



Scrutiny Committee

Informal Meeting

16:30 to 18:50

19 January 2023

Present: Councillors Brociek-Coulton (vice chair) (in the chair), Carlo, Driver, Galvin, Huntley, Osborn, Padda, Stutely, Thomas (Va), Thomas (Vi) and Young

Apologies: Councillors Fulton-McAlister (M) and Wright

(Also present Councillors Hampton, cabinet member for climate change and digital inclusion, Kendrick, cabinet member for resources and Waters, leader of the council).

1. Declarations of interest

Councillors Osborn and Galvin declared an other interest in relation to item 2 (below) in that they worked for MCS charitable foundation to which the Green Finance Institute had applied for funding.

2. Green Financing

The vice-chair welcomed Matt Ferretti, head of partnerships for the Green Finance Institute (GFI). The head of partnerships provided a presentation to members which is appended to these minutes and then took questions.

In response to a member question the head of partnerships advised that the GFI's solutions would work with any size of council and the organisation was learning through the process of working with councils. The GFI were a small organisation with approximately 30 staff and when working with a local authority would work remotely and face to face depending on need and capacity.

The head of partnerships advised that all GFI's solutions were targeted at the able to pay residential market as this offered a real chance to progress energy efficiency. It was for councils to determine their retrofit strategies but the GFI could look at how to unlock finances to progress such a strategy.

In response to member questions in relation to Local Climate Bonds, the head of partnerships advised that these were not one off funding mechanisms but could be used as a tool for future growth. As investor confidence in the product increased there was potential to raise significant capital to fund projects. He noted too that getting loans from the Public Works Loan Board (PWLB) could become more challenging over time.

In response to a member question the head of partnerships advised of the six Local Climate Bonds (LCBs) established to date only one did not achieve its funding target largely because the neighbouring authority was engaged in the same process. If the target was not reached the monies were still available for use. Local citizens were the primary drivers of funds but ethical investors nationwide also sought to invest in LCBs. Interest rates were competitive but it was to be noted that local investment was primarily driven by a desire to invest in the local area, 10% of investors chose to forgo their investment interest payments.

LCBs were essentially crowd funded loans to the local authority. The first LCB would involve work to promote the product locally and raise awareness. In terms of the GFI's engagement with a local authority launching a LCB the GFI's communications team worked alongside the council's communication team.

In response to a member question the head of partnerships advised that council's had to have a proposition ready to go in terms of what was being offered and the GFI could then come onboard to consider how to finance the schemes. LCBs were a simple proposition to launch and could be launched almost in isolation. There were no criteria in terms of a project being a new or existing one only that it was a 'green' project. It was possible to take an existing agreed project and swap out the planned funding to a LCB.

In terms of what checks were completed to deter money laundering the GFI worked with Abundance Investment who had a digital crowd funding platform, they were FCA registered and therefore had to conduct similar checks to a bank to verify a customer.

A member asked a question in relation to property linked finance (PLF). The head of partnerships agreed this had enormous potential and the GFI were working on developing a product. The proposition was outlined and a target operating model was being developed, the risk model, the likelihood of credit default would determine cost. The head of partnerships hoped the GFI would have a target operating definition by mid 2023 to take through regulators in order to get a pilot off the ground in the next 18 months.

The head of partnerships confirmed that PLFs would be available to landlords, the GFI were currently considering if the first pilot scheme would be in the commercial or residential sector. In terms of whether homeowners could repay any PLF early this was still to be established but it was to be noted that if there was the possibility for early repayment it would not present as good an investment for investors. PLFs would not be secured against a property unlike mortgages.

In terms of the effect of energy efficient measures on house values, properties which were retrofitted were in greater demand and held their values in the depressed market better.

In response to a member the environmental strategy manager advised that in terms of progress on the heat networks project a heat map had been produced and initial results showed the potential for heat networks in the city. He advised that the council were having conversations with the GFI on how to apply their products in Norwich as part of the Environmental Action Plan. An initial report detailing this work

would be coming to the Climate and Environment Emergency Executive Panel (CEEEP) for consideration.

Members discussed and agreed that recommendations on this item would be best considered after the CEEEP meeting on 14 February 2023. Members thanked the head of partnerships for attending the meeting.

3. Draft Equality Information report

Councillor Waters, leader of the council introduced the item. He emphasised that the council was committed to diversity and tackling inequality. The report focussed on the work the council was doing alone and with partners to challenge inequality in the city.

The senior strategy officer provided a presentation on the Draft Equality Information report to members which is appended to these minutes.

The neighbourhood and community enabling manager provided examples of work the communities team had been undertaking to challenge inequalities in the city. The council had helped to establish social supermarkets in the city, these reduced pressure on foodbanks, reduced waste and provided a level of dignity to the shopper. There were currently three social supermarkets in the city with two in development the council provided the space for two of the current projects for free.

The neighbourhood and community enabling manager detailed the work of the Community Conversations project. The project took a long term holistic approach to increasing community resilience. There were six community connectors hosted by Voluntary Community and Social Enterprise (VCSE) sector organisations and three community conversations officers hosted by the council. The officers had conversations with people in the local community to establish what their concerns were this had resulted in the establishment of a social supermarket in Mile Cross as need was recognised. The project had also linked VCSE organisations that wanted to do outreach work with community groups.

The neighbourhood and community enabling manager detailed an example where conversation officers had spoken to a homeless and signposted him to a foodbank where advice was provided by Shelter. The man attended the foodbank and spoke to the advisor from Shelter, this resulted in him going on a four week trial at a small holding which provided accommodation.

The head of HR and organisational development provided information regarding the diversity of the council's workforce. A report was considered at cabinet in March 2021 entitled improving the diversity of the council's workforce which highlighted that the council's workforce did not reflect the community it served. The report included an action plan and strategy detailing how workforce diversity in relation to BAMEs would be increased. Data from December 2020 showed that 3.4% of the council's workforce came from BAME communities and as of March 2022 this had increased to 9%.

This work was continuing with the training provided to the workforce being relaunched to ensure the council was an inclusive employer. A new recruitment

portal had been launched which would monitor if there were issues to work on in terms of recruitment and selection and its impact on diversity. The council were working with its recruitment partners to focus on diversity and inclusion too.

