finials | 127,564 | 216,860 | 2,790 |
| 0 | 0 | 5933 Car Park - Westwick Street | 0 | 0 | 0 |
| 0 | 0 | 5949 St Andrews & Blackfriars Hall WC | 27 | 27 | 27 |
| 50,000 | 50,000 | 5954 Waterloo Park pavillion works | 20,239 | 50,000 | 0 |
| 38,500 | 38,500 | 5959 CC Norman Bowl Lighting | 325 | 325 | (38,175) |
| 0 | 6,525 | 5966 St Giles MSCP - Windows and door repairs | 0 | 6,500 | (25) |
| 1,371,200 | 1,645,673 | Subtotal Asset Maintenance | 448,056 | 1,167,890 | (477,783) |

| Approved Budget | Current Budget | | Actual To Date | Forecast Outturn | Forecast Variance |
|------------------|------------------|--|----------------|------------------|-------------------|
| 0 | 10,000 | 5558 Co-CIL Nhood Ketts Heig | 2,592 | 10,000 | 0 |
| 0 | 9,062 | 5559 CIL Nhood 20 Acre Wood | 0 | 9,062 | 0 |
| 0 | 2,584 | 5560 CIL Nhood Chapel Break play area | 0 | 2,584 | 0 |
| 0 | 4,000 | 5561 CIL Nhood Eaton Green Play Area | 0 | 4,000 | 0 |
| 0 | 11,993 | 5562 CIL Nhood Community Enabling | 0 | 11,993 | 0 |
| 150,000 | 150,000 | 5563 CIL GNGB Castle Gardens | 0 | 14,850 | (135,150) |
| 115,000 | 115,000 | 5564 CIL GNGB Football Pitch | 0 | 0 | (115,000) |
| 40,000 | 40,000 | 5565 CIL GNGB Marriotts Way Barn Road | 1,059 | 20,000 | (20,000) |
| 20,000 | 20,000 | 5566 CIL GNGB Riverside Walk | 1,454 | 20,000 | 0 |
| 1,281,000 | 1,281,000 | 5580 CIL Contribution Strategic | 0 | 1,281,000 | 0 |
| 0 | 0 | 5590 CIL neighbourhood - Britannia Rd | 0 | 0 | 0 |
| 0 | 0 | 5591 CIL neighbourhood - | 0 | 0 | 0 |
| 0 | 6,491 | 5592 CIL neighbourhood - Natural | 0 | 6,491 | 0 |
| 0 | 6,400 | 5593 CIL neighbourhood - Lakenham Way | 0 | 6,400 | 0 |
| 0 | 50,000 | 5595 CIL neighbourhood - Netherwood | 0 | 3,500 | (46,500) |
| 50,000 | 50,000 | 5596 CIL Crowdfunding matched funding | 5,000 | 25,000 | (25,000) |
| 5,000 | 5,000 | 5597 CIL Grant contribution to Norfolk Car | 5,000 | 5,000 | 0 |
| 25,000 | 25,000 | 5598 CIL Mile Cross cycle and pedestrian links | 0 | 5,000 | (20,000) |
| 20,000 | 20,000 | 5599 CIL Parish Partnership matched | 0 | 20,000 | 0 |
| 1,706,000 | 1,806,530 | Subtotal Community Infrastructure Levy | 15,105 | 1,444,880 | (361,650) |
| 250,000 | 250,000 | 5567 GNGB IIF M Way, A Meadow to | 2,013 | 100,000 | (150,000) |
| 160,000 | 160,000 | 5568 GNGB IIF Riverside Walk Fye | 0 | 0 | (160,000) |
| 0 | 0 | 5921 Earlham Millenium Green | 939 | 939 | 939 |
| 0 | 0 | 5922 Riverside Walk GNBP | 1,194 | 1,194 | 1,194 |
| 0 | 0 | 5923 Marriotts Way GNBP | 0 | 0 | 0 |
| 0 | 102,407 | 5964 GNBP Bowthorpe Crossing | 3,363 | 27,407 | (75,000) |
| 410,000 | 512,407 | Subtotal GNBP | 7,509 | 129,540 | (382,867) |
| 0 | 37,000 | 5305 Eco-Investment Fund | 0 | 10,000 | (27,000) |
| 250,000 | 390,000 | 5317 IT Investment Fund | 23,272 | 250,000 | (140,000) |
| 0 | 610,000 | 5343 Finance & HR System | 79,937 | 400,000 | (210,000) |
| 0 | 132,250 | 6057 Norwich Preservation Trust Loan | 150,000 | 150,000 | 17,750 |
| 250,000 | 1,169,250 | Subtotal Initiatives Funding | 253,209 | 810,000 | (359,250) |
| 0 | 6,317 | 5701 s106 Chapelfield Gardens Play | 0 | 6,317 | 0 |
| 0 | 167,655 | 5705 s106 The Runnel Play Provision | 6,887 | 167,656 | 1 |
| 76,000 | 76,459 | 5728 S106 Mile Cross Gardens Play | 2,380 | 6,459 | (70,000) |
| 0 | 3,619 | 5731 s106 Wooded Ridge project | 0 | 3,619 | 0 |
| 0 | 64,716 | 5735 s106 Castle Green Play | 774 | 64,716 | 0 |
| 0 | 0 | 5737 S106 Heartsease Play Area | 269 | 269 | 269 |
| 0 | 55,071 | 5740 Bowthorpe Southern park | 0 | 55,071 | 0 |
| 0 | 11,774 | 5741 Co-s106 Eaton play Area | 0 | 11,774 | 0 |
| 0 | 45,743 | 5801 s106 Hurricane Way Bus Link | 7,312 | 45,743 | 0 |
| 0 | 23,485 | 5813 S106 Green Infrastructure Imps | 0 | 23,485 | 0 |
| 0 | 55,750 | 5821 S106 Livestock Mkt Cycle/Walkway | 47,525 | 47,525 | (8,225) |
| 0 | 76,283 | 5823 BRT & Cycle Route Measures | 0 | 0 | (76,283) |
| 0 | 51,600 | 5829 S106 UEA CPZ Extension | 5,372 | 51,600 | 0 |
| 27,000 | 27,000 | 5835 S.106 Bowthorpe To Clover Hill | 0 | 0 | (27,000) |
| 16,000 | 16,000 | 5836 S.106 Riverside Public Transport | 0 | 16,000 | 0 |
| 119,000 | 681,472 | Subtotal Section 106 | 70,519 | 500,234 | (181,238) |

