

## Cabinet

**Date:** Wednesday, 09 September 2020

**Time:** 16:30

**Venue:** Remote, [Venue Address]

### Committee members:

#### Councillors:

Waters (chair)  
Harris (vice chair)  
Davis  
Jones  
Kendrick  
Maguire  
Packer  
Stonard

### For further information please contact:

**Committee officer:** Alex Hand  
**t:** (01603) 989398  
**e:** [alexhand@norwich.gov.uk](mailto:alexhand@norwich.gov.uk)

Democratic services  
City Hall  
Norwich  
NR2 1NH

[www.norwich.gov.uk](http://www.norwich.gov.uk)

## Information for members of the public

Members of the public and the media have the right to attend meetings of full council, the cabinet and committees except where confidential information or exempt information is likely to be disclosed, and the meeting is therefore held in private.

For information about attending or speaking at meetings, please contact the committee officer above or refer to the council's website



If you would like this agenda in an alternative format, such as a larger or smaller font, audio or Braille, or in a different language, please contact the committee officer above.

## Agenda

### Page nos

#### 1 Apologies

To receive apologies for absence.

#### 2 Declarations of interest

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

#### 3 Public questions/petitions

To receive questions / petitions from the public.

Please note that all questions must be received by the committee officer detailed on the front of the agenda by **10am on Friday 4 September 2020.**

Petitions must be received by the committee officer detailed on the front of the agenda by **10am on Monday 7 September 2020.**

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

#### 4 Minutes

5 - 8

To agree the accuracy of the minutes of the meeting held on 29 July 2020.

#### 5 Greater Norwich Homelessness Strategy 2020-25

9 - 56

**Purpose:** To seek approval for the adoption of the greater Norwich Homelessness Strategy 2020-25.

#### 6 Non-commercial debt policy

57 - 70

**Purpose:** To consider a revised non-commercial debt policy.

#### 7 Quarter one corporate performance report for 2020-21

71 - 78

**Purpose:** To report progress against the delivery of the corporate plan priorities and key performance measures for quarter one of 2020-21.

<b>8</b>	<b>Quarter one revenue and capital budget monitoring 2020-21</b> <b>Purpose:</b> Quarter one revenue and capital budget monitoring 2020/21	79 - 104
<b>9</b>	<b>Treasury Management Full Year Review 2019-20</b> <b>Purpose:</b> To consider the Treasury Management performance for the year to 31 March 2020.	105 - 122
<b>10</b>	<b>Write off of non-recoverable national non-domestic rate debts</b> <b>Purpose:</b> To provide an update on the position as at 21/08/2020 with regard to the write-off of non-recoverable national non-domestic rate (NNDR) debt and to request approval to write-off debts totalling £86,488.87 which are deemed irrecoverable.	123 - 128
<b>11</b>	<b>To award a contract for the IDOX (Uniform system) - key decision</b> <b>Purpose:</b> To seek approval to award a contract for IDOX uniform system.	129 - 134
<b>12</b>	<b>To award a contract for gas servicing and repairs - key decision</b> <b>Purpose:</b> The seek approval to award a contract for the housing heating systems servicing and repairs for 2021 to 2025.	135 - 142
<b>13</b>	<b>City council leisure provision - key decision</b> <b>Purpose:</b> To outline the impact of Covid 19 on the councils' contract with Places Leisure (PL) for the management of Riverside Leisure Centre and to provide information on the financial implications of reopening the centre on the 1 September.	143 - 152
<b>*14</b>	<b>Exclusion of the public</b> Consideration of exclusion of the public.	

## **EXEMPT ITEMS:**

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

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

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

**Page nos**

**\*15 City council leisure provision - exempt appendix (para 3)**

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

**\*16 Norwich provision market (para 3)**

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

**\*17 Senior management structure - (para 4) (report to follow)**

**Purpose** - To consider proposals for the senior management structure

Date of publication: **Tuesday, 01 September 2020**

**Cabinet****16:30 to 17:30****29 July 2020**

Present: Councillors Waters (chair), Harris (vice chair), Davis, Jones, Kendrick, Maguire, Packer and Stonard.

Also present: Councillor Bogelein

**1. Public Questions/Petitions**

There were no public questions or petitions.

**2. Declarations of interest**

There were no declarations of interest.

**3. Minutes**

**RESOLVED** to agree the accuracy of the minutes of the meeting held on 8 July 2020.

**4. City centre public space plan**

Councillor Stonard, cabinet member for sustainable and inclusive growth presented the report. The plan continued the council's ambition to provide good quality public space. The council recognised the impact of public spaces on the physical and mental health of residents, workers, and visitors to Norwich. Norwich had public spaces which people wanted to return to, it was a destination city and prior to the pandemic bucked the national trend achieving increased city centre footfall. Good quality public spaces were at the foundation of Norwich's success. The Norwich identity was a unique blend of culture, heritage, independent shops and a vibrant arts scene.

The plan drew together different strands of ongoing work, the recovery of the city from Covid 19, the 2040 Vision work, the Towns Fund, Transforming Cities work and the New Anglia LEP strategy.

Councillor Bogelein noted that it was a timely and welcome plan which was helpful to elected members and stakeholders. She questioned if it could be extended to incorporate the theme of green infrastructure. The director of place said the council's approach to green infrastructure assets in relation to open spaces was to look wider than the city centre as the city was fortunate to include many parks, Mousehold Heath and the River Valley.

Councillor Stonard, cabinet member for sustainable and inclusive growth said it was intended to be implicit in the document and environmental considerations permeated every strategy and piece of work the council conducted.

**RESOLVED** to approve the city centre public space plan.

## **5. Grant of Right to Buy one for one receipts**

Councillor Harris, deputy leader and cabinet member for social housing presented the report. The council was ambitious to build social housing and to support partners where possible to do so. The report detailed two grants to registered provider partners to deliver much needed affordable housing units in the city. The grant to Broadland Housing Association would enable the development of 10 affordable housing units to provide accommodation to offenders on release from prison. This was an excellent example of partnership working, the office of the Police and Crime Commissioner had granted funds to provide wrap around support to individuals on release. This would be provided by St Martins Housing Trust and individuals would be able to access wider support in the community too. The second grant was to the YMCA and would fund the provision of two additional direct access crash beds for young people.

In response to a question the housing partnerships officer said the location of the Broadland units would be pepper potted across the city.

**RESOLVED** to approve:

- 1) the award of retained right to buy one for one replacement receipts to Broadland Housing Association to support the development of 10 affordable dwellings as described in the report and the exempt appendix; and
- 2) the award of retained right to buy one for one replacement receipts and S106 commuted sums held for affordable housing to YMCA to support the provision of 2 affordable dwellings as described in the report and the exempt appendix.

## **6. Norwich Town Deal Bid**

Councillor Waters, leader of the council presented the report. In November 2019 Norwich was invited to apply with 101 other towns for a share of a £25m funding pot. Norwich was not a town but the council was happy to accept the designation in order to bid. The geographical area representing Norwich for the purpose of the bid was the built up area of Norwich as designated by the Office for National Statistics. A Towns Deal Board had been established and had met on a number of occasions since last November.

The fund supported proposals to drive economic regeneration under three objectives; urban regeneration, planning and land use; skills and enterprise infrastructure; and connectivity. The Towns Deal Board would oversee the delivery of the programme if the bid was successful. Projects had been identified following the 2040 Vision theme as detailed in the report and the initiative would be embedded in the broader council recovery plan.

The director of place said that the 2040 Vision work had agreed set objectives and priorities and provided a mechanism for engagement with a wider range of

stakeholders which had enabled the council to respond at pace to the bid and submit its Town Investment Plan application for funding within the first tranche. The two adjoining councils, South Norfolk District Council and Broadland District Council, had provided letters of support in relation to the submitted Plan and some amendments had been made to recognise the relationship of the councils within the Greater Norwich Growth Board. There was an additional advantage to being in the first tranche of applications, a further £100m had been made available by government to accelerate delivery in relation to Town Investment Plans. It was advantageous to submit a bid at the same time which would identify what could be delivered this calendar year to kick start recovery and build momentum.

In response to a question the economic development manager said the Towns Deal Board would remain in place to oversee delivery of the plan, the principles and objectives of the good economics commission were incorporated within the plan. The leader said that it aimed to generate new employment opportunities focused on tackling social mobility and deprivation.

**RESOLVED** to delegate authority to the director of place and the leader of the council to submit the Town Investment Plan by 31 July 2020.

## **7. Future Housing Commissioning**

Councillor Stonard, cabinet member for sustainable and inclusive growth introduced the report. The council's housing stock had diminished due to right to buy which provided insufficient funds to replace the sold stock. Home ownership was beyond the means of many individuals and housing demand historically outstripped supply. The council sought to provide more housing and to build communities but it could not do this work alone and would work with partners. The report aimed to identify a pipeline of sites which could be delivered and three had been identified as ready to go. This work would provide homes, build communities and regenerate old sites.

Councillor Harris, deputy leader and cabinet member for social housing said social housing was a key priority and the council's housing commission board had identified three sites as ready to go, this represented approximately 260 homes delivered over three years. There were other opportunities to develop housing such as land purchase, looking at other smaller council owned sites and she highlighted the success achieved developing units on small disused garage sites. The work would balance the highest environmental standards achievable against the number of units able to be delivered. It was linked to the wider Covid 19 recovery plan and would boost the local economy providing employment opportunities and spend locally.

In response to a question, the interim housing development manager said that whilst the Strategic Housing Market Assessment identified a need for three bedroom housing, this was a false picture and an analysis of the council's housing waiting list highlighted a demand for smaller two bedroom units. He noted that factors such as the spare room subsidy which penalised those on housing benefit with a spare bedroom resulted in an increased demand for smaller units.

**RESOLVED** to:

- 1) Note the appraisal for the delivery options and agree next steps:

- a) Further work to model the financial capacity of the HRA to deliver an on-going pipeline of sites; and
  - b) To procure specialist advice to assist determination of preferred delivery option and provision of tax and legal advice as needed.
- 2) Approve the outline business cases, programmes and funding required for 2020/21 for progression of three sites including:
- a) Agreeing a virement of opportunities fund for design on Three Score phase 3 and Argyle St as detailed in the exempt appendix to this report. A virement for Mile Cross design costs were approved by cabinet in June;
  - b) Recommending to Council to agree capital expenditure of £2.74m on the former Mile Cross depot and also an increase in the budget of £0.18m for design fees in order to utilise funding from business rates pooling as detailed in the exempt appendix to this report.
- 3) Appropriate the land at Three Score phase 3 from the General Fund to the HRA under the Housing Act 1985, part ii, Section 19 (1) for the purposes of providing social housing, subject to a full valuation of the land.
- 4) To approve that rents for properties developed to enhanced environmental standards are set at 5% above formula rent to assist with the additional costs of developing such properties and reflecting the savings for tenants in energy bills.
- 5) Approve the procurement of a registered provider partner to develop additional affordable homes on city council sites for a 5-year period. The first tranche of sites is expected to deliver approx. 25 homes.

**CHAIR**



**Report to** Cabinet  
09 September 2020  
**Report of** Head of neighbourhood housing services  
**Subject** Greater Norwich Homelessness Strategy 2020 to 2025

**Item**

**5**

## **KEY DECISION**

---

### **Purpose**

The purpose of this report is to seek approval for the adoption of the greater Norwich Homelessness Strategy 2020-25.

### **Recommendation**

To approve the new Greater Norwich Homelessness Strategy 2020-25.

### **Corporate and service priorities**

The report helps to meet the corporate priority Great neighbourhoods, housing and environment.

### **Financial implications**

Any actions arising from this report will be met from existing budgets or additional grant income.

**Ward/s:** All Wards

**Cabinet member:** Councillor Harris - Deputy leader and social housing

### **Contact officers**

Chris Hancock, Housing partnerships officer 01603 212852

Lee Robson, Head of Housing 01603 989485

### **Background documents**

None

## Report

### Greater Norwich homelessness strategy 2020 - 25

1. The Homelessness Act 2002 requires Local Authorities to produce a homelessness strategy that applies to everyone at risk of homelessness, not just people who may fall within a priority need group for the purposes of the part 7 of the Housing Act 1996. There is also a specific requirement within the Ministry of Housing's Homelessness Code of Guidance to ensure that all homelessness strategies are compliant and refreshed to ensure compliance with the Homelessness Reduction Act 2017.
2. The Homelessness Reduction Act 2017 (HRA) places additional duties on Local Housing Authorities (LHAs) that are designed to ensure all households at risk of homelessness receive earlier and more effective interventions. Introduced in April 2018, the act requires authorities to:
  - Provide advice and guidance for all households approaching the LA and for the guidance to meet the needs of certain listed groups including those leaving prison, hospital or care and those with mental health issues.
  - To prevent those threatened with homelessness from becoming homeless
  - To relieve homelessness for those who are homeless

Both prevention and relief duties last for 56 days.

3. Preparatory work on the new strategy started in late 2018 and carried on into early 2019 through the greater Norwich homelessness forum. The forum meetings were well attended with a wide range of stakeholders with lived experience, and from the voluntary and statutory sector. A number of interviews were carried out during 2019 with people with lived experience of homelessness and this has helped inform the final document. A review of all of our activity in the field of homelessness was conducted including the use of data to produce the strategy and its proposed actions.
4. For a number of years the council has produced a rough sleeping strategy to help tackle and reduce the number of rough sleepers in the city. The current Norwich Tackling Rough Sleeping Strategy 2017-22 will run to the end of 2022, with a new strategy covering the Greater Norwich area running from 2022 (until 2027). South Norfolk and Broadland Councils will publish a Rough Sleeping Statement in 2020 to run until 2022, to cover the interim period before the introduction of the new Greater Norwich Rough Sleeping Strategy. The reason why we publish a separate rough sleeping and homelessness strategy is that we want to give clear focus and ownership of our efforts to reduce rough sleeping in our districts.
5. The reasons why we have a greater Norwich approach to homelessness is to reflect the greater Norwich housing market that covers the boundaries of Broadland, South Norfolk and Norwich City councils meeting around the urban fringes of the City. We already work around the creation of a Greater Norwich Local Plan and the Joint Core Strategy that plans for the housing

and jobs needs of the area to 2026. With this in mind it makes sense that we should also work together around reducing and preventing homelessness and rough sleeping.

6. The focus of this strategy will be to look at the determinants of homelessness, such as:
  - Youth and single homelessness
  - Domestic abuse
  - Relationship breakdown
  - Low Income
  - How we can strengthen our prevention of homelessness duties
7. Since the last homelessness strategy we have overseen the introduction of the Homelessness Reduction Act in April 2018. The Act places additional duties on local housing authorities to:
  - a. provide advice and guidance for all households approaching the Council
  - b. prevent those threatened with homelessness from becoming homeless and
  - c. relieve homelessness for those who are homeless.
8. Both prevention and relief duties last for 56 days but can be ended in several ways in that time.
9. The strategy includes an analysis of data submitted by the Council to the central government homelessness reporting system H-CLIC. Although the data is considered experimental, the new system provides a more accurate method of measuring homelessness compared to previous monitoring regimes. It enables Councils, locally and nationally, to measure trends in homelessness and specifically which households are at most at risk.
10. Building an evidence base using analysis of our data and feedback from our engagement processes, two of our proposed priorities specifically relate to two of the main causes of homelessness, these being ending of a private sector tenancy and family or friends no longer willing to accommodate. However, the Council are also taking a wider approach by committing to alleviating the drivers of homelessness, such as low income, skills, training and accessing affordable housing and linking in to the inclusive growth agenda at a local and county level.
11. All actions under the new strategy are applicable across the greater Norwich sub-region and acknowledge there is a whole system approach to be explored when preventing or relieving homelessness. However there may be some variances in delivery to allow for urban/rural location demographics.
12. The vision for the strategy is:

“Greater Norwich is a place where agencies work together to support people who are, or may become homeless. By putting people at the heart of our service delivery we can create a wraparound offer that helps people to take control of their own circumstances earlier, and stopping them from

becoming homeless will be our main aim. This will provide people with a firm platform where their health and wellbeing, employment or training opportunities are either maintained or improved.”

13. In developing the new strategy, we have worked from the following key assumptions:

- We will offer wraparound, multi-agency services that puts the individual or household at the centre in order to prevent homelessness.
- We want to prevent and alleviate homelessness in addition to reducing the drivers of homelessness
- We will work in partnership with other statutory services, organisations and the voluntary and community sectors to achieve this.

14. In order to meet these assumptions, we are focussing on the following four priority areas:

- Develop and deliver flexible housing and support solutions to enable people to safely move on from domestic abuse.
- Preventing homelessness.
- Single and youth homelessness.
- Financial inclusion, welfare reform and economic growth.

15. The full list of actions under each priority for the homelessness strategy can be seen in the main strategy document. Highlights of the actions are as follows:

**Priority area 1: Develop and deliver flexible housing and support solutions to enable people to safely move on from domestic abuse.**

Actions:

1. Develop and deliver flexible housing approaches to meet the needs of people fleeing domestic abuse, including male victims, people who identify as LGBTQI+ and those with more complex needs, across all tenures that are not currently being met by joint working with voluntary and statutory sector agencies.
2. Supporting the outcomes of the proposed Domestic Abuse Bill including the potential for new statutory duties for Tier 1 and Tier 2 authorities to convene DA Partnership Boards for commissioning of ‘domestic abuse safe accommodation.’

**Priority area 2: Preventing homelessness**

Actions:

1. Continue to monitor the progress of the following protocols including:
  - Greater Norwich & Breckland Criminal Justice Homelessness Prevention Protocol
  - Norfolk Mental Health Hospital Discharge and Homelessness Prevention Protocol
  - Joint Protocol to Address the Needs of Homeless Young People in Norfolk

2. Undertake quarterly analysis of H-CLIC data to deliver service improvements, monitor levels of homelessness and report this to the Greater Norwich homelessness forum and members.
3. Increase the number of households at risk of homelessness staying in their own homes following contact with our housing options services.

### **Priority area 3: Single and youth homelessness**

1. Consider and explore options for additional support to help single young people find and maintain a home.
2. Enable the provision of affordable single person homes.
3. Explore funding streams to provide mediation for young people and families before crisis wherever possible.
4. Seek to achieve a commitment from all housing providers to identify, promote and further develop specific models of housing supply that helps young adults gain independence.

### **Priority area 4: Financial inclusion, welfare reform and economic growth**

1. Supporting the Inclusive Growth agenda at a County and Local Authority level – Improving access to skills, training and employment opportunities.
2. Building the right properties - Learning from the great achievements made within each Council over the last 5 years and to continue to produce sustained delivery of affordable housing and social energy efficient properties with sustainable tenures.

16. The Homelessness strategy contains data from the first 12 months following the introduction of the HRA, and using the Government's new standardised reporting system. However it should be noted that this data is still considered experimental due to differences in software implementation timelines. The following table shows the numbers of households that approached our housing options team and the main reason for the loss of their accommodation in 2018/19:

<b>Number of households presenting to Norwich housing options team 2018/19.</b>	
<b>Measure</b>	<b>Nos.</b>
Total nos. households assessed	1,649
Total nos. households assessed as owed a duty	1,311 (79%)
<b>Main reason for loss of last settled home:</b>	
1.	Other reason (majority of these households were living in the private rented sector when they approached the Council).
2.	Family or friends no longer willing to accommodate.
3.	End of private rented sector tenancy.

4.	Domestic abuse.
----	-----------------

17. The strategy predicts that we are likely to see increases in the number of homeless households in Greater Norwich by around 4.5% from 2021 to 2026, according to an analysis using the Core Homelessness Model for the South of England in which Greater Norwich is situated for the purposes of this study. <sup>1</sup>

The study looks at what measures could reduce the rise in core homelessness. The study considers a number of scenarios:

- Cessation of welfare reductions
- Increase in supply of new housing (including affordable, especially in the South of England)
- Extensive homelessness prevention activity by local authorities
- Regional convergence in economic growth by rebalancing growth in area outside of London and the South East

18. Whilst the strategy was out for public consultation the Covid-19 pandemic hit the UK. As local housing authorities we were asked by central government to “get everyone in,” and to “focus on people who are, or are at risk of, sleeping rough, and those who are in accommodation where it is difficult to self-isolate, such as shelters and assessment centres.”

19. To date we have accommodated over 100 people into safe accommodation and moved people into more permanent homes. This vital work has been successful in saving lives and keeping people safe whilst we experienced the surge in the pandemic. This work has involved close work with our County Council, health, Police and voluntary sector colleagues. Community help hubs were formed managing the delivery of food supplies and medication to the most vulnerable in the greater Norwich area.

20. As a result of the pandemic we reviewed the main priorities of the strategy to ensure they were still relevant and also extended the consultation period until the 01 June 2020 (consultation began 06 March 2020). As expected as a result of the pandemic we received a reduced number of responses to the consultation. The responses to the consultation will be published alongside the final strategy. Highlights from the consultation can be summarised as follows:

- “We endorse the ambition and sentiment of this strategy. We look forward to this translating into customer experience. The proposed Norfolk Mental Health Hospital Discharge & Homelessness Prevention protocol will be a key element to the successful delivery of this strategy.”
- “I think the strategy is focused on the right areas and really appreciative of a section on young people with associated actions. The recognition that their needs are different is admirable. It is ambitious to aim for self-contained accommodation for all young people who become homeless

---

<sup>1</sup> Bramley, G., 2017, *Homelessness projections: Core homelessness in Great Britain, Summary report*, Heriot Watt University.

and is a great aim but do believe that there needs to be a recognition of general housing need among young people.

21. To ensure the strategy's relevance throughout the five year period the priorities and actions will be reviewed by each greater Norwich council on an annual basis.

22. The risks of failing to deliver this strategy are:

Reputational - If the council failed to follow a clear strategic direction it is likely that homelessness would increase. This would be clearly against the council's corporate and strategic priorities.

