



Cabinet

Agenda

Tuesday, 28th February, 2017
at 5.30 pm

in the

Committee Suite
King's Court
Chapel Street
King's Lynn

Borough Council of
**King's Lynn &
West Norfolk**



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CABINET AGENDA

DATE: CABINET - TUESDAY, 28TH FEBRUARY, 2017

VENUE: COMMITTEE SUITE, KING'S COURT, CHAPEL STREET, KING'S LYNN

TIME: 5.30 pm

As required by Regulations 5 (4) and (5) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 - Items (appendix 2 to 16 & 17) below will be considered in private.

Should you wish to make any representations in relation to the meeting being held in private for the consideration of the above item, you should contact Democratic Services

1. MINUTES

To approve the Minutes of the Meeting held on 31 January 2017 (previously circulated).

2. APOLOGIES

To receive apologies for absence.

3. URGENT BUSINESS

To consider any business, which by reason of special circumstances, the Chairman proposes to accept, under Section 100(b)(4)(b) of the Local Government Act 1972.

4. DECLARATIONS OF INTEREST

Please indicate if there are any interests which should be declared. A declaration of an interest should indicate the nature of the interest (if not already declared on the Register of Interests) and the agenda item to which it

relates. If a disclosable pecuniary interest is declared, the member should withdraw from the room whilst the matter is discussed.

These declarations apply to all Members present, whether the Member is part of the meeting, attending to speak as a local Member on an item or simply observing the meeting from the public seating area.

5. CHAIRMAN'S CORRESPONDENCE

To receive any Chairman's correspondence.

6. MEMBERS PRESENT UNDER STANDING ORDER 34

To note the names of any Councillors who wish to address the meeting under Standing Order 34.

7. CALLED IN MATTERS

To report on any Cabinet Decisions called in.

8. FORWARD DECISIONS (Pages 6 - 8)

A copy of the Forward Decisions List is attached

9. MATTERS REFERRED TO CABINET FROM OTHER BODIES

To receive any comments and recommendations from other Council bodies which meet after the dispatch of this agenda.

10. DATA QUALITY POLICY STATEMENT AND STRATEGY (Pages 9 - 22)

11. REVIEW OF ANTI FRAUD DOCUMENTS (Pages 23 - 68)

12. TREASURY MANAGEMENT STRATEGY STATEMENT, MINIMUM REVENUE PROVISION POLICY & ANNUAL INVESTMENT STRATEGY 2017/18 (Pages 69 - 88)

13. KING'S LYNN - TRANSFER OF LAND FOR PROPOSED SCHOOL (Pages 89 - 94)

14. COMMUNITY HOUSING FUND (Pages 95 - 101)

15. KING'S LYNN COASTAL COMMUNITY TEAM (Pages 102 - 113)

16. KING'S LYNN HERITAGE ACTION ZONE (Pages 114 - 123)

17. EXCLUSION OF THE PRESS AND PUBLIC

The Cabinet is asked to consider excluding the public from the meeting under

section 100A of the Local Government Act 1972 for consideration of the Heritage Action Zone Appendix 2 and the following report on the grounds that they involve the likely disclosure of exempt information as defined by paragraph 3 of Part 1 of Schedule 12A to the Act, and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

PRIVATE ITEM

Details of any representations received about why the following reports should be considered in public will be reported at the meeting.

18. ELY AREA CAPACITY ENHANCEMENT - FEASIBILITY STUDY (Pages 124 - 128)

To: Members of the Cabinet

Councillors A Beales, R Blunt, N Daubney, I Devereux, A Lawrence, B Long (Chairman), Mrs K Mellish and Mrs E Nockolds (Vice-Chairman)

For Further information, please contact:

Sam Winter, Democratic Services Manager 01553 616327
Borough Council of King's Lynn & West Norfolk
King's Court, Chapel Street
King's Lynn PE30 1EX

FORWARD DECISIONS LIST

Date of meeting	Report title	Description of report	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
28 February 2017	Data Quality Policy Statement and Strategy		Non	Cabinet	Systems and Economic Development Exec Dir – D Gates		Public
	Review of Anti-Fraud Documents		Non	Council	Leader Asst Exec Dir – L Gore		Public
	Treasury Management Strategy		Key	Council	Leader Asst Exec Dir – L Gore		Public
	King's Lynn Coastal Community Team		Non	Cabinet	Systems and Economic Development Exec Dir – C Bamfield		Public
9	King's Lynn Heritage Action Zone		Non	Cabinet	Corporate Projects and Assets Exec Dir – C Bamfield		Public report Appendix - Private - Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)
	School site at Lynnsport		Key	Council	Corporate Projects and Assets Exec Dir – C Bamfield		Public
	Community Housing Fund		Key	Cabinet	Housing and Community Chief Executive		Public
	Ely Area Capacity Enhancement – Feasibility Study		Non	Cabinet	Systems and Economic Development Chief Executive		Public

Date of meeting	Report title	Description of report	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
11 April 2017	Staff Pay Award 2017/18		Non	Cabinet	Human Resources and Shared Services Exec Dir – D Gates		Public
	Safeguarding Policy		Non	Council	Human Resources and Shared Services Exec Dir – D Gates		Public
	Lynnsport Phase 3		Key	Council	Corporate Projects and Assets Exec Dir – C Bamfield		Public
7	Hunstanton Prosperity Coastal Community Team incorporating Notice of Motion – Coastal Economy		Non	Cabinet	Systems and Economic Development Exec Dir – C Bamfield		Public
	Members Code of Good Practice for Planning		Non	Council	Development Asst Dir – S Ashworth		Public
	Planning Scheme of Delegation		Non	Council	Development Asst Dir- S Ashworth		Public
	Electoral Review		Key	Council	Leader Chief Executive		Public
	Norfolk Strategic Framework		Key	Council	Development Exec Dir – G Hall		Public
	Outer Purfleet		Non	Cabinet	Corporate Projects and Assets Exec Dir – C Bamfield		Private - Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)
	Local Lottery		Non	Cabinet	Culture Heritage and Health Asst Dir – L Gore		Public

Date of meeting	Report title	Description of report	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
23 May 2017	Riverfront Delivery Plan		Key	Cabinet	Corporate Projects and Assets Exec Dir – C Bamfield		Public

Date of meeting	Report title	Description of report	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
27 June 2017							
∞	Waterfront Regeneration – Preferred Options		Key	Cabinet	Corporate Projects and Assets Exec Dir – C Bamfield		Private - Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)

Date of meeting	Report title	Description of report	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
1 August 2017							

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Mandatory	(a) Be entirely within cabinet's powers to decide	YES	
		(b) Need to be recommendations to Council	NO	
N/A		(c) Be partly for recommendations to Council and partly within Cabinets powers	NO	
Lead Member: Cllr Nick Daubney E-mail: Cllr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Debbie Gates E-mail: Debbie.gates@west-norfolk.gov.uk Direct Dial: 01553 616605		Other Officers consulted: Management Team, Policy, Personnel and Performance Manager		
Financial Implications NO	Policy/Personnel Implications NO	Statutory Implications YES	Equal Impact Assessment NO	Risk Management Implications YES

Date of meeting: 28 February 2017

DATA QUALITY POLICY STATEMENT AND STRATEGY**Summary**

This report presents to Cabinet an updated 'Data Quality Policy Statement and Strategy' which is for use across the authority.

Data of good quality ensures a solid foundation for decision making processes and having such a policy / strategy document forms part of the Council's governance arrangements.

The document was last reviewed in 2012 and following the change to portfolio areas during 2016/17 and the adoption of the Corporate Business Plan it is right to review and refresh it. **There has been only one change to the policy statement itself;** this is the addition of an extra piece of legislation that the Council is bound by. For this reason, the refresh of the Policy Statement will not need to be taken to Full Council.

Some changes have been made to the strategy to reflect current practice, the updated Corporate Business Plan and changes to role titles. A 'tracked changes' version of the document is attached for ease of reference.

Recommendation

1. It is recommended that the attached Data Quality Policy Statement and Strategy, dated February 2017 be agreed by Cabinet.
2. It is recommended that delegated authority be given to the Executive Director, Central and Community Services, in conjunction with the Portfolio Holder for Systems and Economic Development to agree changes / updates in future years.

Reason for Decision

To ensure the Council has in place a policy statement and strategy which outlines its approach, confirms its understanding of the importance of data quality and demonstrates its commitment to being consistent in its management of data quality within the organisation and in partnership with others.

1.0 Background

- 1.1 The Council has had a Data Quality Strategy in place since 2006.
- 1.2 Data of good quality ensures a solid foundation for decision making processes and having such a policy / strategy document evidences that the Council understands the importance of data quality and is committed to adhering to the 7 principles of data quality.
- 1.3 Having a policy statement and strategy in place forms part of the Council's governance arrangements. The document shows that the Council understands the importance of data quality and is committed to it.

2.0 Scope

- 2.1 The Data Quality Policy Statement and Strategy covers all data and information within the Council, not just specifically performance data. The Strategy highlights that whilst ultimate responsibility for data quality lies with the Executive Director, Central Services and the Portfolio Holder for Systems and Economic Development, data quality is in fact the responsibility of every member of staff entering, extracting or analysing data from any of the Council's systems.

3.0 The Policy Statement

- 3.1 The Policy Statement is a one page statement which was adopted by Full Council in April 2012. It outlines that the Council understands the importance of data quality and is committed to being consistent in its management of data quality within the organisation and in partnership with others, ensuring that the data produced adheres to the 7 principles of data quality.
- 3.2 There has been only one change to the policy statement itself; this is the addition of an extra piece of legislation that the Council is bound by – the Privacy and Electronic Communications Regulations 2003. For this reason, the refresh of the Policy Statement will not need to be taken to Full Council.

4.0 The Strategy

- 4.1 The Strategy covers aspects of data quality which are already in place, but reaffirms the requirements and highlights the standards which underpin good quality data. It also outlines how the Council will ensure these standards continue.
- 4.2 Reporting accurate information is important for informed decision making and performance reporting. Good quality data and presentation is essential since it provides information on which Councillors, staff and external stakeholders rely.

- 4.3 The document will be available to all Councillors and staff on Insite (the Council's intranet).

5.0 Policy Implications

- 5.1 The Policy is a one page statement within the document which states the Council's policy position on the issue. It was adopted by Council in April 2012. It outlines that the Council understands the importance of data quality and is committed to being consistent in its management of data quality within the organisation and in partnership with others, ensuring that the data produced adheres to the 7 principles of data quality.
- 5.2 No changes have been made to the actual Policy Statement since its adoption in April 2012, although one additional piece of legislation has been added. This makes no material change to the Council's policy position.
- 5.3 The document will underpin the Corporate Business Plan and Performance and Corporate Monitoring reports.

6.0 Financial Implications

- 6.1 There are no financial implications, the attached refreshed document is building on existing good practice in place across the authority.

7.0 Staffing Implications

- 7.1 Where applicable, responsibilities around the quality of data are contained within Job Descriptions.

8.0 Statutory Considerations

- 8.1 The Data Quality Policy Statement and Strategy provides assurance that we are meeting our statutory duty to continuously improve our services.

9.0 Equality Impact Assessments (EIA)

- 9.1 As there is no change to the Council's policy position, an Equality Impact Assessment is not required.

10.0 Risk Management

- 10.1 The Data Quality Policy Statement and Strategy assists the Council to manage the risks associated with poor quality data. Having robust arrangements in place to ensure data is accurate, timely and readily available, will allow managers and Councillors to make informed decisions.

11.0 Background Papers

2012 Data Quality Strategy (Cabinet in April 2012)



Data Quality Policy Statement and Strategy

February 2017

Introduction

I have overall portfolio responsibility for the Council's performance management and data quality arrangements. Data of good quality ensures a solid foundation for decision making processes and as an authority, we place great emphasis on our data quality arrangements.

This document contains a policy statement, which outlines the Council's position on the matter. Information produced by the authority is used extensively, both for decision making internally and by Central Government, for example, by DEFRA, the Food Standards Agency and the Department for Communities and Local Government.

Good quality decision making will help us achieve the actions and work towards the outcomes outlined in the 2015/16 – 2019/20 Corporate Business Plan adopted by Council in February 2016.

Cllr Nick Daubney

Portfolio Holder, Systems and Economic Development

Background

The Council has had a Data Quality Strategy in place since.

Local Government is required to provide data and information to various agencies through the 'Single Data List'¹.

This Data Quality Policy Statement and Strategy document outlines the approach adopted by the Borough Council of King's Lynn & West Norfolk to maintain and improve data quality arrangements.

We aim to ensure that all the data the Council provides and uses is 'right first time'. All staff involved in the collection, collation and reporting of any data, including data relating to performance, have a responsibility to ensure that it can be relied upon and Service Managers should ensure they have sound procedures in place and adequate training and guidance is provided for staff.

Data Quality is a cross cutting issue across the organisation. The strategy within this document sets out the corporate framework for the management and accountability of data quality and aims to ensure a consistently high standard of data production and use across the Council's Directorates.

Debbie Gates

Executive Director, Central & Community Services

For further information, support or guidance, please contact the Performance & Efficiency Team: Vanessa Dunmall ext 6804; Debbie Ess ext 6282

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¹ A catalogue of all the datasets that local government must submit to central government in a given year: <https://www.gov.uk/government/publications/single-data-list>
<http://www.communities.gov.uk/localgovernment/decentralisation/tacklingburdens/singledatalist/>

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1. Data Quality Policy Statement

1.1 The Borough Council of King's Lynn & West Norfolk understands the importance of data quality and is committed to being consistent in its management of data quality within the organisation and in partnership with others.

1.2 The Borough Council of King's Lynn & West Norfolk is committed to ensuring that the data it produces adheres to the 7 principles of data quality:

Accurate: All data should be accurate for its intended purpose, represented clearly and in enough detail to enable informed decision making

Valid: All data should be recorded and used in accordance with relevant requirements, rules and definitions to ensure consistency across the board

Reliable: All data should reflect stable and consistent collection methods

Timely: All data must be available for its intended use within a reasonable time period, it must be available quickly and frequently enough to support information needs

Relevant: All data should be relevant to the purpose for which it is used

Complete: All relevant data should be recorded in its entirety, avoiding gaps in data and duplication of data

Secure: All data should be stored securely and confidentially where appropriate

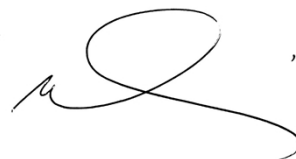
1.3 It is the responsibility of all staff that input, store, retrieve or otherwise manage data to ensure that it is of the highest quality and to comply with the above principles.

1.4 The Borough Council of King's Lynn & West Norfolk will comply with all legislation affecting the creation and processing of data. This includes but is not limited to:

- The Data Protection Act 1998
- The Freedom of Information Act 2000
- The Human Rights Act 1998
- The Computer Misuse Act 1990
- The Privacy and Electronic Communications Regulations 2003



Cllr Nick Daubney
Portfolio Holder, Systems and



Ray Harding
Chief Executive

Economic Development

28th February 2017

28th February 2017

2. Data Quality Strategy

- 2.1 This strategy sets out standards for ensuring that we improve the accuracy, validity, reliability, timeliness, relevance, completeness and security of information we use to manage our services. It outlines the approach adopted by the Council in order to maintain and improve its data quality arrangements.
- 2.2 Good quality data is essential to support decision making and improved service outcomes. Data that is accurate, timely and readily available allows managers and Councillors to make informed decisions. Our data must be fit for purpose and accurate; however we must strike a balance between the value of good quality, timely information and the cost of collection.
- 2.3 Arrangements for data quality form part of corporate performance management and governance arrangements which focus upon achieving the Council's aims and objectives.
- 2.4 This strategy sets out the importance of the quality of the data that we use and our approach to improving it across the Council, in order to help with working towards the outcomes detailed in the Corporate Business Plan² and across all our services. It also provides guidance on management arrangements for ensuring we collect quality data.

3. Scope

- 3.1 This strategy is intended to cover all data that is entered onto computerised systems within the Council as well as any paper-based records. It covers data relating to service users, the delivery of services, financial management, service management, performance management, corporate governance and communications. In this regard, it should be noted that this policy is not restricted to just performance indicators.
- 3.2 Service user data is held on a number of information systems owned by the Council or accessed under Service Level Agreements with partner organisations. The Council also operates a range of information systems that support its business processes. This strategy applies to all staff who use, or supply data that is input to, those systems. It outlines good practice and identifies the roles and responsibilities of both the Authority and its staff in terms of data quality.
- 3.3 As a local authority, we aim to provide services at appropriate levels of quality for residents and service users, whilst reducing costs. The priorities we want to work towards during the period 2015/16 to 2019/20, detailed in our Corporate Business Plan, are
 - Provide important local services within our available resources
 - Drive local economic and housing growth
 - Work with our communities to ensure they remain clean and safe
 - Celebrate our local heritage and culture

² See the Corporate Business Plan at https://www.west-norfolk.gov.uk/info/20163/corporate_performance_and_transparency/450/corporate_business_plan

- Stand up for local interests within our region
- Work with our partners on important services for the Borough

The Data Quality Strategy supports achievement of the Corporate Business Plan and is a cross cutting issue across the authority.

4. Responsibilities

- 4.1 The **Portfolio Holder for Systems and Economic Development** has overall responsibility for the strategic management of data quality in the organisation.
- 4.2 The **Executive Director, Central & Community Services** has overall responsibility for the operational management of data quality.
- 4.3 The **Chief Executive and Executive Directors** (individually and/or collectively) have responsibility for ensuring that their Directorate has effective data processes in place for dealing with service user data, monitoring information on performance and for ensuring that operational responsibilities for data quality have been delegated to individuals.
- 4.4 **Service Managers** are responsible for contributing to the integration of performance management into their area and for ensuring the quality of all data collected and reported within their areas of responsibility.
- 4.5 The **Performance & Efficiency Team** supports performance management and data quality overall within the Council. Support is also provided to Directorates in the creation of data processes that support monitoring, including advice and guidance regarding the collection and calculation of data for performance indicators.
- 4.6 **Internal Audit** provides an independent review of the corporate approach to data quality arrangements. If data quality issues are identified through the course of an audit, whether linked to performance indicator data or not, this will be raised in reports produced.
- 4.7 **Managers / Supervisors / Team Leaders** ensure that their staff have access to and are familiar with corporate requirements and departmental procedures on data quality. General responsibilities relating to data quality, where appropriate to the role, are outlined in individual Job Descriptions.
- 4.8 The **Corporate Induction** process, which is completed by employees at the commencement of their employment, ensures that new staff are made aware of data protection and freedom of information requirements, both of which underpin the quality, use and accuracy of data.
- 4.9 **All staff** have a responsibility to ensure that all data collection and input processes should have an audit trail. Any training and development issues identified in the course of data entry, reporting or during an audit (whether internal or external) should be addressed promptly.
- 4.10 All staff will be made aware of the authority's Whistleblowing policy³. This will allow individuals who may have concerns about the quality of

³ http://insite.west-norfolk.gov.uk/corporate_documents/Council%20Policies/Whistleblowing%20Policy%20-%20May%202014.pdf

data and experience difficulties in resolving them in the normal way, the opportunity to relay them to an appropriate senior member of staff.

5. Standards

- 5.1 There are a number of standards that underpin good data quality. Failure to work to these standards introduces the possibility of inaccuracies and therefore poor data quality. These standards are outlined below.

- 5.2 **Awareness and responsibilities:** Ultimate responsibility for data quality lies with the Executive Director, Central & Community Services and the Portfolio Holder for Systems and Economic Development . However, data quality is the responsibility of every member of staff entering, extracting or analysing data from any of the Council's information systems. Every relevant officer should be aware of their responsibilities with regard to data quality. The commitment to data quality will be communicated clearly throughout the Council to reinforce this message.

Some officers will have overall responsibility for the quality of data on a particular system but this does not exempt others from the responsibility to ensure that data is accurate and up to date.

Responsibility for data quality should be reflected in job descriptions and the Performance Management appraisal process. Managers are encouraged to ensure that suitable appraisal targets are set and paragraphs relating to Data Quality are included in job descriptions as appropriate.

- 5.3 **Validity:** Data validity is the correctness and reasonableness of data. All data held on the Council's data systems must be valid. Wherever possible, computer systems will be programmed to only accept valid entries. Examples of this may include data where the number must fall within a specific range of numbers, or a date format, and controls can be put in place where only the correct format of information is accepted.

Data should be relevant and appropriate to the purpose for which it is required. It should be capable of answering the right question.

- 5.4 **Completeness:** All mandatory data should be completed and up to date. Use of default data and codes will only be used where appropriate and not as a substitute for real data. Missing data should be reported back to the relevant Manager for immediate follow up.

- 5.5 **Consistency:** Data use should be consistent and there must be adequate controls over the input of data. This should include formats (such as names) as well as the data itself. Systems-produced figures or information is only as good as the data input into that system in the first place. It is important that clear guidelines and procedures for using systems exist and that staff are adequately trained to ensure that information is being entered consistently and correctly. Where appropriate, and to maintain consistency, data is reused where it is known to be accurate rather than duplicating processes which increases the chances of inconsistency.

- 5.6 **Coverage:** Data is used across all Council operations. Managers are responsible for ensuring that internal checks are undertaken regularly to identify missing or incomplete data. These data quality standards will

apply to all data and systems within the Council.

- 5.7 **Accuracy:** Data requirements should be designed along the principle of 'getting it right first time', or 100% accuracy 100% of the time, in order to avoid waste in the form of time and money spent on cleansing data, interfacing between different information systems, matching and consolidating data from multiple databases, and maintaining outdated systems.

Even where there are controls over input of data, to minimise errors a verification procedure should exist close to the point of data input. The frequency of checks should be consistent with the complexity of the data and frequency of data reporting.