In terms of protected characteristics reflected in the workforce this remained stable, work was ongoing to encourage employees to record protected characteristics. The age profile of the workforce did not reflect the local community with Norwich being a young city. Measures such as apprenticeships and engagement with schools would increase this demographic. Work on the council's culture had started with a culture programme launched in May 22 and a survey which asked the workforce where the future culture should be. It was hoped that a new set of values and behaviours would be signed off shortly which would underpin recruitment practice.

The vice chair noted that it was good to see the impact of the menopause being acknowledged with a recent menopause café being held at city hall.

In response to a member question the neighbourhood and community enabling manager advised that social supermarkets (SSs) eased the pressure on foodbanks and provided a level of dignity and choice to the shopper. In terms of an exit strategy there would need to be an improvement in the wider social economic situation before this could be considered. He highlighted that the new SS on Hall Rd had garnered 1,300 new registrations in its first month of operating.

A member asked if the social economic background of the workforce was recorded and if this could be included in the Equality Information Report next year. Further what work had been undertaken to look at contextual recruitment where lived experience was given weight rather than qualifications. The head of HR and organisational development advised that work was currently ongoing to consider how the social economic background of employees could be plotted. In terms of practices which excluded people again this was ongoing and when service reviews were conducted job descriptions were reviewed to see if all aspects were required.

A member asked that in terms of the Reducing Inequality Target Areas (RITAs) and Community Conversations how was success measured. The neighbourhood and community enabling manager advised in terms of Community Conversations that a summary of conversations was recorded with signposting and outcomes achieved recorded also. Going forward it was hoped that ripple effect mapping would be used. As regards RITAs, the Norfolk Office of Data and Analytics (NODA) had run updated data sets on the areas covered but it would take time to see the impact of work.

A member asked what the implications of Norwich being a young city were on equality policy, did older people feel left behind and what were the implications of the social economic position of young people. The senior strategy officer advised that targeted engagement with these groups took place and fed into the equality action plan.

In response to a member question the senior strategy officer advised that flags which recorded an individual's vulnerability were shared with contractors delivering council services. She noted that there was a wider strategic point in recognising and understanding the needs of residents who were neurodiverse providing appropriate support and improving training to front line staff.

Members concluded by considering recommendations and following discussion it was **RESOLVED** to:

- 1) Ask officers to ensure that flags indicating a customer's vulnerability or extra needs are shared with the council's contractors;
- 2) Ask the senior strategy officer to include a strand in the next Equality Information report on flags and what they denote in terms of equalities data;
- 3) Ask the neighbourhood and community enabling manager to provide a report to scrutiny committee detailing the objectives of the RITAs and the progress made to meeting them;
- 4) Ask the head of HR and organisational development to ensure that the socio-economic background of employees was recorded; and
- 5) Ask the senior strategy officer to include trend-based reporting in the Equality Information report in order that year on year comparisons can be made.

4. Scrutiny Committee work programme 2022-23

Members discussed the work programme and in particular the terms of reference (ToR) for the 'welcoming immigrants, refugees and asylum-seekers to Norwich' topic. Members were keen to capture the lived experience of refugees and asylum seekers and suggested the survey included with the ToR should be targeted at this group rather than the organisations working with them. Further it would be ideal to ask participants to have input into the questions in order that they be co produced, could the survey be shared with Norwich City of Sanctuary to get their thoughts. Members suggested that committee visit a community organisation to hold an in person session and that refugees and asylum seekers be invited into City Hall too.

The Monitoring Officer advised the survey was designed for organisations in order to allow input across the full range of bodies that supported refugees and asylum seekers. Officers would look to see if arrangements could be made in the timeframe but an interim report might have to come to March committee.

RESOLVED to:

- 1) Ask the committee officer to amend the terms of reference for 'welcoming immigrants, refugees and asylum-seeker to Norwich' to include a survey targeted at participants rather than community groups;
- 2) Ask the committee officer to liaise with organisations and community groups working with immigrants, refugees and asylum seekers to arrange a visit for committee members to speak to participants; and
- 3) Ask the committee officer to arrange for immigrants, refugees and asylum seekers to be invited to city hall to speak to committee.

CHAIR

Green Finance Institute

Norwich Council Scrutiny Committee

19 January 2023



About us

Channeling global finance into local solutions

About us

- GFI was established in 2019 following a key policy recommendation made to the UK Government as a not-for-profit company
- An independent, commercially focused organisation, backed by Government and led by bankers
- The UK's principal interface between the public and private sectors
- Bringing together global experts and practitioners to identify and unlock barriers to deploy capital at pace and scale towards real-economy outcomes
- Designing, developing and launching portfolios of scalable financial solutions that accelerate sector-specific transitions to a low-carbon future
- GFI Solutions was established in 2022 as the commercial arm of the organisation, and all activities and profits generated are used to further GFI objectives

Our vision

A greener future made possible by finance

Our mission

To accelerate the transition to a clean, resilient and environmentally sustainable economy by channelling capital at pace and scale towards real-economy outcomes that will create jobs and increase prosperity for all.

What the Green Finance Institute does

Financing Green

Mobilising public and private finance for clean and resilient growth

- Focusing on financing real-economy transitions by sector
- Bringing together and leading coalitions of global experts and practitioners
- Identifying the barriers to investment
- Fostering the development of innovative financial mechanisms
- Incubating new ventures with foundations and other strategic partners worldwide
- Current focus areas include buildings, road transport and nature.

Greening Finance

Supporting the greening of the financial system

- Collaborating with financial regulators, policymakers, trade bodies, think tanks and multilateral organisations
- Raising awareness of the financial sector's ambitions and achievements in green finance through communications, events and engagement programmes

Knowledge Exchange

Building green finance skills and capabilities

- Supporting the UK Government's diplomatic and trade efforts through education, training and advisory work
- Sharing international learning and best practice



**Green Finance
Institute**

Climate Finance for Local Authorities

Why could local authorities fail to fund their net-zero ambitions?