| Approved Budget | Current Budget | | Actual To Date | Forecast Outturn | Forecast Variance |
|------------------|------------------|---|----------------|------------------|-------------------|
| 394,000 | 272,717 | 5126 PtP - Yellow - Lakenham/Airport | 0 | 0 | (272,717) |
| 0 | 1,170 | 5141 CCAG2 Liberator Road | 1,484 | 1,484 | 314 |
| 0 | 7,000 | 5142 CCAG2 Spitfire RD Hurricane Way | 6,576 | 7,000 | 0 |
| 0 | 0 | 5143 CCAG2 Hurricane Way - Heyford Rd | 1,721 | 1,721 | 1,721 |
| 0 | 29,000 | 5145 CCAG2 Fifers Lane/Ives Rd/Heyford | 1,293 | 29,000 | 0 |
| 0 | 0 | 5147 CCAG2 Bussey Rd - Ives Rd | 70 | 70 | 70 |
| 267,000 | 308,000 | 5148 CCAG2 Mile Cross Lane | 204,695 | 308,000 | 0 |
| 0 | 41,000 | 5149 CCAG2 Woodcock Rd / Catton | 40,339 | 41,000 | 0 |
| 16,000 | 272,000 | 5151 CCAG2 Angel RD | 7,394 | 272,000 | 0 |
| 0 | 0 | 5152 CCAG2 Shipstone Rd/Waterloo Rd | 3,487 | 3,487 | 3,487 |
| 141,000 | 187,328 | 5153 CCAG2 Edward Street north | 329 | 187,328 | 0 |
| 691,000 | 816,000 | 5154 CCAG2 St Crispins (St Georges - | 19,126 | 816,000 | 0 |
| 0 | 34,071 | 5155 CCAG2 Golden Ball | 50,896 | 34,071 | 0 |
| 0 | 476,000 | 5156 CCAG2 All Saints | 39,153 | 476,000 | 0 |
| 0 | 25,000 | 5157 CCAG2 Lakenham Way | 168 | 25,000 | 0 |
| 0 | 20,000 | 5159 CCAG2 Hall Rd (Bessemer - Old | 20,040 | 20,040 | 40 |
| 0 | 0 | 5160 CCAG2 Ipswich Road - Old Hall | 0 | 0 | 0 |
| 282,000 | 282,000 | 5161 CCAG2 20 MPH areas (Yellow) | 17,293 | 282,000 | 0 |
| 0 | 51,000 | 5162 CCAG2 Cycle Parking (Yellow) | 8,674 | 51,000 | 0 |
| 0 | 28,200 | 5163 CCAG2 Wayfinding | 0 | 28,200 | 0 |
| 0 | 17,712 | 5164 CCAG2 Monitoring inf (Yellow) | 496 | 17,712 | 0 |
| 0 | 94,000 | 5166 Co-CCAG2 A11 north slip | 94 | 94,000 | 0 |
| 251,000 | 354,000 | 5168 CCAG2 Bluebell Road (Connector) | 24,261 | 354,000 | 0 |
| 345,000 | 418,000 | 5169 CCAG2 Eaton Centre | 3,355 | 418,000 | 0 |
| 337,000 | 630,000 | 5171 CCAG2 Newmarket Rd (Unthank Rd | 103,461 | 679,000 | 49,000 |
| 0 | 0 | 5172 CCAG2 Newmarket Rd / ORR & | 147 | 147 | 147 |
| 0 | 0 | 5173 CCAG2 Newmarket Rd (ORR - | 767 | 767 | 767 |
| 1,000 | 358,000 | 5175 CCAG2 Magdalen Rd | 12,733 | 358,000 | 0 |
| 0 | 17,500 | 5176 CCAG2 St Clements Hill (entrance | 17,671 | 17,671 | 171 |
| 236,000 | 268,229 | 5177 CCAG2 Chartwell Road/St Clements | 3,890 | 158,000 | (110,229) |
| 418,000 | 7,172 | 5178 Co-CCAG2 North Walsham | 7,172 | 7,172 | 0 |
| 117,000 | 225,063 | 5179 Co-CCAG2 20 mph areas | 3,490 | 225,063 | 0 |
| 0 | 0 | 5180 CCAG2 Cycle Parking (Blue) | 47 | 47 | 47 |
| 0 | 37,600 | 5181 CCAG2 Wayfinding | 0 | 37,600 | 0 |
| 0 | 18,180 | 5182 CCAG2 Monitoring inf (Blue) | 0 | 18,180 | 0 |
| 0 | 17,000 | 5183 CCAG2 St George's St/Colegate | 1 | 17,001 | 1 |
| 0 | 0 | 5184 CCAG2 Opie St/Castle Meadow (on | 9 | 9 | 9 |
| 149,000 | 227,394 | 5185 CCAG2 City Centre Strategy for | 12,261 | 227,394 | 0 |
| 100,000 | 100,000 | 5186 CCAG2 Administration | 25,873 | 100,000 | 0 |
| 0 | 8,000 | 5187 Co-CCAG2 Magdalen Gates | 5,623 | 8,000 | 0 |
| 203,000 | 203,000 | 5188 CCAG2 20MPH Yellow | 0 | 53,000 | (150,000) |
| 2,000 | 2,000 | 5189 CCAG2 Magdalen Road | 0 | 2,000 | 0 |
| 3,950,000 | 5,853,336 | Subtotal Cycle City Ambition Group 2 | 644,089 | 5,376,164 | (477,172) |