Economic - Preventing homelessness saves money and the potential damage it causes can be significant to people's lives and society as a whole. A person or family becoming homeless can affect all statutory service providers negatively for example increased pressure on health, and criminal justice services.

Social - There would be an increased risk of more people sleeping on the streets or living in overcrowded, sometimes insecure living arrangements.

Legal – Local authorities have a duty under Part 7 of the Housing Act 1996 and Homelessness Act 2002 to prevent homelessness and produce a homelessness strategy. If we failed to deliver this strategy there would be an increased risk of people having the right to temporary, or permanent, council accommodation.

23. It is recommended that Cabinet approve the adoption of the strategy and identified actions.

24. After adoption by the three greater Norwich council's the strategy will be published on the council website in October 2020.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	9 September 2020
<b>Director / Head of service</b>	Lee Robson
<b>Report subject:</b>	Greater Norwich homelessness strategy 2020-25
<b>Date assessed:</b>	25/08/20



	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The main emphasis of the strategy is to prevent homelessness. Preventing homelessness saves money as it reduces the need for interventions such as temporary accommodation.
Other departments and services e.g. office facilities, customer contact	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The strategy is likely to have a positive effect for our function as a landlord and provider of housing advice by keeping people in their homes and reducing the need to find alternative or interim accommodation.
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	One of the strategic priorities is around our role as a Council in delivering and fostering an environment where our local economy can thrive which in turn reduces homelessness and means less people lose their home.
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The strategy recognises the need for us to deliver more affordable housing that is not only affordable to rent but is also affordable to maintain and heat.
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Providing people with a safe and secure home is one of the main drivers in preventing homelessness. The actions contained within the strategy seek to reduce harm and promote the safeguarding of children and adults.

	Impact			
<b><u>S17 crime and disorder act 1998</u></b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The actions contained in this strategy will help to reduce instances of crime and disorder such as incidents of domestic abuse by providing victims with safe and secure housing.
<b>Human Rights Act 1998</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The strategy will seek to promote the rights of people as contained within the Human Rights Act 1998.
<b>Health and well being</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Housing and homelessness are recognised as determinants of public health and are critical to increasing the life expectancy and overall wellbeing of people living in Norwich.
<b>Equality and diversity (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
<b>Relations between groups (cohesion)</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Eliminating discrimination &amp; harassment</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	There are a number of actions contained within the strategy that will promote the elimination of discrimination and harassment. Meeting the needs of people fleeing domestic abuse is recognised as one of our key strategic priorities.

	Impact			
<b>Advancing equality of opportunity</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>It is not envisaged that there will be negative impacts felt by those with a protected characteristic as a result of strategy being implemented.</p> <p>In formulating the strategy we have considered local and national data and also findings from consulting with partners through:</p> <ul style="list-style-type: none"> <li>• 2 partner's workshops</li> <li>• Collaborative working with the Mancroft Advice Project (MAP) on the Single and Youth Homelessness priority</li> <li>• A drop in session for young people through MAP</li> <li>• A period of public consultation for the draft homelessness strategy from the period Friday 6<sup>th</sup> March – Monday 1<sup>st</sup> June 2020</li> </ul>
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The risks of failing to deliver this strategy are:</p> <p>Reputational - If the council failed to follow a clear strategic direction it is likely that homelessness would increase. This would be clearly against the council's corporate and strategic priorities.</p> <p>Economic - Preventing homelessness saves money and the potential damage it causes can be significant to people's lives and society as a whole. A person or family becoming homeless can affect all statutory service providers negatively for example increased pressure on health, and criminal justice services.</p> <p>Social - There would be an increased risk of more people sleeping on the streets or living in overcrowded, sometimes insecure living arrangements.</p> <p>Legal – Local authorities have a duty under Part 7 of the Housing Act 1996 and Homelessness Act 2002 to prevent homelessness and produce a homelessness strategy. If we failed to deliver this strategy there would be an increased risk of people having the right to temporary, or permanent, council accommodation.</p>

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	

## Greater Norwich Homelessness Strategy 2020-2025



## Greater Norwich Homelessness Strategy 2020-25

Section	Subject	Page Number
	Contents	1
	Introduction	2 - 4
1.	Strategic Context and Purpose	5
	1.1 Rough Sleeping	5
	1.2 Homelessness Reduction Act	5 - 6
	1.3 Duty to Refer	6
2.	National Picture of Housing Market	7
	2.1 Greater Norwich Housing Market	8
	2.2 Delivery of Affordable Housing	8
3.	Homelessness Review Key Findings	10
	3.1 National Picture	10
	3.11 Summary	10
	3.12 Private Rented Sector Tenancies	10
	3.2 Local Picture	11
	3.21 Better Recording of Homelessness	11
	3.22 Approaches to Housing Options Services	13
	3.23 Household Type Seeking Help to Prevent or Relieve their Homelessness	15
	3.24 Age Bands Owed a Prevention or Relief Duty	16
	3.25 Employment Status of Main Applicant Owed a Prevention or Relief Duty	16
4.	Development of the Strategy	17
5.	Where do we want to be? Our Vision	18
6.	How will we get there?	18
	<b>6.1 Priority One: Develop and Deliver Flexible Housing and Support Solutions to Enable People to Safely Move on from Domestic Abuse</b>	<b>18</b>
	6.11 Local and National Picture	18
	6.12 Proposed Actions to Support Households Experiencing Domestic Abuse	18
	<b>6.2 Priority Two: Preventing Homelessness</b>	<b>19</b>
	6.21 Discretionary Housing Payments	19
	6.22 How we Approach Prevention in Greater Norwich	21
	6.23 Commissioned Prevention Services	22
	6.24 Actions: What we will do to Prevent Homelessness	23
	<b>6.3 Priority Three: Single and Youth Homelessness</b>	<b>24</b>
	6.31 Local Picture	24
	6.32 Engagement with Young People and External Partners	25
	6.33 Actions: What we will do about Single and Youth Homelessness	26
	<b>6.4 Priority Four: Financial Inclusion, Welfare Reform and Economic Growth</b>	<b>27</b>
	6.41 Poverty and Homelessness	28
	6.42 Destitution	29
	6.43 Economic Growth	29
	6.44 Proposed Actions	30

7.	Monitoring of the Strategy	31
8.	Glossary of Terms	31

## Introduction

This document marks the fourth occasion that Broadland, Norwich City and South Norfolk Councils have worked together to develop a homelessness strategy for the Greater Norwich area.

In doing so, we are working from the following key assumptions:

- We will offer wraparound, multi-agency services that puts the individual or household at the centre in order to prevent homelessness.
- We want to prevent and alleviate homelessness in addition to reducing the drivers of homelessness
- We will work in partnership with other statutory services, organisations and the voluntary and community sectors to achieve this.

In order to meet these assumptions, we are focussing on the following four priority areas:

1. Domestic Abuse
2. Preventing Homelessness
3. Single and Youth Homelessness
4. Financial Inclusion, Welfare Reform and Economic Growth

Furthermore, Mental Ill Health can be a significant factor in increasing the risk of homelessness in addition, for those who are homeless or at risk of homelessness there can be a higher incidence of a negative impact on mental health. In this respect, acknowledgement of Mental Health is woven through our priorities instead of as a stand-alone area.

As highlighted above, as local authorities, we cannot work in isolation to prevent homelessness and we would like to thank our Greater Norwich Homelessness Forum (GNHF) partners and wider partners for their input into the development of this strategy and commitment to work with us to implement the actions agreed.

Partner Organisations who have contributed to the development of this draft strategy are:

Adult Social Care Commissioning - Norfolk County Council  
Anchor Project – Leeway  
Anglia Care Trust  
Aylsham Care Trust (ACT)  
Breckland District Council  
Change, Grow, Live (CGL)  
Children's Services Leaving Care Team  
Clarion Housing  
Community Chaplaincy Norfolk  
DWP

Integrated Offender Management - Norfolk Constabulary  
Making Every Adult Matter (MEAM)  
Mancroft Advice Project  
National Probation Service  
Norfolk and Suffolk Community Rehabilitation Company (NSCRC)  
Norfolk and Suffolk Foundation Trust (NSFT)  
Norfolk Community Law Service (NCLS)  
Notting Hill Genesis  
Orwell Housing Association Ltd  
Saffron Housing Trust  
Shelter  
Solo Housing  
Soul Foundation  
St Giles Trust  
St Martins Housing  
Stronger Futures Leaving Care Team - Norfolk County Council  
The Benjamin Foundation  
The Feed  
The Magdalene Group  
YMCA  
Your Own Place CIC  
Youth Offending Team (YOT)

Contained within this strategy is an outline of key legislation implemented during the period of the previous strategy, an overview of the local and national picture. The strategy also lists our four priority areas, proposed actions and the evidence and rationale behind them.

The consultation period ran from 12pm Friday 6<sup>th</sup> March 2020 until 11:59pm on Friday 01 June 2020<sup>1</sup>.

## **July 2020: Covid-19 statement for greater Norwich homelessness strategy 2020-25**

### **Introduction**

Whilst this strategy was out for public consultation the Covid-19 pandemic hit the world. Everyone has been affected by Covid-19 to a lesser or greater extent. As local housing authorities we were asked by central government to “get everyone in.” We were asked by central government to “focus on people who are, or are at risk of, sleeping rough, and those who are in accommodation where it is difficult to self-isolate, such as shelters and assessment centres.” To date we have accommodated well over 100 people into safe accommodation and moved people into more permanent homes. This vital work has been successful in saving lives and keeping people safe whilst we experienced the surge in the pandemic. This work has involved close work with our County Council, health, Police and voluntary sector colleagues. Community help hubs were formed managing the delivery of food supplies and medication to the most vulnerable in the greater Norwich area.

---

<sup>1</sup> Consultation was extended because of Covid-19 pandemic.



### **What have we learnt from Covid-19?**

There has been tremendous pressures placed on households through the country and locally. It is likely that as a result of the pandemic that there will be medium to long term affects to our economy and local population placing increasing numbers of people at risk of homelessness. In the short term we have seen worrying increases in the number of reported domestic abuse cases, especially in Norwich. Also we have seen a number of businesses close and shed jobs as a result of the economic downturn. There is genuine concern that when the ban on evictions is ended in August 2020 we will begin to see a spike in private sector evictions as a result of households struggling to juggle their household finances with increasing debt. A sign of this has been the increase of households in receipt of welfare payments to help with their housing and daily living costs. It is not clear yet for how long the effects of the pandemic will have on the economy as whole. In a recent survey carried out by the Resolution Foundation found that, *“...34 per cent of new UC claimants...are having trouble keeping up with bill payments, 42 per cent have cut back on spending to prioritise housing costs, and over half have already dipped into their savings.”*<sup>2</sup> It is likely that the following groups will continue to be affected by the pandemic:

- Increased levels of domestic abuse
- Young people
- Social renters
- People living in the private rented sector

The government has provided significant help and support to people affected by the pandemic, however, help such as the uprating of Local Housing Allowance levels will make little difference to those households already affected by the continuing household benefit cap that has not been lifted or temporarily removed.

### **Recovery plans**

Each of the three local authorities in greater Norwich has released a recovery or blueprint plan to focus our efforts to help those in our communities worst affected by the pandemic including those who have lost their jobs, are vulnerable or facing uncertain financial times in their lives as well as building and harnessing the social capital that came to the fore as a result of the adversity that was faced.

We are confident that the priorities that we set in the draft consultation strategy are still relevant in light of the recent pandemic but we will ensure that we will continue review and monitor these priorities during the life of the strategy.

## **1. Strategic Context and Purpose**

---

<sup>2</sup> Page 65, *This time it's different – Universal Credits first recession*, (Resolution Foundation, May 2020).

The Homelessness Act 2002 requires each local housing authority to review homelessness in its area and to develop a new homelessness strategy every five years. The Homelessness Code of Guidance provides guidance on housing authorities' duties to carry out a homelessness review and to formulate and publish a strategy based on the results of that review.

### **1.1 Rough Sleeping**

For a number of years Norwich has produced a rough sleeping strategy to help tackle and reduce the number of rough sleepers in the city. The current Norwich Tackling Rough Sleeping Strategy 2017-22 will run to the end of 2022, with a new strategy covering the Greater Norwich area running from 2022 (until 2027). South Norfolk and Broadland Councils will publish a Rough Sleeping Statement in 2020 to run until 2022, to cover the interim period before the introduction of the new Greater Norwich Rough Sleeping Strategy. The reason why we publish a separate rough sleeping and homelessness strategy is that we want to give clear focus and ownership of our efforts to reduce rough sleeping in our districts.

The focus of this homelessness strategy will be to look at the determinants of homelessness, such as:

- Youth and Single Homelessness
- Domestic Abuse
- Relationship Breakdown
- Low Income
- How we can strengthen our prevention of homelessness duties

### **1.2 Homelessness Reduction Act (HRA)**

The Homelessness Reduction Act was implemented in April 2018.

In addition to the Homelessness Reduction Act there are two other sets of new regulations:

- The Homelessness Reduction Act (Commencement and Transitional and Savings Provisions) Regulations 2018.
- The Homelessness (Review Procedure) regulations 2018, which set out the procedures for conducting reviews under the Act and list the public authorities to which the duty to refer applies.

As well as the aforementioned, the government published a new statutory Homelessness Code of Guidance, which we as local housing authorities must have regard.

### **1.3 Duty to Refer**

The Homelessness Reduction Act also brings in new duties to notify a local housing authority of service users they think may be homeless or at risk. This

new duty has the potential to prevent more people from becoming homeless by encouraging public bodies to reduce and prevent homelessness.

In Greater Norwich alongside partners we have looked to strengthen this approach by leading and supporting work to produce a number of protocol documents that sets out our commitment to prevent homelessness. These protocols are:

- Greater Norwich & Breckland Criminal Justice Homelessness Prevention Protocol
- Joint Protocol to Address the Needs of Homeless Young People in Norfolk
- Proposed Norfolk Mental Health Hospital Discharge and Homelessness Prevention Protocol

Through this strategy we will commit to ensuring that these protocols are successful and help stop homelessness before it begins.

In addition to this we are committed to improving the pathway for people who are homeless leaving the Norfolk and Norwich University hospital and will actively support initiatives such as District Direct through the actions in this strategy.

## **2. National and Local Picture of Housing Market**

Nationally and locally the housing market has been surrounded by uncertainty caused by the following factors:

- Affordability issues
- Lack of stock
- Continuing political uncertainty
- Fears of interest rate rises<sup>3</sup>

The government (in 2018) committed itself to a target of delivering an additional 300,000 homes up to the mid-2020s. This target is short of the 340,000 units per year (for fifteen years) that the National Housing Federation (NHF) and Crisis study projected that are required to meet housing need. The actual number of net additional dwellings delivered over the past six years is significantly short of these forecasts showing that meeting the required number of homes will be difficult to achieve in the future if the current housing market conditions continue.

Net additional dwellings - England, 2012/13 to 2017/18<sup>4</sup>

---

<sup>3</sup> Royal Institute of Chartered Surveyors (RICS), *Housing Forecast 2019*, London Dec 2018.

<sup>4</sup> MHCLG, *Housing supply; net additional dwellings*, England 2017/18. November 2018.

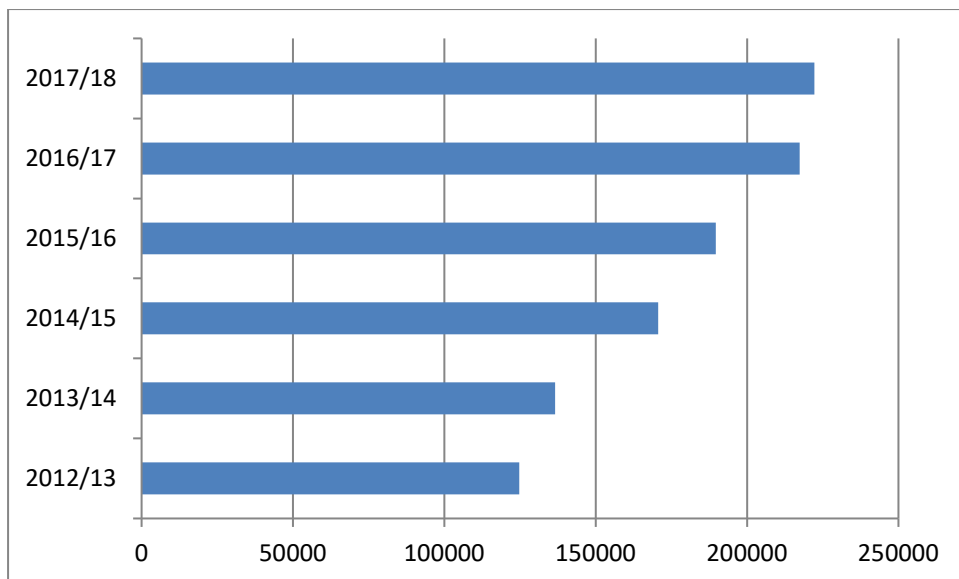


Table 1

## 2.1 Greater Norwich Housing Market

UK house prices grew by 0.7% in the year to July 2019<sup>5</sup>. In Greater Norwich we have seen larger increases in the average house price of 1.06%, 2.93%, and 2.30% in Norwich, South Norfolk and Broadland respectively pricing more people out of the housing market.

Period	BDC	NCC	SNC	UK average
July 2018	£273,721	£226,359	£285,264	£231,187
July 2019	£280,022	£228,773	£293,633	£232,710

Table 2

Measure	Broadland	Norwich	South Norfolk	Eastern Region
House price to earnings ratio <sup>6</sup>	9.2 to 1	7.6 to 1	9.1 to 1	10 to 1
Lower quartile house price to earnings ratio <sup>7</sup>	10 to 1	8.7 to 1	10.3 to 1	10.1 to 1

Table 3

Whilst house prices to earnings ratios are similar in Broadland and South Norfolk areas compared to the East of England, in Norwich these ratios are lower. However, wages tend to be lower in Norwich than South Norfolk and

<sup>5</sup> Source: <https://www.gov.uk/government/publications/uk-house-price-index-summary-july-2019/uk-house-price-index-summary-july-2019#about-the-uk-house-price-index>, Accessed on 19/09/2019.

<sup>6</sup> Source: Hometrack (accessed 19/08/2019): based on data from the latest Annual Survey of Hours and Earnings and sales and valuations over the last 12 months.

<sup>7</sup> Ibid.

Broadland making the option of people owning their own home more difficult especially for those people on lower incomes.<sup>8</sup>

## 2.2 Delivery of Affordable Housing<sup>9</sup>

The Strategic Housing Market Assessment 2017 identified the housing need across Greater Norwich between 2015-2036 as:

Greater Norwich		Market Housing	Affordable Housing	TOTAL
Flat	1 bedroom	61	130	191
	2+ bedrooms	64	67	131
House	2 bedrooms	100	136	236
	3 bedrooms	781	154	935
	4 bedrooms	237	31	268
	5+ bedrooms	58	7	65
TOTAL		1301	525	1826

Table 4: Source: Fig 83 Central Norfolk SHMA 2017 (annualised)

The affordable housing is further split into affordable housing for rent and for low cost home ownership as follows:

GREATER NORWICH		Affordable Housing for Rent	Low Cost Home Ownership	Total
Flat	1 bedroom	118	11	129
	2+ bedrooms	54	13	67
House	2 bedrooms	103	34	137
	3 bedrooms	108	46	154
	4+ bedrooms	30	8	38
TOTAL		413	113	525

Table 5: Source: Fig 85 Central Norfolk SHMA 2017 (annualised)

The Greater Norwich Joint Core Strategy (JCS) uses the Strategic Housing Market Assessment (SHMA) as the evidence base for Policy 4 on housing.

The policy requires a percentage of affordable housing to be delivered on all developments of 10 dwellings or more, with 30% affordable housing required on developments of 10-15 dwellings and 33% on developments of 16 dwellings or more.

JCS Policy 4 also requires for a tenure split of affordable housing to be 85% affordable housing for rent and 15% as intermediate tenure.

The SHMA found that in Norwich and Broadland based on 35% of household income, 73% (203 of 278<sup>10</sup>) and 71%<sup>11</sup> of households in housing need could

<sup>8</sup> Further information on wages will be accessible in our Homelessness review document that will be published alongside the final strategy document.

<sup>9</sup> <https://www.greaternorwichgrowth.org.uk/planning/monitoring/> Accessed on 14/02/2020

<sup>10</sup> Fig 102 Central Norfolk SHMA 2017 (annualised).

<sup>11</sup> Ibid.

not afford target rent without help with their housing costs (welfare benefits) compared to 60% in South Norfolk. However, both in South Norfolk and Broadland there is a larger percentage of households able to afford affordable rent/home ownership products due to higher household incomes in those areas.

The Greater Norwich Development Partnership (GNDP) has recently published the Annual Monitoring Report (AMR) for 2018/19, which shows delivery in recent years as:

Indicator	Target	Location	14/15	15/16	16/17	17/18	18/19
<b>Net housing completions</b>	<b>Broadland - 706 pa</b>	<b>Broadland</b>	405	598	644	679	640
	<b>Norwich - 477 pa</b>	<b>Norwich</b>	249	365	445	237	927
	<b>South Norfolk - 863 pa</b>	<b>South Norfolk</b>	1027	765	1162	1118	1212
	<b>Greater Norwich – 2,046 pa</b>	<b>Greater Norwich</b>	<b>1681</b>	<b>1728</b>	<b>2251</b>	<b>2034</b>	<b>2779</b>
<b>Affordable Housing Completions</b>	<b>Greater Norwich - 525 pa</b>	<b>Broadland</b>	98	107	237	177	195
		<b>Norwich</b>	50	25	44	56	137
		<b>South Norfolk</b>	95	90	175	298	392
		<b>Greater Norwich</b>	<b>243</b>	<b>222</b>	<b>456</b>	<b>531</b>	<b>724</b>

Table 6: Source: GNDP AMR 2018/19

This table shows that in 2018/19 affordable housing completions have exceeded the current target of 525 completions per year. This marks the highest level of delivery in the last 7 years and is the first time the annual target has been achieved. This level of delivery is clearly linked to the significant increase in overall housing delivery across the Greater Norwich area.