Figure 1: Finance Available to Local Authorities (expressed in millions of £, as of March 2022)

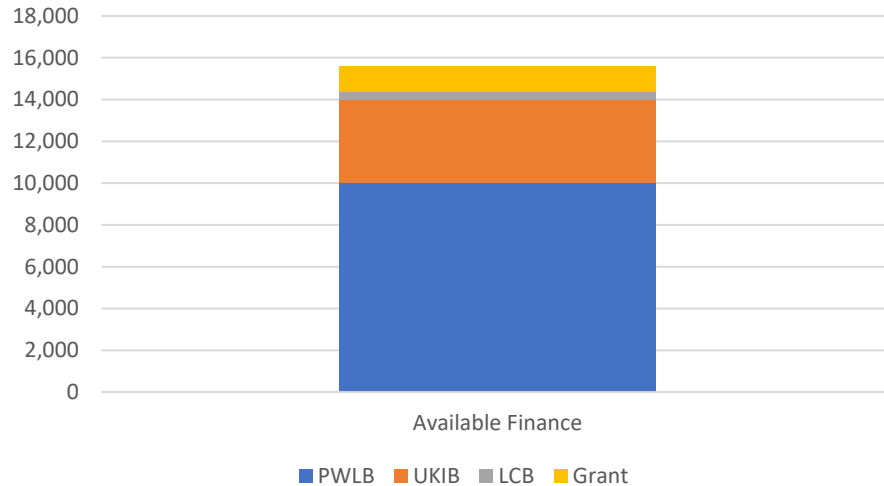
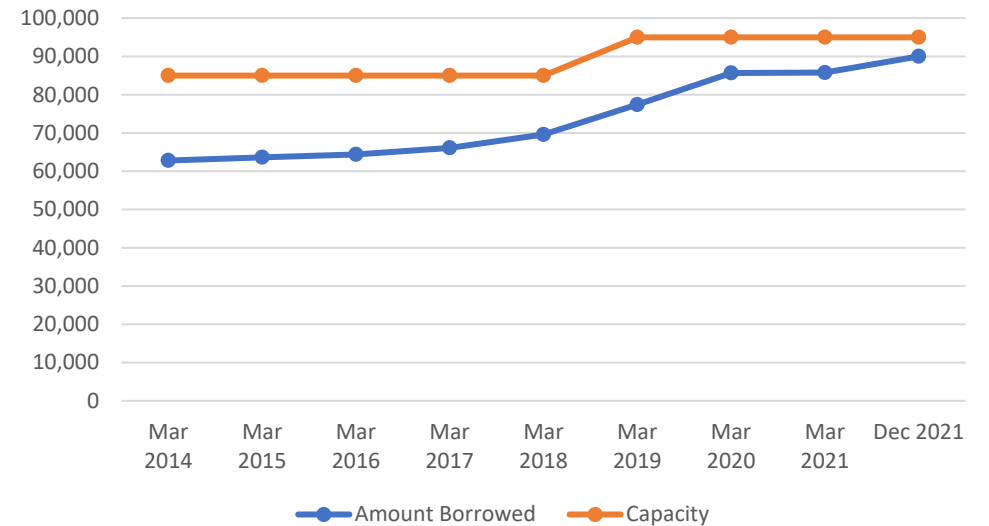


Figure 2: PWLB Total Borrowed vs Capacity (£ million)



The Climate Change Committee estimates that reaching net-zero by 2050 will cost the UK £1.4 trillion, a third of which is expected to be public capital

As the figures above suggest, only a fraction of this capital is available to local authorities. The Public Work's Loan Board, which local authorities heavily rely on, is quickly reaching its capacity. Our contact at UKIB suggests that, from a treasury perspective, they cannot simply continue to increase this capacity!

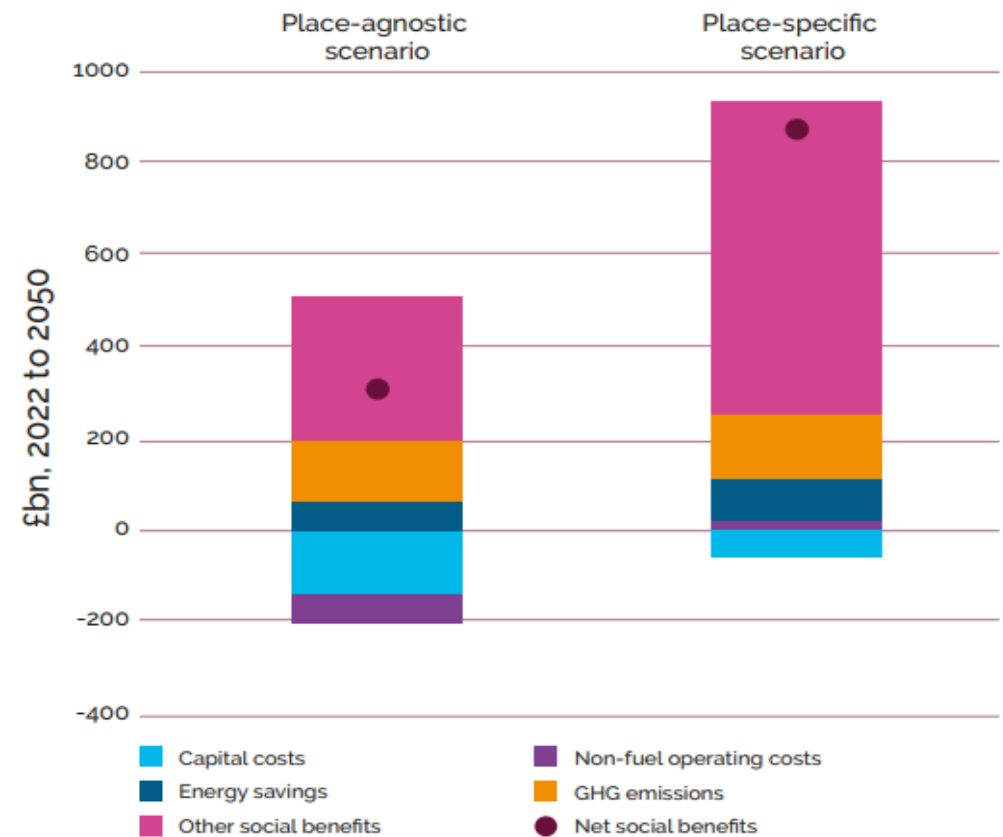
But why are local authorities important in the transition to net zero?

The UK Government's Net Zero Strategy highlighted that 82% of all UK GHG emissions are within the scope of influence of local authorities

A Local authority approach to net zero is cheaper and more beneficial...

