



Cabinet

17.30 – 18:50

9 February 2022

Present Councillors Waters (chair), Harris (vice chair), Hampton, Jones, Kendrick, Oliver, Packer and Stonard.

Apologies Councillor Davis

Also present Councillors Galvin and Councillor Wright

1. Declarations of interest

Councillors Harris, Kendrick, Oliver and Waters declared that they had been granted a dispensation as a council tenant, to take part in the discussion and vote on item 6, the council's 2022-23 budget and medium term financial strategy.

Councillor Harris declared a conflict of interest in items 10 and 13, Repairs and building maintenance service provided by Norwich Norse Building Ltd as a director and would withdraw from the meeting for the discussion and vote on those items. She also declared an other interest in items 9 and 12, as a director of Norwich Norse Building Ltd and a member of the Norwich City Services Ltd shareholder panel.

Councillor Kendrick declared an other interest as a director of NPS and a member of the Norwich City Services Ltd shareholder panel.

Councillor Oliver declared an other interest in items 9 and 12 as a non- executive director of Norwich City Services Ltd.

Councillor Waters declared an other interest in items 9 and 12 as a member of the Norwich City Services Ltd shareholder panel.

Councillor Galvin declared an other interest as a member of the Norwich City Services Ltd shareholder panel.

2. Public Questions/Petitions

Charlotte Chamberlain asked the cabinet member for climate change and digital inclusion the following question:

“With headlines suggesting energy bills could increase by as much as 50% when the price cap is raised in April, a lot of Norwich residents, including me, are worried about the impact on our finances. I’m part of a local group called Green New Deal Norwich which is looking at how we as a city can retrofit our homes to stop them leaking heat and transition away from reliance on gas. This needs to

happen across the country, but there is a serious shortage of investment, skills and awareness. Will the council commit funds to addressing this challenge in its upcoming Budget?”

Councillor Hampton, cabinet member for climate change and digital inclusion replied:

“We are aware of the challenge that rising energy bills represent for many. We continue to do all we can to improve housing and help residents access appropriate support and advice.

We have been awarded £3.1 million from central government to retrofit approximately 200 private-sector homes in the city with insulation and solar systems. Overall this will save residents £250,000 a year. We also utilise other external sources of funding including ECO, which helps private sector households access funding for loft and cavity wall insulation. Over 1,500 homes have benefited from this scheme.

We have invested £129m into our housing over the past six years. We have committed £18.5m to maintaining and improving the condition of existing housing.

All of this is an important part of our wider work supporting residents who face financial challenges. For example, our Council Tax Reduction Scheme offers those in most need a 100% reduction.”

By way of a supplementary question Ms Chamberlain said that she welcomed that the council was addressing the retrofit challenge, but it would only be a fraction of what was needed. She asked whether the council would consider following the example of other councils, such as Manchester City Council , which had set up a task force specifically for retro fitting to help to meet the enormous challenge.

Councillor Hampton replied that the council was always happy to look at models from other councils, but the work was still largely reliant on government funding. The funding opportunities tended to be relatively small in scale and what was needed were long term, sustainable solutions, with central government playing its part.

3. Minutes

RESOLVED to agree the accuracy of the minutes of meeting held on 12 January 2022.

4. Corporate Plan 2022-2026

Councillor Waters, leader of the council presented the report. He reminded members that items 4 and 5 would be subject to debate at the full council meeting on 22 February and had already been considered by the scrutiny committee.

Councillor Beth Jones proposed the following amendment to the priority to ‘Take action against domestic abuse, hate crime and anti-social behaviour and regulate activity so our communities are places where residents feel safe.’

Replace:

Review and update the Norwich Private Renters Charter to provide clarity on the standards that private landlords and agents must meet when providing private rented accommodation (with a delivery date of December 2024)

With:

Review and accelerate delivery of the Norwich Private Renters Charter (which provides clarity on the standards that private landlords and agents must meet when providing private rented accommodation) in line with improvement plan for regulatory services. (with a delivery date of ongoing from June 2022) and Review and update the Charter itself (with a delivery date of Charter updated by December 2024).

Councillor Waters continued to present the item. He commended the report which was clearly set out and well designed and had been strongly informed by the work of the Norwich 2040 Vision partnership.