Continuing to meet the delivery target for affordable homes will remain a challenge however. Changes to the planning system mean that affordable housing cannot be required in certain circumstances e.g. due to the vacant building credit or the prior approval of office conversions (measures which have a particularly significant impact in Norwich City).

Another challenge to the delivery of affordable housing is that it has proved necessary to reduce the level of affordable housing secured on some sites to ensure that developments are viable. The authorities continue to scrutinise viability assessments submitted by developers to ensure that development meets the affordable housing target as far as possible. In addition, a number of section 106 agreements that accompany development include a “claw back” provision, which may mean that additional affordable housing will be delivered later, via a commuted sum, if viability improves.

The Greater Norwich Local Plan, which is being produced by Broadland District Council, Norwich City Council and South Norfolk Council working together with Norfolk County Council through the Greater Norwich Development Partnership (GNDP) and aims to produce an overarching plan

which will help to meet local housing and economic growth needs, whilst also protecting and enhancing the environment.

Going forward the GNLP will allocate sites to deliver the required housing numbers, and will have an affordable housing requirement; however, there will be a delay before the affordable homes are completed.

Further information on the proposed GNLP can be found here:

<https://www.gnlp.org.uk/>

### **3. Homelessness Review Key Findings**

#### **3.1 National Picture**

##### **3.11 Summary**

The Homelessness Monitor: England 2019 concluded the following in its key findings:

- 71% of local authorities reported that homelessness had been increasing.
- The rise since 2010 in the number of households made homeless by the ending of private tenancies seem finally to have peaked.
- After rapid growth of rough sleeping since 2010, numbers have started to level in England.
- There is not enough social housing to meet housing need.
- Private sector rents seem to be falling however; growth in the private rented sector has exposed many more low-income households to higher housing costs.
- The safety net of housing benefit has now effectively ended for the bulk of private tenants in receipt of benefit across the country, whereby post-housing incomes were protected from erosion below basic benefit levels. Young people under 35 particularly badly affected by LHA and working age benefit freezes.
- Further changes to welfare reform could impact negatively on homelessness numbers, specifically the full roll out of Universal Credit.
- Most local authorities provided encouraging evidence that the Homelessness Reduction Act is enabling councils to help more people in housing need.

##### **3.12 Private rented sector tenancies**

Whilst the private sector can provide households with flexibility around types of housing in terms of where people want to live it is still the most common type of housing a person will be living in when someone asks for help at our council's housing options teams. The English Housing Survey 2018-19 found

that for private renters, the average length of residence was 4.4 years, compared to 18.1 and 11.6 for owner-occupiers and social renters. Our H-CLIC 2018-19 figures show that we need to do more to keep people in their private rented homes and help stop people having to move and face unnecessary disturbance in their lives.

## **3.2 Local Picture**

### **3.21 Better Recording of Homelessness**

The Homelessness Reduction Act (HRA) 2017 came into effect on 03 April 2018. The act places a greater emphasis on prevention helping all those people affected by homelessness regardless of priority need. The Homelessness Reduction Act updated the Housing Act 1996, producing new prevention and relief duties for local housing authorities in England.

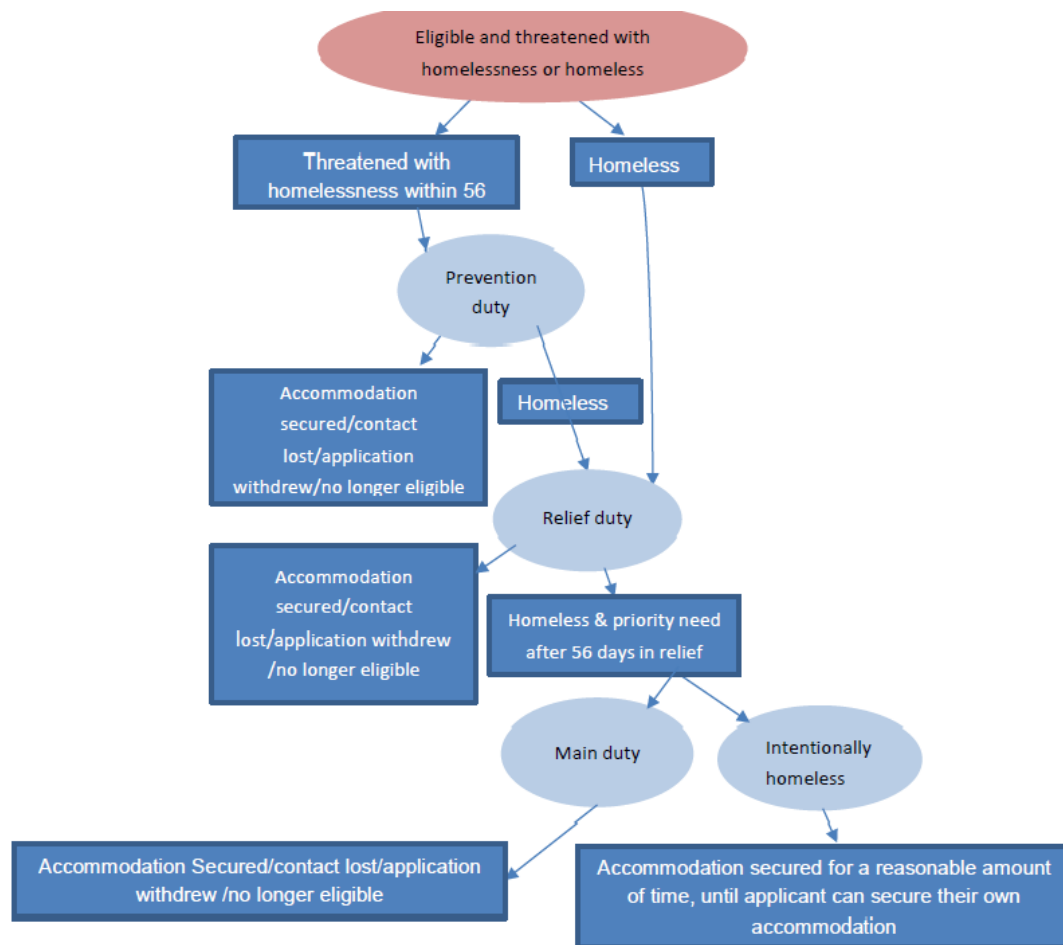
With the advent of the Homelessness Reduction Act, local authorities now use a more accurate method of measuring homelessness compared to previous monitoring regimes. This data should provide local authorities nationally and locally of measuring trends in homelessness and specifically which households are most at risk. Future strategies and reviews will be evidence-based in order that services can be better targeted and responsive to customers' needs.

The (experimental) data collected as part of this new legislation provides a greater depth of information on activities undertaken by local authorities to help or prevent homelessness and the outcomes of these activities. It is hoped that this information can be used to provide a greater understanding of homelessness by understanding the profile of the households that are approaching us for help. The following chart shows how a typical homeless (or threatened with homelessness) household is processed under the new legislation<sup>12</sup>:

---

<sup>12</sup> MHCLG, Page 3, *statutory homelessness statistical release*, England 2018/19, (March 2019).





We are likely to see increases in the number of homeless households in Greater Norwich by around 4.5% from 2021 to 2026, according to an analysis using the Core Homelessness Model for the South of England in which Greater Norwich is situated for the purposes of this study. <sup>13</sup>

The study looks at what measures could reduce the rise in core homelessness. The study considers a number of scenarios:

- Cessation of welfare reductions
- Increase in supply of new housing (including affordable, especially in the South of England)
- Extensive homelessness prevention activity by local authorities
- Regional convergence in economic growth by rebalancing growth in areas outside of London and the South East

<sup>13</sup> Bramley, G., 2017, *Homelessness projections: Core homelessness in Great Britain, Summary report*, Heriot Watt University.

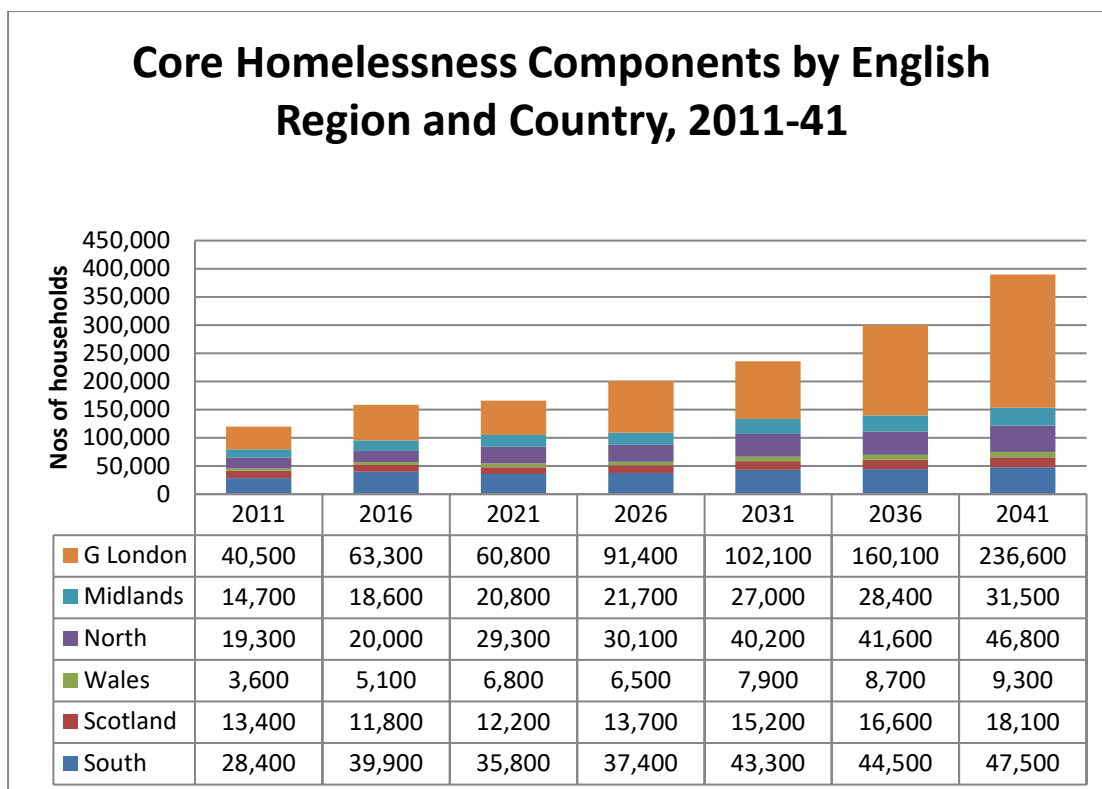
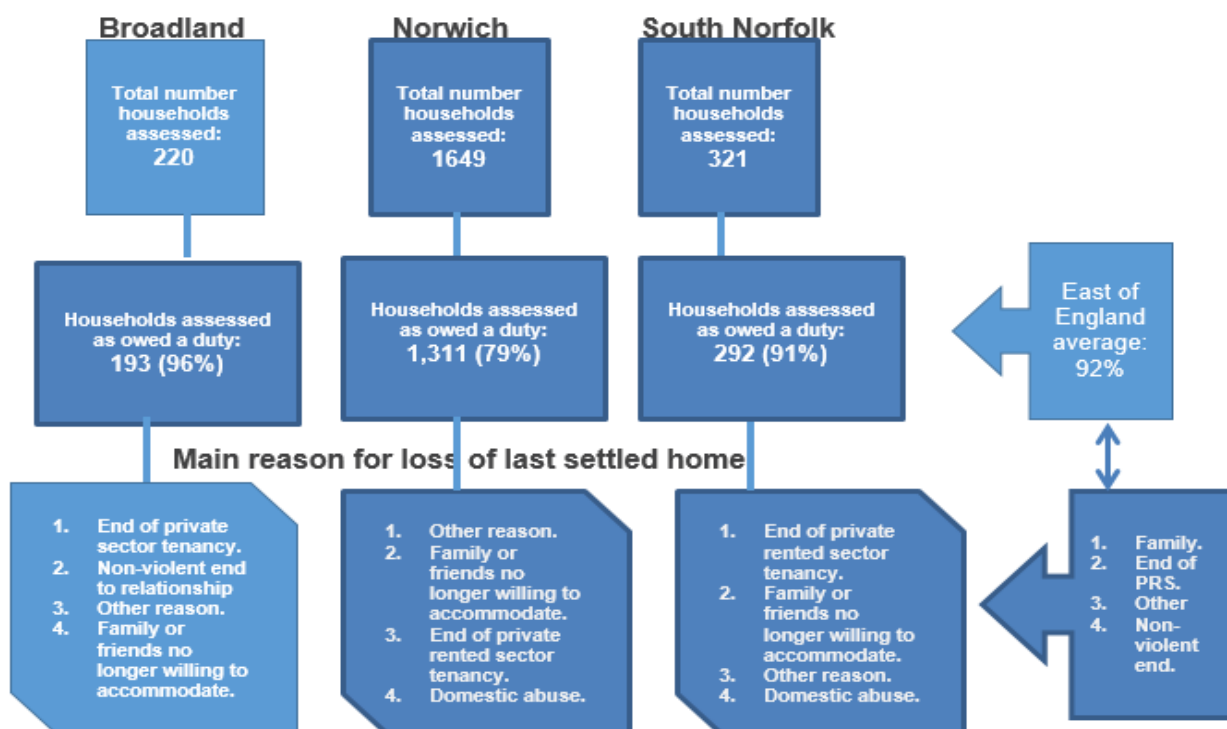


Table 7

### 3.22 Approaches to Housing Options Services for Assessment under the Homelessness Reduction Act 2017



The above diagram below shows the number of approaches to our Housing Options teams by households in 2018/19 by households stating that they are homeless or threatened with homelessness.

The statistics show that there were 2,190 households accessing the housing options teams in Greater Norwich, of these 82% were assessed as owed a duty. The main reason for loss of settled home in two of the three districts was end of a private sector tenancy. In Norwich, this reason was the third highest for a household losing their last settled home. It is likely that due to the experimental nature of the analysis, and the high number of 'others' recorded that this was the main reason for loss of last settled home in Norwich as well. The following statistics perhaps provide a clearer indication of the type of tenure households were in at the time of their application:



In common with the Eastern region, private rented is the tenure that most people are living in when approaching their housing options team for help with their housing situation. Living with family is in the top three most common tenures of the Eastern region and Greater Norwich areas, perhaps reflecting the younger cohort of people who face family eviction from their parents. No fixed abode is recorded in the top three of both Norwich and South Norfolk and is likely to include people in very temporary housing such as sofa surfing. In the East this is the fourth most common type of accommodation so it would suggest that both Norwich and South Norfolk are not that dissimilar.

Our approach in Greater Norwich is to try to prevent homelessness before it happens and ideally, persons at risk of homelessness will seek help before they become homeless and will work with every individual producing a Personalised Housing Plan (PHP). The following table shows the situation households find themselves in when they approach us for help.

	Broadland		Norwich		South Norfolk		East
	Nos	%	Nos	%	Nos	%	%
Households Prevented	102	53	876	66	166	57	56
Households Relief	91	47	435	34	126	43	44

Table 8

Both South Norfolk and Broadland councils are comparable to the East in the percentage of people who have their homelessness prevented. In Norwich, we reported a 10% higher figure (than the East) for households prevented from becoming homeless.

### 3.23 Household Type Seeking Help to Prevent or Relieve their Homelessness

The following information shows the household types that are seeking help with their housing. This information helps us understand the characteristics of the types of households who approach us so that we can put in place more effective interventions.

In Greater Norwich during 2018/19, the most common household type to seek preventative help were single households. This accounts for 66% of all prevention cases in Norwich, 54% in Broadland and 48% in South Norfolk. This household type (in the 2011 Census) accounted for 38%, 26% and 26% of all households in Norwich, Broadland and South Norfolk respectively. This number is even higher when we consider the number of single households who seek help with their homelessness when they are already homeless (relief) ; 83% of all relief cases in Norwich, 62% in Broadland and 61% in South Norfolk compared to 66% in the East. The majority of households who seek help when they are already homeless are single males although in South Norfolk and Broadland the gap is much smaller than Norwich.

Household type	Prevention/Relief			
	BDC	NCC	SNC	East
Single parent with dependents – Male	6/3%	1/1%	2/4%	3/3%
Single parent with dependents - Female	21/26%	19/9%	25/17%	30/20%
Single parent with dependents – Other/Gender not specified	0/0%	0/0%	0/0%	0/0%
Single adult - Male	25/33%	43/60%	31/45%	23/45%
Single adult - Female	29/29%	23/23%	17/16%	20/21%
Single adult – Other/gender not specified	0/0%	0/0%	0/0%	0/1%
Couple with dependent children	8/4%	8/1%	8/10%	13/5%
Couple/two adults without dependent children	10/4%	5/4%	13/7%	7/5%
Three or more adults with dependent children	1/0%	1/1%	2/0%	1/1%

Household type	Prevention/Relief			
	BDC	NCC	SNC	East
Three or more adults without dependent children	1/0%	0/0%	1/1%	1/0%
Not known	0%	0%	0%	0%

Table 9

### 3.24 Age Bands Owed a Prevention or Relief Duty

Age is clearly a determining factor in people becoming homeless of those households that were owed a Prevention or Relief duty often due to; low wages; lower welfare payments; or where young people are living at home with friends or extended family in often insecure living situations. The following table shows age groups (top 3) as a percentage owed this duty in 2018/19:

Area/Age band	East of England	Broadland	Norwich	South Norfolk
18-24	21%	25%	24%	20%
25-34	31%	30%	29%	27%
35-44	22%	26%	24%	20%

Table 10

Both Norwich and Broadland recorded higher numbers of 18-24 year olds than the Eastern region average.

### 3.25 Employment Status of Main Applicant Owed a Prevention or Relief Duty (compared to ONS Population Survey)<sup>14</sup>

Employment status	East	BDC	NCC	SNC
Registered unemployed	19.97%	8.8% (2.3%)	25.63% (4.1%)	11.99%
Not working due to long term illness/disability	19.63%	21.76% (n/a)	18.54% (26.4%)	31.16%
Full time work	16.09%	20.73%	17.70% (73.3%)	16.78%
Part time work	14.20%	25.91%	11.14%	11.64%
Not seeking work/at home	11.76%	10.36%	6.18%	13.01%
Not registered unemployed but seeking work	4.22%	2.07%	5.57%	1.71%
Retired	2.79%	2.07%	1.68%	6.16%
Student/Training	1.51%	0.00%	1.53%	2.74%
Other	4.71%	3.63%	7.48%	2.74%
Not known	5.12%	4.66%	4.58%	2.05%

Table 11

<sup>14</sup> <https://www.nomisweb.co.uk/reports/lmp/la/1946157237/report.aspx?#ls> accessed on 05/02/2020

The employment status of someone who is homeless can have significant consequences for their ability to afford a home. In addition, it is imperative that when people approach us for help that they can continue to stay in employment whilst they receive help to resolve their homelessness. Both Broadland and South Norfolk record lower levels of people asking for help who are unemployed compared to the East. Norwich saw nearly 6% more people who were unemployed compared to the Eastern region average. Around 47% of people who came in to Broadland were in some form of employment compared to 29% and 30% in Norwich and South Norfolk (similar levels to the East). Both Broadland and South Norfolk recorded higher percentages of people who were not working due to long-term illness/disability. Whilst recorded levels of people not working due to a long-term illness are high as a percentage of the working age population (26.4%) in Norwich we saw similar levels to the Eastern region.

#### **4. Development of the Strategy**

This is the fourth Greater Norwich Homelessness Strategy that has been produced since 2007. Although led by a small working group comprising a partner lead and the three local housing authorities the process has been co-produced by representatives from the 30 or so different organisations that actively participate in and contribute to the Greater Norwich Homelessness Forum (GNHF).

The draft Strategy you see before you today has been created over an 18 month period and has been influenced by

- The results of the Greater Norwich Homelessness Review 2018/19 with partners in the GNHF
- Feedback from a series of stakeholder workshops held in 2019
- National and Local Policy

This Strategy will take a more holistic look at homelessness, considering the wider impacts that being without a home can have on an individual whilst recognising that these often come at a high cost – to the individual, the wider community and to the services which seek to minimise the effects of being homeless.

Ultimately it is our aim to reduce the chances of homelessness occurring in the first place and for this reason prevention is at the heart of this strategy. By using early help approaches we will prevent people from becoming homeless in the first place and where this is not possible we will strive to reduce the likelihood that individuals will suffer long term effects of being homeless.

## **5. Where do we want to be? Our Vision**

“Greater Norwich is a place where agencies work together to support people who are, or may become homeless. By putting people at the heart of our service delivery we can create a wrap around offer that helps people to take control of their own circumstances earlier, and stopping them from becoming homeless will be our main aim. This will provide people with a firm platform where their health and wellbeing, employment or training opportunities are either maintained or improved.”

We will look to achieve this vision by committing to the following four priorities:

1. Domestic Abuse
2. Preventing Homelessness
3. Single and Youth Homelessness
4. Financial Inclusion, Welfare Reform and Economic Growth

## **6. How will we get there?**

### **6.1 Priority one: Develop and Deliver Flexible Housing and Support Solutions to Enable People to Safely Move on from Domestic Abuse**

#### **6.11 Local and National Picture**

During the financial year 2018/19 in Greater Norwich 234 households said that the main reason for the loss of their last settled home was because of domestic abuse. It is likely that this number is higher due under reporting. The reported number of 234 can be split geographically as follows:

- Broadland – 15 households
- Norwich – 177 households
- South Norfolk – 42 households

Nearly one in ten households that approach our housing options teams in Greater Norwich will do so because they are fleeing domestic abuse of some kind, often because they lack the economic resources to secure alternative accommodation after leaving an abusive relationship. Domestic abuse can affect all groups including young single adults, couples and families with children.