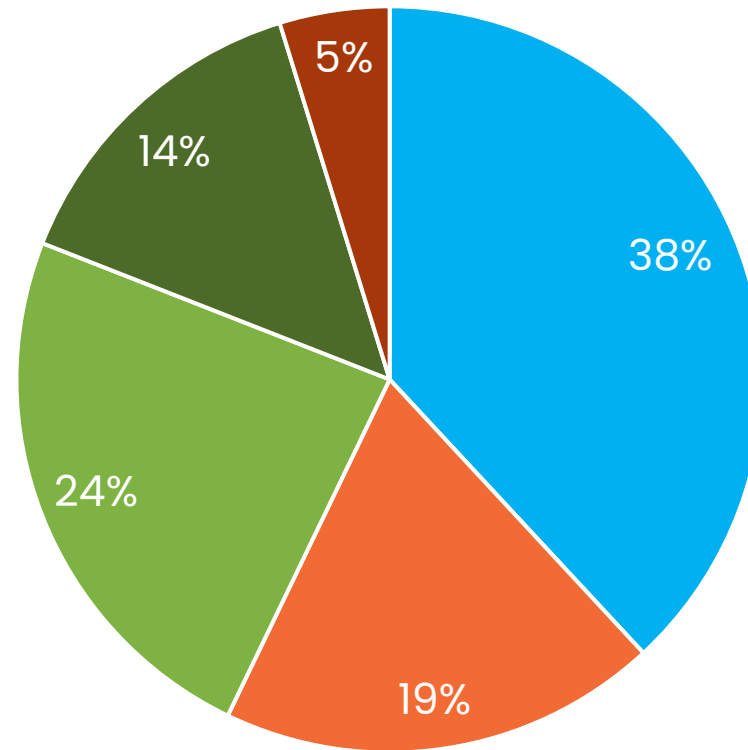
A study conducted by UKRI, involving six diverse local authorities, showed that taking a place-specific approach would require £58 billion total investment between now and 2035 and would return a total of £825 billion in social and economic benefits in the next 30 years; whereas, a place-agnostic approach would require a total of £195 billion investment and return £444 billion in the same timeframe (Figure 3).

Figure 3: The “size of the prize” in a place-agnostic and place-specific scenario



How might the allocation of sources of funds look like in 10 years' time?

Local Government Sources of Funding in 2032



■ PWLB ■ UKIB ■ Institutional investors ■ Retail and commercial banks ■ Crowd-funding (LCBs)

Case studies: Local Climate Bonds

Previous issuances using the Abundance platform



Date of issuance

Amounts raised

Financial details

Use of Funds
(not exhaust.)

	1	2	3	4	5	6
Date of issuance	16 July 2020	25 August 2020	29 October 2021	8 March 2022	27 April 2022	19 May 2022
Amounts raised	£1m on 11 Oct 2020 (5 days ahead of deadline)	£1m on 18 Nov 2020	£1m on 29 Jan 2022	£1m on 28 Jun 2022	£0.5m on 16 Aug 2022	£0.3m on 29 Sep 2022
Financial details	5-year investment with a 1.2% return rate	5-year investment with a 1.2% return rate	5-year investment with a 1.55% return rate	5-year investment with a 1.75% return rate	5-year investment with a 2.1% return rate	5-year investment with a 2.1% return rate
Use of Funds <i>(not exhaust.)</i>	<ul style="list-style-type: none"> Solar PV roof on council facilities Urban tree planting Wildlife Improvements 	<ul style="list-style-type: none"> Co-funded development of ground mounted solar system with addition of battery storage 	<ul style="list-style-type: none"> Zero carbon recycling EV charging infrastructure Initiatives aimed at improving air quality 	<ul style="list-style-type: none"> EV charging points Replacing council's fleet with green alternatives Solar panels 	<ul style="list-style-type: none"> EV charging points Energy efficiency improvements in the Council's offices 	<ul style="list-style-type: none"> Grants to local organisations and businesses EE upgrades to temporary and supported housing EV minibus fleet

LCB Campaign

Map of issuances and signatories with political majority at time of issuance



Past issuances:






-  West Berkshire
-  Warrington
-  Islington
-  Camden
-  Cotswold
-  Telford & Wrekin

Key – political majority at time of issuance

-  Conservative
-  Labour
-  LibDem
-  Hung Council



Other pledge signatories:

-  Blaenau Gwent
-  Eastbourne
-  Lewes
-  Westminster
-  Lewisham



**Green Finance
Institute**

GFI x GMCA Partnership

The Green Finance Institute and the GMCA have **established a portfolio of five innovative financial solutions in the region**, that will offer homeowners and landlords access to attractive sources of private and blended capital to fund energy efficiency upgrades to their homes.

Portfolio of financial solutions

1

Integrated Retrofit Finance: Incorporating attractive private financial options into retrofit programmes in the community.

2

Green Mortgage Campaign: Collaborating with local and national mortgage lenders, brokers and influencers, the GFIs campaign aims to increase awareness and engagement across the market.

3

Local Climate Bonds (LCBs): A debt instrument issued by Local Authorities to raise capital to fund their net-zero and low-carbon projects.

4

Green Rental Agreements (GRAs): Innovative form of rental agreement to address the 'split incentive' between landlords and tenants in privately rented homes.

5

Property Linked Finance (PLF): A new, innovative financial instrument that enables homeowners to receive financing to support 100% of the upfront costs for a retrofit project.

Delivery plans for 2022/23



Launch partnership with GMCA (Jul 2022)



Develop programme governance and define workstream priorities (Sept/Oct 2022)



Deliver 'phase one' pilot schemes including Financing Retrofit, LCBs and Green Mortgage campaign (H1 2023)



Launch 'phase two' pilot schemes including GRAs and PLF (H2 2023 onwards)



Scale the pilot schemes across GM districts and build relationships with other LAs

Partnership announcement gained **significant interest** across national and local media

GMCA announcement – July 2022

18

18 pieces of print, online and radio coverage in nationals, local government and housing trades, and regionals. Highlights include BBC, Sky News and BBC Radio Manchester