The simplest verification system might be a review of recent data against expectations, or a reconciliation of systems-produced data with manual input records. Depending on the complexity of the system, it might be necessary to undertake more thorough verification tasks, such as:

- data cleansing, for example, to remove duplicate records, to fill in missing information or to ensure a consistent format;
- sample checks to eliminate reoccurrence of a specific error, for example, checking one field of data that is pivotal to a Performance Indicator against documentation, for a sample of cases;
- a test run of a report output, to check the integrity of the query being used to extract data; and
- spot checks.

- 5.8 **Timeliness:** A key requirement is that data should be entered on an ongoing basis and not stored up to be entered in a block at the end of a period. This reduces the error rate and the need for complex verification procedures.

All data should be recorded and input in a timely manner, which will enable that data to be collected and reported in line with internal and external deadlines.

- 5.9 **Reliability:** Data should reflect stable and consistent collection processes across collection points, whether using manual or computer-based systems, or a combination.

Managers should be confident that progress against performance targets reflects real variations rather than changes in data collection approaches or methods.

6. Performance data

- 6.1 At a corporate level, the Council monitors a suite of performance indicators, as well as achievement across the organisation against the priorities outlined in the authority's Corporate Business Plan. The information is reported to Councillors and staff through the Council's Intranet, Insite, and also to the Corporate Performance panel on a regular basis. The data for these performance reports are provided by departments to the central Performance & Efficiency team.

- 6.2 Data for the Performance Indicator report is keyed by data collectors in individual departments into a database internally devised during 2011, which is held on the Insite system. The Performance & Efficiency team provide guidance for the data collectors and controls are in place between data collectors and the Performance & Efficiency team to ensure the data is robust.

7. Monitoring, assurance and review

- 7.1 Data quality will be subject to internal control, monitoring and review in the following ways:
- Data will be checked within departments prior to being reported.
 - Internal audits will be conducted where areas of high risk to internal controls have been identified. Recommendations will be produced, implemented and reported in line with agreed audit arrangements.
 - The Corporate Risk Register details major corporate risks which include items related to data, for example, risks such as loss of data, access to data during large scale change, etc. The register is reviewed by Management Team on a half-yearly basis and changes reported to the Audit Committee.
 - The Council will act on enquiries made by service users in relation to the quality of data reported and will undertake remedial action suggested by external inspectors where appropriate.
 - In addition to regular 'reasonableness' checks made each quarter on receipt of performance data, the Performance & Efficiency team will undertake
 - spot checks (made through a risk based approach) on data provided for the purposes of performance reporting;;
 - an annual verification check on the base data used, where Service Managers will be asked to confirm that the data submitted is accurate.
 - Any issues identified relating to data quality will be integrated with reports on performance and considered by the relevant Executive Director, who will put in place actions regarding the improvement of data quality.

This policy statement and strategy will be reviewed every four years in the year following a new Corporate Strategy / Business Plan or sooner if deemed appropriate.

REPORT TO CABINET

Open		Would any decisions proposed :			
Any especially affected Wards	Operational	Be entirely within Cabinet’s powers to decide		NO	
		Need to be recommendations to Council		YES	
		Is it a Key Decision		NO	
Lead Member: Cllr Nick Daubney E-mail: cllr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted:			
		Other Members consulted:			
Lead Officer: Kate Littlewood E-mail: kate.littlewood@west-norfolk.gov.uk Direct Dial:01553 616252		Other Officers consulted: Management Team and Legal Services Manager.			
Financial Implications NO	Policy/Personnel Implications YES	Statutory Implications YES	Equal Impact Assessment NO	Risk Management Implications YES	

Date of meeting: 28th February 2017

REVIEW OF THE ANTI-FRAUD AND ANTI-CORRUPTION STRATEGY, WHISTLEBLOWING POLICY AND FRAUD RESPONSE PLAN

Summary

The Anti-Fraud and Anti-Corruption Strategy, Whistleblowing Policy and Fraud Response Plan were last reviewed comprehensively in 2014. They are now due for the 3-yearly review and update.

Recommendation

1) That Cabinet recommends that Council agree the proposed Anti-Fraud and Anti-Corruption Strategy, Fraud Response Plan and Whistleblowing Policy.

2) That delegated authority be given to the Assistant Director – Resources in consultation with the Cabinet Member with responsibility for Anti Fraud and Corruption to update the documents in the future following consultation with the Audit Committee.

Reason for Decision

To bring the anti-fraud documents up-to-date to reflect current good practice.

1. Background

- 1.1 In order to achieve reasonable timing, the Cabinet report has been submitted before the Audit Committee have met to comment on the revisions. Cabinet will receive a verbal update of any comments from the Audit Committee.
- 1.2 The Council needs to remain vigilant in order to safeguard its resources and to protect its reputation. As a Council, we therefore need to raise awareness, deter and identify fraud. At the same time, it is essential to provide the means

by which employees, Members and anyone representing the Council, can raise legitimate concerns when they feel something has been done that is either illegal or improper.

- 1.3 The Council has always endeavoured to promote a culture of honesty, integrity and openness. This is reflected in its policies and strategies to deter and prevent fraud and corruption. Whilst the current documents are effective, it has been some time since a comprehensive review has taken place. In that time, some legislation has changed and key roles within the Council have moved to different personnel.

2. Main Changes to the Documents

- 2.1 The revised documents are attached, with tracked changes to highlight the changes made. Since 2014 several changes have taken place, which need to be reflected in the anti-fraud suite of documents as outlined below.
- 2.2 The work of the Benefits Enquiry Unit (BEU) on fraud relating to Benefits has transferred to the Single Fraud Investigation Service within the Department for Work and Pensions (DWP). Capacity for investigating fraud relating to Council Tax and Business Rates, as well as dealing with the National Fraud Initiative work, has been retained within the Council in the form of a Fraud Investigations Officer/ Internal Auditor role. Reference to the investigation of Benefit fraud has been removed from the documents.
- 2.3 The Deputy Chief Executive has left the Council and his responsibilities in relation to anti-fraud and whistleblowing have been transferred to the Assistant Director (s151 Officer).
- 2.4 There has been a change in title for the Executive Director, Central Services to Executive Director, Central and Community Services.
- 2.5 There has been a change in the title of the Audit Committee from Audit and Risk Committee.

3. Policy Implications

The Council's anti-fraud documents will be up-to-date and fit for purpose for the future.

4. Financial Implications

There are no direct financial implications, but indirectly, if the anti-fraud documents are not effective, there could be repercussions as frauds are not prevented or detected.

5. Personnel Implications

The documents must be appropriately linked to the Council's Disciplinary Procedures, as any disciplinary hearing must be conducted in a manner that

is consistent with these procedures. It is essential that any internal investigation is both consistently carried out and is fair to any employee being investigated.

6. Statutory Considerations

The Accounts and Audit Regulations 2011 require the Council to ensure '*that the financial management of the body is adequate and effective and that the body has a sound system of internal control*'. The anti-fraud documents help to fulfil this requirement.

The Bribery Act 2010 places a responsibility on an organisation to take all practicable measures to prevent bribery.

7. Equality Impact Assessment (EIA)

There are no Equality implications.

8. Risk Management Implications

Fraud and corruption can result in financial losses to the Council.

A failure to respond appropriately could lead to a claim against the Council in an Employment Tribunal for unfair dismissal. This could expose the Council to additional cost, as well as the risk that any fraudster could continue to be employed by the Council as a result of a flawed investigation. There is also a risk that such a failure would result in adverse publicity for the Council.

9. Declarations of Interest / Dispensations Granted

None

10. Background Papers

Anti-Fraud and Anti-Corruption Strategy May 2014

Whistleblowing Policy May 2014

Fraud Response Plan May 2014



ANTI-FRAUD AND ANTI-CORRUPTION STRATEGY

The Council places great emphasis on ensuring all our business is undertaken in a clear and transparent way, and will not tolerate any behaviour which undermines ~~the~~ good governance

The Council abides by the Seven Principles of Public Life as laid down by the Committee on Standards in Public Life, namely:

1. Selflessness
2. Integrity
3. Objectivity
4. Accountability
5. Openness
6. Honesty
7. Leadership

Both Members and employees are expected to conduct themselves in ways which are beyond reproach, above suspicion and fully accountable.

All ~~al~~legations of fraud will be assessed and investigated as appropriate, and if proven, the strongest possible sanctions will be sought. This may include disciplinary action, prosecution, civil proceedings, or a combination of all.

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1. Introduction

This document sets out the Council's strategy in relation to fraud and corruption relating to the Council's business. It has the full support of the Council's Elected Members and the Corporate Management Team.

Suspected fraud relating to Housing Benefit and Council Tax Support, and Council Tax and Business Rates exemptions and discounts are covered by the 'Benefits and Revenues Fraud Policy'. Where such fraud is suspected, information should be passed to the Fraud Investigations Officer Unit within the Audit and Fraud Team either by completing the Fraud Referral form on the website <http://www.west-norfolk.gov.uk/default.aspx?page=21676> or by using the fraud hotline 0800 281 879. All referrals received will be assessed and investigated as appropriate.

Suspected fraud relating to Housing Benefit should be reported to the Department of Work and Pensions (DWP) on 0800 854 440 or by completing the DWP referral form on the website as given above.

However the overall stance remains the same:

The Council is committed to the elimination of fraud, corruption and theft, and to the promotion of high standards of conduct.

To deliver the Council's Corporate Strategy we need to maximise the financial and other resources available to us. In order to do this we must reduce fraud and misappropriation to an absolute minimum. The Council recognises its responsibility to protect public funds and we will therefore endeavour to implement secure systems and high standards of conduct.

We will take the strongest possible action against those who seek to defraud the Council. This includes Members, Officers, contractors, partners and any other external bodies who work on behalf of the Council.

2. What is Fraud?

'The intentional distortion of financial statements or other records by persons internal or external to the organisation, which is carried out to conceal the misappropriation of asset or otherwise for gain.' (CIPFA)

The Fraud Act 2006 created a general offence of fraud and introduced three possible ways of committing it:

1. **Fraud by false representation.**

A person is in breach of this section if this is done dishonestly and there is intent, by making the representation, to make a gain for themselves or another, or to cause or expose the risk of loss to another. For example, claiming expenses that have not been incurred in accordance with the Council's policies.

2. **Failing to disclose information.**

A person is in breach of this section if they dishonestly fail to disclose information which they are under a duty to disclose and intends to make a gain personally or for someone else or to cause or expose the risk of loss to another. For example, failing to disclose a personal interest when awarding contracts.

3. **Abuse of position.**

A person is in breach of this section if they occupy a position in which they are expected to safeguard, or not act against, the financial interests of another person, [and](#) dishonestly abuses that position with the intention of making a gain for themselves or another, or to cause or expose the risk of loss to another. For example, allowing family or friends to use Council assets free of charge.

In each case the deception does not have to be successful. It is sufficient that the person knowingly and dishonestly attempted the deception.

A person found guilty of fraud may be liable to imprisonment of up to 10 years or a fine up to £5,000, or both.

3. What is Corruption?

'Corruption is the offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions taken by the Council, its Members or employees.' (CIPFA)

The Bribery Act 2010 introduced four offences:

1. **The offence of bribing another person.**

This can occur where a person offers, promises or gives a financial or other advantage to another individual to perform improperly a relevant function or activity, or to reward a person for the improper performance of such a function or activity. It is not an issue whether the person given the bribe is the same person who will perform the function or activity concerned.

2. **The offence of being bribed.**

This is where a person receives or accepts a financial or other advantage to perform a function or activity improperly. It does not matter whether the recipient of the bribe receives it directly or through a third party, or whether it is for the recipient's ultimate benefit or not.

3. **Bribery of a foreign public official.**

This is where a person directly or through a third party offers, promises or gives any financial or other advantage to a foreign public official in an attempt to influence them as a public servant and to obtain or retain business, or any other related advantage in the conduct of business.

4. **A corporate offence of failure to prevent bribery.** A commercial organisation could be guilty of bribery where a person associated with the organisation, such as an employee, agent or even sub-contractor, bribes another person intending to obtain or retain business for the organisation or to obtain or retain an advantage in the conduct of business for the organisation.

A person found guilty under 1-3 may be liable to imprisonment of up to 10 years or unlimited fines, or both.

4. What is Theft?

A person is guilty of theft under the Theft Act 1968 if:

1. They dishonestly appropriate property belonging to another with the intent of permanently depriving the other of it. This applies to theft of personal property on Council premises as well as theft of Council assets.
or
2. They dishonestly retain a wrongful credit. For example they do not report and repay an overpayment of salary or expenses.

For the purpose of this document, the use of the word 'fraud' will be deemed to include 'corruption', 'bribery' and 'theft'.

5. The Council's Approach

The corporate framework (**Appendix 1**), which underpins the operation of the Council, has a number of facets that exist to protect the Council against fraud and corruption. The Anti-Fraud and Anti-Corruption Strategy underpins this framework.

This strategy defines the approach to managing the risk of fraud across the organisation and ensures best practice is embedded across all services, projects and partnerships. The Council will fulfil its responsibility to reduce fraud and protect its resources by focussing on the following areas:

1. Anti-fraud culture
2. Deterrence
3. Prevention
4. Detection
5. Investigation
6. Sanction
7. Redress

Each of these themes will be discussed below to demonstrate how they contribute to the strategy and how they work in practice.

6. Anti-fraud Culture

The Council must have a strong and recognised anti-fraud culture, where the leadership, both elected and employed, uphold the highest standards of conduct. Both Members and employees are expected to conduct themselves in ways which are beyond reproach, above suspicion and fully accountable. As such Members are bound by the Members' Code of Conduct and employees are directed by the '[Official Officer Code of](#) Conduct' contained in the Employee Handbook. In addition to this there is a special onus upon the Corporate Management Team and Cabinet to lead by example.

Roles and responsibilities in respect of fraud prevention and detection are shown in **Appendix 2**.

This Strategy will be available to all Members, employees, contractors and partners and will be supported by other relevant policies and guidance such as the Disciplinary Procedure and the Whistleblowing Policy.

7. Deterrence

The Council will seek the most appropriate sanction and redress against all those who commit fraud against the Council. Where appropriate we will publicise details of criminal convictions and provide statistical information in relation to disciplinary action to deter others who may consider committing such offences themselves.

All managers have a responsibility for ensuring that control measures are in place to minimise the risk of fraud and ensure all staff are aware of these procedures. Where effective controls are in place there is less opportunity to commit fraud, which in turn ~~may~~ acts as a deterrent.

8. Prevention

There are a number of key processes that can assist in the prevention of fraud, including:

1. Internal Control Systems
2. Employee recruitment and conduct
3. Joint working to prevent and combat fraud
4. The work of the Audit ~~and Risk~~ Committee

8.1 Internal Control Systems

Internal controls are in place to prevent fraud. It is the responsibility of all managers to establish and maintain systems of internal control and to assure themselves that those controls are properly applied as intended. This includes responsibility for the prevention and detection of fraud.

The Council implements strong systems of verification of all claims for all types of financial assistance. All data available will be used to corroborate information given by applicants for the purpose of prevention and detection of fraud. Grants and assistance given to external organisations will be monitored to ensure applications are genuine.

The Council also expects partners and contractors to have adequate controls and Whistleblowing procedures in place to minimise fraud and this will be written in to all contract terms and agreements.

The Audit and Fraud Team will ensure that an adequate and effective internal audit is undertaken of the Council's systems and processes, and will investigate allegations of fraud and corruption. Any system weaknesses that are identified as part of these investigations will be reported to the relevant manager and action plan agreed to remedy the issue. The Audit ~~and Risk~~ Committee will receive regular reports from the Audit Manager on the results of internal audits and any investigations, including follow-up on the implementation of agreed actions.

8.2 Employment recruitment and conduct

Recruitment procedures require that all applicants will provide evidence of any qualifications claimed and all references will be taken up. The right to work in this country will also need to be demonstrated where necessary.

All employees must abide by the Council's rules as contained in relevant policies and procedures. This expectation forms part of the employee's contract of employment. Employees are also expected to follow any additional Codes of Conduct of a professional body to which they are registered.

8.3 Joint working to prevent and detect fraud

The Council participates in data-matching exercise such as the National Fraud Initiative (NFI) and makes full use of its statutory powers to obtain information using bodies such as the National Anti-Fraud Network (NAFN) to identify possible instances of fraud.

8.4 Audit ~~and Risk~~ Committee

The Terms of Reference for the Audit ~~and Risk~~ Committee require it to '*consider the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements*'. As such the Committee receives regular reports from the Audit Manager ~~and the Investigations Manager~~ on work carried out, and considers the adequacy of the Council's policies relating to the prevention and detection ~~and of~~ fraud and corruption.

9. Detection

Whilst it is possible to reduce the potential for fraud within the Council, it is important to acknowledge that it is not possible to eradicate it. Therefore it is essential ~~that~~ Members and employees are aware of what to do should they detect or genuinely suspect a fraud has or is taking place. **The Fraud Response Plan provides guidance on what to do and who to report the matter to.**

Alternatively the **Whistleblowing Policy** enables employees to report cases of fraud and receive protection afforded by the Public Interest Disclosure Act 1998.

10. Investigation

All ~~allegations~~ of fraud will be assessed by the Audit Manager ~~and Investigations Manager together~~ with the relevant Executive Director, ~~Chief Financial Officer as Assistant Director (s151 Officer)~~ and Executive Director, Central ~~and Community~~ Services. The appropriate course of action will be agreed and if necessary an investigations team will be created depending on the circumstances in which the fraud has taken place. This may include staff from technical areas to provide specific insight into any relevant issues.

Allegations of fraud against Members which results in a complaint of misconduct under the Members' Code of Conduct will be dealt with in accordance with the Standards Committee's Local Assessment arrangements, established under the Standards Committee (England) Regulations 2008.

11. Sanction

The strongest available sanctions will be pursued against all who commit fraud against the Council. This may include disciplinary action, prosecution, civil proceedings or a combination

of all. The decision to recommend any or all of these sanctions will be made on a case by case basis, having regard to the nature and extent of the fraud and evidence available.

At the conclusion of the investigation a report will be written, concluding on whether there is a case to answer. The final decision on the course of action to be taken will be made by the Executive Director concerned. Any decision to refer the matter to the police will be taken jointly by the ~~Chief Financial Officer~~ asas Assistant Director (s151 Officer), Executive Director Central and Community Services and the relevant Executive Director of the service affected.

12. Redress

In cases of proven fraud, the Council will seek to recover any monies and will use all means available to recover these amounts. This can include freezing assets, Compensation Orders, Confiscation Orders, Civil Litigation and general debt recovery according to the circumstances of the fraud.

Where a criminal conviction has been secured, the Council will seek a Compensation Order through the Courts and also consider using the Proceeds of Crime Act 2002 to recover losses.

13. Strategy Review

This strategy will be formally reviewed every 3 years to ensure it remains relevant and fit-for-purpose. However if there are any relevant changes in legislation or circumstances in between formal reviews, the strategy will be amended as necessary to reflect these. Where these changes are administrative in nature, and do not substantially change the nature of the strategy, the ~~Chief Financial Officer~~ asas Assistant Director (s151 Officer) will approve them and inform the Audit ~~and Risk~~ Committee. Substantial changes which change the nature of the strategy will be reported to Cabinet.

Next formal review date – ~~February 2017~~ XXXXXX.

APPENDIX 1 – THE CORPORATE FRAMEWORK

- The Constitution (including Financial Regulations, Contract Standing Orders and the Scheme of Delegation)
- An established Audit ~~and Risk~~ Committee
- An established Standards Committee and an adopted Code of Conduct for Members.
- Members formally signing a declaration accepting the terms of the Code of Conduct
- Employee rules of conduct contained within the relevant policies and procedures, including '~~Official~~Officer Code of Conduct' in the Employee Handbook.
- Employees' Conditions of Service
- An Officer appointed under Section 151 of the Local Government Act 1972, with statutory responsibility for the oversight of all financial affairs
- An Officer, appointed as Monitoring Officer under Section 5 of the Local Government and Housing Act 1989, with statutory responsibility for monitoring the legality of the Council's affairs
- Register of Interests, and Gifts and Hospitality procedures for Members and employees
- Effective employee vetting procedures (recruitment and Disclosure and Barring Service (DBS) checks where appropriate)
- A Corporate Induction programme for all employees which includes expected standards of probity
- Effective disciplinary procedures
- An Internal Audit function with responsibility for assessing and testing the Council's control environment, including a Fraud Investigations Officer
- A Whistle-blowing policy
- An Anti-Fraud and Anti-Corruption Strategy
- A Fraud Response Plan
- A Complaints Procedure available to the public
- Public inspection of accounts and questions to the External Auditor
- An External Audit function
- ~~A dedicated Investigations Service~~
- Participation in national anti-fraud initiatives
- The promotion of awareness of anti-fraud measures, reinforced by publicity
- Proactive ICT security measures.

APPENDIX 2 – ROLES AND RESPONSIBILITIES

The table below lists specific roles and responsibilities in respect of the prevention and detection of fraud.

However it must be emphasised that all Members and employees have a role to play in preventing and detecting fraud. The Fraud Response Plan provides guidance on what to do if evidence of a fraud is found or if a fraud is suspected.