| Approved Budget | Current Budget | | Actual To Date | Forecast Outturn | Forecast Variance |
|-------------------|-------------------|--|------------------|-------------------|--------------------|
| 0 | 0 | 5115 Heathgate - Valley Drive | 32 | 32 | 32 |
| 0 | 0 | 5118 Salhouse Road (Hammond Way - | (30) | 0 | 0 |
| 0 | 0 | 5123 Cycle City Ambition Project | 521 | 521 | 521 |
| 0 | 0 | Subtotal Cycle City Ambition | 523 | 553 | 553 |
| 280,000 | 280,000 | 5080 10-14 Ber Street | 0 | 280,000 | 0 |
| 30,000 | 30,000 | 5084 Hurricane Way 16 demolition | 0 | 0 | (30,000) |
| 85,000 | 85,000 | 5085 Hurricane Way 20 demolition | 0 | 0 | (85,000) |
| 57,000 | 57,000 | 5086 Hurricane way 25 demolition | 0 | 0 | (57,000) |
| 240,000 | 240,000 | 5087 Hurricane way 6-14 demolition | 0 | 0 | (240,000) |
| 4,000,000 | 4,000,000 | 5092 NAIE phase 1 regeneration | 0 | 0 | (4,000,000) |
| 0 | 0 | 5314 Ass Inv - Mile Cross Depot | 2,949 | 2,949 | 2,949 |
| 0 | 0 | 5320 Rose Lane MSCP Construction | (156,189) | 8,444 | 8,444 |
| 0 | 305,189 | 5322 Riverside Walk (adj NCFC) | 229 | 12,000 | (293,189) |
| 0 | 530,309 | 5325 Mountergate Phase 2 | 67 | 530,309 | 0 |
| 150,000 | 288,475 | 5327 Park Depots demolition | 4,220 | 34,220 | (254,255) |
| 50,000 | 270,000 | 5490 Investment for regeneration | 0 | 270,000 | 0 |
| 0 | 0 | 5512 NaHCASP Threescore | 12,624 | 31,603 | 31,603 |
| 2,251,080 | 11,121,831 | 8805 New Build - Threescore 2 | 6,245 | 11,121,831 | 0 |
| 0 | 2,909,484 | 8807 New Build - Airport | 0 | 2,909,484 | 0 |
| 0 | 482,782 | 8820 Threescore phase 3 | 3,109 | 482,782 | 0 |
| 7,143,080 | 20,600,070 | Subtotal Regeneration | (126,746) | 15,683,622 | (4,916,448) |
| 25,792,665 | 48,535,209 | Total Non-Housing Capital Programme | 3,538,383 | 40,847,090 | (7,688,119) |