It was a high level document and therefore did not contain all of the work being undertaken by the council. There were a series of technical appendices which set out the ambition of the council using Key Performance Indicators (KPIs) and timeframes for delivery of those. The Corporate Plan had to be flexible to take account of any changes happening throughout the year and the document would be amended as needed.

There had been some helpful input from the scrutiny committee and Councillor Waters invited the chair of scrutiny, to speak on the recommendations on page 18 of the agenda pack.

Councillor Wright, chair of the scrutiny committee, highlighted each of the recommendations at page 18 and also thanked Councillor Jones for her additional amendment which was an issue that he had also raised.

In response to a question from Councillor Galvin, the leader of the council said that any amendments to the budget and policy framework would need to be taken to budget council on 22 February 2022.

RESOLVED to:

1. Approve the following recommendations of the scrutiny committee:
 - a) Aim one – amend wording to ‘listen to communities and use their views in decision making
 - b) Aim two – amend wording to – ‘Work with partners to increase sustainable transport and improve air quality’.
 - c) Those KPIs that are ‘roll overs’ of existing targets due to upcoming reviews could be indicated as such for clarity.
2. Approve the recommendation to amend the action around the Private Renters Charter in aim 1 of the technical appendix to read:
 - a) Review and accelerate delivery of the Norwich Private Renters Charter (which provides clarity on the standards that private landlords and agents

must meet when providing private rented accommodation) in line with improvement plan for regulatory services. (with a delivery date of ongoing from June 2022)

- b) and Review and update the Charter itself (with a delivery date of Charter updated by December 2024).
- 3. Subject to the above amendments to recommend the Corporate Plan 2022-26 to Council for approval.
- 4. Agree to move reporting of progress against the Covid-19 Recovery Plan to an annual occurrence alongside the Corporate Plan annual progress report (as detailed on page 9 of the draft Corporate Plan under 'Annual review').

5. The council's 2022-23 budget and medium term financial strategy

Councillor Kendrick, cabinet member for resources, presented the report. Setting a balanced budget would continue to be a challenge for the council over the next few years on the back of a decade of austerity and the impact of the Covid-19 pandemic. The nature of the government settlement made it very difficult for medium term financial planning.

The budget proposed £3.2m of savings with £1.4m of additional income and £2.5m to be taken from council reserves. An increase of 1.99% for council tax was recommended although the 100% council tax reduction would be retained for those on the lowest incomes.

The budget was one of investment which allowed for no cuts to services.

The leader of the council invited Councillor Harris, deputy leader and cabinet member for social housing, to speak to the Housing Revenue Account (HRA) elements of the report.

She said that the HRA was in a relatively stable position but there would be pressures in the future with competing priorities. The council wanted to continue to build good quality new homes and maintain and improve its existing stock. A housing delivery team was in place to drive forward a pipeline of new housing sites.

The issues surrounding health and safety compliance in council owned homes had been acknowledged and the council was working hard to rectify these. From the 1 April 2022, building repairs and maintenance services would be transferred to the council's wholly owned company, Norwich City Services Ltd, and the property services would be brought back to the council.

The HRA was forecast to make a £0.246m surplus and it was proposed to spend this, alongside £6.096m of reserves to fund capital investments in new social housing.

A 4.1% rent increase was proposed after careful consideration and discussion with the tenant involvement panel. There would continue to be help for those on low incomes.

She highlighted that the figure at the last bullet point of paragraph 4.42 should read £0.75m estate aesthetics programme and not £0.15m.

Members thanked officers for their hard work on the report.

The leader of the council invited the chair of the scrutiny committee to present the recommendations of the scrutiny committee on the council's 2022-23 budget.

Councillor Wright, chair of the scrutiny committee highlighted the three recommendations:

- 1) Ensure there is political commitment to investing in renewable or green energy projects.
- 2) Where financially and legally viable, fit the lowest carbon emitting heating systems in council properties.
- 3) Ensure there is budget available to carry out any recommendations of the fly tipping and communal bins task and finish group.

The leader of the council indicated that he would like to take the recommendations forward with a change to recommendation one so that it read:

- 1) Ensure there is continued political commitment to investing in renewable or green energy projects.