Role	Responsibility
All Councillors	<ul style="list-style-type: none"> • Uphold the highest standards of conduct and conduct themselves in ways that are beyond reproach. • Demonstrate a commitment to this Strategy and ensure it has the appropriate profile within the Council. • Facilitate an Anti-Fraud and Anti-Corruption culture.
All Employees	<ul style="list-style-type: none"> • Uphold the highest standards of conduct and conduct themselves in ways that are beyond reproach. • Understand and comply with the Council's Anti-Fraud and Anti-Corruption Strategy. • Understand their responsibility to report suspected fraud or corruption and how to do it. • Understand the need to declare any interests that may conflict with their work for the Council.
Cabinet	<ul style="list-style-type: none"> • To approve the Anti-Fraud and Anti-Corruption Strategy • Ensure the Strategy is effectively implemented across the Council.
Audit and Risk Committee	<ul style="list-style-type: none"> • To monitor and review the effectiveness of the Council's risk management arrangements, internal controls and related counter fraud arrangements.
Chief Executive	<ul style="list-style-type: none"> • Ensure that there is strong political and executive support for work to counter fraud and corruption. • Ensure consistency across Directorates in the implementation of this Strategy.
Deputy Chief Executive	<ul style="list-style-type: none"> • Executive Director with specific responsibility for the investigation and detection of fraud. • To ensure the Anti-Fraud and Anti-Corruption Strategy is reviewed and maintained at appropriate intervals.
Monitoring Officer	<ul style="list-style-type: none"> • To report on matters she believes are, or are likely to be, illegal or amount to maladministration. • To be responsible for matters relating to the conduct of Councillors and employees. • To be responsible for the operation of the Council's Constitution.
Assistant Director (Section 151 Officer) (currently the Chief Financial Officer)	<ul style="list-style-type: none"> • Executive Director with specific responsibility for the investigation and detection of fraud. • To ensure the Anti-Fraud and Anti-Corruption Strategy is reviewed and maintained at appropriate intervals. • Ensure that those working to counter fraud and corruption are undertaking the work in accordance with a clear ethical framework and standards of personal conduct. • Ensure that those working to counter fraud and corruption are professionally trained and accredited for their role and attend regular refresher courses to ensure they are up to date with new developments and legislation. • Ensure that there is a level of financial investment in counter

APPENDIX 2 – ROLES AND RESPONSIBILITIES

	<p>fraud and corruption work that is proportionate to the risk identified.</p> <ul style="list-style-type: none"> • Ensure that reports on investigations include a section on identified internal control weaknesses that enabled the fraud to take place and action to be taken to correct the weakness where appropriate.
Executive Director, Central and Community Services	<ul style="list-style-type: none"> • Ensure there are effective recruitment procedures in place, implemented by appropriately trained officers. • Ensure employment policies support the Anti-Fraud and Anti-Corruption Strategy. • Ensure effective and appropriate sanctions are applied in all relevant cases.
Executive Directors	<ul style="list-style-type: none"> • Ensure the risks of fraud and corruption are identified and procedures implemented to reduce the risk to an acceptable level. • Ensure the Anti-Fraud and Anti-Corruption Strategy is implemented within their Directorate. • Ensure the risk of fraud and corruption is considered in all new processes and appropriate procedures implemented. • Determine the appropriateness of gifts and hospitality offered to employees within their Directorate.
Managers	<ul style="list-style-type: none"> • Ensure all their employees are aware of their responsibilities under the Anti-Fraud and Anti-Corruption Strategy. • Ensure all their employees are aware of all relevant policies and procedures relating to official conduct of Council business. • Ensure all their employees are aware of, and understand, the Whistleblowing Policy and arrangements, and the process for reporting fraud. • Ensure accurate and timely reporting of gifts and hospitality.
Audit and Fraud Team	<ul style="list-style-type: none"> • Support Executive Directors and Managers in identifying and mitigating risks for fraud and corruption. • Undertake a planned programme of internal audits to examine the system of internal controls and agree actions to correct any identified weaknesses. • Undertake data matching exercises with national bodies and investigate results for potential frauds. • Provide specialist skills in investigating allegations of fraud, especially where it may result in a prosecution.
Democratic Services Manager	<ul style="list-style-type: none"> • Ensure Members are aware of their obligations in respect of the Anti-Fraud and Anti-Corruption Strategy. • Ensure members are aware of, and abide by, their obligations in relation to probity. • Maintain a Register of Interests and a Register of Gifts and Hospitality for Members and employees.



FRAUD RESPONSE PLAN

What to do if you know, or suspect, a fraud has taken place, or is taking place, and who to report it to.

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1. **Introduction**

- 1.1 The Council is committed to protecting the public funds it has been entrusted with. Minimising the losses to fraud and corruption is an essential part of ensuring that all of the Council's resources are used for the purpose for which they are intended, namely the provision of high quality services to the citizens of the Borough. The Council has a range of policies and procedures that facilitate this process and form equally important parts of the Council's overall strategy. These include the Anti-Fraud and Anti-Corruption Strategy and the Whistleblowing Policy.
- 1.2 This document is intended to provide a framework for the reporting of and response to suspected cases of theft, fraud and corruption.
- 1.3 Investigation of suspected fraud, theft or corruption will be conducted in accordance with the Police and Criminal Evidence Act (PACE) 1984, the Criminal Procedure and Investigations Act (CPIA) 1996, the Human Rights Act 1998, the Regulation of Investigatory Powers Act (RIPA) 2000 and any other relevant legislation, including any Act or guidance which updates or supersedes any of these Acts.
- 1.4 **Appendix A** to this document provides an outline checklist that should be used to record significant events and information. As the case progresses, different officers will normally complete the document.

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2. **Scope of this Response Plan**

- 2.1 The scope of this response plan is not limited to fraud and corruption but is applicable to any suspected act of financial or other impropriety. This includes any act that puts the Council's resources at risk.
- 2.2 The exception to this ~~is-are~~ the arrangements concerning suspected frauds relating to Housing Benefit and Council Tax Support Fraud, and Business Rates which ~~are~~ dealt with in accordance with the Council's website guide for reporting Benefit such fraud ~~and in the Benefits and Revenues Fraud Policy. The Council's in-house Investigations Unit within the Audit and Fraud Team investigates these frauds.~~
- 2.3 Definitions of what types of action is covered by this Response Plan can be found in the Anti-Fraud and Anti-Corruption Strategy in Sections 2- 4
- 2.4 Anyone raising a concern (whether an employee, Councillor or member of the public) will be referred to as a whistleblower for the purposes of this Response Plan. ~~Anyone raising a concern (whether an employee, Councillor or member of the public) will be referred to as a whistleblower in this Response Plan.~~

|

| Date of Adoption: 6th May 2014XXXXXX
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3. **Reporting Suspicions**

3.1 If you have concerns you should not:

- Do nothing;
- Be afraid to raise your concerns – you will not suffer any recriminations from the Council as a result of raising a legitimate concern;
- ~~Do not~~;
- Directly approach or accuse individuals you have concerns about;
- Try to investigate the matter yourself. There are special rules surrounding the gathering of evidence for use in criminal cases. Any attempt to gather evidence by anyone not familiar with these rules could destroy the case;
- Convey your concerns to anyone not in the list in Section 3.2 below (you have a duty to maintain the confidentiality of the matter under investigation). However an employee may invite a trade union representative or work colleague to raise a matter on their behalf. Members may wish to consult with their party Leader before raising the matter.
- Raise vexatious concerns or concerns you know to be untrue – you could be disciplined if you do

3.2 If fraud or corruption is suspected, then the matter should be reported without delay. Employees should report to their Executive Director at the outset and retain all evidence. If it is thought that the Executive Director may be involved, or that there may be a conflict of interest, the matter should be reported directly to one of the following:

- Chief Executive;
- ~~Assistant Director (s151 Officer)~~ ~~Chief Financial Officer~~;
- Executive Director, Central ~~and Community~~ Services;
- Audit Manager ~~or Investigations Manager in the Audit and Fraud Team~~

3.3 Any Councillors, contractors or other person should inform either the Chief Executive or the ~~Assistant Director (s151 Officer)~~ ~~Chief Financial Officer~~ of their concerns.

3.4 If possible, concerns should be raised in writing, to ensure those conducting investigations properly understand and investigate the allegations. Written allegations should include the background, history and nature of the concern (including names and relevant dates and locations, where applicable) and the reason why the author is particularly concerned about the situation.

3.5 If it is not possible to put a concern in writing, the concern can be raised either by telephone or by meeting the appropriate officer as set out in Section 3.2 above. The earlier a concern is raised, the easier it is to take action.

3.6 Although whistleblowers are not expected to prove the truth of an allegation, they will need to demonstrate to the person contacted that there are sufficient grounds for the concern.

3.7 If in doubt, Public Concern at Work (www.pcaw.co.uk) will give confidential free and totally independent advice on how to proceed (contact whistle@pcaw.org or telephone 020 7404 6609).

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Field Code Changed

- 3.8 Concerns can also be raised anonymously (by letter or telephone), although these are normally given less weight than those concerns raised more formally.
- 3.9 Alternatively, whistleblowers can contact the Council's External Auditor (Ernst & Young) on 01223 394400 who is likely to liaise with any of the above.
- 3.10 ~~Suspected f~~Fraud relating to ~~Housing Benefit and~~ Council Tax Support, Council Tax and Business Rates exemptions and discounts should be referred ~~to the Investigations Unit within the Audit and Fraud Team~~ either by completing the Fraud Referral Form on the website:
<http://www.west-norfolk.gov.uk/default.aspx?page=21676>
 or by using the fraud hotline 0800 281-879.

4. **The Initial Response**

- 4.1 The action taken by the Council will depend on the nature of the concern and may be:
- Resolved by agreed action without the need for investigation;
 - Investigated internally;
 - Referred to the police or another investigating agency;
 - Referred to the external auditor.
- 4.2 As soon as a fraud or act of corruption is reported, the Executive Director receiving the concern will:
- Obtain a written record of the concerns from the person making the allegations. This should include:
 - Background details and nature of the suspicions (including relevant names, dates and locations);
 - Details of the job and areas of responsibility of the individuals implicated;
 - Why the person raising the matter is concerned;
 - Action taken to date, if any;
 - A description of the systems, controls and procedures that should be operating within the area where the fraud is alleged to be taking place.
 - Take care, at this stage, to ensure that the suspect(s) are not alerted to the potential investigation and the confidentiality of informants is not compromised;
 - Seek guidance from the ~~Assistant Director (s151 Officer)~~Chief Financial Officer, Executive Director Central ~~and Community~~ Services and the Audit Manager before taking any action including interviewing, or observing suspects in connection with the suspected act(s). This is to ensure that evidence is collected in a way that complies with relevant legislation and does not compromise the investigation and/or subsequent disciplinary procedures/prosecutions.

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- 4.3 The case will be discussed by the ~~–Assistant Director (s151 Officer) Chief Financial Officer~~, Executive Director, Central ~~and Community~~ Services and the Audit Manager, plus either the Personnel Services Manager (regarding allegations concerning employees) or the Monitoring Officer (regarding allegations concerning Councillors) and the relevant Executive Director (i.e. the Executive Director responsible for the work area in which the suspect works) to decide what action needs to be taken to investigate the allegation. The discussion will need to consider whether there needs to be an initial covert investigation. In order to initiate disciplinary/criminal proceedings against suspected financial misconduct, it is essential that evidence is secured in a legally admissible form, without alerting suspects at the outset of the investigation.

There are two main reasons for this:

- Evidence may be hidden or removed;
 - To avoid wrongly damaging the reputation of anyone suspected but subsequently found innocent of wrongful conduct.
- 4.4 Following this discussion and if it is decided that further information is required, the relevant Executive Director should appoint one or more Investigating Officers. The role of the Investigating Officer(s) is to:
- Identify the issues;
 - Establish the facts (e.g. Who, Why, Where, What, When and How?);
 - Decide whether there is a case to answer.
- 4.5 If an investigation is required, the relevant Executive Director will advise the Chief Executive. The Executive Director will also write to the whistleblower:
- Acknowledging that an investigation will be carried out, giving details as to who the investigating officer(s) will be;
 - Give an estimate of how long it will take to provide a final response;
 - Telling them whether any initial enquiries have been made;
 - Advising them that the investigation will be carried out in the strictest confidence.

If there is to be no investigation, give the reasons as to why not.

5. The Investigating Officer's Investigation

- 5.1 The Investigating Officer's investigation should be broadly structured as follows:
- Identify issues and appropriate interviewees;
 - Invite the whistleblower to a formal interview (ensuring that this is done in writing and advising them that they have the right to be accompanied) (NB The Council requires that any employee invited to be interviewed by an Investigating Officer must attend – a failure to do so may be considered a disciplinary offence);
 - Hold the interviews;
 - Obtain witness statements;
 - Validate/ analyse the evidence (either directly or indirectly);

- Review the evidence – has enough evidence been obtained to enable a recommendation as to whether there is a case to answer to be made?
 - is there a need to interview anyone else?
 - Draft a report and recommend either that there is or there is not sufficient evidence to support the allegation, but not recommend any particular course of action that should be taken by the relevant Executive Director;
 - Issue their report, together with the supporting evidence, to the commissioning Executive Director.
- 5.2 The amount of contact between the Investigating Officers and the whistleblower will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from the whistleblower. If required, initial meetings can be arranged to be held in a “neutral” location, to help preserve the anonymity of the whistleblower.
- 5.3 Whenever a meeting is arranged with an employee, the employee has the right, if they so wish, to be accompanied by a colleague or trade union official. Alternatively, some other person of their choice may accompany the employee, provided the presence of this person will not prejudice any hearing. If the employee is under the age of 18 years, then a parent or guardian would be encouraged to attend.
- 5.4 The Council will take steps to minimise any difficulties that a whistleblower may experience as a result of raising a concern. For instance, if they are required to give evidence in criminal or disciplinary proceedings, the Council will advise them about the procedure.
- 5.5 Investigating Officers should ensure that any evidence collected is stored securely at all times and is not tampered with; that no marks are made on original documents and a record is kept of anyone handling evidence. The Data Protection Act should be complied with at all times. If appropriate and practicable, any IT equipment that may hold evidence should be secured and the contents reviewed (including any networked data areas) by or with the assistance of the ICT Section.
- 5.6 Staff responsible for interviewing suspect(s) should be trained in the requirements of the Police and Criminal Evidence Act 1984. Failure to comply with PACE requirements in interviews will mean that nothing said by the suspect will be admissible in a court of law should it be necessary for the case to be subsequently referred to the courts.
- 5.7 Staff responsible for commissioning and carrying out surveillance of suspects must do so in accordance with the requirements of the Regulation of Investigatory Powers Act 2000 (RIPA) and the Council’s Procedures for Covert Surveillance (Employee Handbook Appendix R). Failure to comply with RIPA will make all surveillance evidence inadmissible in court and may leave the Council liable to court action for a breach of the Act. The Council’s Monitoring Officer can provide advice on the requirements of RIPA.

6. Decision as to any Further Action

- 6.1 Upon receiving the Investigating Officer's report, the Executive Director must decide what action, if any, needs to be taken.
- 6.2 This will depend on whether there is, within the Investigating Officer's report, sufficient evidence to investigate the matter further and/ or whether the allegations can form the basis of a disciplinary hearing.
- 6.3 The Executive Director should:
- Remind themselves of the issues raised;
 - Decide, issue by issue, whether there is a case to answer.
- 6.4 The decision should be based upon the balance of probabilities, rather than the requirement to be "beyond reasonable doubt". As this is the civil law test, not a criminal law test – there must be a reasonable belief that there is a case to answer and the decision must be based on a reasonable investigation. The Executive Director may obtain guidance from the Monitoring Officer, the Personnel Services Manager, the Investigating Officer(s) or any other officer they feel is appropriate to help them make their decision.
- 6.5 The decision could be that:
- On the basis of the evidence, there is sufficient evidence to take disciplinary action;
 - There is sufficient information to demonstrate that the original concerns are supported by the evidence but that further investigation is required before a firm conclusion can be made or disciplinary action can be taken;
 - There is insufficient evidence to support the original concern and that no further action will be taken.
- 6.6 Any disciplinary action arising from a fraud investigation will be conducted in accordance with the Council's Disciplinary Procedure.

7. Prevention of Further Losses

- 7.1 When a suspected fraud is reported, the Audit Manager will liaise with the relevant Executive Director or Service Manager and the Personnel Services Manager to determine the most appropriate course of action to prevent any further losses to the Council occurring.
- 7.2 This may require the suspension of the suspected individual(s) concerned. The normal circumstances for suspension would be:
- The allegations include grounds that could lead to dismissal (i.e. where gross misconduct is suspected);
 - There are grounds for doubt as to the suitability of an employee to remain at work during the investigation;
 - It is necessary to remove the employee from the premises where his/her presence may inhibit proper investigation;
 - There are pending criminal investigations or proceedings.

- 7.3 All suspensions will be carried out in line with the Council's Disciplinary and Dismissal Procedure. Suspension does not constitute disciplinary action.
- 7.4 Any Identity Cards and keys to Council property should be obtained from the person being suspended, along with other Council owned items (such as laptops and mobile phones), and returned to the appropriate officer or kept securely pending investigation (at this stage it would be acceptable for the drivers of leased cars to keep these in their possession, although Council van drivers should be required to hand back the ignition keys, as these can be used by other employees).
- 7.5 ICT and the appropriate Systems Administrators should be contacted to disable access to all relevant IT systems to ensure that computer data cannot be altered.

8. Recovery of Losses

- 8.1 Managers should seek to recover any losses incurred through acts of financial impropriety from the offenders concerned. Management should consult the Legal Services Manager, the Personnel Services Manager and the ~~Chief Financial Officer~~Assistant Director (s151 Officer) and Executive Director, Central and Community Services to establish the options available to recover losses (e.g. either through the courts, deducted from any outstanding pay (but only with the employee's consent) or by means of insurance).
- 8.2 Where substantial potential losses have been identified at the outset of an investigation, management should seek legal advice immediately from the Monitoring Officer regarding the possibility of freezing the suspect's assets through the courts, pending the conclusion of the investigation.

9. Police or other Investigating Body Referral Procedures

- 9.1 If the allegation involves alleged financial irregularity, corruption or fraud, the Executive Director, Central and Community Services and ~~Chief Financial Officer~~Assistant Director (s151 Officer) must be informed immediately by the relevant Executive Director. These three officers will then agree an appropriate course of action in accordance with these procedures.
- 9.2 Any decision to refer a matter to the Police or other investigating agency (e.g. Department of Work & Pensions Fraud unit, Trading Standards, Office of Fair Trading) will only be taken by the ~~Assistant Director (s151 Officer)~~Chief Financial Officer, Executive Director, Central and Community Services and relevant Executive Director.
- 9.3 In such cases the relevant Executive Director will make the necessary contact with the police and/or the Audit Manager will make the necessary contact with any other agreed Investigating Agency. Referral to the police/other agreed Investigating Agency will not preclude action under the Council's disciplinary procedures, nor will it preclude the possibility of a civil action in the courts. A range of sanctions is available to the Council. These include disciplinary action, civil proceedings and, criminal proceedings, ~~official cautions and administrative penalties (mostly as regards Benefit Fraud)~~.

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- 9.4 The Audit Manager will handle all agreed Investigating Agency requests for additional evidence, statements or any other form of assistance.
- 9.5 The Council will consider using the services of an Investigating Agency in cases where their additional powers are required to secure evidence or recover funds or where the matter is too serious to be pursued in-house.
- 9.6 In considering a case for Investigating Agency referral or for when considering either a criminal or civil prosecution, two “tests” will be applied – the evidential test and the public interest test. Only when **both** of these tests are satisfied will a case normally be considered as suitable for prosecution by the Council (although this will not preclude the Investigating Agency from pursuing any action of its own).

Evidential Test

Is there enough evidence to provide a realistic prospect of conviction, bearing in mind that a Court will require that the case can be proven “beyond all reasonable doubt”?

In order to ensure that a realistic prospect of conviction exists, Investigating Officers will at all times conduct their investigations in accordance with relevant legislation and in line with published codes of practice and guidance with respect to the gathering of evidence, interviewing and the rules of disclosure. This includes adherence to the requirements for the Regulation of Investigatory Powers Act 2000 (RIPA) and the Police and Criminal Evidence Act 1984 (PACE).

Public Interest Test

The Council will consider whether it is in the public interest to prosecute, having considered the following factors:

- A conviction is likely to result in a sentence;
- The defendant was in a position of authority or trust;
- The evidence shows that the defendant was a ringleader or an organiser of the offence;
- There is evidence that the offence was premeditated;
- There is evidence that the offence was carried out by a group of individuals;
- The defendant’s previous convictions or cautions are relevant to the present offence, if known;
- There are grounds for believing that the offence is likely to be continued or repeated, for example, by a history of recurring conduct; or the offence, although not serious in itself, is widespread in the service where it was committed;
- Aggravating and mitigating factors will be taken into consideration when deciding on the appropriate sanction.

- 9.7 In all cases of fraud, financial misconduct, serious and intentional breach of Financial Regulations or Contract Standing orders or any other kind of corrupt act where there is an investigation by the police or other external agency, the Assistant Director (s151 Officer)~~Chief Financial Officer~~, Executive Director,

Central [and Community](#) Services and relevant Executive Director will agree an appropriate course of action in accordance with the Council's disciplinary procedures.

10. Post Investigation

- 10.1 The relevant Executive Director, in consultation with the Executive Director, Central [and Community](#) Services or Personnel Services Manager, should agree a method for communicating the outcome of an investigation, and potentially any disciplinary proceedings, to other members of a team involved in any investigation under this policy. Any such feedback will respect confidentiality and data protection issues and will be designed to ensure that other employees are aware of improvements to systems or procedures or are provided with update/refresher training as required to ensure that lessons learnt from the investigation are put into practice. Any public announcement needs to be made by the Communications team.
- 10.2 To prevent further losses and where it will not prejudice any subsequent investigation, management should liaise with Internal Audit to rectify any identified system or control weaknesses that have enabled the financial impropriety to be undertaken.
- 10.3 The relevant Executive Director will report the outcome of any investigation to the Council's Leader and the relevant Portfolio Holder(s).
- 10.4 The Audit Manager will report the outcome of any investigation to the Audit and Risk Committee, which will monitor the implementation of any recommendations arising from the investigation

11. Publicity and Dealing with the Media in Connection with Suspected or Proven Fraud

- 11.1 Any public statements regarding pending, current or completed investigations or allegations of financial impropriety should only be made through the Communications Manager, and will be authorised by the [Assistant Director \(s151 Officer\)](#)~~Deputy Chief Executive~~ or Executive Director Central [and Community](#) Services prior to release. Employees, Members and third parties of the Council should not make any public statement regarding suspected financial impropriety, in order to avoid making libellous statements, or statements that may prejudice ongoing investigations or any subsequent disciplinary/legal action. Public or press requests for information should also be referred to the Communications Manager.
- 11.2 The Communications Manager should optimise the publicity opportunities available to make employees and the public aware of the Council's commitment to taking action on acts of financial impropriety. As such any action taken relating to acts of financial impropriety should, wherever possible, be reported in the press, as a deterrent to other potential offenders.