Housing Capital Programme

| Approved Budget | Current Budget | | Actual To Date | Forecast Outturn | Forecast Variance |
|-------------------|-------------------|--|------------------|-------------------|---------------------|
| 144,250 | 144,250 | 5020 CCTV replacement | 0 | 144,250 | 0 |
| 0 | 0 | 7460 Sheltered Housing Redevelopment | 0 | 0 | 0 |
| 5,202 | 6,548 | 7461 Sheltered Hsg redevelopment - St | (6,014) | 2,531 | (4,017) |
| 2,843 | 2,843 | 7462 Sheltered Hsg redevelopment - | (12,164) | 477 | (2,366) |
| 500,000 | 500,000 | 7930 Capital Buybacks | 0 | 0 | (500,000) |
| 1,000,000 | 215,000 | 7931 New Build Opportunities | 0 | 0 | (215,000) |
| 0 | 8,375 | 8800 New Build - Riley Close | 0 | 8,375 | 0 |
| 6,513,199 | 14,445,074 | 8802 New Build - Goldsmith Street | 2,884,675 | 13,319,765 | (1,125,309) |
| 0 | 0 | 8803 New Build - Brazengate | 1 | 1 | 1 |
| 0 | 242,839 | 8804 New Build - Hansard Close | 187,954 | 212,225 | (30,614) |
| 699,737 | 1,570,000 | 8805 New Build - Threescore 2 | 565 | 1,570,000 | 0 |
| 0 | 209,071 | 8807 New Build - Airport | 0 | 209,071 | 0 |
| | 785,000 | 8821 LANB - Northumberland Street | 0 | 798,500 | 13,500 |
| 8,865,231 | 18,129,000 | Subtotal Housing Investment | 3,055,017 | 16,265,195 | (1,863,805) |
| 1,052,315 | 1,052,315 | 7010 Electrical - Internal | 71,335 | 1,048,310 | (4,005) |
| 777,734 | 1,211,223 | 7040 Whole House Improvements | 15,265 | 1,330,161 | 118,938 |
| 3,604,449 | 4,307,271 | 7070 Kitchen Upgrades | 961,943 | 2,872,705 | (1,434,566) |
| 2,559,773 | 3,443,903 | 7080 Bathroom Upgrades | 770,268 | 1,828,870 | (1,615,033) |
| 428,426 | 1,345,757 | 7100 Boilers - Communal | (12,574) | 513,240 | (832,517) |
| 3,197,188 | 3,197,188 | 7110 Boilers - Domestic | 160,373 | 1,030,804 | (2,166,384) |
| 666,947 | 814,024 | 7150 Insulation | 85,763 | 815,215 | 1,191 |
| 500,884 | 621,458 | 7170 Solar Thermal & Photovoltaic | 203,032 | 744,748 | 123,290 |
| 559,094 | 559,094 | 7200 Windows - Programme | 19,269 | 46,723 | (512,371) |
| 1,509,592 | 1,692,020 | 7280 Composite Doors | 551,280 | 1,681,181 | (10,839) |
| 209,886 | 445,411 | 7300 Comm Safe - DES | 8,876 | 453,074 | 7,663 |
| 150,114 | 200,725 | 7310 Estate Aesthetics | (17,342) | 200,863 | 138 |