7

7 syndicated articles of the Sky News article

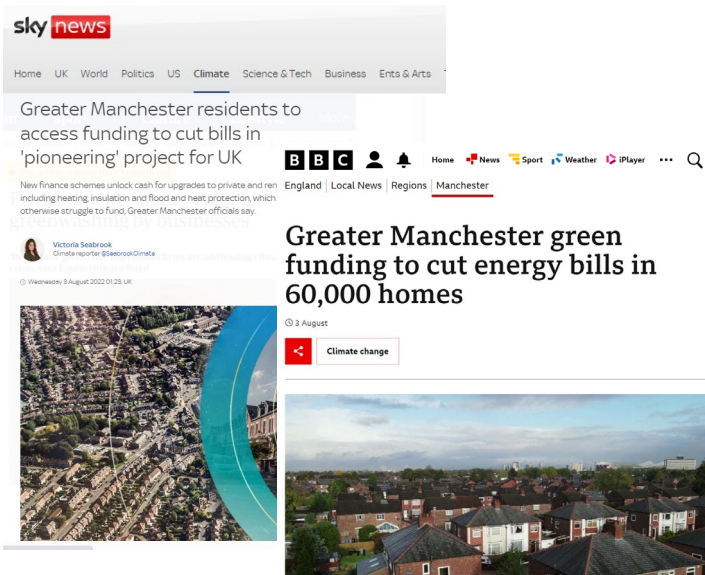
1

The announcement featured for one full day of bulletins on BBC Radio Manchester.

62.5k

Estimated total coverage views of the campaign across traditional online media.

Top tier / national



Greater Manchester residents to access funding to cut bills in 'pioneering' project for UK

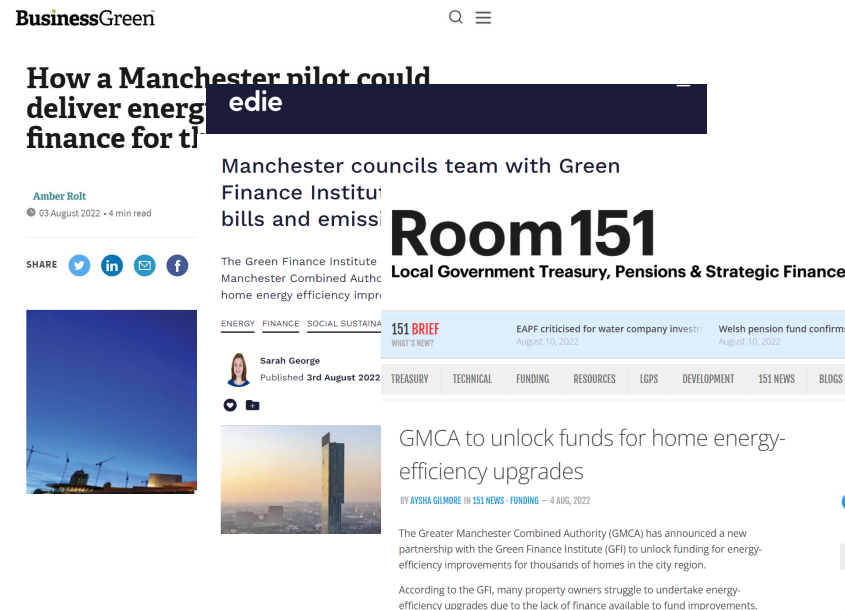
New finance schemes unlock cash for upgrades to private and rental properties including heating, insulation and flood and heat protection, which otherwise struggle to fund, Greater Manchester officials say.

Victoria Seabrook
Simple reporter @seabrookGmate
Greater Manchester green funding to cut energy bills in 60,000 homes

3 August

Climate change

Trade



BusinessGreen

How a Manchester pilot could deliver energy efficiency improvements

Manchester councils team with Green Finance Institute to unlock energy bills and emissions

Amber Rolt
03 August 2022 + 4 min read

SHARE

The Green Finance Institute Manchester Combined Authority home energy efficiency improvements

151 BRIEF
WHAT'S NEW? August 10, 2022

Sarah George
Published 3rd August 2022

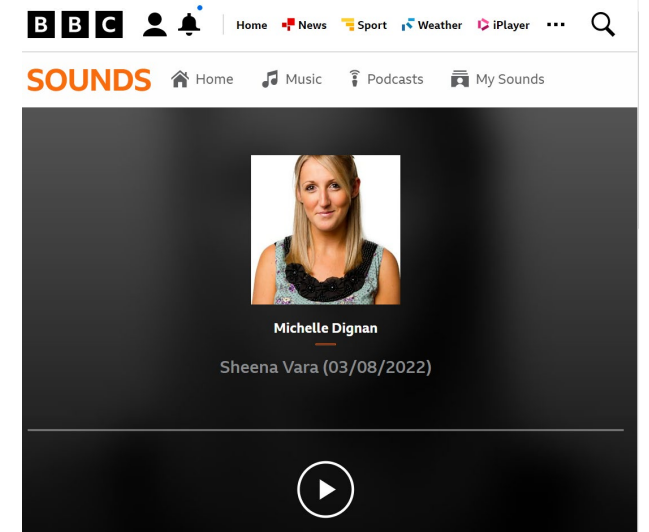
GMCA to unlock funds for home energy-efficiency upgrades

BY AYSHA GILMORE IN 151 NEWS - FUNDING - 4 AUG, 2022

The Greater Manchester Combined Authority (GMCA) has announced a new partnership with the Green Finance Institute (GFI) to unlock funding for energy-efficiency improvements for thousands of homes in the city region.

According to the GFI, many property owners struggle to undertake energy-efficiency upgrades due to the lack of finance available to fund improvements.

Radio



BBC

Home News Sport Weather iPlayer

SOUNDS Home Music Podcasts My Sounds

Michelle Dignan

Sheena Vara (03/08/2022)