11.3 Following any investigation, the outcome will be reported back to the Whistleblower by the relevant Executive Director.

12. Roles and Responsibilities (who does what)

In All Cases:

~~**Assistant Director (s151 Officer)**~~~~**Chief Financial Officer**~~ has overall responsibility for the Council's response to fraud and, in conjunction with the Executive Director, Central and Community Services, to oversee the action taken to investigate allegations.

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Executive Directors: have responsibility for:

- Establishing and maintaining adequate system controls within their directorates, including responsibility for the prevention and detection of fraud and ensuring staff awareness;
- Appointing Investigating Officers where appropriate;
- Informing any agreed external Investigating Agency (e.g. the Police), the Leader and the relevant Portfolio Holder(s).

Managers and supervisors: have responsibility for the prevention and detection of fraud and corruption within their work area and for swiftly reporting allegations brought to them.

Audit Manager: has overall responsibility for fraud investigations and advising on action to be taken. Where appropriate, she will inform the Audit & Risk Committee of any relevant matter.

Monitoring Officer: has responsibility for advising on any legal matter and, where appropriate, informing the Standards Committee of any relevant matter. She ~~has~~ has overall responsibility for the Anti-Fraud and Corruption Strategy and associated policy etc.

Communications Manager: *At the request of the* ~~**Assistant Director (s151 Officer)**~~~~**Deputy Chief Executive**~~**Executive Director Central Services;** responsible for all public statements or announcements regarding any investigation and dealing with any requests from outside the Council for information regarding any such investigations.

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Investigating Officers (often, but not necessarily, a member of the Internal Audit team, in conjunction with the service manager): have responsibility for investigating matters of suspected fraud or corruption and reporting their findings to the Executive Director commissioning the investigation.

Cases Involving Employees:

Employees: are required to act in accordance with the 'Official Officer Code of Conduct' contained in the Employee Handbook to report all actual or suspected cases of financial impropriety, fraud or corruption.

Personnel Services Manager: has responsibility for the operation of the Council's Whistleblowing Policy as it affects employees. Will provide timely advice and guidance on relevant Council policies and procedures during the course of any investigation and any subsequent disciplinary action.

Cases Involving Elected Members:

Council Members: are required to act in accordance with the Members Code of Conduct and should report any suspected, or detected, acts of financial impropriety immediately to the Chief Executive or the [Assistant Director \(s151 Officer\)](#)~~Deputy Chief Executive~~.

Democratic Services Manager: has responsibility for the operation of the Council's Whistleblowing Policy as it affects Council Members.

Cases Involving External Contractors/Third Parties

External Contractors/Third Parties: should report any suspected, or detected, acts of financial impropriety to the Chief Executive or the [Assistant Director \(s151 Officer\)](#)~~Deputy Chief Executive~~.

Appendix A

Whistleblowing Checklist

NB This checklist is not definitive, as each case is different. However, it should be used as a guide and completed as fully as possible. If there is anything relevant identified or done, the "Additional information" section at the foot of the relevant page(s) should be completed. This checklist should be kept at the front of the primary file produced for the case and should be kept up to date. If anything requires clarification, you should consult the Audit Manager in the first instance. If additional information needs to be included, please attach to this checklist.

Suspicion(s) Reported (See Section 3 above)

Received by:

Date received:

Name of whistleblower (if provided):

Whistleblower is: Employee/ Councillor/ Contractor/ member of the public
(Delete those not required)

Concern/ allegation raised by whistleblower or a representative (including names of anyone suspected, why the whistleblower is concerned, details of expected systems/ system checks (e.g. approval signatures) if known:

Nature of allegation:

Fraud/ theft/ corruption/ not clear

Means by which notification received:

Written/ Telephone/ Face to face/
Other (give details):

Request to maintain the whistleblower's name confidential?

Yes/ No

Details of any pre-reporting investigation (if any) to support the concerns:

Name(s) of employee(s) suspected:

Name of relevant Executive Director:

Name of relevant Service Manager:

Additional information:

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Initial Response (See Section 4 above)

Date of discussion with whistleblower and/ or representative:

Whistleblower accompanied? Yes/ No By:

Additional information obtained:

Audit Manager informed

Date:

Meeting between Audit Manager, Assistant Director (s151 Officer) Chief Financial Officer and Personnel Services Manager:

____ Date:

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Covert investigation required? Yes/ No

Open investigation required? Yes/ No

There will/ will not be a full investigation Yes/ No

Likelihood that ICT equipment will need to be seized/ hard disk catalogued/
network area catalogued to provide evidence? Yes/ No

Likelihood that suspension may be required? (BUT consult with the Personnel
Services Manager before making a decision)(NB See next page – this decision
needs to be taken in accordance with the Council's Dismissal and Disciplinary
Procedure) Yes/ No

If significant losses have been identified as likely, is it appropriate to freeze the
suspect's assets through the courts, pending the outcome of the investigation
(BUT consult with the Monitoring Officer before making a decision)?
Yes/ No

Other Information:

Appointment of Investigating Officer(s) (See Section 4 above)

Date decision to investigate taken (if different to date of the meeting between
AM/ [CFO](#)[Ass't Dir](#)/ Exec Director):

Date on which the Terms of Reference of the investigation were produced:

Name(s) of Investigating Officer(s):

Outline Terms of Reference:

Initial letter to whistleblower (See Section 4.5 above): Date

Drafted by:

Suspect to be suspended on full pay (if not already suspended)? Yes/ No
(NB Decision needs to be made in accordance with the Council's Disciplinary
and Dismissal Procedures)

Estimated length of investigation as advised to whistleblower: days/
weeks

If no investigation is to be undertaken, reasons for this as notified to the
whistleblower:

Additional Information:

The Investigating Officer's Investigation (See Section 5 above)

Date started

Details of initial interviewee(s) (including those with the whistleblower/ suspect):

Name of interviewee	Date/ time of interview	Location of interview
---------------------	-------------------------	-----------------------

Witness statement produced (NB each page must be signed by both the interviewee and the lead Investigating Officer)?

Yes/ No

ICT equipment seized?

Yes/ No

ICT Network area examined

Yes/ No

Desk/ filing cabinet/ other storage examined/ emptied?

Yes/ No

Other Council assets seized?

Yes/ No

Covert surveillance required?

Yes/ No

If yes, RIPA forms completed?

Yes/ No

RIPA forms authorised?

Yes/ No

NB If, during the course of the investigation, it appears that the police or another external investigatory body needs to be informed/ consulted, the Investigating Officer should refer to the section "Police or other Investigating Body Referral" above.

Report issued to relevant Executive Director:

Date

Recommendation: Evidence to support the allegation/ Insufficient evidence to support the allegation/ further investigation required

Decision as to any further action being taken (See Section 6 above)

NB Any decision should be based upon the 'balance of probabilities', not 'beyond reasonable doubt'.

Upon receiving the Investigating Officer's report, the Executive Director must decide what action, if any, needs to be taken.

On the basis of the report is there sufficient information to make a decision?
Yes/ No

Does the report:

- Adequately cover the issues raised?
- Issue by issue, say whether there is a case to answer?

What information, if any, seems to be missing, such that, if known, a decision as to whether disciplinary action is appropriate can be made?

Guidance sought (e.g. from [Assistant Director \(s151 Officer\)](#)~~Deputy Chief Executive~~, Personnel Services Manager, Monitoring Officer, etc.)?:
Yes/ No

If so, source of guidance:

Date guidance obtained?

Decision regarding future action regarding the accusations:

(NB The decision could be that:

- On the basis of the evidence, there is sufficient evidence to take disciplinary action;
- There is sufficient information to demonstrate that the original concerns are supported by the evidence but that further investigation is required before a firm conclusion can be made or disciplinary action can be taken;
- There is insufficient evidence to support the original concern and that no further action will be taken.)

Date Personnel Services Manager informed of the decision:

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Date [Assistant Director \(s151 Officer\)](#)~~Deputy Chief Executive~~/ Audit Manager informed of the decision:

Date suspect informed of the decision:

Suspect to be suspended on full pay (if not already suspended)? Yes/ No
(NB Decision needs to be made in accordance with the Council's Disciplinary and Dismissal Procedures)

If further information is required either to make the decision or to provide additional information to support disciplinary action, give brief details below:

Date of disciplinary hearing:

Location of disciplinary hearing:

Outcome of disciplinary hearing: (e.g. Gross Misconduct, Misconduct etc.)

Additional Information:

Recovery of Losses

Is it considered possible that the losses can be recovered:

- | | |
|--|---------|
| • Directly from the suspect? | Yes/ No |
| • Through the Courts? | Yes/ No |
| • From the Council's insurers? | Yes/ No |
| • From some other source? (Give details below) | Yes/ No |

If so, how will the losses be recovered?

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Police or other Investigating Body Referral

NB Any decision to refer the matter to the police or other external investigating agency will be made jointly by Executive Director, Central [and Community Services](#), the [Assistant Director \(s151 Officer\)](#) ~~Deputy Chief Executive~~ and the appropriate Executive Director.

Referral agreed: Yes/ No Date

Agency Date informed Further action?

Police
DWP
Trading Standards
Norfolk County Council
Office of Fair Trading
Other (give details):

If appropriate, Police Crime Number: _____

Outcome of the external agency's investigation. (NB This could take some months, depending upon the agency and the nature of their investigation):

Other information:

Post Investigation

Informant advised of the outcome of the investigation Date:

Service area staff informed Date:

Leader informed Date:

Relevant Portfolio Holder informed Date:

| Audit & Risk Committee informed Date:

| System changes instituted to minimise the risk of re-occurrences:

Follow-up review required?

Publicity etc.: Any public notice of the fraud/ corruption, etc. Yes/ No
(NB Any media dealings are to be dealt with by the Communications Section)

Publications notified:	Lynn News	Yes/ No
	Eastern Daily Press	Yes/ No
	Other (if so, which?)	Yes/ No

| Professional body notified Yes/ No/ Not applicable

Other Information:

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WHISTLEBLOWING POLICY

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1. **Introduction**

- 1.1 Employees and Members are often the first to realise that there may be something seriously wrong within the Council. However, they may not express concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances, it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice.
- 1.2 The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, we encourage employees (including contractors); ~~and~~ Members ~~and others~~ with serious concerns about any aspect of the Council's work to come forward and voice those concerns. This policy document also makes it clear that employees can do so without fear of reprisals.
- 1.3 This Whistleblowing Policy has been produced in accordance with the provisions of the Public Interest Disclosure Act 1998.
- 1.4 This policy supports the Council's Anti-Fraud and Anti-Corruption Strategy. It is intended to encourage and enable employees and Members to raise serious concerns within the Council, irrespective of seniority, rank or status, rather than overlooking a problem or reporting the matter externally. Similarly, anyone else who has a genuine concern about the conduct of an employee is encouraged to report their concerns. It is recognised that certain cases will have to proceed on a confidential basis.
- 1.5 This policy does not replace the Corporate Complaints Procedure, the Harassment Policy or the Disciplinary Procedure, nor is it concerned with complaints about the conduct of Councillors. Complaints about the conduct of Councillors will normally be dealt with using the Guidance "How to make a complaint about a Member of the Borough Council of King's Lynn & West Norfolk or members of Town and Parish Councils in the Borough" procedure as published on the Council's website.

2. **Aims and Scope of this Policy**

- 2.1 There are existing procedures in place to enable employees to make complaints about service quality or lodge a grievance relating to their own employment. This Whistleblowing Policy is intended to cover concerns that fall outside the scope of those procedures, including concerns by Council Members ~~and the public~~.
- 2.2 That concern may be about something that:
- Is unlawful;
 - Is contrary to the Council's Standing Orders or policies;
 - Falls below established standards or practice; or
 - Amounts to improper conduct.

For example (this list is not exhaustive):

- Malpractice or ill treatment of a client/customer;

- A criminal offence has been committed, is being committed or is likely to be committed;
- Suspected fraud;
- Disregard for legislation, particularly in relation to health and safety at work;
- Breach of Financial Regulations, Contract Standing Orders, ICT Security Policy;
- Showing undue favour over a contractual matter or to a job applicant;
- Falsification or manipulation of financial records;
- A breach of any code of conduct or protocol;
- Information on any of the above has been, is being, or is likely to be concealed.
- [Falsifying of job application details.](#)

2.3 The overriding concern should be that it would be in the public interest for the malpractice to be corrected and, if appropriate, sanctions applied.

2.4 The earlier concerns are raised, the easier it is to take action. Anyone with a concern about an employee's conduct but is unsure whether a particular practice is unacceptable to the Council is encouraged to ask either the Chief Executive, the ~~Deputy Chief Executive~~[Assistant Director \(s151 Officer\)](#), the relevant Executive Director, ~~the Chief Financial Officer~~, the Personnel Services Manager, the Monitoring Officer or the Audit Manager in case their concerns are unfounded or fall within another Council policy or strategy.

3. **Safeguards**

Harassment or Victimisation

3.1 The Council recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice. The Council will not tolerate harassment or victimisation (including informal pressures) and will take action to protect employees when they raise a concern in good faith. The Council will treat any claims of harassment or victimisation seriously and will investigate the complaint in accordance with the Council's Policy Statement on Harassment at Work, which could lead to disciplinary proceedings.

3.2 This does not mean that if, where an employee is already the subject of disciplinary or redundancy procedures, those procedures will be halted as a result of their ~~whistle-blow~~[whistleblowing](#).

Confidentiality

3.3 The Council will do its best to protect a ~~whistle-blow~~[whistleblower](#)'s identity when they raise a concern and do not want their name to be disclosed. It must be appreciated, however, that the investigation process may reveal the source of the information and a statement by an employee may be required as part of the evidence.

Anonymous Allegations

- 3.4 This policy encourages ~~whistle-blow~~whistleblowers to put their name to their allegation whenever possible. Concerns expressed anonymously are much less powerful, but they will be considered at the discretion of the Council.
- 3.5 In exercising the discretion, the factors to be taken into account would include the:
- Seriousness of the issues raised;
 - Credibility of the concern; and
 - Likelihood of being able to independently confirm the allegation.

Untrue Allegations

- 3.6 If an employee or Member makes an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against them. If, however, an allegation is found to be malicious, frivolous or vexatious, or gives personal gain to the whistleblower as a result of the allegation, disciplinary action may be taken against them (if such an allegation is made by a Member, the Standards Committee may investigate the matter).

4. Reporting Suspicions

- 4.1 Anyone wishing to raise a concern that falls within the scope of other Council procedures will not be dealt with in this procedure, but will be advised on the appropriate procedure to use. Employees will still receive protection as detailed in this policy.
- 4.2 If an employee/member has a concern they should not:
- Do nothing;
 - Be afraid to raise the concerns – they will not suffer any recriminations from the Council as a result of raising a legitimate concern;
 - Directly approach or accuse individuals they have concerns about;
 - Try to investigate the matter themselves. There are special rules surrounding the gathering of evidence for use in criminal cases. Any attempt to gather evidence by anyone not familiar with these rules could destroy the case;
 - Convey their concerns to anyone not in the list below (there is a duty to maintain the confidentiality of the matter under investigation). However an employee may invite a trade union representative or work colleague to raise the matter on their behalf. Members may wish to consult with their party Leader before raising the matter.
 - Raise vexatious concerns or concerns they know to be untrue – they could be disciplined if they do;
- 4.3 If fraud or corruption is suspected, then the matter should be reported without delay. Employees should report to their Executive Director . If it is thought that the Executive Director may be involved, or that there may be a conflict of interest, the matter should be reported directly to or to one of the following:
- Chief Executive;

- ~~Chief Financial Officer~~Assistant Director (S151 Officer);
- Executive Director, Central ~~and Community~~ Services;
- Audit Manager ~~or Investigations Manager in the Audit and Fraud Team~~

4.4 Any Councillors, contractors or other person should inform either the Chief Executive or the ~~Chief Financial Officer~~Assistant Director (S151 Officer) of their concerns.

4.5 If possible, concerns should be raised in writing, to ensure those conducting investigations properly understand and investigate the allegations. Written allegations should include the background, history and nature of the concern (including names and relevant dates and locations, where applicable) and the reason why the author is particularly concerned about the situation.

4.6 If it is not possible to put a concern in writing, the concern can be raised either by telephone or by meeting the appropriate officer as set out in Section 4.3 above. The earlier a concern is raised, the easier it is to take action.

4.7 Although whistleblowers are not expected to prove the truth of an allegation, they will need to demonstrate to the person contacted that there are sufficient grounds for the concern.

4.8 If in doubt, Public Concern at Work (www.pcaw.co.uk) will give confidential free and totally independent advice on how to proceed (contact whistle@pcaw.org or telephone 020 7404 6609).

4.9 Concerns can also be raised anonymously (by letter or telephone), although these are normally given less weight than those concerns raised more formally.

4.10 Alternatively, whistleblowers can contact the Council's External Auditor (Ernst & Young) on 01223 394400 who is likely to liaise with any of the above.

4.11 ~~Suspected fFrauds~~ relating to ~~Housing Benefit and~~ Council Tax Support, Council Tax and Business Rates exemptions and discounts should be referred ~~to the Investigations Unit within the Audit and Fraud Team~~ either by completing the Fraud Referral Form on the website: <http://www.west-norfolk.gov.uk/default.aspx?page=21676> or by using the fraud hotline 0800 281879-89.

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5. **How the Council will respond**

5.1 The action taken by the Council will depend on the nature of the concern and may be:

- Resolved by agreed action without the need for investigation;
- Investigated internally;
- Referred to the police or another investigating agency;
- Referred to the external auditor.

5.2 As soon as a fraud or act of corruption is reported, the Executive Director receiving the concern will:

- Obtain a written record of the concerns from the person making the allegations. This should include:

- Background details and nature of the suspicions (including relevant names, dates and locations);
 - Details of the job and areas of responsibility of the individuals implicated;
 - Why the person raising the matter is concerned;
 - Action taken to date, if any;
 - A description of the systems, controls and procedures that should be operating within the area where the fraud is alleged to be taking place.
- Take care, at this stage, to ensure that the suspect(s) are not alerted to the potential investigation and the confidentiality of informants is not compromised;
 - Seek guidance from the [Assistant Director \(s151 Officer\)](#) ~~Chief Financial Officer~~, Executive Director Central [and Community](#) Services and the Audit Manager as appropriate before taking any action, including interviewing, or observing suspects in connection with the suspected act(s). This is to ensure that evidence is collected in a way that complies with relevant legislation and does not compromise the investigation and/or subsequent disciplinary procedures/prosecutions.

5.3 The case will be discussed by the ~~Chief Financial Officer~~ [Assistant Director \(s151 Officer\)](#), Executive Director, Central [and Community](#) Services, and Audit Manager plus either the Personnel Services Manager (regarding allegations concerning employees) or Monitoring Officer (regarding allegations concerning Councillors) and the relevant Executive Director (i.e. the Executive Director responsible for the work area in which the suspect works) to decide what action needs to be taken to investigate the allegation. The discussion will need to consider whether there needs to be an initial covert investigation. In order to initiate disciplinary/criminal proceedings against suspected financial misconduct, it is essential that evidence is secured in a legally admissible form, without alerting suspects at the outset of the investigation.

There are two main reasons for this:

- Evidence may be hidden or removed;
 - To avoid wrongly damaging the reputation of anyone suspected but subsequently found innocent of wrongful conduct.
- 5.4 Following this discussion and if it is decided that further information is required, the relevant Executive Director should appoint one or more Investigating Officers. The role of the Investigating Officer(s) is to:
- Identify the issues;
 - Establish the facts (e.g. Who, Why, Where, What, When and How?);
 - Decide whether there is a case to answer.
- 5.5 If an investigation is required, the relevant Executive Director will advise the Chief Executive. The Executive Director will also write to the whistleblower:
- Acknowledging that an investigation will be carried out, giving details as to who the investigating officer(s) will be;
 - Give an estimate of how long it will take to provide a final response;

- Telling them whether any initial enquiries have been made;
- Advising them that the investigation will be carried out in the strictest confidence.
- If there is to be no investigation, give the reasons as to why not

6. How the matter can be taken further

6.1 This policy is intended to provide an avenue to raise concerns **within** the Council. The Council hopes that any ~~whistle-blow~~whistleblower will be satisfied. If they are not, and feel that it is right to take the matter outside the Council, the following are possible contact points:

- The Leader of the Borough Council or the ~~whistle-blow~~whistleblower's Ward Councillor (if the ~~whistle-blow~~whistleblower lives in the Borough Council's area);
- The External Auditor;
- Relevant professional bodies or regulatory organisations;
- A Solicitor;
- The police;
- Public Concern at Work.

If a Member or employee does take this matter outside the Council, they need to ensure that they do not disclose confidential information or that disclosure would be privileged. The Member or employee should check with the contact point about that.

7. The Monitoring Officer

7.1 The Monitoring Officer has overall responsibility for the maintenance and operation of this policy and will liaise as necessary with the Chief Executive; the Deputy Chief Executive; the Executive Director, Central and Community Services; the ~~Chief Financial Officer~~Assistant Director (s151 Officer), the Personnel Services Manager or the Audit Manager, as necessary.

8. The Law

- 8.1 This policy has been written to take account of the Public Interest Disclosure Act 1998, which protects workers making disclosures about certain matters of concern, where those disclosures are made in accordance with the Act's provisions.
- 8.2 The Act is incorporated into the Employments Rights Act 1996, which already protects employees who take action over, or raise concerns about health and safety at work. Financial issues are covered by Section 151 Local Government Act 1972, Section 114 of the Local Government Finance Act 1988, The Local Government and Housing Act 1989, and Accounts and Audit Regulations 2003 (as amended).