| 309,439 | 415,203 | 7470 Sheltered Housing Comm Facilities | 44,535 | 437,319 | 22,116 |
| 257,578 | 257,578 | 7480 Sheltered Housing Redevelopment | 0 | 0 | (257,578) |
| 1,169,264 | 1,967,074 | 7520 Planned Maint - Roofing | 836,794 | 1,975,908 | 8,834 |
| 0 | 0 | 7530 Boundary Walls & Access Gates | 0 | 0 | 0 |
| 4,029,676 | 8,147,476 | 7540 Planned Maint - Structural | 709,453 | 4,993,958 | (3,153,518) |
| 0 | 0 | 7550 Vehicle Hardstanding | 0 | 0 | 0 |
| 800,000 | 2,050,000 | 7570 Tower Block Regeneration | 0 | 2,050,000 | 0 |
| 26,894 | 26,894 | 7580 Planned Maint - Lifts | 306 | 25,612 | (1,282) |
| 917,564 | 1,057,196 | 7600 Dis Ad - Misc | 369,203 | 697,494 | (359,702) |
| 83,789 | 83,789 | 7630 Dis Ad - Stairlifts | 9,842 | 80,000 | (3,789) |
| 306,794 | 306,794 | 7680 Dis Ad - Comms | 0 | 150,000 | (156,794) |
| 0 | 43,667 | 2610 Co-Cavalry Ride | 11,237 | 43,667 | 0 |
| 0 | 56,134 | 2637 Primrose Place | 0 | 56,134 | 0 |
| 214,010 | 252,984 | 7700 HRA Shops | 5,148 | 244,665 | (8,319) |
| 54,470 | 67,470 | 7960 Demolition & Site Maintenance | (9,608) | 50,000 | (17,470) |
| 23,385,880 | 33,622,648 | Subtotal Neighbourhood Housing | 4,794,398 | 23,370,651 | (10,251,997) |

| Approved Budget | Current Budget | | Actual To Date | Forecast Outturn | Forecast Variance |
|-------------------|-------------------|--|------------------|-------------------|---------------------|
| 0 | 68,606 | 6012 Empty Homes Grant | 0 | 0 | (68,606) |
| 0 | 0 | 6014 Discretionary Assistance | 0 | 0 | 0 |
| 1,150,000 | 882,000 | 6018 Disabled Facilities Grant | 178,478 | 882,000 | 0 |
| 6,226,019 | 6,226,019 | 6019 Capital Grants to Housing | 1,374,779 | 6,226,019 | 0 |
| 0 | 0 | 6030 Home Improvement Loans | 0 | 0 | 0 |
| 0 | 0 | 6031 Survey Costs | 0 | 0 | 0 |
| 25,000 | 25,000 | 6044 Works in Default | 0 | 25,000 | 0 |
| 25,000 | 25,000 | 6047 DFG Residents Contribution | 8,492 | 25,000 | 0 |
| 0 | 0 | 6050 Strong & Well Project | 5,557 | 5,557 | 5,557 |
| 0 | 268,000 | 6052 HIA - Housing Assistance | 10,966 | 268,000 | 0 |
| 7,426,019 | 7,494,625 | Subtotal Strategic Housing | 1,578,272 | 7,431,576 | (63,049) |
| 39,677,130 | 59,246,273 | Total Housing Capital Programme | 9,427,687 | 47,067,422 | (12,178,851) |