Financial Solutions	Benefits
<p>Local Climate Bonds</p> <ul style="list-style-type: none"> • LAs can secure funding for NZ projects via crowdfunding from citizens • Shown to be an effective way to raise private investment at a lower borrowing cost • Creates a strong connection with the local community 	<ul style="list-style-type: none"> ✓ Interest rates below PWLB → cost-effective funding model ✓ Creates engagement with local community → diversifying sources of funding, and investors are offered a low-risk return ✓ Low cost whilst guaranteeing returns for investors
<p>Green Mortgage Campaign</p> <ul style="list-style-type: none"> • Our campaign promotes awareness, engagement, and adoption of green mortgages • GFI has teamed up with local and national mortgage lenders, brokers, influencers • Aims to make it easier for homeowners to access environmentally-friendly products 	<ul style="list-style-type: none"> ✓ Builds momentum behind the green mortgages ✓ Encourages lenders to launch more rewarding green products ✓ Rewards residential property owners to make EE improvements
<p>Integrated Retrofit Finance</p> <ul style="list-style-type: none"> • Incorporating attractive financial options into local retrofit programmes • We aim to streamline the customer experience and reduce the risk of dropouts. • These initiatives can be implemented in both new and existing retrofit schemes 	<ul style="list-style-type: none"> ✓ Incentivises retrofit for residents who may not have access to savings ✓ Advancement at scale towards net zero and retrofit targets
<p>Green Rental Agreements</p> <ul style="list-style-type: none"> • GRAs incentivise landlords to improve the energy efficiency of their properties • Provides landlords with a transparent way to offer their tenants a "warm rent" • Landlords can recoup part of their investment in EE improvements over time 	<ul style="list-style-type: none"> ✓ Addresses the 'split incentive' between landlord and tenant ✓ Enables landlords to achieve compliance with upcoming regulations ✓ Strengthens engagement with institutional landlords in the local region
<p>Property Linked Finance</p> <ul style="list-style-type: none"> • An innovative financial solution that is not currently available in the UK • Lending is linked to the property rather than individual consumer • Based on successful mechanisms developed in the US and elsewhere globally 	<ul style="list-style-type: none"> ✓ Enables retrofit at scale by ensuring repayment remains with the property over extended timescales ✓ Addresses the barrier associated with large up-front retrofit costs ✓ Incentivises retrofit for residents who may not have access to savings

Local Climate Bonds

- Proposal to issue 'demonstrator' GMCA LCB to fund GM green projects

Integrated Retrofit Finance

- Initial pilot proposal scoping complete to integrate retail bank lending offer to Your Home Better

Green Mortgage Campaign

- Campaign to launch early 2023

Green Rental Agreements

- Working group established to identify pilot opportunities in 2023

Property Linked Finance

- Initial discovery phase completed by GFI to develop UK PLF proposition

Next Steps

- Complete GMCA governance process (Jan/Feb '23)
- Issue demonstrator LCB (H2 '23)
- Define long term strategy to scale LCB market in GM

- Continue to develop proposition with YHB and GMCA
- Identify further finance partners, including institutional investors and retail banks

- Define campaign strategy and delivery plan (Jan '23)
- Launch Green Mortgage Campaign (March '23)
- Scale campaign across GM districts (H2 '23)

- Continue to engage with local market to identify pilot opportunities (Q1 '23)
- Produce thought leadership and host events to raise profile of GRAs (H1 '23)

- Develop PLF operating model and proposition blueprint (H1 '23)
- Commence work with UK market and regulators to develop delivery roadmap (H2 '23)

Deliver the demonstrator projects in GM

**Scale-up the programmes across the
region**

**Create partnerships with other
Combined & Local Authorities**

Thank you

Matt Ferretti

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Draft Equality Information Report 2023

**Scrutiny Committee
19 January 2023**

www.norwich.gov.uk



NORWICH
City Council

Introduction

- Statutory duty to publish annual equality information to consider when developing policy, delivering services and managing our workforce
- New format for 2023 with five sections:
 - Our duty
 - Working with our communities
 - Celebrations and commemorations
 - Changing how we do things
 - Information about our people, customers and employees

Why a revised format

- Census 2021 data largely unpublished
- Change to Equality diversity and inclusion strategy publication
- Needs to be more accessible
- Covid-19 and Cost of living crisis
- Best practice

What's changed

2019 - 2022	2023
Predominantly charts, tables & infographics	Limited data charts as they are not deemed accessible
Limited commentary	Stronger narrative
Limited information on our wider approach to reducing inequality	Covers our council wide approach to reducing inequalities
Limited examples of how we have made a difference	Evidence throughout of how we are helping those suffering from inequality
Limited definitions	Plain English definitions

Cross council working

Strategy	Information governance	Housing development
HR and organisational development	Neighbourhood and community enabling	Leisure and cultural services
Home improvement	Community support	Revenues and benefits
Change and transformation	Community safety	Housing partnerships
Environmental strategy	Leisure development	Estate management
Specialist support	Tenancy services	Customer contact
Housing income and money advice	Design conservation and landscapes	Homeless and rough sleepers
Democratic services	Property development	Economic development
Communications	Housing partnerships	Independent living
Housing outcomes	Customer experience	Procurement

Section one:

Our duty

- Legislation, our duty and how we can make a difference
- Inclusion of definition boxes
- Inclusion of reference to socio-economic duty
- Our equality objectives
- How we meet our duty

Section two:

Working with our communities

- Delivered/supported a host of projects involving officers, partners and communities
- Secured external funding from a range of sources
- Helped and supported people across a variety of communities
- Focus on people, place and economy

Section three:

Celebrations and commemorations

Black History Month	Trees for Peace
Armed Forces Week	Refugee Week
St Martin's granted Freedom of the City	Opening doors to a better economy
Commemorating the holocaust	Lviv and Odesa granted Freedom of the City

Section four:

Changing how we do things

- Putting our people first: residents/employees
- Change of mind set and approach through covid-19 and now Cost of living
- Building on our successes
- Recognising where we need to change
- Having a diverse and inclusive workforce

Section five:

Information about our people, customers and employees

State of Norwich	RITAs / NODA	People	Age
Eastern European breakdown	Migration	Sexual orientation	Sex
Free school meals	Employment rates	Local deprivation	Claimant counts
Gross annual pay	Vulnerability index	Universal credit	Hate crimes
Hate incidents	Translations and interpretations	Complaints	Tenants
Employees	Disability	Race	Working pattern
Recruitment	Gender pay gap	Menopause	Hybrid working
Flexible working	Living wage	Data sources	Useful links

Publication

Equality and diversity



Equality, Diversity and Inclusion
policy



Equality information reports

We are committed to equality of opportunity and celebrate the diversity of all its residents, visitors, applicants and employees.

Our equality policy, and associated documents, explains the expectations of ourselves and our partners regarding equalities. It is at the heart of all decision making and service planning at Norwich City Council.

We commit to continuously learning and improving our equality and diversity knowledge and practice:

- as a community leader
- as a provider of services
- as an employer.

If you have any questions or comments about equality and diversity please [contact us](#).

Scrutiny Committee

16:30 to 18:50

2 February 2023

Present: Councillors Wright (chair), Carlo, Driver, Fulton-McAlister (M), Galvin, Huntley, Osborn, Sands (M) (substitute for Thomas (Va)) and Stutely

Apologies: Councillors Brociek-Coulton, Padda, Thomas (Va), Thomas (Vi) and Young

(Also present Councillors Harris, deputy leader and cabinet member for social housing, Kendrick, cabinet member for resources and Waters, leader of the council).