Open		Would any decisions proposed : (a) Be entirely within Audit Committee's powers to decide NO (b) Need to be recommendations to Council/Cabinet Yes (c) Be partly for recommendations to Council NO and partly within Cabinets powers –		
Any especially affected Wards				
None				
Lead Member: Brian Long, E-mail:		Other Cabinet Members consulted: None		
		Other Members consulted: None		
Lead Officer: Toby Cowper E-mail: toby.cowper@west-norfolk.gov.uk Direct Dial: 01553 616523		Other Officers consulted: Lorraine Gore, Management Team		
Financial Implications Yes	Policy/Personnel Implications NO	Statutory Implications (incl S.17) YES	Equal Opportunities Implications NO	Risk Management Implications NO

Date of meeting: 13 February 2017

TREASURY MANAGEMENT STRATEGY STATEMENT, MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2017/2018

Summary

The Council is required to receive and approve a Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy which covers –

- Capital plans, including prudential indicators
- A Minimum Revenue Provision (MRP) Policy
- The Treasury Management Strategy
- An Investment Strategy

This report covers the requirements of the Local Government Act 2003, the Chartered Institute of Public Finance Accountants (CIPFA) Prudential Code, the Department of Communities and Local Government (CLG) MRP Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

This report looks at the period 2017/2021 which fits with the Council's Financial Plan and capital programme. The report is based upon the Treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisor, Capita Asset Services, Treasury Solutions.

Recommendations

Cabinet is asked to recommend to Council:

- 1 The Treasury Management Strategy Statement 2017/2018, including treasury indicators for 2017/2021.**
- 2 The Investment Strategy 2017/2018.**
- 3 The Minimum Revenue Provision Policy 2017/2018.**
- 4 Adopt the revised Treasury Management Practices (TMPs).**

Reason for the Decision

The Council must produce a Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2017/2018 by 31 March 2017.

1 Background

- 1.1 The Council operates a balanced budget, which broadly means cash raised during the year and the use of reserves and balances will meet its expenditure. Part of the treasury management operations ensure the cash flow is adequately planned, with surplus monies being invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering maximising investment return.
- 1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.3 As a consequence treasury management is defined by CIPFA (Chartered Institute of Public Finance and Accountancy) as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2 Reporting Requirements

2.1 CIPFA's Code of Practice on Treasury Management (revised November 2009) was adopted by this Council in March 2010.

The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- Creation and maintenance of Treasury Management Practices (TMPs) which set out the manner in which the Council will seek to achieve those policies and objectives.
- Receipt by the full Council of:
 - a. An annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead.
 - b. A Mid-year Treasury Management Review Report - This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.
 - c. An Annual Treasury Report - This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.
- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions. For this Council the delegated officer is the Assistant Director (Section 151 officer)
- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Audit Committee.

2.2 Training

The CIPFA code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in Treasury Management. This especially applies to members responsible for scrutiny. Training was provided for members on the 26 January 2016 and further training has been arranged for 13 February 2017.

2.3 Treasury Management Consultants

The Council uses Capita Asset Services, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains within the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

The Council also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

3.1 The Capital Budget Plan 2017/2018 – 2020/2021

The Council's capital expenditure plans are one of the key drivers of treasury management activity. The output of the capital expenditure plans are reflected in prudential indicators, which are designed to assist members overview and confirm capital expenditure plans. Other prudential indicators are presented at Appendix 1.

Capital expenditure and funding position summary

(To be approved at Full Council 23 February 2017).

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	£'000	£'000	£'000	£'000	£'000
Capital Programme: S106 and Other Major Projects and Operational schemes	5,230	6,667	3,784	3,241	2,437
Joint Venture – NORA Housing	3,220	4,988	1,607	0	0
Major Housing Development	9,406	14,950	18,601	15,102	2,277
Enterprise Zone	522	3,896	5,765	1,100	0
Total Expenditure	18,379	30,501	29,757	19,443	4,714
Net Cumulative Borrowing/(Receipt) Position (Temporary Internal/External Borrowing)	13,486	27,634	17,117	(3,839)	(6,900)

3.2 Capital Financing Requirement (The Council's underlying need to borrow)

The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The Council is asked to approve the CFR projections below:

	2016/2017 Estimate £000s	2017/2018 Estimate £000s	2018/2019 Estimate £000s	2019/2020 Estimate £000s	2020/2021 Estimate £000s
Carried forwards CFR	17,987	30,856	44,300	33,117	11,488
Borrowing Required	13,486	14,148	(10,516)	(20,956)	(3,061)
Net Financing Need Total	31,473	45,004	33,784	12,161	8,427
Less MRP and other financing movements*	(617)	(704)	(667)	(673)	(669)
Movement in CFR	12,869	13,444	(11,183)	(21,629)	(3,730)
Closing CFR	30,856	44,300	33,117	11,488	7,758

*Includes finance lease annual principal payments and the repayment of borrowing.

3.3 Minimum Revenue Provision (MRP) Policy Statement

The Council is required to pay off an element of its underlying need to borrow (the CFR) each year through a revenue charge (MRP).

Department for Communities and Local Government (CLG) Regulations have been issued which require the full Council to approve **an MRP Policy Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the continued use of the Asset Life Method as set out below.

Asset Life Method – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3) which provides for a reduction in the borrowing need over approximately the asset's life.

4 Treasury Management Strategy

The capital expenditure plans set out in Section 3 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

4.1 Current Treasury Position – December 2016

Before looking at future borrowing and investment strategies it is worth noting the Council's current treasury portfolio:

		Principal	Average
		£'000	Rate
			%
Fixed Rate Funding	PWLB	600	2.92
	Market Loans	12,500	3.41
Total Debt		13,100	3.39
Total Investments (detailed later in the report)		27,860	0.82

4.2 Estimated Portfolio Position

The Council's treasury portfolio position at 31 March 2017, with forward projections is estimated below. The table shows the estimated external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

	2016/2017 Estimate £000s	2017/2018 Estimate £000s	2018/2019 Estimate £000s	2019/2020 Estimate £000s	2020/2021 Estimate £000s
External Debt at 1 April	17,387	30,873	45,021	34,505	13,549
Expected change in Debt	13,486	14,148	(10,516)	(20,956)	(3,061)
Debt at 31 March	30,873	45,021	34,505	13,549	10,488
The Capital Financing Requirement	30,856	44,300	33,117	11,488	7,758
Under / (over) borrowing	(17)	(721)	(1,388)	(2,061)	(2,730)
Total Investments at 31 March *	(29,000)	(29,000)	(29,000)	(29,000)	(29,000)
Net debt (Actual Debt 31 st March Minus Investments)	1,873	16,021	5,505	(15,451)	(18,512)

Total debt, net of any investments, should not, except in the short term, exceed the total of the CFR in the preceding year.

* Total investments have been held at the estimated core investment balance for the 31 March 2017

This estimate takes into account current commitments, existing plans, and the proposals in the Capital budget report but does not take into account proposed projects still to be approved by Council.

4.3 Prospects for Interest Rates

The Council has appointed Capita Asset Services, Treasury Solutions, as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Appendices 2 and 3 draw together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. The following table gives the Capita Asset Services, Treasury Solutions view:

Bank Rate Forecast

Year	Now
2016/17	0.25%
2017/18	0.25%
2018/19	0.25%
2019/20	0.50%
2020/21	0.75%
2021/22	1.00%
2022/23	1.50%
2023/24	1.75%
Later years	2.75%

5.1 Borrowing Strategy 2016/2021

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high.

The Council will only borrow if it is financially advantageous to do so.

The Council's borrowing strategy will give consideration to new borrowing in the following order of priority: -

- The cheapest borrowing will be internal borrowing by running down cash balances and foregoing interest earned at historically low rates. However, in view of the overall forecast for long term borrowing rates to increase over the next few years, consideration will also be given to weighing the short term advantage of internal borrowing against potential long term costs if the opportunity is missed for taking loans at long term rates which will be higher in future years
- Temporary borrowing from the money markets or other local authorities
- PWLB (Public Works Loan Board) variable rate loans for up to 10 years
- Short dated borrowing from non PWLB below sources

- Long term fixed rate market loans at rates significantly below PWLB rates for the equivalent maturity period (where available).
- PWLB borrowing for periods under 10 years where rates are expected to be significantly lower than rates for longer periods. This offers a range of options for new borrowing which will spread debt maturities away from a concentration in longer dated debt.

It is likely that the Municipal Bond Agency, currently in the process of being set up, will be offering loans to local authorities in the near future. It is also hoped that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB). This Authority may wish to make use of this new source of borrowing as and when appropriate, depending on duration and interest rate.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

5.2 Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

The Council is asked to approve the following Operational Limit:

Operational boundary	2016/2017 Estimate £000's	2017/2018 Estimate £000's	2018/2019 Estimate £000's	2019/2020 Estimate £000's	2020/2021 Estimate £000's
Debt	35,000	50,000	40,000	17,000	13,000

The Authorised Limit for external debt. A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

The Council is asked to approve the following Authorised Limit:

Authorised limit	2016/2017 Estimate £000's	2017/2018 Estimate £000's	2018/2019 Estimate £000's	2019/2020 Estimate £000's	2020/2021 Estimate £000's
Debt	37,000	52,000	42,000	19,000	15,000

From 2017/2018, the limits (Operational and Authorised) increase due to the borrowing required for the major housing development as approved Full Council on the 25th February 2016.

The above limits do not include provision for Phase 3 of the NORA joint Venture or other projects that are being developed. These will be subject to separate reports to Cabinet.

5.3 Treasury Management Limits on Borrowing Activity

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

	2017/2018	2018/2019	2019/2020	2020/2021
Interest rate Exposures				
	Upper	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%	100%
Limits on variable interest rates based on net debt	40%	40%	40%	40%

Maturity Structure of fixed interest rate borrowing 2017/2018			
	Current Position £M	Lower limit for portfolio	Upper limit for portfolio
Under 12 months	0	0%	100%
12 months to 2 years	3.1	0%	100%
2 years to 5 years	0	0%	100%
5 years to 10 years	0	0%	100%
10 years and above	10*	0%	100%

**The term of these loans was originally for a seventy year period, 2007 - 2077 (with a lenders option at ten years)*

The lower and upper limits for this indicator have been set at 0% – 100% to maximise the flexibility of borrowing options over different periods. Any new borrowing undertaken will take into account the existing debt portfolio and look to minimise refinancing risk by borrowing for different periods.

5.4 Policy on Borrowing in Advance of Need

The Council will not borrow more, than or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

5.5 Debt Rescheduling

The Assistant Director (Section 151 Officer) will monitor the situation and take advantage of market conditions if advantageous to do so.

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Cabinet at the earliest meeting following its action.

6.1 Annual Investment Strategy

The Council's investment policy has regard to the CLG's (Communities and Local Government) Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be

- 1. Security**
- 2. Liquidity**
- 3. Return on Assets**

In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk.

As with previous practice, ratings will not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment instruments identified for use in the financial year are listed in Appendix 4 under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices – schedules.

Alternative options for investment will be considered where opportunities become available as an alternative to traditional investments. These will be assessed in conjunction with Capita Asset Services, Treasury solutions, our Treasury Management Advisors. Further reports will be brought to Cabinet if these types of investment are to be used.

6.3 Creditworthiness policy

This Council applies the creditworthiness service provided by Capita Asset Services, Treasury Solutions. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poors. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS (credit default swaps) spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments. The Council will therefore use counterparties within the following durational bands:

Yellow	5 years
Dark pink	5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
Light pink	5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
Purple	2 years
Blue	1 year (only applies to nationalised or semi nationalised UK Banks)
Orange	1 year
Red	6 months
Green	100 days
No colour	not to be used

Counterparties	Colour (and long term rating where applicable)	Money per institution Limit	Time Limit
Banks /Building Societies	yellow	£2m	5yrs
Banks / Building Societies	purple	£4m	2 yrs
Banks / Building Societies	orange	£4m	1 yr
Banks – UK part nationalised	blue	£4m	1yr
Banks / Building Societies	red	£4m	6 mths
Banks / Building Societies	green	£4m	100 days
Banks / Building Societies	No colour	Not to be used	
The Council's transactional bank for cashflow purposes (Barclays Bank)	No colour	<£250,000	1 day
DMADF (Debt Management Account Deposit Facility)	AAA	unlimited	6 months
Local authorities	yellow	unlimited	unlimited
Money market funds	AAA yellow	£4m	liquid
Enhanced money market funds with a credit score of 1.25	Dark pink / AAA	£3m	liquid
Enhanced money market funds with a credit score of 1.5	Light pink / AAA	£3m	liquid

The Capita Asset Services, Treasury solutions creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of Short Term rating F1, Long Term rating A-, Viability ratings of A-, and a Support rating of 1. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the Capita Asset Services, Treasury solutions creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on government support for banks and the credit ratings of that government support.

6.4 Diversification Policy:

This Borough Council will avoid concentrations of lending and borrowing by adopting a policy of diversification. It will therefore use the following: -

Greater amounts of investments will be held with the higher credit rated counterparties where possible. Based on an estimated investment portfolio of £29m in 2017/2018

Maximum investment per institution £4M

- Group limits where a number of institutions are under one ownership – Investments for the whole group will not exceed the credit rating limit above.

6.5 **Approved countries for investments as at 1st Feb 2017**

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch. The list of countries that qualify using this credit criteria as at 1st Feb 2017 is below.

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- Hong Kong
- U.S.A.

AA

- ~~Abu Dhabi (UAE)~~ **
- France
- ~~Qatar~~ **
- UK

AA-

- Belgium

** Whilst the current uncertainty exists in the Middle East, the Council will not invest in these AA rated countries.

This list will be added to or deducted from by officers should ratings change in accordance with this policy.

6.6 **Investment returns expectations.** Bank Rate is forecast to stay flat at 0.25% until quarter two 2019 and not rise above 0.75% by quarter 1 2020. Investment returns expectations forecasts for financial year ends (March) are:

- 2017/2018 0.25%
- 2018/2019 0.25%
- 2019/2020 0.50%
- 2020/2021 0.75%

The overall balance of risks to these forecasts is currently probably slightly skewed to the downside in view of the uncertainty over the final terms of Brexit. If growth expectations disappoint and inflationary pressures are minimal, the start of increases in Bank Rate could be pushed back. On the other hand, should the pace of growth quicken and / or forecasts for increases in inflation rise, there could be an upside risk i.e. Bank Rate increases occur earlier and / or at a quicker pace.

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

- 6.7 **Investment term limit** - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit: -

Maximum principal sums invested > 364 days				
	2017/2018	2018/2019	2019/2020	2020/2021
Principal sums invested > 364 days	£4m	£4m	£4m	£4m
With Local Authorities	£10m	£10m	£10m	£10m

Capita Asset Services, Treasury Solutions, the Council's treasury advisors, recommend that due to current market conditions, all investments should generally be made for periods less than 364 days, **unless they are placed with other Local Authorities**. The Council will continue to monitor creditworthiness on a daily basis.

If an investment became available with an institution with good credit quality and recommended duration was more than 364 days, Capita Asset Services, Treasury Solutions would be consulted before the investment was placed. With rates not predicted to increase dramatically over the next two years, the total amount which could be invested over 364 days would be £4m (approx. 14% of the portfolio).

For its cash flow generated balances, the Council will seek to utilise its business reserve/instant access accounts, 15, 30 and 95 day notice accounts, money market funds and short-dated deposits in order to benefit from the compounding of interest.

6.8 Investments held as at 31 December 2016 are as follows:

Institution	Long Term Rating	Expires:	Principal £000's	Rate of interest %
Bury St Eds DC	AAA	23 April 2018	3,000	1.00
Santander	A	95 day notice	3,000	1.15
Qatar National Bank*	AA-	1 June 2017	3,000	1.05
Fife Council	AAA	13 November 2017	3,000	0.95
Cheshire West & Chester Council	AAA	19 January 2018	2,000	0.99
King and Shaxson – RBS**	BBB+	22 May 2017	2,500	1.33
Norfolk & Waveney Enterprise Services	AAA	30 November 2018	2,750	1.80
Banque National Paris	AAA		3,000	0.25
Legal and General (Northern Trust)	AAA		3,000	0.25
HSBC	AAA		2,000	0.25
Prime Rate	AAA		600	0.25
Gaywood Community Center			10	1.00
Total Investments			27,860	0.82

* In accordance with the list of approved countries for investments detailed at section 6.5 above, on maturity the investment with Qatar National Bank will be withdrawn.

** Bank has been downgraded from A- to BBB+ since investment was taken out.

6.9 Liquidity and Yield

These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or Annual Report.

Liquidity – in respect of this area the Council seeks to maintain:

- Bank overdraft - £200,000
- Liquid short term deposits held and available within a week's notice.

Yield - local measures of yield benchmarks are:

- Investments – internal returns above the 7 day LIBID rate

7.1 Changes to the Treasury Management Practises (TMPs)

Good practise requires TMPs to be reviewed on an annual basis and any changes made to be reported to members. The TMPs will be reviewed after April 2017.

The TMPs can be found at the link: [Click here](#)

7.2 TMPs are reviewed as risks and market conditions change. In particular credit risk is monitored using our Treasury advisors on a daily basis.

8 Financial Implications

The financial implications of the borrowing and investment strategy and MRP are reflected in the financing adjustment figure included in the Financial Plan 2016/2021 approved at Cabinet on 31 January 2017.

9 Risk Management Implications

There are elements of risk in dealing with the treasury management function although the production and monitoring of such controls as Prudential Indicators and Treasury Management Strategies help to reduce the exposure of the Council to the market. The costs and returns on borrowing and investment are in themselves a reflection of risk that is seen by the market forces. The action and controls outlined in the report will provide for sound financial and performance management procedures.

10 Policy Implications

There are no other changes in the Treasury Management policy at present, other than those outlined in this report. Appendices 5 and 6 detail the treasury management scheme of delegation and the role of the Section 151 Officer.

11 Statutory Considerations

The Council must set Prudential Indicators and adopt a Treasury Management Strategy and Annual investment Strategy before 31 March 2017.

12 Access to information

Monthly Monitoring reports 2016/2021
Treasury Management Strategy and Annual investment Strategy 2016
The Financial Plan 2016/2021 – A Financial Plan
Capital Programme 2016/2021
Council Website – Treasury Management Practices

Appendices

1. Other Prudential Indicators
2. Interest rate forecasts - update for new forecast
3. Economic background – update for new forecast
4. Treasury Management practice - Specified and non specified investments and limits
5. Treasury management scheme of delegation
6. The treasury management role of the section 151 officer

APPENDIX 1: Other Prudential Indicator

Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

Ratio of financing costs to net revenue stream - This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2016/2017 Estimate	2017/2018 Estimate	2018/2019 Estimate	2019/2020 Estimate	2020/2021 Estimate
General Fund	3.3	4.1	3.9	3.9	3.9

The estimates of financing costs include current commitments and the proposals in this budget report.

Estimates of the incremental impact of capital investment decisions on council tax

This indicator identifies the revenue costs associated with proposed changes to the capital programme 2016 – 2020 reported to Cabinet on the 31 January 2017 in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

Incremental impact of capital investment decisions on the band D council tax

	2016/2017 Estimate	2017/2018 Estimate	2018/2019 Estimate	2019/2020 Estimate	2020/2021 Estimate
Council tax band D	£2.68	£4.34	£(2.63)	£(6.03)	£(0.67)

APPENDIX 2: Interest Rate Forecasts 2017-2020

Capita Asset Services Interest Rate View													
	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Bank Rate View	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
3 Month LIBID	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.40%	0.50%	0.60%	0.70%	0.80%	0.90%
6 Month LIBID	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.50%	0.60%	0.70%	0.80%	0.90%	1.00%
12 Month LIBID	0.70%	0.70%	0.70%	0.70%	0.70%	0.80%	0.80%	0.90%	1.00%	1.10%	1.20%	1.30%	1.40%
5yr PWLB Rate	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
10yr PWLB Rate	2.30%	2.30%	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
25yr PWLB Rate	2.90%	2.90%	2.90%	3.00%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%
50yr PWLB Rate	2.70%	2.70%	2.70%	2.80%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%
Bank Rate													
Capita Asset Services	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
Capital Economics	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.50%
5yr PWLB Rate													
Capita Asset Services	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
Capital Economics	1.60%	1.70%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%	2.50%	2.70%	2.80%	2.90%	3.00%
10yr PWLB Rate													
Capita Asset Services	2.30%	2.30%	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
Capital Economics	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	3.10%	3.20%	3.30%	3.40%
25yr PWLB Rate													
Capita Asset Services	2.90%	2.90%	2.90%	3.00%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%
Capital Economics	2.95%	3.05%	3.05%	3.15%	3.25%	3.25%	3.35%	3.45%	3.55%	3.65%	3.75%	3.95%	4.05%
50yr PWLB Rate													
Capita Asset Services	2.70%	2.70%	2.70%	2.80%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%
Capital Economics	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.60%	3.70%	3.80%	3.90%

PWLB rates and forecast shown above have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012.

APPENDIX 3 Economic Background

UK. GDP growth rates in 2013, 2014 and 2015 of 2.2%, 2.9% and 1.8% were some of the strongest rates among the G7 countries. Growth is expected to have strengthened in 2016 with the first three quarters coming in respectively at +0.4%, +0.7% and +0.5%. The latest Bank of England forecast for growth in 2016 as a whole is +2.2%. The figure for quarter 3 was a pleasant surprise which confounded the downbeat forecast by the Bank of England in August of only +0.1%, (subsequently revised up in September, but only to +0.2%). During most of 2015 and the first half of 2016, the economy had faced headwinds for exporters from the appreciation of sterling against the Euro, and weak growth in the EU, China and emerging markets, and from the dampening effect of the Government's continuing austerity programme.

The **referendum vote for Brexit** in June 2016 delivered an immediate shock fall in confidence indicators and business surveys at the beginning of August, which were interpreted by the Bank of England in its August Inflation Report as pointing to an impending sharp slowdown in the economy. However, the following monthly surveys in September showed an equally sharp recovery in confidence and business surveys so that it is generally expected that the economy will post reasonably strong growth numbers through the second half of 2016 and also in 2017, albeit at a slower pace than in the first half of 2016.