RESOLVED to:

- a) Note the 2022/23 budget proposals and the Medium-Term Financial Strategy.
- b) Note the budget consultation process that was followed and consider, as part of finalising the 2022/23 budget proposals for Council, the feedback as outlined in Section 2, Appendix 2 (I).
- c) Note the Section 7 report of the chief financial officer on the robustness of the budget estimates, the adequacy of reserves, and the key financial risks to the council.
- d) Note that the Council Tax resolution for 2022/23, prepared in accordance with Sections 32-36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011, will be calculated, and presented to Council for approval once Norfolk County Council and the Office of the Police and Crime Commissioner for Norfolk have agreed the precepts for the next financial year.
- e) Agree the amended recommendations of the scrutiny committee:
 - i. Ensure there is continued political commitment to investing in renewable or green energy projects.
 - ii. Where financially and legally viable, fit the lowest carbon emitting heating systems in council properties.

- iii. Ensure there is budget available to carry out any recommendations of the fly tipping and communal bins task and finish group

Recommend to Council to approve:

General Fund

- i. The council's net revenue budget requirement as £17.713m for the financial year 2022/23 including the budget allocations to services shown in Section 2, Appendix 2 (C) and the savings and growth proposals set out in Section 2, appendices 2 (F) and 2 (G).
- ii. An increase to Norwich City Council's element of the council tax of 1.99%, meaning that the Band D council tax will be set at £280.21 (Section 2, paragraph 2.26) with the impact of the increase for all bands shown in Section 2, Appendix 2 (E).
- iii. The prudent minimum level of reserves for the council as £5.100m (Section 2, paragraph 2.53).
- iv. Setting aside the council's distribution of £0.675m from the Norfolk business Rates Pool into a new earmarked reserve to support future spend in line with the economic development objectives of the fund (Section 2, paragraph 2.6).
- v. Setting aside any 2021/22 underspend more than £0.426m into the business change earmarked reserve (Section 2, paragraph 2.5).
- vi. Delegation to the chief finance officer (S.151 Officer), in consultation with the portfolio holder for resources and the portfolio holder for social inclusion, the award of any new business rates reliefs announced by government using discretionary relief powers. The full cost of granting this relief will be compensated through a section 31 grant from Government.
- vii. Delegation to the chief financial officer in consultation with the portfolio holder for resources inclusion of any minor changes consequent on the publication of the final local government settlement or subsequent additional grant allocations.

Housing Revenue Account

- viii. The proposed Housing Revenue Account gross expenditure budget of £70.364m and gross income budgets of £70.610m for 2022/23 (Section 3, paragraph 3.24).
- ix. The use of the estimated surplus of £0.246m along with a further £6.096m of HRA general reserves to make a revenue budget contribution of £6.342m towards funding the 2022/23 HRA capital programme (Section 3, paragraph 3.24).
- x. A 4.1% increase in dwelling rents for 2022/23, in accordance with the Secretary of State issued Direction on the Rent Standard 2019. This enables

authorities to increase rent annually by up to CPI (Consumer Price Index) as at the preceding September plus 1%. This will result in an average weekly rent increase of £3.30 for Norwich tenants (Section 3, paragraphs 3.30 to 3.35).

- xi. That garage rents increase by 3.1%, based on CPI in September 2021 (Section 3, paragraph 3.36).
- xii. That the setting of tenants' service charges is delegated to the executive director of community services in consultation with the portfolio holder for Social Housing after engagement with tenant representatives (Section 3, paragraph 3.37)
- xiii. The prudent minimum level of Housing Revenue Account reserves as £5.848m (Section 3, paragraph 3.56 and Table 3.4).
- xiv. The creation of an earmarked reserve to fund the costs associated with HRA service transformation linked to a programme of review and improvement detailed in Section 3, paragraphs 3.3 to 3.18. This reserve will be used to fund costs linked to the programme which are not delivering specific savings, for example project management and benchmarking with the release of funds being approved in accordance with paragraph 26 of the Council's Financial Regulations.