Report to Cabinet
08 November 2017
Report of Head of neighbourhood housing
Subject Award of a contract for council tenants' contents insurance

Item

10

KEY DECISION

Purpose

To seek approval to award a contract for council tenants' home contents insurance following a mini-tendering exercise via the ESPO framework

Recommendation

To award the contract to Aon UK for 5 years.

Corporate and service priorities

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

Financial implications

The contract generates income via commission on the premiums collected with rent and paid over to the insurance broker. In 2018/19 the commission expected will be approximately £26k.

Ward/s: All Wards

Cabinet member: Councillor Harris – deputy leader and social housing

Contact officers

Andy Bays, housing income manager 01603 213655

Lee Robson, head of neighbourhood housing 01603 212939

Background documents

None

Report

Background

1. The council has offered tenants a contents insurance scheme for around 20 years. The scheme intends to provide an easy to access product, with premiums added to the weekly rent for flexibility and affordability.
2. Some tenants believe that the council will cover their belongings against fire, burst pipes or other household damage but this is not the case, unless the council has been negligent. The scheme also provides cover for common rechargeable repairs resulting from lost keys, broken glass and broken sanitary ware.
3. Through the councils focus and activities to increase financial inclusion, there is an awareness of the social value of providing affordable contents insurance. Access to affordable financial products such as banking, savings, credit and insurance are the key aims of preventing financial exclusion. Research shows that:
 - Around 70% of social housing tenants have no form of contents insurance compared to 20% of private households¹
 - Households with no home contents insurance were more than three times as likely to be burgled than those with insurance²
 - These facts are set against the background of a decline in the number of working adults having contents insurance.³
4. Through successive procurement the council has been able to obtain an enhanced level of cover, reduce the cost of premiums and has sought to protect the benefits currently provided which are:
 - Accidental damage and personal possessions cover *at no additional cost*
 - A highly competitive premium of £0.088p per week per £1,000 of cover
 - Low cost starter cover for tenants over 60
 - No premium increase or excess in the event of a claim.
 - A range of optional enhanced cover at additional cost
 - A competitive commission rate to cover the council's administration costs, currently 32%.
5. Take up of the current scheme is around 12% of tenants, (1637 policies as at 4 September 2017). 57 tenants over 60 years of age take advantage of the low

¹ Helping Tenants Protect Their Possessions, Association of British Insurers

² Financial Inclusion Annual Monitoring Report, School of Social Policy, Birmingham University

³ Financial Inclusion Annual Monitoring Report, School of Social Policy, Birmingham University

level cover beginning at £6,000 and 156 use the optional additional cost cover for garden sheds, hearing aids, wheelchairs & mobility scooters.

6. The most popular level of cover, for contents value of £10,000 will cost £0.88p per week, (annual equivalent £44.00). This compares favourably with the other schemes with whom accidental damage and personal possessions cover would be additional cost options. Equivalent £10,000 cover with other housing providers is:

- Ipswich £1.43pw
- Circle Anglia £1.63pw
- Great Yarmouth BC £1.52pw
- Orbit £1.61pw

7. The claim rate is fairly low. In the first six months of 2017 there have been 41 claims totalling £25k, (average £623). Claims arise from accidental damage in over half of cases with escape of water in 16% and 'fire and related causes' in 10% of claims. Interestingly, 'theft including damage' accounts for only 5% of claims.
8. The council provides scheme administration by supplying and receiving application and claim documentation, collecting premiums and paying over to the scheme provider. In return the council receives a commission providing income to cover administration costs. The council's contract to provide insurance is therefore with an insurance broker, the insurance policy exists between our tenants and the insurance provider.