The **Monetary Policy Committee, (MPC), meeting of 4th August** was therefore dominated by countering this expected sharp slowdown and resulted in a package of measures that included a cut in Bank Rate from 0.50% to 0.25%, a renewal of quantitative easing, with £70bn made available for purchases of gilts and corporate bonds, and a £100bn tranche of cheap borrowing being made available for banks to use to lend to businesses and individuals.

The **MPC meeting of 3 November** left Bank Rate unchanged at 0.25% and other monetary policy measures also remained unchanged. This was in line with market expectations, but a major change from the previous quarterly Inflation Report MPC meeting of 4 August, which had given a strong steer, in its forward guidance, that it was likely to cut Bank Rate again, probably by the end of the year if economic data turned out as forecast by the Bank.

The latest MPC decision included a forward view that **Bank Rate** could go either up or down depending on how economic data evolves in the coming months. Our central view remains that Bank Rate will remain unchanged at 0.25% until the first increase to 0.50% in quarter 2 2019 (unchanged from our previous forecast). However, we would not, as yet, discount the risk of a cut in Bank Rate if economic growth were to take a significant dip downwards, though we think this is unlikely. We would also point out that forecasting as far ahead as mid 2019 is highly fraught as there are many potential economic headwinds which could blow the UK economy one way or the other as well as political developments in the UK, (especially over the terms of Brexit), EU, US and beyond, which could have a major impact on our forecasts.

The pace of Bank Rate increases in our forecasts has been slightly increased beyond the three year time horizon to reflect higher inflation expectations.

The August quarterly Inflation Report was based on a pessimistic forecast of near to zero GDP growth in quarter 3 i.e. a sharp slowdown in growth from +0.7% in quarter 2, in reaction to the shock of the result of the referendum in June. However, **consumers** have very much stayed in a 'business as usual' mode and there has been no sharp downturn in spending; it is consumer expenditure that underpins the services sector which comprises about 75% of UK GDP. After a fairly flat three months leading up to October, retail sales in October surged at the strongest rate since September 2015. In

addition, the GfK consumer confidence index has recovered quite strongly to -3 in October after an initial sharp plunge in July to -12 in reaction to the referendum result.

Bank of England GDP forecasts in the November quarterly Inflation Report were as follows, (August forecasts in brackets) - 2016 +2.2%, (+2.0%); 2017 1.4%, (+0.8%); 2018 +1.5%, (+1.8%). There has, therefore, been a sharp increase in the forecast for 2017, a marginal increase in 2016 and a small decline in growth, now being delayed until 2018, as a result of the impact of Brexit.

Capital Economics' GDP forecasts are as follows: 2016 +2.0%; 2017 +1.5%; 2018 +2.5%. They feel that pessimism is still being overdone by the Bank and Brexit will not have as big an effect as initially feared by some commentators.

The Chancellor has said he will do 'whatever is needed' i.e. to **promote growth**; there are two main options he can follow – fiscal policy e.g. cut taxes, increase investment allowances for businesses, and/or increase government expenditure on infrastructure, housing etc. This will mean that the PSBR deficit elimination timetable will need to slip further into the future as promoting growth, (and ultimately boosting tax revenues in the longer term), will be a more urgent priority. The Governor of the Bank of England, Mark Carney, had warned that a vote for Brexit would be likely to cause a slowing in growth, particularly from a reduction in business investment, due to the uncertainty of whether the UK would have continuing full access, (i.e. without tariffs), to the EU single market. He also warned that the Bank could not do all the heavy lifting to boost economic growth and suggested that the Government would need to help growth e.g. by increasing investment expenditure and by using fiscal policy tools. The newly appointed Chancellor, Phillip Hammond, announced, in the aftermath of the referendum result and the formation of a new Conservative cabinet, that the target of achieving a budget surplus in 2020 would be eased in the Autumn Statement on 23 November.

The other key factor in forecasts for Bank Rate is **inflation** where the MPC aims for a target for CPI of 2.0%. The November Inflation Report included an increase in the peak forecast for inflation from 2.3% to 2.7% during 2017; (Capital Economics are forecasting a peak of 3.2% in 2018). This increase was largely due to the effect of the sharp fall in the value of sterling since the referendum, (16% down against the US dollar and 11% down against the Euro); this will feed through into a sharp increase in the cost of imports and materials used in production in the UK. However, the MPC is expected to look through the acceleration in inflation caused by external, (outside of the UK), influences, although it has given a clear warning that if wage inflation were to rise significantly as a result of these cost pressures on consumers, then they would take action to raise Bank Rate.

What is clear is that **consumer disposable income** will come under pressure, as the latest employers' survey is forecasting median pay rises for the year ahead of only 1.1% at a time when inflation will be rising significantly higher than this. The CPI figure for October surprised by under shooting forecasts at 0.9%. However, producer output prices rose at 2.1% and core inflation was up at 1.4%, confirming the likely future upwards path.

Gilt yields, and consequently PWLB rates, have risen sharply since hitting a low point in mid-August. There has also been huge volatility during 2016 as a whole. The year started with 10 year gilt yields at 1.88%, fell to a low point of 0.53% on 12 August, and have hit a peak on the way up again of 1.46% on 14 November. The rebound since August reflects the initial combination of the yield-depressing effect of the MPC's new round of quantitative easing on 4 August, together with expectations of a sharp downturn in expectations for growth and inflation as per the pessimistic Bank of England Inflation Report forecast, followed by a sharp rise in growth expectations since August when subsequent business surveys, and GDP growth in quarter 3 at +0.5% q/q, confounded the

pessimism. Inflation expectations also rose sharply as a result of the continuing fall in the value of sterling.

Employment has been growing steadily during 2016, despite initial expectations that the referendum would cause a fall in employment. However, the latest employment data in November, (for October), showed a distinct slowdown in the rate of employment growth and an increase in the rate of growth of the unemployment claimant count. **House prices** have been rising during 2016 at a modest pace but the pace of increase has been slowing since the referendum; a downturn in prices could dampen consumer confidence and expenditure.

USA. The American economy had a patchy 2015 with sharp swings in the quarterly **growth rate** leaving the overall growth for the year at 2.4%. Quarter 1 of 2016 at +0.8%, (on an annualised basis), and quarter 2 at 1.4% left average growth for the first half at a weak 1.1%. However, the first estimate for quarter 3 at 2.9% signalled a rebound to strong growth. The Fed. embarked on its long anticipated first increase in rates at its December 2015 meeting. At that point, confidence was high that there would then be four more increases to come in 2016. Since then, more downbeat news on the international scene and then the Brexit vote, have caused a delay in the timing of the second increase which is now strongly expected in December 2016. Overall, despite some data setbacks, the US is still, probably, the best positioned of the major world economies to make solid progress towards a combination of strong growth, full employment and rising inflation: this is going to require the central bank to take action to raise rates so as to make progress towards normalisation of monetary policy, albeit at lower central rates than prevailed before the 2008 crisis.

The result of the **presidential election** in November is expected to lead to a strengthening of US growth if Trump's election promise of a major increase in expenditure on infrastructure is implemented. This policy is also likely to strengthen inflation pressures as the economy is already working at near full capacity. In addition, the unemployment rate is at a low point verging on what is normally classified as being full employment. However, the US does have a substantial amount of hidden unemployment in terms of an unusually large, (for a developed economy), percentage of the working population not actively seeking employment.

Trump's election has had a profound effect on the **bond market and bond yields** have risen sharply in the week since his election. Time will tell if this is a temporary over reaction, or a reasonable assessment of his election promises to cut taxes at the same time as boosting expenditure. This could lead to a sharp rise in total debt issuance from the current level of around 72% of GDP towards 100% during his term in office. However, although the Republicans now have a monopoly of power for the first time since the 1920s, in having a President and a majority in both Congress and the Senate, there is by no means any certainty that the politicians and advisers he has been appointing to his team, and both houses, will implement the more extreme policies that Trump outlined during his election campaign. Indeed, Trump may even rein back on some of those policies himself.

The election does not appear likely to have much impact on the Fed. in terms of holding back further on increasing **the Fed. Rate**. Accordingly, the next rate rise is still widely expected to occur in December 2016, followed by sharper increases thereafter, which may also cause Treasury yields to rise further. If the Trump package of policies is fully implemented, there is likely to be a significant increase in inflationary pressures which could, in turn, mean that the pace of further Fed. Rate increases will be quicker and stronger than had been previously expected.

In the first week since the US election, there has been a major shift in **investor sentiment** away from bonds to equities, especially in the US. However, gilt yields in the UK and bond yields in the EU have also been dragged higher. Some commentators are saying that this rise has been an overreaction to the US election result which is likely to be reversed. Other commentators take the view that this could well be the start of the long expected eventual unwinding of bond prices propelled upwards to

unrealistically high levels, (and conversely bond yields pushed down), by the artificial and temporary power of quantitative easing.

EZ. In the Eurozone, **the ECB** commenced, in March 2015, its massive €1.1 trillion programme of quantitative easing to buy high credit quality government and other debt of selected EZ countries at a rate of €60bn per month. This was intended to run initially to September 2016 but was extended to March 2017 at its December 2015 meeting. At its December and March 2016 meetings it progressively cut its deposit facility rate to reach -0.4% and its main refinancing rate from 0.05% to zero. At its March meeting, it also increased its monthly asset purchases to €80bn. These measures have struggled to make a significant impact in boosting economic growth and in helping inflation to rise significantly from low levels towards the target of 2%.

EZ GDP growth in the first three quarters of 2016 has been 0.5%, +0.3% and +0.3%, (+1.6% y/y). Forward indications are that economic growth in the EU is likely to continue at moderate levels. This has added to comments from many forecasters that those central banks in countries around the world which are currently struggling to combat low growth, are running out of ammunition to stimulate growth and to boost inflation. Central banks have also been stressing that national governments will need to do more by way of structural reforms, fiscal measures and direct investment expenditure to support demand and economic growth in their economies.

There are also significant specific political and other risks within the EZ: -

- **Greece** continues to cause major stress in the EU due to its tardiness and reluctance in implementing key reforms required by the EU to make the country more efficient and to make significant progress towards the country being able to pay its way – and before the EU is prepared to agree to release further bail out funds.
- **Spain** has had two inconclusive general elections in 2015 and 2016, both of which failed to produce a workable government with a majority of the 350 seats. At the eleventh hour on 31 October, before it would have become compulsory to call a third general election, the party with the biggest bloc of seats (137), was given a majority confidence vote to form a government. This is potentially a highly unstable situation, particularly given the need to deal with an EU demand for implementation of a package of austerity cuts which will be highly unpopular.
- The under capitalisation of **Italian banks** poses a major risk. Some **German banks** are also undercapitalised, especially Deutsche Bank, which is under threat of major financial penalties from regulatory authorities that will further weaken its capitalisation. What is clear is that national governments are forbidden by EU rules from providing state aid to bail out those banks that are at risk, while, at the same time, those banks are unable realistically to borrow additional capital in financial markets due to their vulnerable financial state. However, they are also ‘too big, and too important to their national economies, to be allowed to fail’.
- **4 December Italian constitutional referendum** on reforming the Senate and reducing its powers; this has also become a confidence vote on Prime Minister Renzi who originally said he would resign if there is a ‘no’ vote, but has since back tracked on that in the light of adverse poll predictions. A rejection of these proposals would stop progress to fundamental political and economic reform which is urgently needed to deal with Italy’s core problems, especially low growth and a very high debt to GDP ratio of 135%. They are also intended to give Italy more stable government as no western European country has had such a multiplicity of governments since the Second World War as Italy, due to the equal split of power between the two chambers of the Parliament which are both voted in by the Italian electorate but by using different voting systems. It is unclear what the political, and other, repercussions could be if there is a ‘No’ vote.
- **Dutch general election 15.3.17**; a far right party is currently polling neck and neck with the incumbent ruling party. In addition, anti-big business and anti-EU activists have already collected two thirds of the 300,000 signatures required to force a referendum to be taken on approving the

EU – Canada free trade pact. This could delay the pact until a referendum in 2018 which would require unanimous approval by all EU governments before it can be finalised. In April 2016, Dutch voters rejected by 61.1% an EU – Ukraine cooperation pact under the same referendum law. Dutch activists are concerned by the lack of democracy in the institutions of the EU.

- **French presidential election;** first round 13 April; second round 7 May 2017.
- **French National Assembly election June 2017.**
- **German Federal election August – 22 October 2017.** This could be affected by significant shifts in voter intentions as a result of terrorist attacks, dealing with a huge influx of immigrants and a rise in anti EU sentiment.
- The core EU, (note, not just the Eurozone currency area), principle of **free movement of people** within the EU is a growing issue leading to major stress and tension between EU states, especially with the Visegrad bloc of former communist states.

Given the number and type of challenges the EU faces in the next eighteen months, there is an identifiable risk for the EU project to be called into fundamental question. The risk of an electoral revolt against the EU establishment has gained traction after the shock results of the UK referendum and the US Presidential election. But it remains to be seen whether any shift in sentiment will gain sufficient traction to produce any further shocks within the EU.

Asia. Economic growth in **China** has been slowing down and this, in turn, has been denting economic growth in emerging market countries dependent on exporting raw materials to China. Medium term risks have been increasing in China e.g. a dangerous build up in the level of credit compared to the size of GDP, plus there is a need to address a major over supply of housing and surplus industrial capacity, which both need to be eliminated. This needs to be combined with a rebalancing of the economy from investment expenditure to consumer spending. However, the central bank has a track record of supporting growth through various monetary policy measures, though these further stimulate the growth of credit risks and so increase the existing major imbalances within the economy.

Economic growth in **Japan** is still patchy, at best, and skirting with deflation, despite successive rounds of huge monetary stimulus and massive fiscal action to promote consumer spending. The government is also making little progress on fundamental reforms of the economy.

Emerging countries. There have been major concerns around the vulnerability of some emerging countries exposed to the downturn in demand for commodities from China or to competition from the increase in supply of American shale oil and gas reaching world markets. The ending of sanctions on Iran has also brought a further significant increase in oil supplies into the world markets. While these concerns have subsided during 2016, if interest rates in the USA do rise substantially over the next few years, (and this could also be accompanied by a rise in the value of the dollar in exchange markets), this could cause significant problems for those emerging countries with large amounts of debt denominated in dollars. The Bank of International Settlements has recently released a report that \$340bn of emerging market corporate debt will fall due for repayment in the remaining two months of 2016 and in 2017 – a 40% increase on the figure for the last three years.

Financial markets could also be vulnerable to risks from those emerging countries with major sovereign wealth funds, that are highly exposed to the falls in commodity prices from the levels prevailing before 2015, especially oil, and which, therefore, may have to liquidate substantial amounts of investments in order to cover national budget deficits over the next few years if the price of oil does not return to pre-2015 levels.

Brexit timetable and process

- March 2017: UK government notifies the European Council of its intention to leave under the Treaty on European Union Article 50
- March 2019: two-year negotiation period on the terms of exit. This period can be extended with the agreement of all members i.e. not that likely.
- UK continues as an EU member during this two-year period with access to the single market and tariff free trade between the EU and UK.
- The UK and EU would attempt to negotiate, among other agreements, a bi-lateral trade agreement over that period.
- The UK would aim for a negotiated agreed withdrawal from the EU, although the UK may also exit without any such agreements.
- If the UK exits without an agreed deal with the EU, World Trade Organisation rules and tariffs could apply to trade between the UK and EU - but this is not certain.
- On exit from the EU: the UK parliament would repeal the 1972 European Communities Act.
- The UK will then no longer participate in matters reserved for EU members, such as changes to the EU's budget, voting allocations and policies.

APPENDIX 4 – Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management Specified and Non-Specified Investments and Limits

SPECIFIED INVESTMENTS: All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum ‘high’ quality criteria where applicable.

NON-SPECIFIED INVESTMENTS: These are any investments which do not meet the Specified Investment criteria. A maximum of 50% will be held in aggregate in non-specified investment.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

	* Minimum credit criteria / colour band	** Max % of total investments per institution	Max. maturity period
DMADF – UK Government	N/A	100%	6 months
UK Government gilts	UK sovereign rating	50%	1 year
UK Government Treasury blls	UK sovereign rating	50%	1 year
Bonds issued by multilateral development banks	UK sovereign rating	50%	6 months
Money market funds	AAA	100%	Liquid
Enhanced money market funds with a credit score of 1.25	AAA	100%	Liquid
Enhanced money market funds with a credit score of 1.5	AAA	100%	Liquid

Local authorities	N/A	100%	Unlimited
Term deposits with banks and building societies	Blue Orange Red Green No Colour		Up to 2 year Up to 1 year Up to 6 Months Up to 100 days Not for use
CDs or corporate bonds with banks and building societies	Blue Orange Red Green No Colour		Up to 2 year Up to 1 year Up to 6 Months Up to 3 months Not for use
Enhanced cash funds	AAA	50%	1 year
Corporate bond funds	AAA	50%	1 year
Gilt funds	UK sovereign rating	50%	1 year
Treasury Bills	UK sovereign rating	50%	1 year
Local Authority Mortgage Scheme. Under LAMS the Council is required to place funds with the lender for a period of 5 years. This is classified as being a service investment, rather than a treasury management investment, and is therefore outside of the Specified / Non specified categories.			

Non Specified Investments (can be longer than 1 year)	Minimum Credit Criteria	Use	Max % of total investments	Max. maturity period
Term deposits – UK government (with maturities in excess of 1 year)	Credit rating in TMP's	In-house	100%	5 yrs
Term deposits – other LA's (with maturities in excess of 1 year)	Credit rating in TMP's	In-house	100%	5 yrs
Term deposits – banks and building societies (with maturities in excess of 1 year)	Credit rating in TMP's	In-house	As set out in TMP 1	5yrs
Term deposits with unrated counterparties : any maturity	Credit rating in TMP's	In-house	As set out in TMP 1	5yrs
Certificates of deposits issued by banks and building societies with maturities in excess of 1 year	Credit rating in TMP's	In house on a 'buy and hold basis' and Fund managers	As set out in TMP 1	2 yrs

UK Government Gilts with maturities in excess of 1 year	AAA	In house on a 'buy and hold basis' and Fund Managers	As set out in TMP 1	Overall duration of 3 years
Bonds issued by multilateral development banks with maturities in excess of 1 year	AAA	In-house on a 'buy-and-hold' basis. Also for use by fund managers	50% of the total fund	Overall duration of 3 years
Bonds issued by a financial institution which is guaranteed by the UK government with maturities in excess of 1 year	AAA	In-house on a 'buy-and-hold' basis. Also for use by fund managers	50% of the total fund	Overall duration of 3 years
Sovereign bond issues (i.e. other than the UK govt) with maturities in excess of 1 year	AAA	In house on a 'buy and hold basis' and Fund Managers	50% of the total fund	Overall duration of 3 years
Corporate Bonds : <i>the use of these investments would constitute capital expenditure</i>		In house on a 'buy and hold basis' and Fund Managers	50% of the total fund	Overall duration of 3 years
Floating Rate Notes : <i>the use of these investments would constitute capital expenditure unless they are issued by a multi lateral development bank</i>		Fund managers	50% of the total fund	Overall duration of 3 years
Property Fund: <i>the use of these investments would constitute capital expenditure</i>		In house and Fund Managers	50% of the total fund	Overall duration of 10 years

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

APPENDIX 5 Treasury management scheme of delegation

(i) Full board/council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

(ii) Boards/committees/council/responsible body

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Body/person(s) with responsibility for scrutiny

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

APPENDIX 6 The treasury management role of the Section 151 Officer

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Discretionary	Be entirely within Cabinet's powers to decide YES		
		Need to be recommendations to Council NO		
		Is it a Key Decision NO		
Lead Member: Cllr Alistair Beales (Portfolio Holder Regeneration)		Other Cabinet Members consulted:		
E-mail:		Other Members consulted:		
Lead Officer: Dale Gagen E-mail: dale.gagen@west-norfolk.gov.uk Direct Dial: 01553 616505		Other Officers consulted: Management Team Matthew Henry		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications YES	Equal Impact Assessment NO	Risk Management Implications YES

Date of meeting: 14th February 2017

KING'S LYNN – TRANSFER OF LAND FOR PROPOSED SCHOOL

Summary

This report seeks authority from Cabinet for the transfer of the land shown at appendix 1 to Norfolk County Council as the local Education Authority, for the proposed development of a new Nursery and Primary school off Greenpark Avenue, King's Lynn.

Recommendation

It is recommended that:

1. the acquisition of this land asset is progressed along the lines set out within this report.
2. That delegated authority is given to the Property Services Manager and the Corporate Projects Officer to finalize the terms of the proposed disposals set out within this report in consultation with the Portfolio Holder for Regeneration.
3. That delegated authority is given to the Leader of the Council and the Portfolio Holder Regeneration to consider the merits of any objection raised from the public consultation exercise required under the Local Government Act 1972 in the proposed "disposal" of the land that is the subject of this report.

4. Authority is granted to the Legal Services Manager to progress the necessary transfer, or any other associated, documentation through to completion.

Reason for Decision

To facilitate Norfolk County Council to build a new School within the housing estate, to improve community cohesion and educational provision within the area. The new school serving both the existing and proposed housing in the immediate area.

1 Background

1.1 Phase one of the Major Housing project has now started on Marsh Lane. Major infrastructure including the new road, hockey pitches, tennis courts and additional car parking is complete. Phase 2 viability tests are currently being run with a report due to Cabinet and Council later in the year. Planning permission for Marsh Lane, Lynnsport 3, 4 and 5 have been obtained leaving Lynnsport 1 as the only site without planning permission. This is due to be determined in March 2017.

1.2 The overall project is aimed at achieving a significant delivery of housing over a 4-5 year period, accelerating house building in the local economy, and enhancing the sports and recreation offer within King's Lynn. The project will also provide a commercial return for the Council over the longer term and act as a stimulus to the economic activity in the local area including the creation of apprenticeships in West Norfolk.