Often the immediate need of a survivor fleeing domestic abuse is safety. Some survivors can stay safely in their home with adaptations to make the home safe. In other cases, people will need some form of transitional housing like a refuge or safe house to help bridge the gap before returning to independent housing. This time can be very unsettling for survivors and their families and the role of housing options teams is to ensure that the transition to safety and future housing options are available.

The national No Woman Turned Away<sup>15</sup> project through Women's Aid provided specialist support to women who faced barriers in their search for a refuge place after fleeing domestic abuse. The barriers may have been due to specialist needs, such as mental health support, no recourse to public funds or supporting four or more children. Of the 309 women supported through the duration of the project, while waiting to access a refuge space; 136 women sofa surfed with relatives, friends and even strangers; 22 women slept rough; 5 women slept rough with their children and 1 woman slept rough while pregnant. Additionally, 59 women experienced further abuse from the perpetrator and 30 women either remained or returned to the perpetrator. It should be noted that this report relates to a small cohort of women, however it highlights the vital importance of an appropriate and safe space to stay when fleeing domestic abuse.

Although there is always, opportunity to improve the offer and co-ordination of support available to those who have experienced Domestic Abuse it is important that we continue to contribute to the current systems. Crucial to this is the MARAC (Multi agency risk assessment conference) and the associated DASH assessment. Through this co-ordinated approach, partners consider the risk and required assistance on a daily basis making sure that there is no delay or gaps in provision provided to those experiencing DA. The DASH report also provides a tool to all professionals to make sure the correct questions are used whilst also ensuring consistency throughout the County.

Through our homelessness review consultation events to help inform this strategy the following issues were raised (in no order of importance):

- Welfare benefit issues with people with no recourse to public funds in refuges making it difficult for them to stay.
- Affordability issues for people accessing refuges who are working as rents are relatively high.
- Alternative affordable accommodation options for people who do not want to access a refuge.

## **6.12 Proposed Actions to Support households Experiencing Domestic Abuse**

1. Develop and deliver flexible housing approaches to meet the needs of people fleeing domestic abuse, including male victims, people who identify as LGBTQI+ and those with more complex needs, across all tenures that are not currently being met by joint working with voluntary and statutory sector agencies.
2. Provide a consistent Greater Norwich response across our Help Hubs through our funded domestic abuse services.

---

<sup>15</sup> <https://www.womensaid.org.uk/no-woman-turned-away/>



3. Work with DA Services and the Mancroft Advice Project/Youth Advisory Boards to develop a Freedom/Power to Change course for young people.
4. Supporting the outcomes of the proposed Domestic Abuse Bill including the potential for new statutory duties for Tier 1 and Tier 2 authorities to convene DA Partnership Boards for commissioning of 'domestic abuse safe accommodation.'
5. Ensuring specific provision to overcome challenges for those living in a rural area (Particularly relevant for Broadland and South Norfolk District areas).

## 6.2 Priority Two: Preventing Homelessness

All three local district housing authorities in Greater Norwich has a strong record in preventing and relieving homelessness, the data (from 2013/14 to 2017/18) below shows the number of households that were helped by our housing options teams.<sup>16</sup> The data also shows a comparative analysis of our homelessness prevention and relief statistics with the rest of the East of England average (per 1,000 households).

Table 11



<sup>16</sup> This data recording system no longer exists, being superseded by the Homelessness Reduction Act 2017 statistical recording requirements.

## 6.21 Discretionary Housing Payments

All local housing authorities (LHAs) can access Discretionary Housing Payments (DHP). The scheme allows LHAs to make financial awards to people experiencing financial difficulty with housing costs who qualify for housing benefit or universal credit housing costs. The Government has provided DHP since the introduction of welfare reforms in 2011. Specifically the fund is to help those affected by the following changes:

- Benefit cap
- Removal of the Spare Room Subsidy (Bedroom Tax)
- Local Housing Allowance shortfalls
- Households in financial difficulty

In total during 2018/19 in Greater Norwich £773,934 was awarded (Broadland £128,973, Norwich £469,892 and South Norfolk £174,897) for these purposes and can be broken down as follows (rounded up):

LHA	Benefit Cap	Bedroom Tax	Local Housing Allowance Shortfall	Core Housing Costs
Broadland	21%	44%	22%	13%
Norwich	21%	61%	9%	10%
South Norfolk	28%	41%	18%	12%

Table 12

Figures would suggest that across greater Norwich the households at greatest risk of homelessness have been subject to the removal of the spare room subsidy (bedroom tax). The difficulty for people living in properties that are larger than their requirements is the lack of smaller accommodation being available. The second highest is the benefit cap and this is more likely to affect families with children. Research has found that nationally lone parents head three-quarters of affected households.<sup>17</sup>

As the above evidence shows these households affected by welfare reform are more at risk of becoming homeless. The funding allocation for 2019/20 has reduced by 15% compared to 2018/19. This reduction potentially could affect the numbers of households we can help who are struggling to keep a roof over their heads.

## 6.22 How We Approach Prevention in Greater Norwich

### Broadland and South Norfolk

South Norfolk and Broadland, through their one team approach, have created a model whereby prevention is key in managing resource pull, allowing ever more focus on preventing people from facing the incredibly stressful situation where they do not have the security of a home for themselves and their

<sup>17</sup> Page XXIII – 1, CRISIS, *The homelessness monitor: England, 2019*.

family. We have taken the proactive decision to bring our Housing and Benefit teams together under one management team providing a seamless service to residents. Included within this team are; Housing Solutions Officers, where proactive and outcome focussed decisions are expected; Support Advisers who provide floating support and training, specially trained visiting Benefit Staff who can quickly ascertain housing concerns and full utilisation of our Discretionary Housing Payment fund to make sure we achieve our aim in providing sustainable accommodation to all those who need it

The Housing and Benefit teams are also located within our Help Hub which comprises over 30 partner agencies that deliver 52 different specialisms that all aid in preventing homelessness. Included within are Debt and Welfare advice, Domestic Abuse Advisers, Social Services, and the Police to name a few. This provides easily accessible holistic advice and support to people. The Community Connectors provide a Help Hub presence in our communities, delivering a Social Prescribing programme. Connectors are trained in recognising potential housing issues. This early identification is key for residents to obtain early access to a package of services that meets their needs.

## **Norwich**

Since 2007, NCC has used a prevention-based approach to dealing with homelessness. In the intervening period, this has led to the council being awarded 'Regional Champions', 'Trailblazer' and 'Gold Standard' status to recognise the success of our commitment and approach to the prevention of homelessness.

We are committed to providing an accessible service, with duty Homelessness Prevention Advisers available daily on a drop-in basis, providing expert advice to clients in housing need. Through all other channels, Housing Options Officers deal with all of the department's contact, ensuring specialist advice at the first point of contact for all.

Our focus on specialism in housing advice and support extends to the provision of specialist co-ordinators in the areas of domestic abuse, rough sleeping and the private rented sector.

We provide a range of options to our clients and projects which originated in our housing options service including 'LetNCC', which provides 300 units of privately leased accommodation to clients in housing need and 'The Feed', a social enterprise which helps help people who have experienced homelessness, helping people access long term housing, training and employment.

### **6.23 Commissioned Prevention Services**

In Greater Norwich, we commission services that can prevent people from becoming homeless. Often these services are advice based or provide support. The following services are currently commissioned:

What is it for?	Who provides it?
<b>South Norfolk</b>	
Early help domestic abuse service	Orwell Housing Association
Citizens Advice (welfare rights, debt)	North East Suffolk Citizens Advice Diss and Thetford CAB Norfolk Citizens Advice
Homeless prevention and emotional resilience	Evolve
Solo housing	Lodgings scheme
<b>Norwich</b>	
Social welfare information and advice services	Financial Inclusion consortium (lead organisation Norfolk Community Law Service(NCLS))
Domestic Abuse outreach service	Leeway
Rough sleeper and complex needs service	Pathways Norwich consortium (lead organisation St Martins)
Helpline for survivors of sexual abuse.	Sue Lambert Trust
<b>Broadland</b>	
Domestic Abuse outreach	Leeway
Housing mediation services	Norfolk Family Mediation Service
Social welfare information and advice services	NCLS

Table 13

As part of the homelessness review, we conducted a mapping exercise of the services who are likely to interact with people who are at risk or are homeless. This information is contained with the review document and be published alongside the final strategy document. The following actions are derived from consultation with members of the Greater Norwich Homelessness Forum and information gleaned from the homelessness review.

## 6.24 Actions: What we will do to Prevent Homelessness

1. Continue to monitor the progress of the following protocols including:
  - Greater Norwich & Breckland Criminal Justice Homelessness Prevention Protocol
  - Joint Protocol to Address the Needs of Homeless Young People in Norfolk
  - Proposed Norfolk Mental Health Hospital Discharge and Homelessness Prevention Protocol

2. Undertake quarterly analysis of H-CLIC data to deliver service improvements, monitor levels of homelessness and report this to the Greater Norwich homelessness forum and members.
3. Increase the number of households at risk of homelessness staying in their own homes following contact with our housing options services.
4. Seek to identify funding to deliver upstream homelessness prevention in places of education including wider family networks.
5. Taking a person centred approach - work with our partners in the voluntary and statutory sector to ensure that we use our combined resources effectively to prevent homelessness (for example commissioning of services).
6. Identify gaps and celebrate success in homelessness prevention with members of the Greater Norwich Homelessness Forum to inform and improve service delivery across the statutory and voluntary sector.
7. Identify shared training opportunities with Greater Norwich Housing Options teams and other agencies.

### **6.3 Priority Three: Single and Youth Homelessness**

#### **6.31 Local Picture**

What we mean by single homelessness people in the context of this priority is predominantly people in the 16-35 year old age group. Unfortunately, too many people in this group are threatened with, or become homeless in Greater Norwich; this is both a local and a national problem.<sup>18 19</sup> Through our homelessness review we found that as a whole 55, 53 or 47% (BDC, NCC and SNC) of presentations in 2018/19 were from people in the 16 to 35 year old age group. As previously mentioned both Norwich and Broadland saw slightly higher levels of presentations from this group compared to the Eastern average of 52%; South Norfolk saw slightly lower levels. As a proportion of the population this age group is disproportionately affected by homelessness than older people making up 19% (in BDC and SNC) and 36% (NCC) of our total populations.<sup>20</sup>

Recorded numbers of 16/17 year olds approaching the Greater Norwich Councils are very low with only 5 individuals approaching for help during 2018/19.

Nationally over the last decade there has been an increase of nearly 700,000 of 20 – 34 year olds living with their parents (this is a 28% increase). The

---

<sup>18</sup> 16 to 25 year olds

<sup>19</sup> 26 to 35 year olds

<sup>20</sup> <https://www.norfolkinsight.org.uk/population/report/view/b15822d80ec54439bb12134b7c857bb9/E07000149>

Accessed on 12/02/2020.

number of households headed by younger people has also fallen in the last decade; rates are 32% lower in London and the South East.<sup>21</sup> This is reflected locally in the number of people who become homeless following family or parental eviction. All three local authorities in Greater Norwich recorded this accommodation situation (living with family) when they approached us for help as one of the top three reasons for their homelessness. Locally, specialist young person services like Mancroft Advice Project have seen an increase of 23% from 2016 to 2018 in the number of young people accessing their young person housing advice service over the past three years.<sup>22</sup> The main reasons for seeking advice were:

- Housing options
- Obtaining hostel accommodation
- Applying as homeless

### 6.32 Engagement with Young People and External Partners

As part of preparation for this strategy, we consulted statutory, voluntary sector partners and young people to ask them what they thought the priorities were for young people. These are a selection of what they thought at a Greater Norwich Homelessness Forum in December 2018 and January 2019:

Issue	Comments
Care leavers and transitioning to adulthood	Improve variety of options to meet different needs Maintain Joint Protocol to Address the Needs of Homeless Young People in Norfolk Use Personalised Housing Plans (PHPs), include goals and a “plan b” with other options e.g. crisis/respite even when in current accommodation.
Preventative work	18 plus young people should need support (include housing advice and budgeting) and this should be default offer. Proactive work with schools should be considered and other agencies.
Partnership working	Better connection between districts and Children Services needed 21-25 year olds not engaging with Children Services or Adult Social Care. Should be better signposting for support.

Table 14

<sup>21</sup> Page XIV, The CRISIS, *The homelessness monitor: England, 2019*.

<sup>22</sup> Mancroft Advice Project saw 375,421 and 463 young people in the years 2016, 17 and 18.

We also spoke to young people who had experienced homelessness and members of the Youth Advisory Board around what their views were around homelessness. We used the St Basils Positive Pathway Framework model to develop their thoughts and suggestions. A sample of their responses are as follows.<sup>23</sup>

Subject	Comments
1. Intervention at earliest opportunity to stop youth homelessness	Mandatory education in school that demonstrates key home management and tenancy skills. This should include finance management, taxes and welfare support, where to go for housing support and what to do in housing emergencies. Support services should be easily accessible. Address perceived stigma of social or supported housing.
2. Safeguard young people	More supported housing for young people with less requirements. Independent support workers offered to help young people find and maintain a home. Local support groups in schools or community areas for people struggling with housing issues or homelessness. Specialist support for LGBTQI+ youth. This should include mediation for families.
3. Improve transition for young people to independence	More housing available to young people on benefits and low incomes in areas close to amenities and are inexpensive to run and live in such as Passiv-haus.
4. Develop specialist housing services and intervention	Independent support workers offered to young people to support finding and maintaining a home.

Table 15

### 6.33 Actions: What we will do about Single and Youth Homelessness

1. Consider and explore options for additional support to help single young people find and maintain a home.
2. Enable the provision of affordable single person homes.
3. Explore funding streams to provide mediation for young people and families before crisis wherever possible.

<sup>23</sup> The full response from the Youth Advisory Board members will be included in the Greater Norwich homelessness review document and will be published alongside the final strategy.

4. Seek to achieve a commitment from all housing providers to identify, promote and further develop specific models of housing supply that helps young adults gain independence.

#### **6.4 Priority four: Financial Inclusion, Welfare Reform and Economic Growth.**

The increase in the cost of housing is one of a number of areas that have had a sustained impact on the cost of living (explored in more detail below). In addition, the range of sustained austerity measures implemented since 2010 and the increase of necessary expenditure is putting unsustainable pressure on people and families finances.

Those on low incomes are less likely to have access to the best offers and interest rates for bank accounts and credit borrowing. They are also more likely to be paying more for their utilities and insurance products.<sup>24</sup> For those living in rural areas, this gap can be more pronounced as public transport options are limited and, where the household has access to a car, this could be through high interest credit or could be for a much older car which will have an increased likelihood of higher tax and maintenance costs. Similarly, choice can be reduced even in the simple terms of how groceries are purchased and access to the internet. Either because it is too expensive or there is a lack of suitable options in the area in which they live.

To add, the implementation of self-serve technology is becoming more widely spread. With sustained pressure on public sector finances, organisations may turn to technology to streamline how services are accessed and to provide efficiencies. UC being the best-known example of this. Self-serve can be a positive step as it allows people to access a more flexible service at the time that suits them. However, this needs to be provided as a suite of options to meet the accessibility requirements of our residents, for example, those without internet access and those with additional support or complex needs.

Welfare reform, often prompted by Universal Credit has caused hardship within the sub-region.<sup>25</sup> The principles of Universal Credit are sound in that they aim to allow people to be prepared to move into work, gain greater budgeting capacity and react quickly to changes in income thus avoiding overpayments and debt. Where there have however, been continued issues, is through its implementation and where it has been used to create savings throughout the period of austerity the country has faced.

Linked to this is the use of zero hours contracts and the gig economy, employment types which have grown exponentially within the last 6 years and with those who work in this sector more likely to claim UC as an in-work benefit. There are some advantages to this type of work for some people, in that they provide flexibility to workers who do not want to commit to contracted hours. However, uncertain hours, low pay and concerns over the administration of UC makes it difficult to budget too far ahead and decreases

---

<sup>24</sup> Select Committee on Financial Inclusion 2017

<sup>25</sup> The Trussell Trust 2019



resilience where individuals may seek other, more sustainable, training and employment opportunities.

In terms of the cost of housing in relation to income, the latest figures show that in recent years rents in England and Wales have grown 60% quicker than wages.<sup>26</sup> Those who previously would have purchased are finding the prospect much more difficult.

Additionally, this is represented through the Local Housing Allowance gap between what is actually available to those claiming Housing Benefit or the Housing element of Universal Credit and rental charges within the region. A recent published report<sup>27</sup> found that nationally only 5.6% of homes that are advertised fall within or below what is available within the benefit system. To add to this many Landlords are refusing access to their properties to those claiming benefits.

The ongoing increase in the pull on people's finances can make the prospect of purchasing or even privately renting a property unachievable meaning that options for the simple provision of a home are significantly reduced.

#### **6.41 Poverty and Homelessness**

"There is also now extensive international evidence on the interrelationship between poverty and domestic violence,<sup>28</sup> which in turn is a key trigger for homelessness amongst women and children.<sup>29</sup> Thus people facing poverty may find their social as well as material capital depleted, while also being more likely to experience personal circumstances that lay them open to homelessness, again reinforcing the potential interconnectedness between structural and more personal or interpersonal causes of homelessness."<sup>30</sup>

We also know that family and other 'anchor' social relationships – argued to be an especially important 'buffer' to homelessness<sup>31</sup> – can be put under considerable strain by the stressors associated with poverty in the household.<sup>32</sup>

Research by Crisis<sup>33</sup> has found, based on extensive research that the drivers of homelessness in its different forms are:

- Poverty
- Availability of housing that is affordable and accessible
- Extent that local authorities employ the full range of prevention measures

---

<sup>26</sup> [\(Shelter 2018\).](#)

<sup>27</sup> [McClenaghan et al, 2019](#)

<sup>28</sup> Fahmy *et al.*, 2016

<sup>29</sup> Hutchinson *et al.*, 2015

<sup>30</sup> Bramley & Fitzpatrick, *Homelessness in the UK: who is most at risk?*, Housing studies, 2018

<sup>31</sup> (Johnson *et al.*, 2015; Lemos, 2000; Tabner, 2010)

<sup>32</sup> *Ibid.* Johnsen & Watts, 2014; Pinderhughes *et al.*, 2007

<sup>33</sup> Bramley, G., 2017, *Homelessness projections: Core homelessness in Great Britain, Summary report*, Heriot Watt University

- Use of unsuitable forms of temporary accommodation
- Demographics of people including age and household composition (single people and lone parents) and persons with complex needs

#### 6.42 Destitution<sup>3435</sup>

A report by the Joseph Rowntree Foundation (JRF) published in 2017 updated an earlier study in 2015 providing an overview of the level of destitution in the UK and the main drivers for its existence. Destitution was measured using face to face interviews and a review of quantitative data provided district level national-level estimates. People found destitute were more likely to be:

- Migrant groups
- Single men under 35
- Living in rented accommodation or are living in temporary or shared living arrangements
- Sleeping rough

The study found that there were a number of reasons for why people fell into destitution including:

- Multiple debts
- Benefit gaps, delays, sanctions and freezes
- Disability and ill health
- Housing benefit not covering rental costs
- Low paid work with erratic hours worked
- Relationship breakdown (including domestic abuse) combined with debt and housing difficulties

Norwich (and Oxford) was found to be in the top decile on overall estimated destitution in the UK amongst predominantly former industrial centred local authorities and inner London Boroughs. The table below compares Norwich to the other greater Norwich local authorities (10=high to 1=low).

Area	Migrant	Complex Needs	UK other	All destitute
Norwich	8	10	8	10
South Norfolk	3	5	1	2
Broadland	1	5	2	2

<sup>34</sup> People are destitute if:

a) They have lacked two or more of these six essentials over the past month, because they cannot afford them:

- ☐ shelter (have slept rough for one or more nights)
- ☐ food (have had fewer than two meals a day for two or more days)
- ☐ heating their home (have been unable to do this for five or more days)
- ☐ lighting their home (have been unable to do this for five or more days)
- ☐ clothing and footwear (appropriate for weather)
- ☐ Basic toiletries (soap, shampoo, toothpaste, toothbrush).

<sup>35</sup> Fitzpatrick, S & Bramley, G et al, *Destitution in the UK 2018*, JRF, 2018.

Table 16

### 6.43 Economic Growth

The built-up Norwich urban area extends beyond the Norwich City Council boundary, with extensive suburban areas on the western, northern and eastern sides. The population of the urban area is estimated to be 220,000; around 28 per cent of the urban population lives in Broadland and a further 7 per cent lives in South Norfolk.

The city centre of Norwich is a catalyst for economic growth across Greater Norwich, encouraging investment into the area. However an ongoing trend has been a movement of jobs away from the Norwich local authority area to the urban fringe. Much of this has been brought about by the provision of high-quality office space in out-of-town business parks in the adjoining local authorities. In addition, market towns at Diss, Harleston and Aylsham and other local employment sites provide accessible employment for rural areas.<sup>36</sup>  
37

One of the key roles Councils play in the sustained delivery of economic opportunities is by attracting the right business for our demographic, future proofing our economy to make sure that there are suitable opportunities to our residents. Where opportunities to diversify present themselves, It is vital that we co-ordinate, alongside DWP, partners and training providers to make sure that our residents are well placed to meet the demands of businesses located in our districts, ensuring our area remains attractive to investment.

Our role as local planning and housing authorities closely compliments economic growth delivery, in addition to making sure those who need extra support have access to it.

### 6.44 Proposed Actions

It is essential that the role of the Greater Norwich Councils is to co-ordinate and prioritise economic sustainability and growth to provide access to opportunities for our residents.

1. Supporting the Inclusive Growth agenda at a County and Local Authority level – Improving access to skills, training and employment opportunities
2. Building the right properties - Learning from the great achievements made within each Council over the last 5 years and to continue to produce sustained delivery of affordable housing and social energy efficient properties with sustainable tenures.