1. Declarations of interest

Councillor Stutely declared an other interest in relation to item 3 (below) in that he was a director of Norwich Regeneration Ltd.

2. Minutes

RESOLVED to agree the accuracy of the minutes of the meeting held on 8 December.

3. The council's 2023-24 budget and medium-term financial strategy

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

The interim chief finance officer introduced the item and then took member questions. He advised that the provisional local government settlement was released at the end of last year and that no changes were expected. He noted highlights from the provisional settlement, the referendum threshold for council tax was set at above 3% and there were changes to the grant funding that local government received. The increase in core spending for Norwich was 4.7% which was below the average for district councils and represented a challenging settlement for the council.

The interim chief finance officer advised that the 2023/24 budget was balanced without the use of financial reserves. Similarly, the medium-term financial strategy for the period 2023-2027 was balanced. There were in year savings proposed to achieve the balancing of the budget however, there was a risk associated with this. The report did not refer to the council's base budget but focussed on changes to it such as investment growth and grant changes. Finally he noted that section 7 of the report, Chief Finance Officer's Statement highlighted the robustness of the budget and the adequateness of the council's reserves.

The chair advised that committee would take each section of the report in turn, considering any recommendations at the end of each section.

Section 1: Local Government Finance Settlement

The leader of the council highlighted that the government used data from 2014/15 to calculate the local government settlement and that this needed updating to take account of the changing economic situation and population demographics.

A member noted that the new homes bonus payment to the council had fallen by approximately £0.5m and asked how the number of new homes was calculated. The interim chief finance officer advised that it was the number of new homes which came into occupation. There was a 0.4% disregard and it was the net figure for new properties meaning that demolitions and redevelopments came off the total. He advised the council had failed to meet the threshold to be awarded the new homes bonus by a small margin. The member asked if the intensification of properties counted such as the change of use of a house to a House in Multiple Occupation. In response the interim chief finance officer said it was new properties as based on the council tax register.

In response to a member question the interim chief finance officer agreed planning for the budget with uncertainty in relation to government funding was difficult. He noted that 2024/25 was an election year and depending on the outcome, local government financing could change. In terms of managing the budget in a time of uncertainty he emphasised prudent assumptions were made especially in relation to income levels with reserves held to mitigate the uncertainty.

(Councillor Fulton-McAlister (M) joined the meeting at this point).

Section 2: General Fund – MTFs and 2023-24 Budget

A member noted that there was uncertainty over the cost implications of delivering the council's net zero carbon objective and asked what assessments had been undertaken to identify the cost implications. The member questioned whether reserves should be used to undertake works such as retrofitting. In response the interim chief finance officer advised work was underway to establish the baseline the council was starting from not just in relation to the council's carbon output but from providers whom services were procured from. He emphasised that achieving the objective would take significant amounts of external funding.

The member asked if alternative sources of funding such as blended finances and municipal bonds had been explored. The chief executive officer emphasised that the council was actively looking for funds and had a good track record of bidding for funding to achieve its objectives. The head of strategy, engagement and culture advised that a report would be considered at the Climate and Environment Emergency Executive Panel (CEEEP) on 14 February 2023 which would present the council's overall programme for carbon neutrality. The leader of the council emphasised that the council was looking at a wide range of funding options to achieve its carbon neutrality ambitions.

In response to a member question on how financial reserves had been maintained in the face of economic challenges the chief executive officer advised that there had been a change in the management of budgets. An emergency review of budgets was conducted in 2020 due to the pandemic and the need to achieve £3m in year savings. This had embedded financial control and discipline. Budget managers had undertaken training to ensure forecasting was accurate and the process was owned by the senior management team. If a budget was at risk of being overspent in year then decisions such as freezing recruitment to certain posts was taken. The interim chief finance officer emphasised that the council's strong budgetary position was a reflection of robust financial management.

In response to a member question the interim chief finance officer advised that until 2024/25 there was a reasonable amount of confidence in the income figures the council would receive from government but after that figures were speculative. The council had to achieve £5.6m in savings over the period 2023-2027 and there was currently £6m available to flex the budget but these figures would change. The medium term financial strategy was normally a five year rolling programme but it was now a four year programme as figures were speculative after two years.

A member noted that the Bank of England had declared there to be a recession and asked how this was factored into the budget. The interim chief finance officer advised this was an area which relied on advice from the Treasury Management advisor to the council. They provided a forecast which included optimistic, pessimistic and most likely position of where interest rates would be and the pessimistic rate was the one taken. He noted that inflation had an impact of the council's finances especially in relation to pay inflation with every 1% increase in pay equating to £230,000. There was a £400,000 contingency fund in the budget to manage risk and there were various short-term measures which could be used to reduce spend such as vacancy management panels.

A member asked what proportion of savings was assisted by interest rates going up. The interim chief finance officer commented that of £5.5m of savings in 2023/24 £3.5m could be attributable to additional investment interest, reduced loan repayments and discounts following the prepayment of secondary pension contributions. In response to the member's subsequent question he advised that cash reserves would not be held on the basis of making income and even when the interest rate was negligible they were still held. Cash was borrowed when interest rates were low and this resulted in surplus cash at various points. The leader of the council commended the Treasury Management team and noted that the council had long experience in managing budget gaps from the first financial crash in 2008-9.

In response to a member question on the reduction of ear marked reserves, the interim chief finance officer responded that there had been a programme of draw downs for scheduled works. £400,000 had come from the commercial property reserve to fund mechanical and electrical works on the council's commercial investment properties and the strategic asset management review had been funded. The reserve was expected to be replenished after the asset management work was completed. As regards Norwich Regeneration Ltd, accounting rules had changed regarding providing loans to third parties, specific funds had been allocated to meet the minimum revenue repayment to adhere to the new regulations.

In response to a member question asking what the £170,000 spend in the 2023/24 capital programme for Riverside Leisure was, the head of strategy, engagement and culture responded this was plant maintenance. She advised that there was a project looking at how to reduce carbon but that this was not costed yet.