1.3 The proposal assumes that the Council will:

- Use Council owned land as an investment to stimulate new housing delivery.
- Accept a deferred receipt/revenue stream for the land.
- Facilitate improvements to the leisure facilities at Lynnsport including the provision of a new access road from Edward Benefer Way.

2 Educational Provision for the Area

2.1 Developers are normally required to make payments for the impact their developments are expected to have on the educational assets in the area. This cost is calculated by the Norfolk County Councils (NCC) and forms part of the section 106 agreement associated with the planning permissions.

2.2 The Borough Council has for some time been working with the NCC to try to relocate St Edmunds Community Foundation School (located behind the Fire Station) to the local built environment, to improve community cohesion

and educational provision within the area. The St Edmunds school site is considered to be too detached and remote from the main residential areas in North Lynn and is accessed via a pedestrian underpass under Edward Benefer Way.

The development of a new school facility off Greenpark Avenue is considered to have wide ranging strategic benefits in the provision of education facilities and in the integration of communities located at North Lynn, The Grange Estate and on Wootton Road

2.3 As part of this project the NCC has agreed to waive any section 106 Education contribution for any of the Lynnsport and Marsh Lane sites, in lieu of the site shown at appendix 1.

Proposed Site Transfer

The site is located to the north of Greenpark Avenue and will be accessed through the residential development site known as “Lynnsport 4”. The site extends to approximately 3.8 Ha (9.4 Ac), or thereabouts, is generally level, and comprises grassed areas and areas of informal unmanaged undergrowth.

The Council proposes to enter into an Option Agreement with the Purchaser (Norfolk County Council) at nil consideration. The use of the site will be limited to school/educational use. The Option Agreement will be time-limited, and the Purchaser will only benefit from the site transfer when the physical delivery of the educational facility is guaranteed.

3 Policy Implications

None

4 Financial Implications

4.1 As part of the agreement with the NCC are responsible for gaining planning permission and any cost associated with servicing the site.

5 Risk Management Implications

5.1 The proposed transfer will initially be set up as an Option Agreement, and the transfer will only proceed when the school facility is guaranteed to be delivered.

6 Statutory Considerations

6.1 Generally local authorities are required to gain “best consideration” when disposing of assets under the provisions of section 123 of the Local Government Act 1972. “Best consideration” basically means the best possible price.

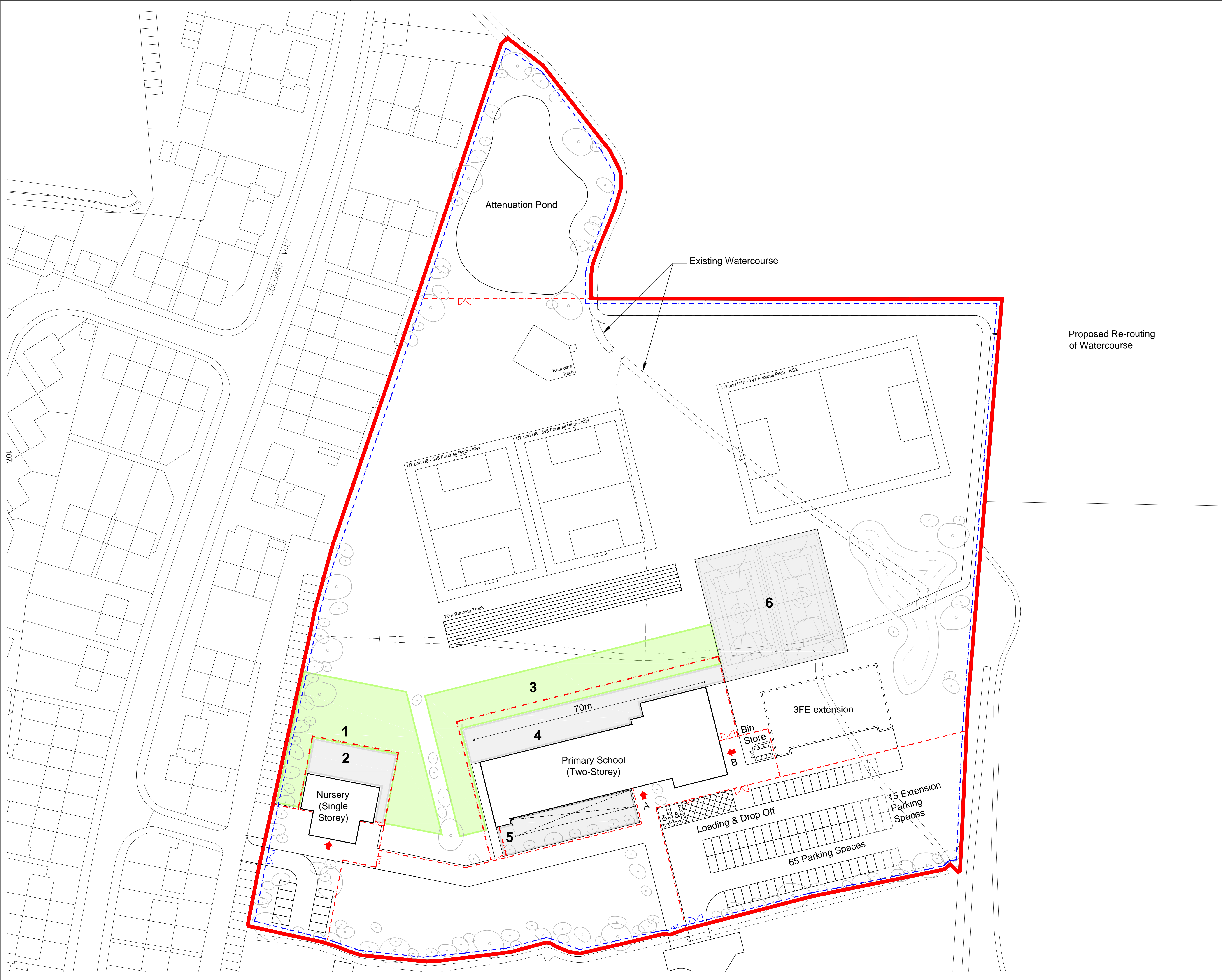
7.1 However, central government recognises that local authorities may consider undertaking projects that represent a wider social or community benefit, and that to facilitate such proposals there may need to be a greater degree of flexibility in respect of the consideration achieved from sites i.e. less than “best consideration”. “Circular 06/03 : Local Government Act 1972 general disposal consent (England) 2003 – disposal of land for less than the best consideration that can reasonably be obtained” provides local authorities with the ability to dispose of land assets at less than “best consideration” if it considers that **the disposal will secure the promotion or improvement of the economic, social or environmental well-being of its area**. Note : this discretion is limited to undervalues of up to £2 million.

The proposal to dispose of the site that is the subject of this report is considered to fit the requirements of Circular 06/03.

In addition to the above, in proposing to dispose of the site, as it is, in part, considered to be “open space”, sections 123(2A) and 127(3) of the Local Government Act 1972 and section 233(4) of the Town and Country Planning Act 1990 require a local authority wishing to dispose of open space under those powers requires the Council to advertise its intentions in a local newspaper for two consecutive weeks and to consider objections. Authorities should carry out these procedures before making any final decisions about disposal as the public response to the notices may be material to any such decision.

Equality Impact Assessment (EIA)

Not applicable



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ORIGINAL SHEET SIZE

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KEY PLAN

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Notes:

Site boundary

Soft Play

Hard Play

Prop. 3FE Unit

Sheltered Play

Bus Drop Off & Loading

65 Parking Spaces (Not incl. 2 Disabled & 10 Nursery Spaces)

16 Extension Parking Spaces

Bow Top Fence 1.2 m

World Mesh Fence 1.8m

Weld Mesh Fence 2m (Perimeter Fence)

A.

Main Entrance

B.

Kitchen Entrance

Nursery

1.

Soft Play 1030m²

2.

Hard Play 258m²

Primary School

3.

Soft Play 1266m²

4.

Hard Play 630m²

5.

Hard Play 382m²

6.

Hard PE 1369m²

Total Site Area 38221m²

FIRST ISSUE

P2	TR	07.11.16	SG				
REV	DRAWN	DATE	CHECKED	DATE	APPROVED	DATE	

npsgroup

NPS Property Consultants Ltd
Nautilus House, 10 Central Avenue, St. Andrews Business Park, Norwich, Norfolk, NR7 0HR.
Tel:01603 706700, Email: norwichnautilus@nps.co.uk, www.nps.co.uk

CLIENT

Norfolk County Council

PROJECT

Lynnsport New Primary School
Kings Lynn

TITLE

Proposed Site Plan

SCALES

1:500

DISCIPLINE

ARCHITECT

PROJECT NUMBER

17-1-1078

DRAWING NUMBER

NPS-DR-A-(00)-003

REV CODE

P2

STATUS CODE

S2

PURPOSE OF ISSUE

INFORMATION

DRAWN BY

TR

File Path: \\nor-061.norwich.nps.local\data\NPS Nautilus House\Project Specific Files\Kings Lynn New Lynnsport Primary School\17-1-1078\03_BIM\01_WIP\Lynnsport Site Plan rev c.dwg

Saved: 15 November 2016 16:12:36 By: Roadsey, Tamsyn

Date Plotted: 15 November 2016 16:18:21

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REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards		Be entirely within Cabinet's powers to decide	YES	
	Discretionary /	Need to be recommendations to Council	NO	
	Operational	Is it a Key Decision	NO	
Lead Member: Cllr Adrian Lawrence E-mail:		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Duncan Hall E-mail: Direct Dial:		Other Officers consulted: Chief Executive/Assistant Director - Finance & Resources		
Financial Implications YES	Policy/Personnel Implications YES	Statutory Implications NO	Equal Impact Assessment YES If YES: Pre-screening/ Full Assessment	Risk Management Implications YES

Date of meeting: 28 February 2017

COMMUNITY HOUSING FUND**Summary**

This report provides information on the funding awarded to BCKLWN in 2016/17 through the Community Housing Fund. The fund has been established to support the delivery of community led affordable housing schemes in areas where the impact of second homes is particularly acute.

Whilst the Council has been awarded £890,576 in 2016/17, payment of the final 50% of this sum is dependent on the submission of a satisfactory delivery plan. This report shows how the fund will be targeted at parts of the Borough where there is strong demand for second homes/holiday homes. It identifies a number of opportunities for how the fund could be spent and makes two recommendations which will support the development of a delivery plan.

Recommendation

It is recommended that:-

1. Cabinet approves the targeting of the Community Housing Fund monies on parts of the Borough where there is strong demand pressures associated with second homes/holiday homes.
2. Cabinet delegates to the Chief Executive in consultation with the Housing and Community Portfolio Holder:
 - a. The production of a delivery plan for the spend of the 2016/17 Community Housing Fund allocation.
 - b. Authority to negotiate and agree with the North Norfolk District Council joint working or partnership arrangements through which the outcomes for the Community Housing Fund can be delivered.
 - c. Spend of the Community Housing Fund in accordance with the delivery plan.

Reason for Decision

The recommendations will ensure that the opportunity presented by the Community Housing Fund to support rural and coastal communities where the impact of high levels of second and holiday homes is most acute will be fully realised and will ensure that the Council will be able to continue to support such communities by developing a strategic approach and delivery programme to support the funding opportunities available through the fund from 2017/18 onwards.

1.0 Background

- 1.1 Central Government announced through the 2016 Budget that £60m will be provided to support community led housing developments in rural and coastal areas where the impact of second homes is particularly acute. As a result the Community Housing Fund has been developed as an annual fund available to English authorities, funded from the increased Stamp Duty Land Tax rate which applies when an additional property is purchased – such as a second home or buy to let property.
- 1.2 On 23 December 2016 the Government formally announced the launch of the Community Housing Fund and the individual allocations to 148 local authorities for 2016/17. West Norfolk has been awarded £1.8m which represents one of the largest awards to any local authority. The Council's large award recognises the number of second and holiday homes in the district and the impact of this upon affordability of housing for local people.
- 1.3 The first year of funding is designed to ensure that there is sufficient capacity and skills to deliver an ongoing and sustainable programme of community led housing schemes with funding from April 2017 focused on supporting the delivery of new homes. Further allocations will depend in part on whether the initial allocation is spent in accordance with the objectives of the fund. On this basis, in order to ensure the applications/bids to the fund from April 2017 are successful, the Council will need to develop and implement an effective ongoing delivery strategy. This will allow the fund to continue to be used to benefit local communities with high levels of second and holiday homes through the provision of new affordable homes and the ability of the new housing schemes to provide wider community benefits.

2.0 The Community Housing Fund

- 2.1 The Council's 2016/17 allocation from the Community Housing fund will be paid in two tranches, the first tranche of 50% was paid in January, the remaining tranche will be paid in March subject to the Council satisfying the Department of communities and Local Government (DCLG) that it has an appropriate delivery plan for spending the 2016/17 allocation in order to address the impact of second homes.

- 2.2 The fund is flexible in that it can be used to provide capital investment, technical support and revenue funding to make schemes more viable and significantly increase the delivery of community led affordable housing of all tenures. Discussion with the DCLG has identified that it is up to the Council to determine how to spend the monies it receives to deliver against the objective of the fund and therefore the 2016/17 monies can be used to fund additional staff resource and fund the provision of additional affordable housing.
- 2.3 Allocations from the Community Housing Fund from 2017/18 onwards will depend in part on how the 2016/17 allocation has been spent. It is not clear at this time how the 2017/18 budget will be allocated and it is expected that there will be a bid round which will be limited to the 148 local authorities which received funding in 2016/17. The focus for future years funding will be on proposals which deliver new housing and future funding is likely therefore to depend on the establishment of a pipeline of suitable community led schemes.
- 2.4 A community led housing development scheme, in accordance with the guidance prepared for the Community Housing Fund will have:
- A requirement that the local community has been involved in key decisions throughout the process. The community is not required to have initiated the process or to manage the development or the homes but can choose to do so;
 - A presumption in favour of community groups that are taking a long term formal role in the management, ownership or stewardship of the homes; and
 - A requirement that the benefits to the local area/or specified community are clearly defined and legally protected in perpetuity.
- The delivery of new homes can be through a number of routes which includes community led housing organisations, Community Land Trusts or partnerships with developers or Registered Providers.
- 2.5 The Community Housing Fund allocation to West Norfolk is a significant, if not unique, opportunity for the Council to address the issue of the impact of second homes to the benefit of our local communities. The focus of the fund is on providing affordable homes of all tenures; there could be opportunities associated with the development of new homes that can be used to provide an income which supports facilities which are important to the community and deliver wider community benefits.

3.0 Targeting of the Community Housing Fund

- 3.1 Across the Borough approximately 4.50% of homes are second homes or holiday homes. Whilst there are substantial variations within the borough the majority of parishes with the highest levels of second homes (exceeding 30%) are found in the north of the borough reflecting the very large number of second homes in holiday areas by the coast.

4. Next Steps

- 4.1 In order to ensure that the Council receives the second tranche of the 2016/17 Community Housing Fund allocation and that the fund remains an ongoing source of funding available to support community led housing developments it is imperative that the Council:
- Develops a robust and credible delivery plan showing how the 2016/17 Community Housing Fund allocation is being/will be spent and expected outcomes/deliverables.
 - Delivers a number of 'quick wins' showing how the fund is being used to meet its objective across the Borough.
 - Develops an ongoing framework and delivery strategy which supports the development of community capacity to bring forward community led housing schemes.
 - Has sufficient in house and external capacity to support the implementation of the 2016/17 delivery plan and achieve full spend of the available funding and future allocations.
- 4.2 As a recipient of the Community Housing Fund, the Council will be required to assist the DCLG to carry out a review of the outcomes achieved from the fund. This requirement will be built into the implementation of the delivery plan and delivery strategy to ensure that outcomes delivered by projects and schemes are evaluated and captured.
- 4.3 An initial review of potential options for projects and initiatives for the Community Housing fund has identified the following opportunities for the 2016/17 funding:
- Review the existing programme of Exception Housing Schemes developed in partnership with local communities in the targeted area to identify schemes which could be prioritised for early delivery through the use of the fund.
 - Seek to develop a model whereby some of the grant funding provided to support development of community led housing schemes is recycled to fund future schemes providing additional capacity and longevity for the fund.
 - Explore whether a joint approach with the North Norfolk District Council could allow a partnership approach or structure to bring the required capacity including staff resources to support the above opportunities and future use of the fund.
 - Utilise existing delivery arrangements within the Council including Major Housing building contract and the Local Housing Company.

5.0 Risk Management Implications

- 5.1 The potential risks and implications associated with the fund are discussed below:
- It is important that community expectations for the fund in terms of community support for the principles of the grant relative to the availability of funding and the impact of specific scheme proposals are managed.

- Whilst schemes will be developed with local communities there may be objections from some interests in the local community to the proposed housing development which could delay proposals being brought forward or the development of schemes.

5.2 The council will develop a communications strategy to ensure that the Council's proposals in relation to the use of the Community Housing Fund are communicated clearly and effectively to internal and external audiences, stakeholders and local communities with high levels of second and holiday home ownership.

Options Considered

7.0 Policy Implications

7.1 This initiative aligns closely with Council's existing housing policies, particularly the exceptions site policies for rural locations.

8.0 Financial Implications

8.1 The community Housing Fund is additional funding over and above the council's own existing capital and revenue resources. As there is uncertainty as to the full amount of funding which the Council will actually receive in terms of the 2016/17 allocation and from future applications/bids for funding from April 2017 onwards, it is recommended that a prudential approach is taken to the spend of the fund. This would ensure that the Council does not commit or spend any money above the amount which is already held by the Council or for which formal notification has been received of a confirmed funding allocation.

Personnel Implications

10.0 Statutory Considerations

10.1 There are no statutory implications.

11.0 Equality Impact Assessment (EIA)

(Pre screening report template attached)

11.1 There are no equality and diversity implications directly associated with this report.

Declarations of Interest / Dispensations Granted

Background Papers



Pre-Screening Equality Impact Assessment

Name of policy/service/function					
Is this a new or existing policy/ service/function?		New / Existing (delete as appropriate)			
Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service rigidly constrained by statutory obligations					
Question	Answer				
1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service? Please tick the relevant box for each group. NB. Equality neutral means no negative impact on any group.		Positive	Negative	Neutral	Unsure
	Age				
	Disability				
	Gender				
	Gender Re-assignment				
	Marriage/civil partnership				
	Pregnancy & maternity				
	Race				
	Religion or belief				
	Sexual orientation				
	Other (eg low income)				
Question	Answer	Comments			
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	Yes / No				
3. Could this policy/service be perceived as impacting on communities differently?	Yes / No				
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	Yes / No				
5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section	Yes / No	Actions:			
		Actions agreed by EWG member:			
Assessment completed by: Name					
Job title	Date				

Please Note: If there are any positive or negative impacts identified in question 1, or there any 'yes' responses to questions 2 – 4 a full impact assessment will be required.

REPORT TO CABINET

open		Would any decisions proposed :		
Any especially affected Wards	Mandatory/	Be entirely within Cabinet's powers to decide	YES	
	Discretionary /	Need to be recommendations to Council	NO	
	Operational	Is it a Key Decision	NO	
Lead Member: Cllr Nick Daubney E-mail: cllr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted: Cllr Brian Long		
		Other Members consulted:		
Lead Officer: Ostap Paparega E-mail: ostap.paparega@west-norfolk.gov.uk Direct Dial: 01553 616890		Other Officers consulted: Ray Harding, Management Team, Matthew Henry		
Financial Implications NO	Policy/Personnel Implications NO	Statutory Implications NO	Equal Impact Assessment YES/NO If YES: Pre-screening/ Full Assessment	Risk Management Implications NO

Date of meeting: 28th February 2017

KING'S LYNN COASTAL COMMUNITY TEAM

Summary

King's Lynn has been awarded a Coastal Community Team by Government. The Team's main task is to produce an Economic Plan for King's Lynn. This report outlines the key steps

Recommendation

It is recommended that Cabinet:

1. Accepts the Coastal Community Team Award for King's Lynn
2. Approves the Coastal Community Team's proposed membership
3. Delegates authority to the Executive Director for Commercial Services in consultation with the Cabinet Member for Systems and Economic Development and the Regeneration, Heritage and Economic Development Manager to form the Coastal Community Team and prepare the Economic plan for King's Lynn
4. Receives the Economic Plan for endorsement.

Reason for Decision

This proposal meets the following corporate priorities, as stated in the Corporate Business Plan 2015/16-2019/20:

Priority 2: Drive local economic and housing growth

- 4. We will support new and existing businesses to help them thrive
- 6. We will support activity that helps drive up the skills levels of local people

Priority 4: Celebrate our local heritage and culture

- 11. We will support the improvement of our built heritage, drawing in third-party funding wherever possible
- 12. We will support leisure and tourism within the borough

Background

1. In September 2016, the Borough Council has submitted a bid for a Coastal Community Team for King's Lynn.

What is a Coastal Community Team?

2. 'A Coastal Community Team is a local partnership consisting of the local authority and a range of people and business interests from a coastal community who have an understanding of the issues facing that area and can develop an effective forward strategy for that place. The Team should include a range of local stakeholders and have broad support.'¹
3. The main task of Coastal Community Teams is to produce an Economic Plan for their areas that captures relevant local economic information and assists the Teams in focusing on the key economic issues facing the coastal area that the Team covers.
4. The Government will provide £10,000 per Coastal Community Team to assist them in developing the Economic Plan. The funding can be spent on undertaking research, consultation and any other activities that would assist the Team in developing the Economic Plan.
5. Appendix 1 includes the Economic Plan template, although Coastal Community Teams have discretion in amending the template as appropriate.