---

<sup>36</sup> Norwich Economic Strategy 2019-2024

<sup>37</sup> <https://www.gnlp.org.uk/assets/Uploads/Reg-18-Final-Strategy-Document-0702.pdf>

3. Economic Delivery – Support and enable the delivery of the ambitions of the Economic Strategies and the Greater Norwich Local Plan across the local authority areas,
4. Explore and develop our Locality Offer – ensuring we can enable residents and customers to access services at the right time and location for them

## 7. Monitoring of the strategy

To ensure we are taking a proactive approach to preventing and reducing homelessness, we will review this homelessness strategy annually with our partners through the Greater Norwich Homelessness Forum (GNHF) and its thematic sub-groups.

The 2021 review will take place as part of the work into the next iteration of the Rough Sleeper Strategy 2022-2025.

The GNHF will also provide annual review and challenge points to measure that we are achieving the actions set out in this strategy and help us to identify where they may need to be amended, for example to meet a priority not currently identified or where there are changes in legislation.

## 8. Glossary of Terms

Term	Definition
Bedroom Tax	Formally known as the 'Spare Room Subsidy'. Housing Benefit or Universal Credit Housing element is reduced if classed as having one or more spare bedrooms in a council or socially rented property. The maximum rent that can be covered is reduced by: 14% for 1 spare bedroom 25% for 2 or more spare bedrooms
Benefit Cap	Limit on the total amount of certain benefits you can get if you are working age. The benefit cap affects those households getting Housing Benefit or Universal Credit. If the cap affects the household; Housing Benefit or Universal Credit is reduced.
Broad Rental Market Area (BRMA)	The BRMA is an area defined by the Valuation Office Agency and is an area of residential accommodation within which a person could move and still have access to similar services of a similar standard. Each BRMA has its own set of LHA rates. Your postcode defines which BRMA in which you live.
Choice Based Lettings (CBL)	Choice based lettings gives a household the chance to apply for empty council and housing association properties that the council or housing association advertises (Currently Norwich and South Norfolk Council's operate this system).
Clinical Commissioning Group	Clinical Commissioning Groups are responsible for implementing the commissioning roles as set out in the Health and Social Care Act 2012.

Term	Definition
	From April 2020, the 5 Norfolk and Waveney CCGs will merge and become Norfolk and Waveney Clinical Commissioning Group with one Governing Body and Leadership Team.
Commuted Sums	The main objective of a local authority should be to deliver the affordable homes on-site as part of a new development. However, on some developments this may not be possible and there may be sound planning or housing reasons where off site delivery can be justified and it may be acceptable to take an off-site <b>commuted sum</b> of broadly equivalent value in lieu of part or all of the affordable housing provision on a site. The developer must pay the Council money to enable the equivalent affordable housing to be built or provided on another site. This payment is called a <b>commuted sum</b> and it is agreed and secured via a planning obligation under Section 106 of the Town and Country Planning Act 1990. This is the legal mechanism which makes a development proposal acceptable in planning terms that would not otherwise be acceptable
Consumer Price Index (CPI)	A measure of changes in the purchasing-power of a currency and the rate of inflation. The consumer price index expresses the current prices of a basket of goods and services in terms of the prices during the same period in a previous year, to show effect of inflation on purchasing power.
DASH (Domestic abuse, stalking and harassment and honour based violence risk identification, assessment and management model)	Common checklist for identifying and assessing risk for use by practitioners.
Discretionary Housing Payments (DHP)	Local housing authorities have the ability to authorise DHP to those who may require some financial assistance in order to meet their housing costs.
District Direct	District councils are working with local hospitals to support patients through the District Direct service, which is designed to prevent unnecessary hospital stays and re-admissions.
Duty to Refer	A formal duty placed on public bodies under the Homelessness Reduction Act 2017 to refer individuals or are homeless or threatened with homelessness into a local authority of the individuals choosing. Public bodies are; prisons (public and contracted out); youth offender institutions and youth offending teams; secure training centres (public and contracted out) and colleges; probation services (community rehabilitation companies and national probation service); jobcentre plus; accident and emergency; services provided in a hospital; urgent

## Greater Norwich Homelessness Strategy 2020-2025

Term	Definition
	treatment centres; and hospitals in their capacity of providing in-patient treatment; social service authorities.
Early Help and Family Support	Giving the right help to children and their families at the earliest opportunity. For those who need more help than their usual support network but do not meet the criteria for formal intervention within Children's Services
First Step	The Rough Sleeping Service available in South Norfolk and Broadland. Provision of short-term accommodation and support provided by Rough Sleeping Coordinators
Greater Norwich Homelessness Forum	Quarterly forum held by Norwich City and Broadland & South Norfolk Councils. Representatives attend from statutory, commissioned and VCSE organisations. The forum will be the mechanism through which the strategy is monitored.
Greater Norwich Local Plan 2018-2038 (GNLP)	The Greater Norwich Local Plan (GNLP) is being produced by Broadland District Council, Norwich City Council and South Norfolk Council working together with Norfolk County Council through the Greater Norwich Development Partnership (GNDP). It includes policies which will be used to determine planning applications in the Greater Norwich area and will identify sites for new homes, jobs, community facilities and infrastructure
Health and Wellbeing Boards	Statutory bodies introduced in England under the Health and Social Care Act 2012. According to the Act, each upper-tier local authority in England is required to form a health and wellbeing board as a committee of that authority.
Help Hubs	Areas within local authorities for co-location of local authority and other services, for example; Housing, Children's Services, Community Safety, Domestic Abuse services, Social Prescribing. Each local authority has a Help Hub but they will differ in operation and some of the services offered.
Homelessness Reduction Act 2017	Places additional duties on local authorities; provide advice and guidance for all households approaching the LA and to meet the needs of certain listed groups including those leaving prison, hospital or care and those with mental health issues ; to <b>prevent</b> those threatened with homelessness from becoming homeless; to <b>relieve</b> homelessness for those who are homeless. Both prevention and relief duties last for 56 days but can be ended in several ways in that time
House of Multiple Occupation (HMO)	A HMO is a building, or part of a building that is occupied by persons who do not form a single household - in other words, are not family members. From 1 <sup>st</sup> October 2018 all HMOs that are let to 5 or more unrelated tenants who form more than one household and who share toilet, bathroom or kitchen facilities require a licence from the local authority
Joint Strategic Needs Assessment (JSNA)	The means by which CCGs and local authorities describe the future health, care and wellbeing needs of the local populations and to identify the strategic direction of service delivery to meet those needs.

## Greater Norwich Homelessness Strategy 2020-2025

Term	Definition
Let NCC	Norwich City Council's private sector leasing scheme.
Local Housing Allowance (LHA)	Local housing allowance is housing benefit that helps pay the rent if you rent from a private landlord.
Looked After Children (LAC)	Looked After - a provision made under the Children's Act 1989 in England and Wales, whereby a local authority / Health and Social Care Trust has obligations to provide for, or share, the care of a child or young person under 16 years of age where parent(s) or guardian(s) for whatever reason are prevented from providing them with a suitable accommodation or care. A child is 'looked after' if he or she is provided with accommodation.
Multi-agency risk assessment conference (MARAC)	A MARAC is a risk management meeting where professionals share information on high risk cases of domestic violence and abuse and put in place a risk management plan.
Not in Employment, Education or Training (NEET)	A young person who is no longer in the education system and who is not working or being trained for work.
No Fixed Abode (NFA)	A person having no permanent residence.
Pathways	Rough Sleeping Service in the Norwich City and Broadland areas. Consists of 8 partner agencies, provision of accommodation and support.
Severe Weather Emergency Protocol (SWEP)	People sleeping rough in Greater Norwich can access emergency accommodation and support during periods of exceptionally cold weather through the SWEP.
Sofa surfing	Staying temporarily with various friends and relatives while attempting to find permanent accommodation.
Strategic Housing Market Assessment (SHMA)	The Strategic Housing Market Assessment (SHMA) was updated in June 2017. Its purpose is to set out the <u>Objectively Assessed Need (OAN)</u> for housing in the local planning areas of Broadland, Breckland, North Norfolk, Norwich and South Norfolk together with the Broads Authority, including affordable housing, and will be used by the commissioning authorities as a shared evidence base to inform the preparation of Local Plans.
Supported Lodgings	Supported Lodgings is an accommodation scheme for vulnerable young people aged 16-24 across Norfolk. Supported Lodgings provides young people who find themselves with nowhere to live and little to no support network, with a safe, supportive place to stay in the homes of local people.
Universal Credit	A benefit for those who are not working or on a low income. It is replacing six other benefits; Housing Benefit, Income Support, Income Based Jobseekers Allowance, Income Based Employment and Support Allowance, Child Tax Credits and Working Tax Credits and is paid monthly.





**Report to** Cabinet  
09 September 2020  
**Report of** Director of resources  
**Subject** Non-commercial debt policy

**Item**

**6**

---

**Purpose**

To consider a revised non-commercial debt policy.

**Recommendation**

To approve the revised non-commercial debt policy.

**Corporate and service priorities**

The report helps to meet the corporate priority People living well

**Financial implications**

Improved income collection.

**Ward/s:** all wards

**Cabinet member:** Councillor Kendrick - Resources

**Contact officers**

Nicola Bristow, financial inclusion officer

01603 989 243

Stella Koenick, senior transformation officer

01603 987 616

**Background documents**

None



## Report

1. The revised non-commercial debt policy proposes to standardise the various approaches to debt recovery across the council to create a single corporate approach. It aims to ensure a consistent and fair approach with a focus on the more vulnerable of our customers.
2. Norwich city council has a responsibility to collect monies from individuals for a range of different reasons and there is a legal duty to collect those monies in the most efficient and effective manner.
3. The key purpose of the policy is to maximise income collection in the most fair and effective manner and sets out the key principles that will be applied when dealing with our customers.
4. This policy recognises customers may have multiple council debts and the need for the council to manage these in a holistic manner. Furthermore, it sets out a definition of vulnerability and a framework for the council to follow when working with vulnerable customers. This includes the introduction of the standard financial statement and 60 days breathing space. This pre-empts government plans to introduce the 60 days breathing space by 2021.
5. In conclusion the attached revised policy provides a consistent and fair approach to non-commercial debt. It is recommended the attached policy is adopted.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	9 September 2020
<b>Director / Head of service</b>	Anton Bull
<b>Report subject:</b>	Non-commercial debt policy
<b>Date assessed:</b>	26 August 2020

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	x	<input type="checkbox"/>	Helps to maximise income and reduce debt to the council
Other departments and services e.g. office facilities, customer contact	x	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	x	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	x	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input type="checkbox"/>	x	<input type="checkbox"/>	A more pro-active approach to debt management
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	x	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	x	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	x	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input type="checkbox"/>	<input type="checkbox"/>	x	Helps to reduce the number of customers in debt to the council

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

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	

## **Non-commercial debt policy**

### **Introduction**

Norwich city council has a responsibility to collect monies from both individuals and business for a range of different reasons. The council has a legal duty to collect all sums due in the most efficient and effective manner. The monies may be for statutory and non-statutory charges. This policy covers all non-commercial monies owed to the council and focuses on two elements of financial management, debt collection and income management.

### **Purpose**

The purpose of this policy is to provide clear guidance to council officers on the recovery of all non-commercial debt in a timely, effective and fair manner, while ensuring fair treatment of all debtors. All service areas must follow this policy to ensure that the council maximises the collection of debts and income by using a co-ordinated approach and having due regard to the customer's ability to pay.

### **Policy aims**

- To set out the general principles of non-commercial debt management across all services provided by Norwich City Council
- Ensure a consistent approach to the management of debts across the authority
- Improve income collection rates by treating debtors reasonably and fairly
- Recognise the varying causes of debt and adjust recovery procedures accordingly
- Reduce the likelihood of financial hardship for customers by ensuring individuals financial circumstances are considered on a case by case basis
- Enable the signposting of debtors to debt advice as appropriate

### **Context**

The key purpose of this policy is to maximise income collection in the most fair and effective manner. This policy sets out the principles the council will use when setting and collecting charges and the standards that will be applied when dealing with our customers.

At a high level, this policy sets out the councils approach to:

- Setting fees and charges
- Income: an holistic approach to managing multiple debts owed to the council
- Debt management: applying best practice to debt collection

### **The council's commitment**

- To ensure a professional, consistent and timely approach to non-commercial debt recovery action across all of the Council's functions
- To ensure that debts are managed in accordance with legislative provisions and best practice



- To set reasonable fees and charges in line with council priorities
- To maximise income collection while reducing the cost of collection
- To set out charges in the clearest manner possible
- To ensure a range of accessible payment options are available alongside advice and assistance at the earliest possible stage
- To promote a coordinated approach towards sharing debtor information internally to manage debts when there is more than one debt owed to the council
- Where multiple debts are owed to the council, to agree repayment arrangements on the principles of preventing further debt while allowing all debts to be repaid. This will allow current liabilities to be maintained and a sustainable amount to be paid towards clearing other debts
- To take personal circumstances into account when deciding on debt collection methods and to consider the impact on the debtor of any recovery option pursued
- To seek to keep the amount of debt owed to the council to a minimum
- To consider fully the debtors circumstances and ability to pay by understanding that most debtors will pay their debts if they are able to do so.
- To take enforcement action that is appropriate and proportionate to the level of debt where all other options have failed.

### **The council's responsibility**

- To send out all bills, reminders, or rent statements in a clear and timely manner. All correspondence will include:
  - Amount payable
  - Description of the charge
  - Payment options available
  - A contact for any queries relating to the bill and/or discussing repayment arrangements
- To keep an accurate history of the origin of the debt and its recovery activity
- Where requested provide information to meet the specific communication requirements of customers such as translation when English is not the first language.
- To remind people quickly if payment is overdue
- To evidence information about the Debtor's means and circumstances, including other debts, known at the time of each decision
- To support customers in debt by referral and sign posting to advice agencies at the earliest possible stage using the council's agreed debt referral route
- To treat all customers in a fair and consistent manner
- To consider reasons why the debtor is/isn't considered vulnerable
- To write off uncollectable debt through informed decision making and where the debt is uneconomical to pursue or unrecoverable
- To ensure any recovery action is proportionate at the recovery stage and appropriate advice is provided
- To encourage people who have difficulty paying to agree a way forward as quickly as possible

## **Responsibility of debtors**

- To pay on time
- To contact the council or take appropriate debt advice if they are unable to pay an amount that is due and/or are unable to pay on time
- To contact the council as soon as possible if they do not agree with the bill and explain why they do not agree
- To contact the council as soon as possible about any change in circumstances such as a change of address

## **Getting help with debt**

If council tenants are having difficulty making payments, or have problems with debt, a referral will be made to the council's money advisors. The council acknowledges that some tenants may prefer to be supported by an independent organisation and council officers will make a referral to the Norfolk Community Advice Network (NCAN) for tenants who chose this route. Officers will refer non-council tenants who are having difficulty with payments or problem debt to the NCAN via the agreed referral process.

## **Charging policies**

Sums due to the council are a mixture of statutory and non-statutory charges. Charging policies are designed to be fair and easy to understand and will:

- take account of people's ability to pay
- allow the council to tailor subsidies and concessions to its corporate priorities and towards target groups

## **Methods of payment**

Wherever possible payment will be taken when due or at the point of delivery to help reduce the possibility of debt. There are a number of payment options including:

- Direct debit
- Telephone payments
- Online payments

For recurring or regular charges, direct debit will be the preferred payment option.

## **Priority of debts**

Priority debts are those debts owed to creditors that carry the most serious consequences of non-payment. A priority debt is one where the remedy available to the creditor means that a debtor is at risk of losing their home, liberty, essential goods or services. Of those debts owed to the council, the following are considered priority debts:

- Residential current tenancy rent arrears – as it can result in attachment of benefits, and ultimately eviction. (Housing does not use enforcement agent action).
- Council tax – as it can result in enforcement agent action, attachment of earnings/benefits, charging orders, bankruptcy or imprisonment

Debts where non-payment could lead to loss of the customer's home or imprisonment will be given priority. Current tenancy rent arrears are the top priority debt as they can lead to eviction thereby increasing costs to the council and

potentially reducing council tax income. The next priority debt is Council Tax as this can lead to enforcement through the courts and potential imprisonment. Other debts owed to the Council are considered to be of lower priority.

### **Debt recovery process**

In pursuing the recovery of debt, the council will act in accordance with statutory regulations and guidance. The council's approach to debt recovery will take into account the possible financial and social vulnerability of our customers. Any assessment to pay will factor in the possibility that customers may also have illegal money arrangements in place. The overall objective is to ensure that customers are able to cover their essential expenses by making affordable repayment arrangements for priority debts. This will allow customers to clear the debt(s) as quickly as possible. The council will ensure the current or most recent account is cleared first and where possible that contributions are made to clear other debts.

Council officers will always seek to make realistic repayment arrangements to clear outstanding amounts by regular payments in preference to taking legal action. Any agreed arrangement will be monitored on a regular basis depending on the payment terms.

A customer's ability to pay will be based on their disposable income in proportion to the level of debt and the number of debts owed to the council. Where applicable if the customers have joint and several liability, the council will request a household financial statement on which to base ability to pay. It understands that in exceptional circumstances if only one debtor has requested support household income may not be available. Where a debt is in sole name the council will require details of the sole debtor's income and will not insist on household income details.

The Standard Financial Statement launched in March 2017 is the industry standard for assessing affordability. It is a single format financial statement for use by advice agencies and the UK debt recovery industry. Council officers will use the Standard Financial Statement (SFS) for financial assessment purposes.

The council will accept financial statements from debt advice agencies that have authorisation from the Financial Conduct Authority (FCA). At this point, the council will not attempt to negotiate an increased payment and where a reasonable payment is proposed the council will accept it.

When engaging with appropriate advice agencies the council will offer debtors 60 days breathing space prior to any enforcement action. This pre-empts government plans to introduce the 60 day breathing space by 2021. The 60 days breathing space will only apply if the customer has not entered breathing space in the previous 12 months. The following debts are excluded from the breathing space:

- Debts that are incurred as a result of fraudulent behaviour
- Fines imposed by courts
- Child maintenance payments
- Social fund loans
- Student loans
- Personal injury liabilities

Ongoing liabilities are excluded from the breathing space such as:

- Payments on principal and interest for secured debts on essential items
- Rent
- Insurance premiums
- Taxes
- Water and sewerage

The breathing space will not cover any enforcement action or additional interest on fees or charges if the customer falls into arrears on ongoing liabilities.

Individual service areas will maintain their own set of agreed business procedures around debt recovery. Service areas will ensure relevant processes and procedures interlink with each other and do not work in competition with each other

There are a number of recovery options available to the council. The type of action taken will depend upon the type of debt.

### **Multiple debt management**

Where customers engage with us council officers will ensure they know the full extent of a customer's debt with the council, will proactively check for multiple debts owed to the council, and will work with colleagues in other service areas to ensure that creditors are not in competition. Customers who have multiple debt will be encouraged to share with staff information relating to any non-council debt. It is recognised there is no 'one size fits all' approach and different solutions will be needed to allow for the diversity of individual cases.

### **Vulnerable customers**

Where we are aware that a person may be vulnerable, we will make all reasonable attempts to adapt our debt recovery and collection procedure accordingly to minimise any hardship or distress while helping vulnerable customers address their financial responsibilities.

We also recognise that certain debt recovery options may not be appropriate where a customer is identified as vulnerable and the action we take will reflect this.

The council use the following as its definition of vulnerability:

"There's no set definition of a 'vulnerable' person when it comes to dealing with debts. Anyone who finds it especially hard to deal with their debts because of their situation or their health could be considered vulnerable."

When dealing with vulnerable customers we will:

- Work collaboratively across the council to identify possible vulnerable customers and develop a joint strategy for repayment of any debts.
- Consider a customer's total indebtedness to us when considering repayment arrangements.
- Promote our Council Tax Reduction scheme, exemptions and discounts on our literature and on our website.
- Encourage customers to contact the council or appropriate advice agencies if they are experiencing financial hardship.
- Direct our customers to other sources of debt advice

- Publicise debt advice contact details with our literature.
- Regularly meet with advice agencies in order to discuss practical ways to assist vulnerable customers.
- Work with advice agencies to agree repayment schedules that are affordable, and recognise a customer's priority debts.
- Ask customers experiencing financial hardship to complete the standard financial statement, to enable us to agree fully informed repayment schedules that are affordable to the customer, and in our best interests.
- Ensure that if we do not accept a repayment arrangement, we will fully explain why.
- Review the customers personal circumstances before taking any further debt recovery action and place a hold on existing action where appropriate
- Review the personal circumstances of each customer before passing a debt to enforcement agents for collection. If we know that a customer is vulnerable, we will not pass the debt to an enforcement agent.
- Review the personal circumstances of each customer before taking repossession action.
- Ensure that if a customer is identified as in receipt of sufficient attachable benefit that we arrange for their debt to be paid by deductions from their benefit rather than the use of enforcement agents, or taking repossession action, to avoid extra debt being incurred.
- Ensure our enforcement agents will be obliged to advise the council of any customers they identify as possibly being vulnerable.
- Ensure that our enforcement agents are instructed to return Liability Orders to us for any customers identified as in receipt of a deductible benefit.
- Prior to taking bankruptcy action against a customer, we will take action to identify whether the customer may be vulnerable.

### **Sharing information**

Subject to any limitations imposed by the General Data protection Regulations (GDPR 2017) and The Human rights Act (1998) access to debtors information held in different council systems will be made available to the relevant council officers in order that a customer's full indebtedness can be established and properly dealt with.

### **Performance and debt monitoring**

The council will ensure it has a full understanding of total debt, including debt that may be on legacy systems. Targets will be set for the recovery of new and old debt and performance will be monitored against these targets.