Procurement process

9. The opportunity was advertised on the council's e-tendering portal on 11 August 2017. It was advertised to the suppliers that were on a selected Crown Commercial Services framework to be used for this tender who indicated that this was an area of insurance they would be interested in bidding on. Two submissions were opened on 20 September 2017.
10. The quality evaluation was conducted by the relevant council department, whose needs are covered by this tender and members of the tenants' involvement panel. This was facilitated by procurement, using the agreed evaluation criteria as set out in the invitation to tender issued to the suppliers.
11. This is to be a five year contract.

Tender evaluation

12. The selection process was based on a quality and price evaluation with 50% of the marks available awarded to each criterion.
13. Quality criteria included the extent of policy cover; maximum level of cover and scheme accessibility.

14. For price, suppliers were asked to provide the best price per £1,000 cover available and commission rate paid to the council.
15. Both suppliers successfully passed the quality criteria assessment with full marks so the evaluation was carried out based 100% on price.
16. Both suppliers offered lower tenant's premiums than the current rate of £0.09p per £1,000 of cover with Aon UK's scoring the maximum (see Table 1, below).

Table 1- Evaluation of price

| Company | Price | Price score | Commission rate | Commission score | Overall score |
|-------------------|---------|-------------|-----------------|------------------|---------------|
| Aon UK | £0.0616 | 40 | 26% | 10 | 50 |
| JLT Specialty Ltd | £0.0770 | 30 | 12.5% | 4.60 | 34.60 |

17. Table 2, below shows the final evaluation with Aon UK scoring the maximum available for quality and price.

Table 2- Final evaluation

| Company | Quality score | Price score | Overall score |
|-------------------|---------------|-------------|---------------|
| Aon UK | 50 | 50 | 100 |
| JLT Specialty Ltd | 50 | 34.60 | 84.60 |

Recommendation

18. Cabinet is asked to approve the award of the contract for tenant's home contents insurance to Aon UK for five years. The competitive tender process has shown that this bid represents best value.

Integrated impact assessment



NORWICH
City Council

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

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

Report author to complete

| | |
|-----------------------------------|---|
| Committee: | Cabinet |
| Committee date: | 8 November 2017 |
| Director / Head of service | Bob Cronk |
| Report subject: | Award of a contract for council tenants' contents insurance |
| Date assessed: | 11/10/2017 |
| Description: | A contract for council tenants' contents insurance |

| | 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 tender process ensures that the Council achieves the best value for money at that particular time. |
| 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 service offers easy access to insurance for citizens often excluded from mainstream financial services |
| | | | | |
| Social (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Safeguarding children and adults | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| <u>S17 crime and disorder act 1998</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Human Rights Act 1998 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Health and well being | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Insurance can prevent financial hardship in the event of an unexpected expense arising from the risks covered. |
| | | | | |

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

| | Impact | | | |
|------------------------|-------------------------------------|--------------------------|--------------------------|--|
| Risk management | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 1. There is a risk that the appointed supplier could fail during the duration of the contract. This is low risk due to the relatively short nature of the contract and the planned nature of the service. In addition to this the Council is not investing in the supplier and so the risk is one of service continuity rather than financial. |

| |
|---|
| Recommendations from impact assessment |
| Positive |
| |
| Negative |
| |
| Neutral |
| |
| Issues |
| |

Report to Cabinet
08 November 2017
Report of Director of business services
Subject Procurement of a trade waste collection, recycling and disposal service

Item

11

KEY DECISION

Purpose

To consider the award of a contract for waste services.

Recommendation

To approve the award of:

- (1) trade waste services for Norwich provisions market to M W White Ltd;
- (2) trade waste and recycling services for City Hall and other council buildings to M W White Ltd;
- (3) confidential waste services to Shred Station Ltd; and
- (4) food waste recycling to Norse Eastern Ltd.

Corporate and service priorities

The report helps to meet the corporate priority a safe, clean and low carbon city

Financial implications

£52,169 per year for up to five years to be funded from the existing General Fund revenue budget.