King's Lynn Renaissance – Coastal Community Team proposal

6. The King's Lynn Coastal Community Team proposal offers an unique opportunity to bring under one umbrella key representatives of business organisations, public agencies and representatives of major employers in the area. It provides a new platform that will facilitate and improve collaboration and coordination across public and private sector initiatives as well as between key sectors in the local economy.
7. The Team will bring under one coordination representatives of the West Norfolk Chamber of Commerce, the Federation of Small Businesses, King's Lynn Town Centre Partnership/Business Improvement District, the West Norfolk Tourism Forum

¹ <http://www.coastalcommunities.co.uk/coastal-community-teams/>

(Destination Management Organisation), King's Lynn ABP Port, Greater Cambridge Greater Peterborough LEP and New Anglia LEP, the newly launched University Centre West Anglia, King's Lynn Innovation Centre and a number of local business leaders.

8. The Team will commission a Employer and Business Needs Survey, which will provide the evidence base necessary to develop the Economic Plan
9. The Borough Council has been granted 'in-principle' Heritage Action Zone (HAZ) status. The Coastal Community Team will work closely with the HAZ Partnership Team to ensure that the CCT Economic Plan is aligned with the HAZ Delivery Plan to maximise the socio-economic and spatial opportunities arising from both initiatives and the synergies between the two Plans to lever in additional private and public investment in King's Lynn.
10. The Economic Plan must be published by 31 March 2017.

Options considered

Option 1 – submit a King's Lynn proposal

11. The main reason of submitting a King's Lynn proposal is the town's key role as a sub-regional employment and economic centre. The CCT would ensure closer involvement of the business community and key local employers in developing an Economic Plan that would aim to strengthen King's Lynn as a location that is more competitive economically and more attractive socially

Option 2 – Submit a proposal for a different coastal area within West Norfolk

12. Hunstanton already has a Coastal Community Team, so this option has been discounted, and given King's Lynn's sub-regional role, other areas too have been discounted.

Option 3 – Do nothing

13. This option has been discounted on the basis that having a Coastal Community Team would present new opportunities and benefits that would enable the Borough Council to attract additional resources to stimulate local economic growth through the Coastal Community Fund and Coastal Revival Fund.

Preferred option

14. Given King's Lynn significant economic and employment role, the Borough Council has submitted an application for a Coastal Community Team in King's Lynn.

Next steps

15. Coastal Community Team formed – by 10th March 2017
16. Employer and Business Needs Survey – by 20th March
17. Economic Plan completed – by 31 March 2017

Policy Implications

This proposal meets the Corporate Business Plan's strategic priorities of driving local economic and housing growth and celebrating our local heritage and culture.

Financial Implications

No implications.

Personnel Implications

No implications

Statutory Considerations

No statutory implications.

Equality Impact Assessment (EIA)

(Pre screening report template attached)

Risk Management Implications

No implications

Declarations of Interest / Dispensations Granted**Background Papers**



Pre-Screening Equality Impact Assessment

Name of policy/service/function	KL Coastal Community Fund				
Is this a new or existing policy/ service/function?	New				
Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service rigidly constrained by statutory obligations	Coastal Community Team / intro of Economic Plan				
Question	Answer				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			x	
	Disability			x	
	Gender			x	
	Gender Re-assignment			x	
	Marriage/civil partnership			x	
	Pregnancy & maternity			x	
	Race			x	
	Religion or belief			x	
	Sexual orientation			x	
	Other (eg low income)			x	
	Question	Answer	Comments		
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	No				
3. Could this policy/service be perceived as impacting on communities differently?	No				
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	No				
<p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions?</p> <p>If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p>	No	Actions:			
		Actions agreed by EWG member:			
Assessment completed by: Name O Paparega					
Job title Regeneration Mgr	Date 7.2.17				

APPENDIX 1



COASTAL COMMUNITY TEAMS 2017

ECONOMIC PLAN

No.	Heading	Detail	Information
Key Information			
1	Name of CCT	N/A	
2	Single Point of Contact (SPOC)	Name Address Tel nos Email (this person needs to be readily accessible)	
3 (a)	CCT Membership	Names and position, e.g. resident, Local Councillor, community worker	
3 (b)	CCT Membership	Other partners and/or stakeholders to be involved, e.g. there may be members of the team who come in for specific projects, etc.	

4	Accountable Body	Local Authority Contact name & details	Does the Accountable Body have a representative on the CCT membership? Y/N
5	Local Area	Provide brief geographical description of the locality and a brief history if relevant.	
6	Context – community (suggested maximum 300 words)	Description of local community with demographics.	
7	Context – economy (suggested maximum 400 words)	Local economy, e.g. business, tourism, manufacture, etc, 'Starting point', i.e. where are you now?	
8	Related initiatives	What else is going on in the community of economic importance, e.g. BID, LEP, CIC, CCF, CRF	
CCT Plan			
9	Ambition	A positive statement of the aims and objectives of the plan and a description of what the team will achieve by its delivery. Description of 'what success will look like'.	

10	Needs of the community and intentions of the team to meet them.	Identify the socio-economic needs of the community and the opportunities to meet them. Each element should be Specific, Measureable, Achievable, Realistic and Timed (SMART).	
11	Analysis	Describe the strengths, opportunities, weaknesses and threats in meeting the needs at 10 (a).	
12	Data – <i>while an essential element of the plan, it could be included in a ‘daughter’ document.</i>	Provide evidence to support the intentions of the plan. This will include statistical data but broader data should also be included. Data used should be specific, relevant and transparent. It is sufficient to reference evidence held elsewhere.	
Delivering the Plan			
13	Key projects and/or bodies of work.	High level description of discrete pieces of work showing CCT role, indicative partners and timescales.	

14	Short term goals/actions	What will the team achieve in the next 6 months? Should demonstrate 'quick wins'.	
15	Performance measures	For first 6 months – to be SMART This could include increased footfall, extension of season, new businesses, jobs, training, etc	
16	Medium term goals/actions	For 6mths to 5 years	
17	Performance measures	For 6mths to 5 years – to be SMART This could include increased footfall, extension of season, new businesses, jobs, training, etc	
18	Long term goals and actions Optional	Strategic plans beyond 5 years – include performance measures where appropriate. Include desired outcomes.	
19	Barriers	Identify any barriers to delivering the plan and if you have contingencies to manage them.	
20	Resources	Who and what will be required to deliver each	

		element of the plan. Include 'in kind' services, volunteers, etc. demonstrate how local expertise will be utilised and/or grown.	
21	Costs	Detail of costs of each element of plan. This should describe likely spend, revenue to be raised, resources – including time for volunteers, social/virtual banking (i.e. swapping, sharing resources, skills, time, etc)	
22	Funding	Identification of funding streams and how costs of project(s) will or could be met.	
23	Maximising resources and costs	Describe how this will be minimised, e.g. shared services, use of technology, avoidance of bureaucracy, etc.	
Communications			
24	Consultation	Describe existing results of consultations, planned consultation exercises and expressions of support.	

25		Describe plans to involve and inform partners and other bodies, including accountable body, DCLG and CCA.	
26	Communication with community	How will the community and stakeholders be involved and informed of progress and outcomes.	
27	Communications Contact	Details of local contact for comms, media and informing DCLG et al of updates, events, etc.	Name, tel, email, address, etc
CCT Logistics			
28	Management of team	How the team will operate, frequency of meetings, centrality of team to projects, etc. How the team is representative of the community.	
29	Support structure	Network of support built to enable CCT to deliver the economic plan	
30	Costs	Running costs of CCT itself. These may be approximate and are likely to include, purchases, admin,	

		attendance, travel & subsistence, etc	
31	Sustainability	Long term plan for team and how this will be managed. E.g. how are businesses sustained while giving to team, how are volunteers supported, co- funding, shared locations, etc	
32	Areas of Specific Interest	Provide areas of on which you would wish to join a working group or network (virtual or otherwise), e.g. arts, tourism, housing, piers, sport, transport, heritage, marketing, etc.	

REPORT TO CABINET

Open		Would any decisions proposed :			
Any especially affected Wards	Mandatory/	Be entirely within Cabinet’s powers to decide		YES	
	Discretionary /	Need to be recommendations to Council		NO	
	Operational	Is it a Key Decision		YES	
Lead Member: Cllr Alistair Beales E-mail: cllr.alistair.beales@west-norfolk.gov.uk		Other Cabinet Members consulted: Cllr Elizabeth Nockolds			
		Other Members consulted: Cllr Avril Wright			
Lead Officer: Ostap Paparega E-mail: ostap.paparega@west-norfolk.gov.uk Direct Dial: 01553 616890		Other Officers consulted: Ray Harding, Management Team, Matthew Henry			
Financial Implications YES	Policy/Personnel Implications YES	Statutory Implications NO	Equal Impact Assessment NO	Risk Management Implications NO	

Date of meeting: 28th February 2017

KING'S LYNN HERITAGE ACTION ZONE

Summary

The Borough Council has been awarded Heritage Action Zone status by Historic England. The award has been granted on an 'in-principal' basis, subject to submission of a detailed Delivery Plan. This report outlines the key elements of King's Lynn's Heritage Action Zone and details the governance and management arrangements as well as the proposal's intervention logic framework.

Recommendation

It is recommended that Cabinet:

1. Accepts Historic England's 'in-principle' award of the Heritage Action Zone status for King's Lynn
2. Approves the King's Lynn Heritage Action Zone boundary, shown as the development boundary in Appendix 1
3. Approves the King's Lynn Heritage Action Zone Intervention Logic Framework as detailed in Appendix 2
4. Approves the King's Lynn Heritage Action Zone governance and management arrangements as shown in Appendix 3
5. Delegates authority to the Executive Director for Commercial Services and the Regeneration, Heritage and Economic Development Manager in consultation with the Cabinet Member for Corporate Projects and Assets to agree the Delivery Plan with Historic England.

Reason for Decision

This proposal meets the following corporate priorities, as stated in the Corporate Business Plan 2015/16-2019/20:

Priority 2: Drive local economic and housing growth

6. We will support new and existing businesses to help them thrive
7. We will meet our housing growth targets

Priority 4: Celebrate our local heritage and culture

11. We will support the improvement of our built heritage, drawing in third-party funding wherever possible
12. We will support leisure and tourism within the borough

Background

1. In May 2015, Historic England's Urban Panel paid a two-day study visit to King's Lynn. The Urban Panel is a national body whose remit is 'to engage with Government policy and best practice as it relates to urban regeneration and the historic environment [...] and to provide useful strategic advice to public and private bodies with an interest in places where significant changes to the built environment are being planned.'¹ Membership of the Panel includes experts in the following fields: conservation, architecture, urban design, archaeology, history, property, development economics, retail and regeneration.
2. The study visit included meetings with Members and officers, key stakeholders and site visits. Following the visit, the Panel produced a report, which included a recommendation for King's Lynn to apply for the newly launched Heritage Action Zone initiative.
3. The Borough Council submitted a bid in September 2016 and attended an assessment interview with the Historic England Evaluation Panel. Following this initial stage, the Borough Council's proposal was shortlisted for appraisal by the National Selection Panel, which granted 'in-principal' approval in November 2016.
4. The first ten of places selected in 2016 to become Heritage Action Zones and the lead partner for each project are:
 - Sutton (town centre) – London Borough of Sutton
 - Heart of Nottingham – Nottingham Heritage Panel
 - Coventry – Coventry City Council
 - Ramsgate – Ramsgate Coastal Community Team
 - Weston's Hidden Heritage – North Somerset Council

¹ <https://content.historicengland.org.uk/content/docs/committees-panels/urban-panel-reference.pdf>

- King's Lynn – Borough Council of King's Lynn and West Norfolk
- Sunderland Historic High Streets – Sunderland City Council
- Appleby Conservation Area (Eden District Council)
- Hull Old Town (Hull City Council)
- Elsecar: the Earl's village of iron and coal, Barnsley (Barnsley Metropolitan Borough Council)

What is a Heritage Action Zone (HAZ)?

5. The Heritage Action Zone initiative was published in the Government's Culture White Paper (2016).²
6. 'The aim of a Heritage Action Zone is to achieve economic growth by using the historic environment as a catalyst. A Heritage Action Zone will provide a targeted response to the economic, social and environmental needs of a particular area. Through Heritage Action Zones, [Historic England] will work with local partners to deliver and implement a programme of support that best meets these local requirements.'³

Heritage Action Zone - key benefits

7. HAZ will co-fund a post to deliver the schemes included in the zone.
8. HAZ bids can cover the costs of feasibility studies, masterplanning, site options appraisals, which are usually more difficult to fund as they are upfront costs incurred by developers
9. Applications from HAZ areas for Historic England, Heritage Lottery Fund, The Architectural Heritage Fund and other heritage and culture related funds will be prioritised over applications from non-HAZ areas. The Borough Council has secured £7.7m grant funding over the past ten years from the HLF. Current schemes include the Townscape Heritage Initiative (THI) and the Heritage Hunstanton Gardens. A bid for £2.2m funding for St George's Guildhall complex is currently being assessed by the HLF.
10. Having LEPs involved in the HAZ, will present new opportunities to apply to LEPs for funding to deliver some of the HAZ schemes (as long as they are aligned to LEP priorities and deliver jobs and homes).

King's Lynn HAZ boundary

11. The proposed King's Lynn Heritage Action Zone contains 462 listed buildings (17 Grade I, 55 Grade II* and 390 Grade II) and 6 Scheduled Ancient Monuments (SAM) which showcase the heritage of King's Lynn and highlight its historic local, national and international importance.
12. King's Lynn Heritage Action Zone proposal is shown in Appendix 1.

²

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/510798/DCMS_The_Culture_White_Paper_3_.pdf

³ Historic England (2016), *Guidance for Producing a Heritage Action Zone Delivery Plan*

King's Lynn HAZ proposal – intervention logic framework

13. King's Lynn HAZ proposal includes a series of interventions and projects aimed at achieving the programme's objectives of stimulating and delivering local economic growth. The key elements of King's Lynn's HAZ proposal are summarised in the Intervention Logic Framework (Appendix 2).

King's Lynn HAZ proposal – governance and management

14. One of the critical success factors for a HAZ proposal is demonstrating that the bid is supported by a strong partnership, which includes key partners, such as the two LEPs and representatives of the local business community.
15. A key requirement for all HAZs is to be overseen by a Partnership Team. It is proposed that the King's Lynn HAZ Partnership Team will be chaired by the Cabinet Member for Corporate Projects and Assets and include the Cabinet Member for Culture, Heritage and Health, the Borough Council's Heritage Champion and representatives from the Borough Council, Norfolk County Council, Greater Cambridge Greater Peterborough and New Anglia LEPs, West Norfolk Chamber of Commerce and King's Lynn Town Centre Partnership as well as Historic England.
16. King's Lynn HAZ will be implemented by a Borough Council Delivery Team, which includes officers from property, regeneration & economic development, planning, conservation, housing, finance and communications.
17. A key stakeholder group will be formed and include the following organisations: King's Lynn Preservation Trust, King's Lynn Civic Society, Freebridge Housing Association and relevant resident and community groups. The key stakeholder group will be consulted on specific issues as and when required.
18. The proposed governance and management arrangements are illustrated in Appendix 3.

Options considered

Option 1 – submit a King's Lynn wide proposal

19. The key advantage of submitting a town wide proposal is that it offers more flexibility in terms of sites and premises that can be included in the proposal. On the other hand, a town wide approach could appear to have a diluted focus if interventions are only small in scale and scattered throughout the town. This can be mitigated by ensuring that HAZ interventions are designed to address the key issues summarised in the Intervention Logic Framework and deliver tangible social, economic and environmental results.

Option 2 – Submit an area based proposal

20. The key advantage of an area based proposal is that it can offer a more focused intervention, but unlike a town wide approach it limits the number of sites and premises that are included in the scope of the proposal.

Option 3 – Do nothing

21. This option has been discounted on the basis that gaining a HAZ designation would present new opportunities and benefits that would enable the Borough Council to attract additional resources to stimulate local economic growth.

Preferred option

22. At its meeting on 31 August 2016, the Regeneration and Development Panel supported the submission of a HAZ application based on Option 1.

Next steps

23. Delivery Plan agreed – March 2017

24. The Delivery Plan will include a clear timetable for implementation. The King's Lynn Heritage Action Zone is envisaged to be delivered over a five-year period between April 2017 and March 2022.

Policy Implications

This proposal meets the Corporate Business Plan's strategic priorities of driving local economic and housing growth and celebrating our local heritage and culture.

Financial Implications

HAZ will attract direct funding from Historic England – there is notional allocation of £300,000. The final amount will be decided once the Delivery Plan has been agreed. There is an element of match funding required and this will be accommodated via capital schemes already included in the current capital programme.

Personnel Implications

The proposal includes the creation of a Fixed Term 3-5 years HAZ Delivery role to be co-funded on a 50:50 basis with Historic England. The *'Investing in our Future - a service review across Property Services, Regeneration / Economic Development, Corporate Projects and Housing Development Strategy'* (2016) has made provisions for the role, so there are no additional cost implications. The new role will report to the Regeneration, Heritage and Economic Development Manager.

Statutory Considerations

No statutory implications. The HAZ status does not change the existing regulations regarding conservation areas nor does it impact on the existing planning policies.

Equality Impact Assessment (EIA)

(Pre screening report template attached)

Risk Management Implications

The implementation of the HAZ Delivery Plan will be assessed through the Borough Council risk management framework, as the Borough Council's capital schemes.

Declarations of Interest / Dispensations Granted

Background Papers



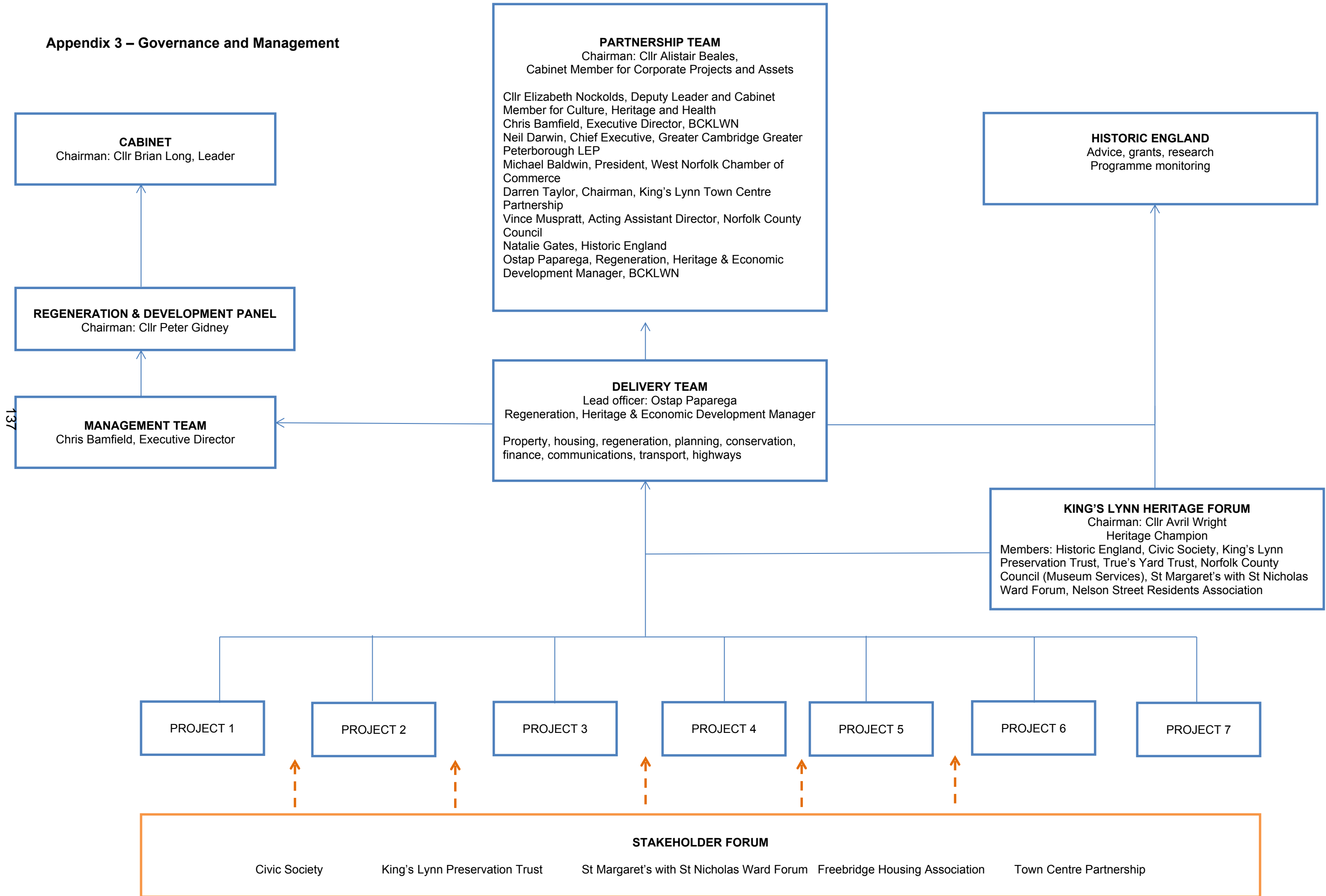
Pre-Screening Equality Impact Assessment

Name of policy/service/function	Heritage Action Zone				
Is this a new or existing policy/ service/function?	New				
Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service rigidly constrained by statutory obligations	To achieve economic growth by using the historic environment as a catalyst. HAZ will provide a targeted response to the economic, social and environmental needs of a particular area.				
Question	Answer				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			x	
	Disability			x	
	Gender			x	
	Gender Re-assignment			x	
	Marriage/civil partnership			x	
	Pregnancy & maternity			x	
	Race			x	
	Religion or belief			x	
	Sexual orientation			x	
	Other (eg low income)			x	
	Question	Answer	Comments		
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	No				
3. Could this policy/service be perceived as impacting on communities differently?	No				
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	No				
<p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions?</p> <p>If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p>	No	Actions:			
		Actions agreed by EWG member:			
Assessment completed by: Name O Paparega					
Job title: Regeneration Heritage and Economic Development Manager	Date 7.2.17				

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

Appendix 3 – Governance and Management



Document is Restricted