Relevant service areas will produce regular reports for management on:

- Type of debt
- Number of debts
- Value of debts
- Reasons for debt
- Age of debt
- Collection of debt

Performance monitoring will include benchmarking against comparative councils.



<b>Report to</b>	Cabinet	<b>Item</b>
	09 September 2020	
<b>Report of</b>	Head of strategy and transformation	<b>7</b>
<b>Subject</b>	Quarter One Corporate Performance Report for 2020-21	

---

## Purpose

To report progress against the delivery of the corporate plan priorities and key performance measures for quarter one of 2020-21.

## Recommendation

To:

- 1) review progress against the corporate plan priorities for this quarter;
- 2) suggest future actions and / or reports to address any areas of concern.

## Corporate and service priorities

The report helps to meet the corporate priority of achieving a healthy organisation.

## Financial implications

There are no direct financial consequences of this report.

**Ward/s:** All Wards

**Cabinet member:** Councillor Waters - Leader

## Contact officers

Adam Clark, Strategy Manager	01603 212273
Ruth Newton, Senior Strategy Officer	01603 212368

## Background documents

None

# Report

## Background

1. This report sets out progress against the key performance measures that track delivery of the corporate plan priorities. This is the fifth quarterly performance report for the corporate plan 2019-2022.
2. The corporate plan 2019-22 established three corporate priorities: people living well; great neighbourhoods, housing and environment; and inclusive economy. It also contained the objective of maintaining a healthy organisation. The performance framework aims to measure progress against these through over 100 outcome and output measures:
  - a) Output measures which monitor the council's performance in delivering activities for which it is responsible, including targets for each indicator.
  - b) Outcome measures which monitor the wider context relating to that priority, including changes which may happen through the work of partners, or as a result of wider trends at a national or local level, and are monitored for context and so do not have targets set for them.
3. This report provides an update on performance against the output indicators for quarter one of 2020-21. Data for outcome indicators, which is generally only reported annually, will be provided in a separate dashboard, which will be developed separately.
4. Performance reporting for output indicators in this report is based around a traffic light concept where green is on target, amber provides an early warning for possible intervention and red suggests intervention is necessary.

## Quarter one performance data

5. Full details of performance against output KPIs are now available online [here](#). This is a different format to previous cabinet reports due to a change in the reporting software which is currently being used; all quarterly reports will now be published via this Power BI dashboard. Note that indicators showing blue in this dashboard are ones where data has not been able to be reported this quarter.
6. A small number of KPIs have been refined for 20-21 to reflect changes to the way services are delivered: in particular, the ICT KPI is now based on availability of core systems rather than a satisfaction survey. Proportion of residents feeling safe has also been moved from an outcome to an output indicator.
7. Some data remains unavailable for quarter one due to Covid-19 – this includes street cleanliness as inspections were paused during lockdown and digital inclusion feedback as sessions were also cancelled during this period.
8. There are a number of KPIs where it was not possible to provide data for quarter four in the previous report due to disruption to information gathering



and reporting processes as a result of Covid-19. Where it is now available, quarter four data has been included in the dashboard.

### **Quarter one performance summary**

9. As can be seen by the KPI monitoring overall council performance, overall performance for this quarter is rated amber, meaning that it is within tolerance and on track to achieve the target for the year. This is obviously against a backdrop of significant disruption due to the C19 pandemic, which has impacted on every aspect of council services and operation. This will be monitored and specific performance issues managed at service level, within the context of the council's C19 recovery blueprint.
10. Details of the numbers of KPIs rated red, amber and green overall and for each corporate objective can be seen within the dashboard.
11. The following areas of performance are brought to your attention as areas which are performing well:
  - Good levels of benefits reviews have been upheld during Q1 and have exceeded the 40% target (74 were upheld of the 157 received). Furthermore, 47 of the 83 revised reviews were based on new information we did not have at the time of the original decision, meaning that these were not the result of assessment error.
  - Planning satisfaction levels remain high: in Q1 245 planning customers were surveyed in response to recently decided planning applications. 35 complete responses were received with 85% of customers either pleased or very pleased with the service received.
  - Switch and Save customers achieved above targeted savings on their bills this quarter - residents on a standard variable tariff saved £298, residents inside their switching window saved £254 and outside their window (who would incur an exit fee) saved £173.
  - The channel shift target continues to be met this quarter, despite the fact it was increased for 2020/21. More customers have accessed council services digitally as a result of Covid-19 as our in-person offering has been reduced and the telephone service was prioritised for emergencies and the community response.
  - Customer satisfaction levels remain above target overall and for the Revenues and Benefits service, despite pressures on these services as a result of Covid-19.
12. Commentary on output measures which are not meeting their targets is also included below:
  - Delivery of insulation measures to homes this quarter is lower than expected due to Covid-19: a June event where 50-100 small measures would have been given out was cancelled and our installation partners had to pause delivery. Q3 and Q4 should enable us to provide enough small measures to hit the target. As well as this we expect delivery of

larger measures (like loft and cavity wall insulation) to increase in Q2 and beyond as work inside people's homes resumes.

- Residual waste levels have not been within target this quarter; unfortunately one of the impacts of lockdown has been that many more people have been spending far more time at home and have generated more waste.
- Recycling rates are also slightly under target at 38%. Although recycling tonnage has increased during the lockdown period, this has been off-set by a more considerable increase in residual waste as people have spent more time at home.
- Proportion of council homes rated 'C' or above for energy efficiency is also below target for this quarter. During Q1, programmes of work for boilers, windows, doors, insulation have been on hold, so improvements to the stock has been minimal. There has been a slight drop in percentage rated C or higher, with the actual number of properties rated C or higher having reduced by 27 during the quarter. This may be due to loss of better performing stock through Right To Buy or the addition of data for properties previously not rated.
- Assets maintained by community groups remains below target - officers have had limited ability to continue with adoption of spaces during Q1 due to Covid-19 and groups themselves have been unable to meet to progress projects.
- Only 130 volunteer hours were recorded in parks for quarter 1 as Covid-19 meant volunteering in parks was not possible for a large part of this quarter. Groups are now starting again with reduced group sizes which will reduce overall total hours.
- Avoidable contact levels are above target at 43% - this is principally due to high numbers of customers contacting the council about their benefit claims. Development of the online portal and services should help reduce levels of avoidable contact.

## Integrated impact assessment



**NORWICH**  
City Council

The IIA should assess **the impact of the recommendation** being made by the report  
Detailed guidance to help with the completion of the assessment can be found [here](#). Delete this row after completion

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	9 September 2020
<b>Director / Head of service</b>	Head of Strategy and Transformation
<b>Report subject:</b>	Quarter 1 performance report 2020-21
<b>Date assessed:</b>	29 July 2020

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

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

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	
The range of council activity represented by this report means that it is not possible to identify the aggregate impact; this is covered by the individual impact assessments that are conducted as part of routine council business	

**Report to** Cabinet  
**Report of** Chief finance officer (Section 151 Officer)  
**Subject** Quarter one revenue and capital budget monitoring  
2020/21

---

### Purpose

To update Cabinet on the financial position of the council as at 30th June 2020

### Recommendation

- 1) To note the forecast outturn for the 2020/21 General Fund, HRA and capital programme; and
- 2) To note the consequential forecast of the General Fund and Housing Revenue Account balances.

### Corporate and service priorities

The report helps to meet the corporate priorities A healthy organisation, Great neighbourhoods, housing and environment, Inclusive economy and People living well

### Financial implications

The General Fund revenue budget is forecast to overspend by £1.299m, which will need to be met from reserves.

The Housing Revenue Account budget is forecast to overspend by £3.501m which will need to be met from reserves.

The General Fund Capital Programme is forecast to underspend by £2.470m.

The Housing Revenue Account Capital Programme is forecast to underspend by £10.710m.

**Ward/s:** All Wards

**Cabinet member:** Councillor Kendrick - Resources

### Contact officers

Hannah Simpson, interim chief finance officer 01603 989204

Adam Drane, finance business partner 01603 987561

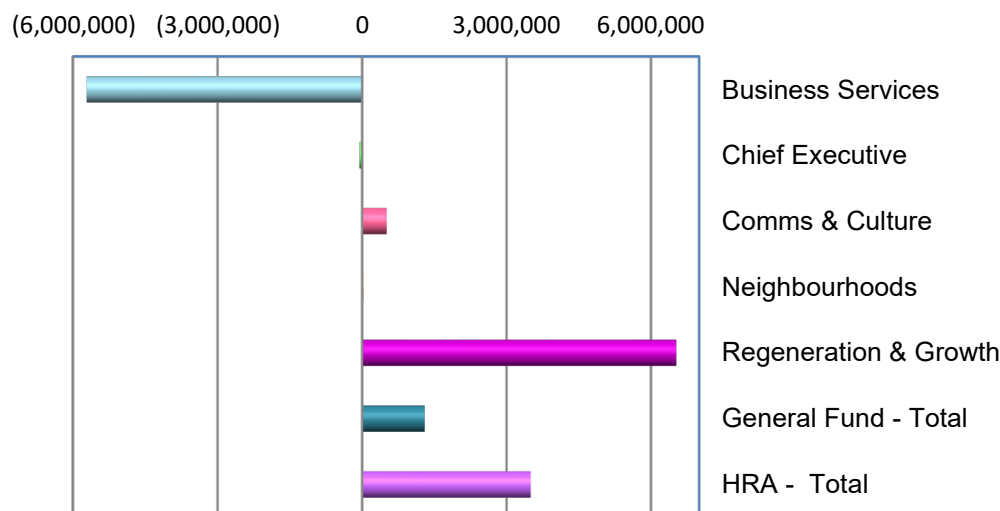
### Background documents

None

## Financial Position – Q1 – 2020/21 Figures in 000s

General Fund	Current budget	Forecast outturn	Forecast variance
Expenditure	143,295	194,177	50,882
Income	(54,931)	(46,707)	8,224
Grants and subsidies	(88,365)	(146,172)	(57,807)
<b>Total</b>	<b>0</b>	<b>1,299</b>	<b>1,299</b>

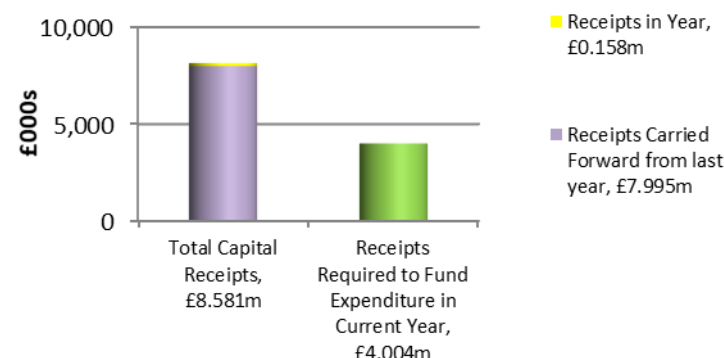
### Forecast variances by service area (under) and overspends



Housing Revenue Account	Current budget	Forecast outturn	Forecast variance
Expenditure	68,783	67,413	(1,370)
Income	(68,783)	(63,912)	4,871
<b>Total</b>	<b>0</b>	<b>3,501</b>	<b>3,501</b>

Capital programme	Current budget	Forecast outturn	Forecast variance
General Fund	35,693	33,223	(2,470)
Housing Revenue Account	48,417	37,707	(10,710)

### Non-Housing Capital Receipts



- The General Fund revenue budget is forecast to overspend by £1.299m, mainly arising from reduced income from car park and invest properties, partially offset by lower than budgeted external borrowing costs, in-year budget savings and forecast government income reimbursement grant
- The HRA is forecast to overspend by £3.501m largely due to anticipated increase in bad debt provision relating to dwelling rent income, partially offset by savings in the HRA dwellings repair budget
- The General Fund capital programme is forecast to underspend by £2.407m mainly due to Covid-19 related delays in a number of workstreams including CIL and general upgrade works
- The Housing Revenue Account capital programme is forecast to underspend by £10.710m, largely due to Covid-19 related disruption to planned work on HRA stock and forecast in-year underspend relating to the new build opportunities fund, based on current progress.
- Both the General Fund and HRA reserves are expected to exceed their respective prudent minimum balances.



## **General Fund Revenue Budget**

### **Covid-19 Impacts**

1. The Covid-19 pandemic has had a significant impact on the 2020-21 general fund budget; this is due to a combination of increased costs (e.g. accommodating rough sleepers, investment in IT to allow staff to work from home, food costs for vulnerable people, higher recycling costs) and lost income (e.g. from car parks, commercial rents, planning fees, licensing, event bookings).
2. A number of forecasts are based on assumptions as to how income streams will be impacted by the Covid-19 situation. The performance is dependent on how lockdown restrictions are eased and the recovery of the economy in general

### **Government Funding**

3. To date, the council has been awarded un-ringfenced Covid-19 funding of £1.8m to assist in dealing with the crisis. An income reimbursement scheme has been created to assist with lost income due to Covid-19 along with assistance with Collection Fund deficit payments. These are discussed below.
4. **Income scheme:** The new income loss scheme will involve a 5% deductible rate, whereby councils will absorb losses up to 5% of their planned sales, fees and charges income, with the government compensating councils for 75p in every pound of relevant loss thereafter. By introducing a 5% deductible the government is accounting for an acceptable level of volatility, whilst seeking to shield authorities from the worst losses.

To help guide authorities in ensuring claims are reasonable, and in line with government's intention, the department is setting out a set of principles which will be used to define relevant claims under the announced support scheme. Income from commercial revenues, including rental amounts are not considered relevant losses and will not be compensated for under this scheme.

5. **Collection Fund Deficits:** Local tax income (council tax and business rates) is collected by billing authorities and paid into local 'collection funds'. Where there is a shortfall in tax receipts (compared to expected levels), this leads to a deficit on the collection fund. In this scenario, billing and major precepting authorities are usually required to meet their share of any deficit during the following financial year. The government's proposal is that repayments to meet collection fund deficits in 2020-21 will instead be phased over a three-year period (2021-22 to 2023-24) to ease immediate pressures on budgets.

6. These government grants and other unbudgeted grants are set out in paragraph 11 along with the proposed uses.

### **In-year Savings Review**

7. The scale of the in-year budget impact from Covid-19 is unprecedented and, although the council can call upon a proportion of its reserves to limit the impact, actions have needed to be taken to reduce the in-year overspend position. The council has undertaken a line by line review of revenue budgets to enable us to update the forecasts as part of the in-year monitoring. This work will be a continuous process throughout the year as the impacts of the pandemic become clearer.
8. The council has put in place a new senior management group which was tasked with identifying in year savings options. This group is made up of managers from across the council ensuring a collective ownership of the challenge. In addition, all new recruitment is signed off by the corporate leadership team in order to provide a corporate overview of resource allocation.
9. As a result of the line-by-line budget review, Directorates have identified potential in-year savings proposals across a range of areas. These include:
- Reduced expenditure on events as a result of Covid-19 cancellations;
  - Holding vacant posts where the impacts on services can be adequately managed;
  - Reductions in non-essential spend in areas such as training, travel and other supplies and services;
  - Postponing planned maintenance into future years where the impacts can be managed in the short term;
  - Savings from a lower requirement for external borrowing in year.

Where material, the impact of these savings is included in the variance detail shown in table 1.

### **General Fund Forecast**

10. The forecast is a £1.299m overspend. This equates to 0.9% of the gross expenditure budget.

The current forecast expenditure on housing benefit payments is higher than budgeted and shows as an adverse expenditure variance in the expenditure table on the summary page. However, this is offset by increased subsidy income from central government, as shown in the grants and subsidies line.

£3.1m income is forecast in relation to the income reimbursement scheme detailed in paragraph 4. There is limited guidance available at present; the current figure is indicative and mainly covers car parking and planning income. This figure will be reviewed once further government guidance is available.

### **Car parking income**

11. A number of scenarios relating to car park usage have been modelled. The outcomes of these models showed a forecast loss of between £3.0m and £4.4m. For forecasting purposes the average of these figures has been used. These models will be regularly assessed and updated, taking into account the most recent available usage figures. At the end of June, the income from car parks was lower than budgeted by £1.285m.

### **Investment property income**

12. A 25% loss of income amounting to £1.6m has been assumed for forecasting purposes. This is based potential rent discounts and deferred rental payments. In a number of cases it is assumed rent will be recovered in the future financial years. In addition, budgeted income from new acquisitions is also unlikely to be achieved, leading to a £0.69m forecast income loss.

The forecast budget variances by directorate are shown below:

**Table 1: Key General Fund revenue budget variances (NB: figures in brackets represent savings or increased income)**

General Fund Directorate	P3 Forecast Variance £000s	Description and commentary
Business Services	(5,713)	<p>Underspend variance mainly due to:</p> <ul style="list-style-type: none"> <li>• £4,802k – Covid-19 grant income - £1,702k &amp; Covid-19 support grant &amp; estimated £3,100k from Covid-19 income reimbursement scheme</li> <li>• £1,739k - lower than budgeted net borrowing costs due to internal, rather than external, borrowing in the first part of the year, along with reduced investment property purchases</li> <li>• £200k – reduction in capital contribution, due to reduction in housing improvement agency team work caused by Covid-19 enforced delays</li> <li>• £418k – no contribution to commercial property ear marked reserve anticipated in 2020/21</li> <li>• £122k - lower than budgeted minimum revenue provision requirement due to later acquisition of investment properties than originally anticipated</li> </ul> <p>Partially offset by:</p> <ul style="list-style-type: none"> <li>• £898k - lower than anticipated housing benefit recovery rates</li> <li>• £400k vacancy factor – underspends realised within service areas, so showing as an overspend against this service</li> <li>• £280k – lower interest earned from invested funds, partly due to internal, rather than external, borrowing</li> <li>• £150k – unbudgeted contribution to the business rates pool to assist with economic recovery in the region in relation to issues arising from Covid-19</li> </ul>
Chief Executive	(53)	Variance mainly due to staff vacancies

General Fund Directorate	P3 Forecast Variance £000s	Description and commentary
Communications & Culture	545	<p>Variance mainly due to:</p> <ul style="list-style-type: none"> <li>• £425k – additional support for leisure provision following the impacts of Covid-19.</li> <li>• £142k – net forecast reduction in St Andrews Hall income - incorporates an assumed loss of 79% of budgeted income.</li> <li>• £96k – net forecast reduction in Norman Centre income - incorporates an assumed loss of 55% of budgeted income.</li> <li>• £72k forecast reduction in leisure centre management fee income against budget</li> </ul> <p>Partially offset by £215k net forecast underspend relating to cancellation of key events i.e. Lord Mayor's Procession.</p>
Neighbourhoods	29	<p>Variance mainly due to:</p> <ul style="list-style-type: none"> <li>• £265k forecast additional Covid-19 costs relating to waste management.</li> <li>• £183k reduction in private sector leasing rental income due to assumed 10% reduction in collectable income.</li> </ul> <p>Partly offset by:</p> <ul style="list-style-type: none"> <li>• £247k forecast underspend on salaries due to vacant posts within Neighbourhood Operations and delays in recruitment due to Covid-19.</li> <li>• £100k additional income forecast in respect of recycling credits.</li> </ul>
Regeneration & Development	6,526	<p>Variance mainly due to:</p> <ul style="list-style-type: none"> <li>• £3,707k reduction in forecast car park income</li> <li>• £2,258k reduction in forecast rental income from investment properties</li> <li>• £296k net overspend on planning mainly due to loss planning fee income</li> <li>• £159k reduction in forecast net rental income from the market</li> <li>• £107k forecast under recovery of rent relating to the airport industrial estate</li> </ul> <p>Partly offset by £178k forecast underspend on general repairs and maintenance due to revised prioritisation of works</p>

Further detail is set out in **Appendix 1**.

## Grant Income

13. The following unbudgeted grants have been received in 2020/21:

**Table 2**

<b>Grant</b>	<b>Additional income</b>	<b>Details</b>
BEIS support grant payment	(39,062,000)	Small business and retail & hospitality grants to be paid out – if the full amount of the grant is not distributed, the balance will be returned to central government
BEIS Support top up grant	(1,578,000)	Second payment relating to small business and retail & hospitality grants
BEIS discretionary grant	(2,032,000)	The council has developed a scheme to determine how this fund should be distributed to eligible businesses
New burdens grant for administration of BEIS grants	(170,000)	Government grant designed to assist with additional costs associated with the distribution of BEIS grants
Covid-19 hardship fund	(2,036,930)	The council has developed a scheme to determine how this fund should be distributed to those currently part of the council tax reduction scheme
Covid-19 funding	(1,818,177)	Covid-19 funding designed to support local authorities in dealing with challenges arising from Covid-19
Rough sleeper initiative grant	(434,767)	Additional funding announced after the deadline for inclusion in the 2020/21 budgets
HB unbudgeted New burdens	(51,633)	Additional new burdens grant relating to administering housing benefit
BID support grant	(44,470)	Grant received by the council and passed across to the Business Improvement Districts in order to assist with Covid-19 related issues

In addition:

- income of £3,100k has been forecast in relation to the income reimbursement grant detailed in paragraphs 4 & 10
- a tourism sector support grant of £431k was awarded to the council in July. This will be spent on supporting the tourism industry deal with the challenges brought about by Covid-19 and will be incorporated into the Q2 monitoring report.
- a claim has been made for £66k from the “re-opening the high street fund”
- an estimated £49,243k additional section 31 grant for business rates relief will be received, as detailed in paragraph 16.

### **Housing Revenue Account Budget**

#### **Covid-19 Impacts**

14. The Covid-19 pandemic has had a significant impact on the 2020-21 housing revenue account budget; this is mainly due to the projected loss of income in relation to housing rent and service charges, although this has been slightly offset by a forecast underspend on repairs work due to reduced works, caused by Covid-19 restrictions.

Net expenditure on the HRA is forecast to be £3.501m overspent. The key forecast budget variances are set out below in Table 2.