Capital and Commercial Strategy

- xv. The proposed general fund capital programme 2022/23 to 2026/27 (2022/23: £29.347m; 5 years: £45.766m) and its method of funding as set out in Section 4, table 4.2, table 4.4 and Appendix 4 (B).
- xvi. Delegating to Cabinet, approval to include in the capital programme additional capital schemes funded wholly by grant where it meets the Council's aims (Cover report, paragraph 27).
- xvii. The proposed HRA capital programme 2022/23 to 2026/27 (2022/23: £38.860m; 5 years: £171.579m) and its method of funding as set out in Section 4, table 4.2, table 4.5 and Appendix 4 (B).
- xviii. The capital strategy, as required by CIPFA's Prudential Code.

Treasury Management Strategy

- xix. The borrowing strategy 2022/23 through to 2026/27 (Section 5, paragraphs 5.27 to 5.29).
- xx. The capital and treasury prudential indicators and limits for 2022/23 through to 2026/27 contained within Section 5, paragraphs 5.18 to 5.25 and table 5.3, including the Authorised Borrowing Limit for the council.
- xxi. The Minimum Revenue Provision (MRP) policy statement described in paragraphs 5.37 to 5.41 and contained in Appendix 5 (Section 5)
- xxii. The (financial) Investment Strategy 2022/23 including changes to counterparty limits (Section 5, paragraphs 5.42 to 5.88).

Summary of key financial indicators

xxiii. The indicators for 2022/23 through to 2025/26 contained in section 6.

Policy Framework

Subject to approval as part of another report on this agenda, the Council has five corporate aims, which are:

- Aim 1 - People live independently and well in a diverse and safe city.
- Aim 2 – Norwich is a sustainable and healthy city.
- Aim 3 – Norwich has the infrastructure and housing it needs to be a successful city.
- Aim 4 – The city has an inclusive economy in which residents have equal opportunity to flourish.
- Aim 5 – Norwich City Council is in good shape to serve the city.

6. Council Tax Reduction Scheme 2022-2023

Councillor Kendrick, cabinet member for resources, presented the report. Norwich City Council was one of only a few local authorities in the country that was continuing with 100% council tax reduction scheme which would help those on the lowest wages.

Councillor Galvin asked what the practicalities were of the government announcement of £150 rebate on council tax. The executive director of corporate and commercial services replied that officers were working through the guidance and would develop an approach.

RESOLVED to:

1. Recommend that council, when reviewing the Council Tax Reduction Scheme for 2022/23, retains a maximum 100 per cent entitlement for working age CTRS recipients.
2. Recommend that council make the following changes to the council tax reduction scheme (CTRS) for 2022/23 by continuing with the 2021/22 scheme with the following annual modifications:
 - a) To increase the working age applicable amounts for allowances and premiums by the September 2021 Consumer Price Index (CPI) rate of 3.1 per cent;
 - b) To increase the level of income brackets used to decide non-dependent deductions and level of non-dependent deductions by the September 2021 Consumer Price Index (CPI) rate of 3.1 per cent;
 - c) To increase the level of income brackets used to decide entitlement to second adult reduction by the September 2021 Consumer Price Index (CPI) rate of 3.1 per cent;

- d) To retain the maximum household capital limit of £16,000;
- e) To add the option to recalculate entitlement when the council investigate fraud where the DWP have not revised DWP passported benefit entitlement.

7. The award of a concessionary contract for the delivery of tennis centre operations in Norwich

Councillor Packer, cabinet member for health and wellbeing, presented the report. He said that the paper clearly identified the process followed and ensured that all procurement regulations had been met.

Councillor Wright asked members would be given the details once the delegated decision had been taken. The monitoring officer confirmed that a decision notice would be issued as part of the process.

In response to a question from Councillor Galvin on baselines being specified within the tender, the parks and open spaces manager said that the baselines would be taken from the current contract and new targets set with the provider.

RESOLVED to:

- 1) enter into a concessionary contract for the provision of tennis centre operations in Norwich; and
- 2) delegate the award of the contract to the most economically advantageous supplier to the Executive director of development and city services, in consultation with the portfolio holder for Health and Wellbeing

8. Norwich City Services Ltd Business Plan 2022-2025

(Councillor Oliver left the meeting for this item)

Councillor Kendrick, cabinet member for resources presented the report. From 1 April 2022, the company would cover both environmental services and building maintenance services. The Business Plan showed that objectives of the company which aligned with the council's corporate priorities.

He highlighted a typing error on page 232 of the agenda, under service performance risks – NCS should read NCSL.