Ward/s: Multiple Wards

Cabinet member: Councillor Maguire - safe city environment

Contact officers

Carol Marney, head of operational property services, 01603 227904
NPS Norwich

Anton Bull, director of business services 01603 212326

Background documents

None

Report

Background

1. The waste collection contract for administrative buildings, the provision market and The Halls was due for renewal earlier this year and so a tender process has been carried out.
2. General trade waste has to be collected from all of the council's operational buildings.
3. Trade waste collected from the provisions market is part of the service that is recharged to the provisions market stallholders.
4. The successful contractor for general trade waste from council buildings and the provisions market is aiming to recycle 100% of the material collected.
5. In addition to this confidential waste is collected from the administrative buildings, in accordance with strict procedures to protect personal and commercially sensitive data. All confidential paper is shredded and recycled.
6. A new element has been added to the service this year so that food waste can be collected and recycled from City Hall, the Norman Centre and the Halls.

Procurement Process

7. The service was split into four lots:

Lot 1 – Norwich Provision Market – General trade waste.

Lot 2 – City Hall and other council buildings – General trade and recycling waste.

Lot 3 - Confidential waste collection from City Hall

Lot 4 – City Hall, Norman Centre and the Halls – Food waste collection

8. The opportunity was advertised on the council's e-tendering portal a national advertising portal - Contracts Finder and the EU advertising portal - OJEU on 23 August 2017. A total of 16 expressions of interest were received, spread across the lots as shown below :

Lot 1 – Three

Lot 2 – Four

Lot 3 - Three

Lot 4 – Four

The submissions were opened on 18 September 2017.

9. The quality evaluation was conducted by various council departments, whose needs are covered by this tender, facilitated by procurement, using the agreed evaluation criteria as set out in the invitation to tender issued to the suppliers.
10. This is a two-year contract with an option to extend for a further three years in yearly increments – with the option of terminating early if requirements change.
11. An interim award for the initial two years has been made in order to maintain continuity of service. Cabinet are asked to authorise the award of the remaining three years, subject to performance and continuing service need.

Evaluation

12. The quality requirement was in the form of specific quality questions and a business quality questionnaire. The evaluation was based upon 40% quality and 60% price.
13. Tenders were received from 5 companies.
14. The highest scoring submissions are shown below (marks out of 100) with their price:

| Company | Lot 1 | Lot 2 | Lot 3 | Lot 4 |
|-------------------|------------------------|------------------------|-----------------|-------------------|
| M W White Ltd | 96 £36,691.20 pa | 96 £11,008.40 pa | | |
| Shred Station Ltd | | | 92 £3,536 pa | |
| Norse Eastern Ltd | | | | 100 £933.40 pa |

Integrated impact assessment



NORWICH
City Council

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

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

Report author to complete

| | |
|-----------------------------------|---|
| Committee: | Cabinet |
| Committee date: | 8 November 2017 |
| Director / Head of service | Anton |
| Report subject: | Procurement of a trade waste collection, recycling and disposal service |
| Date assessed: | 11/10/2017 |
| Description: | Collection of waste from operational buildings and the provision market |

| | 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 tender process ensures that the Council achieves the best value for money at that particular time. |
| Other departments and services e.g. office facilities, customer contact | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| ICT services | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Economic development | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Financial inclusion | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | | | | |
| Social (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Safeguarding children and adults | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| <u>S17 crime and disorder act 1998</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Human Rights Act 1998 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Health and well being | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | | | | |

| | Impact | | | |
|--|-------------------------------------|-------------------------------------|--------------------------|---|
| Equality and diversity (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Relations between groups (cohesion) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Eliminating discrimination & harassment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Advancing equality of opportunity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | | | | |
| Environmental (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Transportation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Natural and built environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Waste minimisation & resource use | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | As much waste as possible will be recycled aiming for 100%. |
| Pollution | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Sustainable procurement | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Energy and climate change | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| | | | | |
| (Please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |

| | Impact | | | |
|------------------------|-------------------------------------|--------------------------|--------------------------|--|
| Risk management | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | There is a risk that the appointed supplier could fail during the duration of the contract. This is low risk due to the relatively short nature of the contract and the planned nature of the works. In addition to this the Council is not investing in the supplier and so the risk is one of service continuity rather than financial, which is further mitigated by the fact the work is planned not responsive in nature. |

| |
|---|
| Recommendations from impact assessment |
| Positive |
| |
| Negative |
| |
| Neutral |
| |
| Issues |
| |