**Table 3: Key HRA revenue budget variances (NB: figures in brackets represent savings or increased income)**

<b>Housing Revenue Account</b>	<b>P3 Forecast Variance £000s</b>	<b>Description and commentary</b>
Repairs & Maintenance	(664)	Underspend mainly caused by delays in non-essential repair works that were suspended during the Covid-19 lockdown restrictions.

Housing Revenue Account	P3 Forecast Variance £000s	Description and commentary
Rents, Rates, & Other Property Costs	(445)	Lower than budgeted water costs relating to tenants' supply, partly offset by lower than budgeted service charge income in current financial year
General Management	(298)	<p>Variance mainly due to:</p> <ul style="list-style-type: none"> <li>• £88k forecast underspend relating to corporate recharges from the general fund</li> <li>• £65k forecast underspend on legal expenses due to temporary suspension of recovery action</li> <li>• £49k forecast underspend on employee costs due to vacant posts</li> <li>• £22k forecast underspend on decoration allowances due to lockdown</li> </ul>
Special Services	(145)	Variance mainly due to £140k forecast underspend as sheltered housing alarm maintenance costs now included within repairs budget
Provision for bad debts	4,666	<p>Based on current recovery rates and the anticipated trend going forward, an in-year recovery rate of 95% has been assumed. Although the full income due will be raised, there is a requirement to calculate a provision for those debts considered to be at risk. Some of this may be recovered in future years but provision for the full amount will be required in 2020/21</p> <p>The figure shown relates to both rental and service charge income.</p>



Housing Revenue Account	P3 Forecast Variance £000s	Description and commentary
Service charges	204	<p>Variance mainly due to:</p> <ul style="list-style-type: none"> <li>£101k forecast reduced income from water charge service charge income offset by lower water payment costs against Rents, Rates, &amp; Other Property Costs</li> <li>£92k lower than budgeted recharge income from leaseholders based on actual costs</li> </ul>
Interest Received	130	£130k forecast reduced interest income from the general fund based on anticipated in-year balances

Further detail is set out in **Appendix 1**.

### Collection Fund

15. The Collection Fund includes all income generated from council tax and business rates that is due in the year from council taxpayers and ratepayers. The Covid-19 pandemic will impact on the collection rates of the two tax streams; however at this early stage in the year and with the wider economic uncertainty, we cannot yet forecast the full impact on the council's budgets with any high degree of uncertainty. Any deficits on the collection funds will be distributed to the general fund in the subsequent three years (see paragraph 5).

### Council Tax

16. The Government announced a Hardship Fund in March 2020, of which the allocation to Norwich was £2.037m. The Council took the decision to use this funding to reduce council tax bills to zero for the 2020/21 financial year for anyone who is eligible for partial council tax support (applied to both working age adults and pensioners). This will provide significant financial relief for over 4,000 residents.

To assess the potential impact of Covid-19 on the council tax, modelling has been on income losses of 5% and 10% in 2020-21. A 5% loss equates to around £0.5m loss to Norwich City Council, increasing up to around £1m for a 10% loss. Based on the cash

collection levels and increases in residents eligible for council tax reduction seen to date, the 5% level is considered most likely (Table 4), but much will depend on how the economy and employment levels perform in the coming months.

**Table 4**

	<b>Budget £000s</b>	<b>Forecast £000s</b>	<b>(Surplus) / deficit £000s</b>
Total Council Tax Collection Fund Income	(72,117)	(68,613)	3,504
Norwich City Council Share	(9,968)	(9,484)	484

### **Business Rates**

17. The Government announced an extension of the retail hospitality and leisure rate relief scheme to cover 100% of the business rates due in 20/21. The current value of this additional relief given to businesses is £43m. This will result in lower cash being collected from business rates payers, with the lost income being compensated separately from central government via a Section 31 grant. The council therefore does not lose out on income as a result of the extra reliefs provided.

Despite the reliefs, Covid-19 is expected to impact on the level of business rates collected as companies struggle with cash flow or cease trading. Based on the profile cash receipts to date modelling has been done on the non-collection of 10% of the 20/21 balances owed. The forecast also takes into account the additional S31 grant and lower forecast levy payment to the Norfolk Business Rates Pool.

**Table 5**

	<b>Budget £000s</b>	<b>Forecast £000s</b>	<b>(Surplus) / deficit £000s</b>
Norwich City Council Retained Income Share	(6,539)	(6,016)	522

### **Impact on Balances**

18. The prudent minimum level of General Fund reserves has been assessed as £4.232m. The budgeted and forecast outturn's impact on the 2019/20 balance brought forward is as follows:

**Table 6**

<b>Item</b>	<b>£000s</b>
Balance at 1 April 2020	(9,464)
Budgeted contribution to reserves 2020/21	(517)
Forecast outturn 2020/21	1,299
<b>= Forecast balance at 31 March 2021</b>	<b>(8,682)</b>

The General Fund balance is, therefore, expected to continue to exceed the prudent minimum balance.

Table 6 assumes the current forecast overspend will impact General Fund reserves, but a review is required to determine whether an element should be funded from other earmarked reserves e.g. commercial property reserve

19. The prudent minimum level of HRA reserves has been assessed as £5.844m. The budgeted and forecast outturn's impact on the 2019/20 balance brought forward is as follows:

**Table 7**

<b>Item</b>	<b>£000s</b>
Balance at 1 April 2020	(33,968)
Budgeted contribution to reserves 2019/20	(2,175)
Forecast outturn 2019/20	3,501
<b>= Forecast balance at 31 March 2021</b>	<b>(32,642)</b>

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

20. An invest to save earmarked fund was created to allow the council to support the delivery of savings and efficiencies, through the Fit for the Future Transformation Programme. The fund was created from revenue budget underspends in prior years. The balance on the fund at 1 April 2020 was £3.01m. A corresponding Housing Revenue Account Invest to Save fund was also created. The balance on this fund at 1 April 2020 was £2.5m.

21. A commercial property earmarked reserve was created in order to provide funding for any future void and rent free periods as well as any repairs/upgrades required to the properties to help safeguard the future value of the investment and the rental income stream. Net income generated above the target as well as any savings from reduced borrowing requirements is to be transferred to this reserve. Based on the current forecasts, there will be no contribution made to this reserve in 2020/21:

**Table 8**

<b>Item</b>	<b>£000s</b>
Balance at 1 April 2020	(2,047)
Forecast transfer in 2020/21	0
<b>= Forecast balance at 31 March 2021</b>	<b>(2,047)</b>

### **Capital Programme**

22. Project managers and NPS colleagues have participated in a review of the 20/21 capital programme to assess the impact that the Covid-19 pandemic will have on the delivery of individual projects. Consideration was also given to the financial uncertainty that the pandemic has created and where practical expenditure planned for 20/21 has been deferred.

The general fund capital programme is forecast to underspend by £2.470m and the HRA capital programme is forecast to underspend by £10.710m in this financial year. The anticipated carry forwards from 2019/20 budgets into the 2020/21 programme are included in these figures, awaiting authorisation.

23. In March 2020 the government commenced a consultation on the Public Works Loan Board (PWLB) future funding terms. The consultation aims to work with local authorities and sector representatives to develop a targeted intervention to stop debt-for-yield activity while protecting the crucial work that local government does on service delivery, housing, and regeneration. The proposals, if implemented, would mean that the Public Works Loan Board would not be a source of lending to local authorities investing in commercial properties to generate income. The council's 2020-21 capital budget contains £25m for asset investments (for either new properties or investment in the existing portfolio) with the aim of generating additional rental income. The council will await the outcome of the consultation before deciding whether to take forward any further investment in this or future years.

**Capital programme budget variances (NB: figures in brackets represent savings or increased income)**

**Table 9**

<b>Capital Programme Group</b>	<b>Q1 Forecast Variance £000s</b>	<b>Description and commentary</b>
GF Capital Expenditure Programme	(789)	<ul style="list-style-type: none"> <li>£300k: AH1000 City Hall Heating System. Investment in upgrading the City Hall heating system has been deferred until 21/22.</li> <li>£280k: AH1959 Implementation St Andrews Hall refurbishment paused pending confirmation that matched funding has been secured.</li> </ul>
GF Capital Section 106/GNGP/CIL	(416)	<ul style="list-style-type: none"> <li>The disruption caused by the Covid-19 pandemic has delayed the implementation of a number of smaller S.106/GNGP/CIL funded projects in 20/21. The affected play and open space projects are being rescheduled for delivery and completion in 21/22.</li> </ul>
GF Not Controlled By NCC	(1,265)	<ul style="list-style-type: none"> <li>£907k: AE5200 CIL Contribution Strategic: forecast based on an analysis of the potential impact that the Covid-19 pandemic may have on the collection of CIL revenues in 20/21.</li> <li>£309k: AA5207 Disabled Facilities Grant. The annual budget was estimated before the amount of DFG funding awarded to the council for 20/21 had been confirmed. Forecast outturn has been set to match the level of funding subsequently confirmed.</li> </ul>
GF Financing for NRL/Asset Investment Programme	0	<ul style="list-style-type: none"> <li>Full utilisation of the 20/21 budgets funding the council's equity investment in NRL and the continuation of the Asset Investment Programme is forecast.</li> </ul>

Capital Programme Group	Q1 Forecast Variance £000s	Description and commentary
HRA Neighbourhood Housing	(7,703)	<p>Based on an analysis of the impact that disruption caused by the Covid-19 pandemic is expected to have on the delivery of the HRA stock upgrade programme, the following underspends in 2020-21 are now forecast:</p> <ul style="list-style-type: none"> <li>• £765k: Electrical (Domestic)</li> <li>• £300k: Whole House Improvements</li> <li>• £400k: Kitchen Upgrades</li> <li>• £500k: Bathroom Upgrades</li> <li>• £1,200k: Communal Boilers</li> <li>• £750k: Domestic Boilers</li> <li>• £1,050k: Windows Programme</li> <li>• 500k: Planned Maintenance - Roofing</li> <li>• £1,701k: Planned Maintenance - Structural</li> <li>• £160k: Community Safety Door Access Controls</li> </ul> <p>Covid-19 has also impacted on the number of disabled adaptations that can be completed in 20/21 and an underspend of £200k is forecast.</p>
New Build Social Housing	(2,695)	<ul style="list-style-type: none"> <li>• £2,351k: AB5100 New Build Opportunities Fund - Forecast outturn based on the current pipeline of approved acquisitions and progress made with ongoing negotiations over the acquisition of potential development sites.</li> <li>• £344k: AJ5100 LANB Northumberland Street. It is anticipated that the Northumberland Street development may be able to progress in 20/21 but the completed dwellings will not be completed until 21/22 at the earliest.</li> </ul>
Grants to Registered Housing Providers	(69)	Full utilisation of the 20/21 budget funding grants to Registered Housing Providers is forecast.

Capital Programme Group	Q1 Forecast Variance £000s	Description and commentary
Tenancy & Estate Management System	(244)	£243k: Tenancy & Estate Management System (TEMS) - Timetable for the delivery of the system has been extended into 21/22.

Further detail is set out in **Appendix 2**

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	9 September 2020
<b>Head of service:</b>	Chief Finance Officer
<b>Report subject:</b>	Budget Monitoring 2020/21
<b>Date assessed:</b>	03/08/20
<b>Description:</b>	This is the integrated impact assessment for the Quarter one revenue and capital budget monitoring 2020/21 report



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

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

<b>Risk management</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The report demonstrates that the council is aware of and monitors risks to the achievement of its financial strategy.
------------------------	--------------------------	-------------------------------------	--------------------------	---

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

**Revenue Budget Monitoring Summary Year: 2020/21 Q1 (June)**  
**Figures in £000s**

**General Fund Summary**

Approved budget £000s	Current budget £000s		Forecast outturn £000s	Forecast variance £000s
4,801	4,801	Business Services	5,273	472
333	333	Democratic Services	270	(63)
(14,372)	(14,372)	Finance	(20,508)	(6,136)
0	0	Human Resources	(34)	(34)
0	0	Procurement & Service Improvement	49	49
<b>(9,238)</b>	<b>(9,238)</b>	<b>Total Business Services</b>	<b>(14,951)</b>	<b>(5,713)</b>
0	0	Chief Executive	(7)	(7)
489	489	Strategy & Programme Management	443	(46)
<b>489</b>	<b>489</b>	<b>Total Chief Executive</b>	<b>436</b>	<b>(53)</b>
1,823	1,823	Communications & Culture	2,368	545
(94)	(94)	Customer Contact	(128)	(35)
<b>1,730</b>	<b>1,730</b>	<b>Total Customers, Comms &amp; Culture</b>	<b>2,240</b>	<b>510</b>
10,537	10,537	Citywide Services	10,462	(75)
1,560	1,560	Neighbourhood Housing	1,759	198
649	649	Neighbourhood Services	555	(94)
<b>12,747</b>	<b>12,747</b>	<b>Total Neighbourhoods</b>	<b>12,775</b>	<b>29</b>
(8,388)	(8,388)	City Development	(1,962)	6,425
0	0	Environmental Strategy	(12)	(12)
0	0	Executive Head of Regeneration &	(5)	(5)
1,479	1,479	Planning	1,775	296
1,181	1,181	Property Services	1,003	(177)
<b>(5,728)</b>	<b>(5,728)</b>	<b>Total Regeneration &amp; Growth</b>	<b>798</b>	<b>6,526</b>
<b>0</b>	<b>0</b>	<b>Total General Fund</b>	<b>1,299</b>	<b>1,299</b>

**Housing Revenue Account Summary**

Approved budget £000s	Current budget £000s		Forecast outturn £000s	Forecast variance £000s
13,899	13,899	Repairs & Maintenance	13,235	(664)
5,858	5,858	Rents, Rates, & Other Property Costs	5,413	(445)
13,224	13,224	General Management	12,926	(298)
4,949	4,949	Special Services	4,804	(145)
23,264	23,264	Depreciation & Impairment	23,285	22
202	202	Provision for Bad Debts	4,868	4,666
(57,545)	(57,545)	Dwelling Rents	(57,545)	0
(2,098)	(2,098)	Garage & Other Property Rents	(2,081)	17
(7,888)	(7,888)	Service Charges - General	(7,684)	204
(82)	(82)	Miscellaneous Income	(68)	14
6,631	6,631	Adjustments & Financing Items	6,631	0
(204)	(204)	Amenities shared by whole community	(204)	0
(210)	(210)	Interest Received	(80)	130
<b>0</b>	<b>0</b>	<b>Total Housing Revenue Account</b>	<b>3,501</b>	<b>3,501</b>

General Fund summary by type *Figures in £000s*

Approved budget £000s	Current budget £000s		Forecast outturn £000s	Forecast variance £000s
23,879	23,879	Employees	23,532	(347)
10,155	10,155	Premises	9,686	(469)
230	230	Transport	198	(32)
18,253	18,253	Supplies & Services	64,210	45,957
67,963	67,963	Housing Benefits & Business Rates Tariff	76,322	8,360
5,435	5,435	Capital Financing	3,008	(2,427)
1,300	1,300	Rev Contribs to Capital	1,100	(200)
(29,604)	(29,604)	Fees, charges and rental income	(21,399)	8,205
(88,365)	(88,365)	Government Grants	(146,172)	(57,807)
16,081	16,081	Recharge Expenditure	16,122	41
(25,326)	(25,326)	Recharge Income	(25,308)	19
<b>0</b>	<b>0</b>	<b>Total General Fund</b>	<b>1,299</b>	<b>1,299</b>

## Housing Revenue Account summary by type

Approved budget £000s	Current budget £000s		Forecast outturn £000s	Forecast variance £000s
5,951	5,951	Employees	5,877	(74)
22,173	22,173	Premises	21,097	(1,076)
95	95	Transport	86	(9)
2,658	2,658	Supplies and Services	7,180	4,522
8,271	8,271	Recharge Expenditure	8,182	(89)
27,487	27,487	Capital Financing	27,508	22
(68,496)	(68,496)	Receipts	(68,291)	205
0	0	Government Grants	0	0
(287)	(287)	Recharge Income	(287)	0
2,148	2,148	Revenue Contribution to Capital	2,148	0
<b>0</b>	<b>0</b>	<b>Total Housing Revenue Account</b>	<b>3,501</b>	<b>3,501</b>

**Capital Budget Monitoring Summary Year: 2020/21**  
**Q1 (June) Figures in £000s**

GF Capital Expenditure Programme	Current Budget	Forecast Outturn	Variance
AA1000 Customer centre redesign	25	25	0
AH1000 City Hall heating system	315	15	(300)
AJ1000 City Hall Kitchens & Toilets	35	35	0
AL1000 City Hall chamber benches conservation	44	0	(44)
AA1005 Mile Cross Depot Site	0	8	8
AA1009 Eaton Park path replacement	53	53	0
AB1009 Eaton Park changing room showers	17	17	0
AA1037 Earlham Cemetery gates refurbishment	28	0	(28)
AB1037 Earlham Cemetery railings replacement	142	45	(97)
AA1058 Norwich Parks tennis expansion	423	423	0
AA1064 Earlham Park toilet replacement	79	79	0
AA1079 Wensum Park Stone Wall	20	20	0
AA1184 Community Centres - Upgrades	0	0	0
AA1204 Traveller Site	18	18	0
AA1255 St John Maddermarket retaining wall	70	70	0
AA1432 4 Exchange Street emergency lighting	7	7	0
AA1632 2 Upper King Street roof and windows	29	29	0
AA1791 Old Meeting House fire detection system	11	11	0
AA1911 Riverbank stabilisation	15	0	(15)
AA1912 Riverside Leisure Centre	22	22	0
AA1959 St Andrew's Hall refurbishment	280	0	(280)
AA5205 CCTV replacement	8	8	0
AA5206 IT Investment Fund	567	567	0
AB5206 Finance System	21	21	0
AC5206 HR System	11	11	0
AF5206 IT Transformation - Digital platform	200	200	0
AB1021 Motor Cycle Park	11	11	0
AD0000 Parks Demolition	0	0	0
AF0000 Riverside Footpath District Lighting	21	21	0
AV0000 Multi storey car parks structural survey	33	0	(33)
<b>Total GF Capital Expenditure Programme</b>	<b>2,503</b>	<b>1,714</b>	<b>(789)</b>

GF Capital Section 106/GNGP/CIL	Current Budget	Forecast Outturn	Variance
EY5201 Play Sector 3 & 4 improvements	6	0	(6)
FJ5201 St Georges open space and play	88	0	(88)
FK5201 Wensum Park Play Area -	62	0	(62)
FF5201 S.106 Bowthorpe To Clover Hill	68	68	0
FG5201 St Stephens Towers Public Realm	63	8	(55)
FL5201 Bunkers Hill - Entrance & path	59	28	(31)
ES5201 S106 Mile Cross Gardens Play	0	0	0
EV5201 S106 Castle Green Play	70	70	0
EX5201 Bowthorpe Southern park	5	5	0
AO5200 Yare - Wensum Green Infrastructure	95	28	(67)
AA5202 CIL GNGB Castle Gardens	150	150	0
AB5202 CIL GNGB Football Pitch	40	40	0
AD5202 CIL GNGB Riverside Walk	172	172	0
AG5202 UEA to Eaton boardwalk extension	29	29	0
AI5202 Earlham Millenium Green	10	10	0
AK5202 GNGP Bowthorpe Crossing	0	0	0
AM5202 GNGB Community Access 20 Acre Wood	57	0	(57)
AN5202 GNGB Marriott's Way Infrastructure	36	36	0
AL5200 CIL Crowdfunding matched funding	12	12	0
AA5200 Co-CIL Nhood Ketts Heig	0	0	0
AB5200 CIL Nhood 20 Acre Wood	3	3	0
AD5200 CIL Nhood Community Enabling	6	6	0
ZZ8039 CIL Neighbourhood Projects	200	150	(50)
<b>Total GF S106/GNGP/CIL Programme</b>	<b>1,229</b>	<b>813</b>	<b>(416)</b>

<b>GF Not Controlled By NCC</b>	<b>Current Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>
AY5204 CCAG2 Wayfinding	30	30	0
AA5203 Cycle safety funding	0	0	0
AE1856 St Giles multi storey car park lighting	104	104	0
AE5200 CIL Contribution Strategic	1,568	661	(907)
AK5200 CIL neighbourhood - Netherwood	28	28	0
AE5204 CCAG2 Fifers Lane/lves Rd/Heyford	20	20	0
AP5204 CCAG2 Wayfinding	12	12	0
AA5207 Disabled Facilities Grant	1,250	940	(310)
AQ0000 DFG Residents Contribution	0	0	0
AR0000 Strong & Well	0	2	2
AB5207 HIA - Housing Assistance	250	200	(50)
<b>Total GF Not Controlled By NCC</b>	<b>3,263</b>	<b>1,998</b>	<b>(1,265)</b>

<b>GF Capital Asset Investment Programme</b>	<b>Current Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>
AB1429 Asset Acquisition 6	42	42	0
AA2010 Asset Acquisition 11	5	5	0
ZZ7438 144A King Street	0	0	0
AB0000 Asset investment for income (other	25,000	25,000	0
<b>Total GF Asset Investment Programme</b>	<b>25,047</b>	<b>25,047</b>	<b>0</b>

<b>GF Capital Expenditure Programme</b>	<b>Current Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>
AA1916 Equity Investment	3,500	3,500	0
<b>Total GF Financing For NRL</b>	<b>3,500</b>	<b>3,500</b>	<b>0</b>

<b>GF Capital Expenditure Programme</b>	<b>Current Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>
AH0000 Capital contingency	150	150	0
<b>Total GF Capital Contingency</b>	<b>150</b>	<b>150</b>	<b>0</b>

<b>Total General Fund Capital Programme</b>	<b>35,693</b>	<b>33,223</b>	<b>(2,470)</b>
---	---------------	---------------	----------------

<b>HRA Capital Programme Group</b>	<b>Current Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>
Community Upgrades	1,906,153	1,646,153	(260,000)
Heating Upgrades	5,738,952	3,788,952	(1,950,000)
Home Upgrades	7,942,301	5,977,101	(1,965,200)
Independent Living Upgrades	958,200	758,200	(200,000)
Preventative Upgrades	8,166,222	5,965,222	(2,201,000)
Sheltered Housing Regeneration	112,729	112,729	0
Thermal Upgrades	666,128	589,751	(76,377)
Window & Door Upgrades	4,201,734	3,151,734	(1,050,000)
Site Development	127,396	127,396	0
New Build Social Housing	13,934,801	11,239,550	(2,695,251)
Grants to Registered Housing Providers	3,826,791	3,826,791	0
CCTV Replacement	0	0	0
Private Sector Leasing - Empty Homes	69,000	0	(69,000)
Tenancy & Estate Management System	766,668	523,130	(243,538)
<b>Total HRA Capital Programme</b>	<b>48,417,075</b>	<b>37,706,709</b>	<b>(10,710,366)</b>





**Report to** Cabinet  
09 September 2020  
**Report of** Chief finance officer  
**Subject** Treasury Management Full Year Review 2019-20

**Item**

**9**

---

**Purpose**

To consider the Treasury Management performance for the year to 31 March 2020.