RESOLVED to exclude the public for consideration of item *11 under paragraph 3 of the Schedule 12A of the Local Government Act 1972 (as amended).

Following discussion, the public were readmitted to the meeting.

The chair of scrutiny outlined the following recommendations, put forward by the scrutiny committee:

- 1) To include biodiversity as one of NCSLs main objectives.

- 2) On the risk register - Company 9 risk – severe weather event – this should be expanded to take account of changes to work practices and schedules as a result of climate change by listing the effects of this.
- 3) To ask the board to benchmark the environmental standards of NCSL against other companies in the field.

Councillors Waters, leader of the council responded to each in turn.

Regarding biodiversity, this was one of the company's main objectives and a Biodiversity Strategy would be published by the council in June 2022. The work of the company tracked the council's Corporate Plan and priorities so this was already embedded in the company strategy.

The risk register was framed, in part, by the corporate risk register which was considered by cabinet on an annual basis. Risk elements could be adjusted as new factors came into play as the risk register was not a static document.

With regards to undertaking benchmarking work, the priority of the company was to achieve the objectives of the shareholder which included researching best practice. It was therefore felt that although the recommendations were valuable the work was already in hand.

Councillor Galvin commented that there appeared to be several vacancies at NCSL and asked for more detail around the terms and conditions of the staff. The managing director of NCSL replied that some vacancies were related to more challenging to recruit to roles, such as the climbing arborist. There had not been a benchmarking exercise undertaken regarding salaries but information from other local authorities was used. Going forward, the company was looking to undertake a job evaluation scheme.

RESOLVED to:

- 1) Endorse the NCSL business for 2022-25 on behalf of Norwich City Council as the shareholder;
- 2) Endorse the two new shareholder's objectives for NCSL as detailed below:
 - a) the company to return a 4% or 5% net profit by year 4 of each of the main council contracts which equates to a potential revenue stream of approximately £0.300m in 2024/25 and a further £0.500m in 2025/26 which will be incorporated into the 2023/24 MTFS refresh and NCSL business plan during 2023-26 if approved.
 - b) NCSL to develop a financial strategy options paper for the Shareholder (Quarter 3 2022/23) which will consider how the company can become financially independent and not rely on the Council to provide investment through the Council's capital programme for replacement of existing equipment required to deliver contracted services.
- 3) Note the recommendations of the scrutiny committee

(Councillor Oliver was readmitted to the meeting)

9. Repairs and maintenance service provided by Norwich Norse Building Ltd

(This report is contained in the supplementary agenda. Councillor Harris left the meeting for this item).

Councillor Waters, leader of the council, presented the report. The report related to a significant backlog of work which had been identified, alongside a strategy for undertaking the work.

There was an estimated timeframe of 9 months for the work to be completed and additional capacity would be required for that time period. The procurement criteria were outlined at paragraph 9 of the report.

RESOLVED to exclude the public for consideration of item *12 under paragraph 3 of the Schedule 12A of the Local Government Act 1972 (as amended).

(Following discussion, the public were readmitted to the meeting).

In response to a question from Councillor Galvin on why resources were not brought in sooner, the leader of the council said that the issues had been fully explored, including by the council's scrutiny committee and had been thoroughly discussed already.

RESOLVED to delegate authority to the executive director for community services in consultation with the Leader of the Council to enter appropriate contract/s to address the backlog of repairs outstanding. The value of contracts not to exceed £3.8m in total and procurement methodology to follow Norwich City Council's contract procedures and Public Regulations 2015.

(Councillor Harris was readmitted to the meeting).

10. Exclusion of the public

RESOLVED to exclude the public from the meeting during consideration of items *11 to *13 (below) on the grounds contained in the relevant paragraphs of Schedule 12A of the Local Government Act 1972 (as amended).

***11 Norwich City Services Ltd Business Plan 2022-2025 – exempt appendix (para 3)**

Following discussion it was: -

RESOLVED to consider and note the exempt appendix

***12 Repairs and maintenance service provided by Norwich Norse Building Ltd - exempt appendix (para 3)**

Following discussion, it was: -

RESOLVED to consider the exempt appendix

***13 Exempt Minutes (Para 3)**

RESOLVED to agree the accuracy of the exempt minutes of meeting held on 12 January 2022.

CHAIR