A member referred to the recent increase in car parking charges and asked what alternative sources of finances had been considered to replace this funding noting that there had been a commitment to reducing car parking spaces in the city. The chief executive officer advised work had been ongoing to improve data on car park usage to establish which were being used and which over time might be used differently. He emphasised that pedestrianisation of the city would be increased and the council supported the development of sustainable transport solutions and the use of less polluting vehicles. However, there would always be a need for car parks. The leader of the council noted that car parking income would be increasingly important in future.

A member referred to the estate aesthetics budget and asked for examples of investments and what these had meant for communities on the ground. The deputy leader and cabinet member for social housing commented that enhancements ranged from a new bench on a sheltered housing scheme to new drying areas provided. She emphasised that every councillor was able to put forward ideas and was pleased to note that the budget looked like it would all be used this year.

A member expressed concern that electronic advertising hoardings would be placed on vacant council land to generate income. The interim chief finance officer advised that the advertising budget referred to an income generating opportunity to be explored later in the MTFS. There was further work to be undertaken in relation to potential sites and income revenue but he noted the member's concern.

In response to a member question asking how confident the council could be that its in year savings would be met the chief executive officer advised that there was a risk attached. However, to mitigate this every saving was evidenced via a business case, stress tested internally and the delivery of savings was monitored by the senior management team. This monitoring enabled early intervention to be taken where savings might not be met and reserves could absorb in year shocks.

In terms of what measures were in place to safeguard the organisation's position against financial shocks the chief executive officer continued that budgets were actively managed. The interim chief finance officer commented that insurance was a useful tool to manage financial risk. He referred to the council's commercial property portfolio, the earmarked reserve covered risks such as voids and the deterioration of the asset.

A member asked if there was the resource for the council to continue with a full Council Tax Reduction Scheme (CTRS) and how many citizens benefitted from the scheme. The cabinet member for resources confirmed that the 100% CTRS would continue and the interim chief finance officer advised the scheme was fully budgeted for at a cost of £1.9m. He noted that 61% of respondents to the budget consultation had strongly supported the continuation of the scheme.

Consultation

A member commented that this year the consultation was a more interactive process and garnered a large amount of responses. The member asked how these responses were shared with officers and how they impacted the formulation of the budget. The head of strategy, engagement and culture advised that the responses were shared with the corporate and senior leadership teams and work was ongoing to consider how to communicate more widely with staff. There was also a citizen participation strategy in progress which would take account of what communities wanted to speak to the council about rather than the other way around.

Section 3: Housing Revenue Account 2023-24 Budget

A member noted that a key theme from the consultation was concern with the cost of living crisis and asked how this was reflected in the decision to raise council housing rents by 7%. The deputy leader and cabinet member for social housing emphasised that the income for the Housing Revenue Account (HRA) was rent which funded new homes and upgrades to current stock. She did not underestimate the impact the increase would have on tenants but referred to the impact of the cap on social housing rents which resulted in a 1% reduction on rents every year for a four year period. The chief executive officer noted that the budget was not agreed until the meeting of full council on 21 February which gave members time to consider the responses.

The cabinet member for resources stressed that the most financially vulnerable tenants would be protected by housing benefit. A member considered those in private rented accommodation the most vulnerable as they were limited by the amount of housing benefit they could claim which very often did not cover the full rent. A member asked about the impact of right to buy on the council's housing stock. The deputy leader and cabinet member for social housing advised that 752 homes were lost in the last five years and it was estimated that 140 would be lost every year for the next five years. She also emphasised the limitations on the use of right to buy receipts and how this affected the ability to deliver new affordable housing.

A member asked how targets for making council homes more energy efficient and retrofitting were tracked. The interim chief finance officer advised the HRA's 30 year business plan had assumptions about the cost of retrofitting built in but it was unclear how much the council would receive in government funding. The executive director of community services advised that a full stock condition survey would be conducted in 2023/24 which would build the detail behind the assumptions in the HRA business plan and feed into the five year plan.

In response to a member question the executive director for community services advised that the council was moving to deliver bathroom and kitchen upgrades when they had come to the end of their useful life rather than at a set time. The savings from this more efficient approach would be used to fund retrofitting and to make homes more energy efficient. In reference to a whole house approach to retrofitting, stock condition and thermography surveys would be conducted to help identify properties. Members discussed a recommendation in relation to a whole house approach to the decarbonisation of housing stock and its cost implications. The

Executive Director of Communities noted the HRA 30 year business plan report had recently been presented at cabinet and wanted to refer to that to ensure this was not already taken account of. Members agreed that she would work outside of the meeting with Councillor Galvin on a recommendation as detailed above.

Section 4: Capital and Commercial Strategy including Capital Programme

A member referred to the table at 4.1, agenda page 78 and asked if there should be a strand to demonstrate how the council would reduce its carbon emissions over the next 30 years and improve biodiversity. The interim chief finance officer advised it was indicative of some projects the council were working on but agreed that it could be improved. A member asked for detail on the regulatory services digitalisation project as listed in the table. The chief interim finance officer advised that this referred to the service review of regulatory services such as planning and environmental health services and the introduction of digitalisation to drive efficiencies.

In response to a member question relating to the Asset Management Strategy the chief finance officer noted that the Strategy included a review of the council's commercial and property assets to derive as much income as effectively as possible.

Section 5: Treasury Management Strategy

A member raised a concern regarding the council's bank and its lack of ethical credentials. The interim chief finance officer advised there was not a lot of choice in the market but an open and vigorous tender process would be conducted when the current contract ended. The leader of the council agreed this could be considered when retendering was conducted and the ethical credentials of possible banks could be considered.

Section 6: Summary of Key Financial indicators, Section 7: Chief Finance Officer's Statement, Section 8: Financial Glossary, Section 9: Equality Impact Assessment

Members noted these sections.

RESOLVED to ask the executive director of community services to work with Councillor Galvin, to formulate a recommendation to cabinet around a whole house approach to decarbonisation.¹

4. Update from the NHOSC representative

The chair noted that the council's NHOSC representative had sent apologies for the meeting and the update would be taken at a later meeting.

¹ The following recommendation was submitted to cabinet on 8 February 2023 and agreed: pilot a whole house approach to decarbonisation of our council homes. Use data, information and practice gathered from the pilot, alongside stock condition data and thermography surveys to support the development of the Housing Revenue Account Decarbonisation Plan.

5. Scrutiny Committee work programme 2022-23

RESOLVED to note the Scrutiny Committee work programme 2022-23.

CHAIR