**Recommendations**

To:

- (1) approve the treasury management policy statement; and
- (2) recommend that council note the report and the treasury activity for the year to 31 March 2020.

**Financial implications**

The report has no direct financial consequences however it does report on the performance of the council in managing its borrowing and investment resources.

**Ward/s:** All wards

**Cabinet member:** Councillor Kendrick, resources

**Contact officers**

Hannah Simpson, interim chief finance officer 01603 989204

Caroline Knott, senior technical accountant 01603 987615

**Background documents**

None

## **Report**

### **Background**

1. The Council is required by regulations issued under the Local Government Act 2003 to produce an annual review of its treasury management activities and the actual prudential and treasury indicators for 2019/20. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
2. This report details the results of the council's treasury management activities for the financial year 2019/20. It compares this activity to the Treasury Management Strategy for 2019/20, approved by Full Council on 26 February 2019. It will also detail any issues that have arisen in treasury management during this period.
3. The CIPFA Code of Practice on Treasury Management recommends that councils approve a Treasury Management Policy Statement, stating the policies, objectives and approach to risk management of its treasury management activities. Per the Financial Regulations, Cabinet is responsible the approval of the policy statement and the Chief Finance Officer has delegated responsibility for implementing and monitoring the statement. This report is an opportunity for the council to review and renew its policy statement in line with good practice.

### **Introduction**

4. Treasury Management relates to the policies, strategies and processes associated with managing the cash and debt of the Council through appropriate borrowing and lending activity. It includes the effective control of the risks associated with the lending and borrowing activity and the pursuit of optimum performance consistent with the risks.
5. For the 2019/20 financial year the minimum reporting requirements were:
  - an annual Treasury Management Strategy in advance of the year (Council 26 February 2019).
  - a mid-year Treasury Management Review report (Council 28 Jan 2020).
  - an annual review following the end of the year describing the activity compared to the strategy (this report).
6. The regulatory environment places responsibility on members to review and scrutinise treasury management policy and activities. This report is therefore important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the council's policies which have previously been approved by members. This report summarises the following:-
  - Capital activity during the year (paragraphs 7 - 10)
  - Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement) (paragraphs 11 - 17)
  - The actual prudential and treasury indicators (paragraphs 18-22)

- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances (paragraphs 23-27)
- Borrowing strategy and detailed debt activity (paragraphs 28-39)
- Investment strategy and detailed investment activity (paragraphs 40-46)

## The Council's Capital Expenditure and Financing 2019/20

- The 2019/20 capital programme budgets were approved as part of the budget papers by full Council on 26 February 2019. Subsequent to this there were approved revisions to the 2019/20 capital budgets to include the 2018/19 capital carry forwards and new capital schemes approved during the year. The final capital programme budget is shown in **Table 1** along with the mid-year estimate as reported to Cabinet in December 2019.
- Actual capital spending was under budget for the year by £36.702m. This capital spending included spend on individual capital projects and commercial property investment. The actual level of revenue and capital resources needed to finance the expenditure was less than that originally estimated. The actual capital expenditure forms one of the required prudential indicators. **Table 1** shows the estimates and then the actual capital expenditure for 2019-20 and how this was financed in the year:

**Table 1: Capital Programme Financing**

	2019/20 Original Budget	2019/20 Final Budget	2019/20 Mid-Year Estimate	2019/20 Actual Outturn	Variance from Final Budget
<b>Capital Expenditure</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
GF capital expenditure	35.959	59.253	53.908	48.760	(10.492)
HRA Capital expenditure	36.568	54.953	38.441	28.744	(26.209)
<b>Total Expenditure</b>	<b>72.528</b>	<b>114.206</b>	<b>92.349</b>	<b>77.505</b>	<b>(36.702)</b>
<b>Financed by</b>					
Capital Receipts	8.383	18.972	9.839	6.897	(12.076)
Capital Grants/Contributions	6.814	8.826	6.157	5.746	(3.080)
Capital Reserves	25.267	25.257	24.521	16.750	(8.508)
Revenue	7.063	15.590	6.313	5.797	(9.793)
<b>Total Financing</b>	<b>47.528</b>	<b>68.646</b>	<b>46.830</b>	<b>35.189</b>	<b>(33.457)</b>
Borrowing need for the year	<b>25.000</b>	<b>45.561</b>	<b>45.519</b>	<b>42.316</b>	<b>(3.245)</b>

- During the year the loan balance with the council's wholly owned subsidiary, Norwich Regeneration Ltd, reduced by £3m. The company repaid £6m of its outstanding loan in November 2019 and took a new loan drawdown of £3m in March 2020. These transactions were in line with the lending facility approved by Council in November 2019. The impact of the loan movements on the capital financing requirement is shown in Table 2.

10. Capital expenditure may either be:

- Financed immediately through the application of capital or revenue resources (e.g. capital receipts, capital grants, revenue contributions etc.), which has no impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need, which will be satisfied by either external or internal borrowing.

### **Council's overall borrowing need**

11. The council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). The CFR arises as the Council incurs capital spending and then if it does not apply resources immediately to finance the capital spend, (i.e. capital receipts, capital grants, capital reserves or revenue), a borrowing need arises. The 2019/20 CFR year-end balance is the cumulative total of the 2019/20 unfinanced capital expenditure i.e. £42.316m and prior years' unfinanced capital.
12. Treasury Management includes addressing the funding requirements for this borrowing need; it also includes maintaining a cash position to ensure sufficient cash is available to meet the capital expenditure and cash flow requirements. This may be sourced through borrowing from external bodies, e.g. the Government through the Public Works Loan Board (PWLB) or the money markets, or utilising temporary cash resources within the Council (known as internal borrowing).
13. The council's (non-HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Therefore statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. This requirement is met by making an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the non-HRA borrowing need (there is no statutory requirement to reduce the HRA CFR).
14. The total CFR can also be reduced by either:
  - the application of additional capital financing resources (such as unapplied capital receipts)
  - charging more than the statutory MRP each year through a Voluntary Revenue Provision (VRP).
15. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External borrowing can be taken or repaid at any time, but this does not change the CFR.
16. The Council's CFR for the year is shown below and is a key prudential indicator. It includes leasing schemes on the balance sheet, which increase the Council's borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract.

**Table 2: Capital Financing Requirement**

	2019/20 Original Estimate	2019/20 Revised Estimate	2019/20 Outturn (unaudited)
	£m	£m	£m
<b>Opening General Fund CFR</b>	<b>82.836</b>	<b>77.063</b>	<b>77.063</b>
Movement in General Fund CFR	55.353	41.605	38.497
<b>Closing General Fund CFR</b>	<b>138.189</b>	<b>118.668</b>	<b>115.560</b>
<i>Movement in CFR represented by:</i>			
Borrowing need (capital programme)	45.000	45.519	42.316
Borrowing need (NRL lending net of repayments)	1.622	(3.300)	(3.000)
Borrowing need for the year (capital ambition)	9.529	0	0
Less MRP and other financing adj.	(0.798)	(0.614)	(0.820)
<b>Movement in General Fund CFR</b>	<b>55.353</b>	<b>41.605</b>	<b>38.497</b>
<b>Opening HRA Fund CFR</b>	<b>205.717</b>	<b>205.716</b>	<b>205.716</b>
Movement in HRA CFR	0	0	0
<b>Closing HRA CFR</b>	<b>205.717</b>	<b>205.716</b>	<b>205.716</b>
<b>TOTAL CFR</b>	<b>343.906</b>	<b>324.384</b>	<b>321.277</b>

17. Borrowing activity is constrained by prudential indicators for borrowing and the CFR, and by the authorised limit.

### The actual prudential and treasury indicators

18. **Gross borrowing and the CFR** - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2018/19) plus the estimates of any additional capital financing requirement for the current (2019/20) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

**Table 3: Gross Borrowing**

	2019/20 Original Estimate	2019/20 Revised Estimate	2019/20 Actual
	£m	£m	£m
Gross borrowing	255.677	255.617	219.369
CFR	343.906	324.384	321.277
<b>Over Borrowed/(Under Borrowed)</b>	<b>(88.139)</b>	<b>(68.767)</b>	<b>(101.908)</b>

19. **The authorised limit** - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. The table below demonstrates that during 2019/20 the Council has maintained gross borrowing within its authorised limit.

**Table 4: Authorised Limit & Operational Boundary**

	<b>2019/20 Original Estimate</b>	<b>2019/20 Revised Estimate</b>	<b>2019/20 Actual</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Authorised Limit for external debt</b>			
Borrowing	372.306	372.306	372.306
Other long term liabilities	1.600	1.600	1.600
<b>Total Agreed Authorised Limit</b>	<b>373.906</b>	<b>373.906</b>	<b>373.906</b>
<b>Operational boundary for external debt</b>			
Borrowing	342.306	342.306	342,306
Other long term liabilities	1.600	1.600	1.600
<b>Total Agreed Operational Boundary</b>	<b>343.906</b>	<b>343.906</b>	<b>343.906</b>
<b>External debt (including other long term liabilities e.g. finance leases)</b>			<b>220.780</b>

20. **The operational boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

#### **Actual financing costs as a proportion of net revenue stream**

21. The authority is required to report on the ratio represented by its net financing costs to its net revenue stream. For the general fund net revenue is represented by the amount that is funded by government grants and council tax payers, while for the HRA it is the rental income paid by tenants. This is intended to be a measure of affordability, indicating how much of the authority’s revenue is taken up in financing its debt.
22. The table below shows that GF outturn is lower than the estimate due to the fact that borrowing has been managed via internal borrowing rather than sourcing external loans thus reducing interest charges. The HRA outturn is slightly higher than estimated as unbudgeted impairment costs have been charged within the year; last year’s outturn was at a similar level 43.59%.

**Table 5: Affordability Ratio**

	2019/20	2019/20
<b>Affordability of financing costs</b>	<b>Estimate</b>	<b>Actual</b>
General fund - financing costs as a percentage of net revenue	9.98%	2.25%
HRA - financing costs as a percentage of rental income	38.56%	44.39%

**Treasury Position as at 31 March 2020**

23. The Council's debt and investment position is managed by the in-house treasury management team. All activities are undertaken primarily to ensure security for investments, to ensure that there is adequate liquidity for revenue and capital activities, and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity.
24. The council's actual borrowing position at 31 March 2020 and activity during 2019/20 is detailed in the table below. Borrowing has remained within the authorised limit throughout the year.

**Table 6: Borrowing activity 2019-20 (excluding finance leases)**

	PWLB loans £m	Market loans £m	Total £m	Average interest rate %
Opening balance (1 April 2019)	194.107	5.000	199.107	
New borrowing taken	20.000	-	20.000	
Borrowing matured/repaid	-	-	-	
Closing balance (31 March 2020)	<b>214.107</b>	<b>5.000</b>	<b>219.107</b>	<b>3.81%</b>
Authorised limit for external debt			<b>373.906</b>	

25. The maturity structure of the debt portfolio was as follows:

**Table 7: Maturity Structure of Fixed Rate Borrowing**

		<b>31-Mar-20</b>
	<b>%</b>	<b>£m</b>
Under 12 months	0%	0.026
Between 12 months and 2 years	1%	2.552
Between 2 years and 5 years	26%	57.643
Between 5 years and 10 years	53%	117.200
Over 10 years	19%	41.948
		<b>219.369</b>
Perpetually irredeemable stock		0.510
<b>Total borrowing</b>		<b>219.879</b>

26. Table 8 shows the movement in investments in the year. The movement is a combinations of several factors including: an increase in the Council's internal

borrowing (see table 3); repayment of loan agreements; an increase in short term creditors and a reduction in long term debtors. These can be seen on the face of the Council's Balance Sheet, shown in the draft Statement of Accounts.

**Table 8: Investment Movements**

	<b>Actual 31 March 2019</b>	<b>Net movements in year</b>	<b>Actual 31 March 2020</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Short term</b>			
Banks	11.000	(7.000)	4.000
Building Societies	3.000	(3.000)	0.000
Local Authorities	12.000	(7.000)	5.000
<b>Cash Equivalents</b>			
Banks	13.710	(2.410)	11.300
Building Societies	0.000	0.000	0.000
Local Authorities	4.000	5.000	9.000
Money Market Funds	0.000	15.000	15.000
UK Government	6.000	(6.000)	0.000
<b>Total Internally Managed Funds</b>	<b>49.710</b>	<b>(5.410)</b>	<b>44.300</b>

27. The maturity structure of the investment portfolio was as follows:

**Table 9: Maturity Structure**

	<b>31 March 2019</b>	<b>31 March 2020</b>
	<b>£m</b>	<b>£m</b>
Under 1 year	49.710	44.300
Over 1 year	0.000	0.000
	<b>49.710</b>	<b>44.300</b>

### **Borrowing Strategy for 2019/20**

28. The council maintained an under-borrowed position in 2019/20. This means that the capital borrowing need (the CFR) 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.

29. Table 10 below shows the interest rate forecast to March 2022. These forecasts have been provided by the Council's treasury advisor, Link Asset Services and show gradual rises in medium and longer-term fixed borrowing rates over the next two financial years. Variable, or short-term rates, are expected to be the cheaper form of borrowing over the period.



**Table 10: Interest Rate View**

Link Asset Services Interest Rate View				31.3.20				
	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 Month LIBID	0.45	0.40	0.35	0.30	0.30	0.30	0.30	0.30
6 Month LIBID	0.60	0.55	0.50	0.45	0.40	0.40	0.40	0.40
12 Month LIBID	0.75	0.70	0.65	0.60	0.55	0.55	0.55	0.55
5yr PWLB Rate	1.90	1.90	1.90	2.00	2.00	2.00	2.10	2.10
10yr PWLB Rate	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30
25yr PWLB Rate	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70
50yr PWLB Rate	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50

Source: Link Treasury March 2020 (PWLB rates include adjustments for Certainty rate discounts)

30. It is likely that the Council will need to undertake fixed rate long term borrowing within the next 12 months. Any decisions will be reported to Cabinet at the next available opportunity.

### PWLB rates

31. PWLB rates are based on, and are determined by, gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. HM Treasury has imposed two changes in the margins over gilt yields for PWLB rates in 2019-20 without any prior warning; the first on 9 October 2019, added an additional 1% margin over gilts to all PWLB rates. That increase was then reversed for any borrowing for HRA purposes on 11 March 2020, at the same time as the Government announced in the Budget a programme of increased spending on infrastructure expenditure.
32. In March 2020 the government also commenced a consultation on the PWLB's future funding terms. The consultation aims to work with local authorities and sector representatives to develop a targeted intervention to stop debt-for-yield activity while protecting the crucial work that local government does on service delivery, housing, and regeneration. The proposals, if implemented, would mean that the PWLB would not be a source of lending to local authorities investing in commercial properties to generate income. The council will await the outcome of the consultation before deciding whether to take forward any further investment in this or future years.
33. The advice from the council's treasury advisors is that there is likely to be little upward movement in PWLB rates over the next two years as it will take national economies a prolonged period to recover all the momentum they will lose in the sharp recession that will be caused during the coronavirus shut down period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020-21.
34. The Council has previously relied on the PWLB as its main source of funding; however, the council may need to consider alternative cheaper sources of borrowing. We will continue to liaise closely with our treasury advisors, monitor the borrowing market and update Members as this area evolves.

35. The Municipal Bond Agency are now offering loans to local authorities. This Authority may make use of this emerging source of borrowing as and when appropriate. This is within the existing approved Treasury Management Strategy.

### **Forward borrowing considerations to mitigate expected future interest rate increases**

36. The Council may look to arrange forward borrowing facilities should the future borrowing risk rise or predictions of a significant rate rise is expected. This would enable the Council to lock into borrowing facilities at current low rates and draw down the cash over a period of up to 3 years subject to cash flow demands. It should be noted that some of these facilities may carry brokerage and arrangement fees that will be factored into value for money assessments. The policy has been complied with in 2019/20.

### **Debt Rescheduling**

37. No debt rescheduling was undertaken during 2019/20.

### **Borrowing Outturn for 2019/20**

38. £20m borrowing was undertaken at 1.81% during August 2019 because cash balances were insufficient to cover the 2019/20 unfinanced capital and short term investments. During 2019/20 no PWLB debt was repaid.
39. During 2019-20 the council paid £7.9m in interest costs on external loans, this compares to a budget of £8.9m.

### **Investment Strategy for 2019/20**

40. The TMSS for 2019/20, which includes the Annual Investment Strategy, was approved by the council on 26 February 2019. It sets out the Council's investment priorities as being:
- Security of capital;
  - Liquidity; and
  - Yield

No policy changes have been made to the investment strategy, the Council will continue to aim to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity.

41. This report does not cover the Council's investment strategy in regard to non-financial investments. These investments which include the purchasing of commercial property and lending to third parties are covered under the Non-Financial (Commercial) Investment Strategy published in February 2019 as part of the Budget papers.

### **Investment Outturn for 2019/20**

42. The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

## Reserves

43. The Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's reserves comprised

**Table 11: Balance Sheet Reserves**

	31-Mar-19	31-Mar-20*
	£m	£m
General Reserves	42.556	43.432
Earmarked Reserves	12.055	17.103
Useable Capital receipts	43.154	51.069
Capital grants Unapplied	5.141	3.462
Major Repairs Reserve	9.796	8.307
<b>Total</b>	<b>112.702</b>	<b>123.373</b>

\* Unaudited figures

## Investments held by the Council

44. The Council's year-end balance of cash and short term investments was £44.300m. These internally managed funds earned an average rate of return of 0.77%.
45. The Council is part of a benchmarking group (run by our treasury management advisors, Link Asset Services) across Norfolk, Suffolk & Cambridgeshire. The table below shows the performance of the Council's investments when compared with this benchmark group, and also when compared with the non-metropolitan districts and all authorities that use Link's benchmarking group facility.

**Table 12: Link benchmarking - position at 31 March 2020**

	Norwich	Benchmark Group 7 (11)	Non met districts (87)	All authorities (217)
WARoR <sup>1</sup>	0.77%	0.61%	0.75%	0.71%
WA Risk <sup>2</sup>	2.41	3.4	2.88	2.81
WAM <sup>3</sup>	52	43	74	70
WATT <sup>4</sup>	68	112	159	152

Source: Link Treasury March 2020

<sup>1</sup> **WARoR** Weighted Average Rate of Return This is the average annualised rate of return weighted by the principal amount in each rate.

<sup>2</sup> **WA Risk** Weighted Average Credit Risk Number Each institution is assigned a colour corresponding to a suggested duration using Link Asset Services' Suggested Credit Methodology.

<sup>3</sup> **WAM** Weighted Average Time to Maturity This is the average time, in days, till the portfolio matures, weighted by principal amount.

<sup>4</sup> **WATT** Weighted Average Total Time This is the average time, in days, that deposits are lent out for, weighted by principal amount.

46. The council's average investments return (0.77%) is slightly better than with that for the benchmark group (0.61%), and very similar to the 87 non-met authorities at 0.75% and the population of 217 local authorities at 0.71%. The average

investment return in 2019/20 compares favourably with other similar authorities while still keeping council funds readily available so that if an opportunity to acquire an investment property arose the funds would be available to purchase it at short notice. The WATT for Norwich reflects the positive decision to utilise internal resources to support capital investment, therefore Norwich has kept its investments to a shorter maturity profile averaging 2 months.

### **Treasury Management Policy Statement**

47. The CIPFA Code of Practice on Treasury Management recommends that councils approve a Treasury Management Policy Statement, stating the policies, objectives and approach to risk management of its treasury management activities. It should also include the organisation's high level policies for borrowing and investments.
48. Per the Financial Regulations, Cabinet is responsible the approval of the policy statement and the Chief Finance Officer has delegated responsibility for implementing and monitoring the statement.
49. This report is an opportunity for the council to review and renew its policy statement in line with good practice. A proposed policy statement is included in Appendix 1. It includes the recommended wording per CIPFA's Treasury Management Code of Practice. In addition to the policy statement Cabinet and Full Council will continue to receive as a minimum, an annual treasury management strategy in advance of the year, a mid-year review and an annual report after its close.
50. Alongside the policy statement, CIPFA recommends that the council puts in place suitable treasury management practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities. Following the approval of the policy statement, the finance team will undertake an exercise to review its TMPs and update as appropriate in line with the current CIPFA guidance.

## Integrated impact assessment



**NORWICH**  
City Council

The IIA should assess **the impact of the recommendation** being made by the report  
Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

Report author to complete	
Committee:	Cabinet
Committee date:	9 September 2020
Head of service:	Hannah Simpson
Report subject:	Full Year Treasury Management Report
Date assessed:	26 August 2020
Description:	This report is to inform members of the actual treasury activity for the year and compares that to the treasury management indicators set in the Treasury Management Strategy for 2019-20.

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The report has no direct financial consequences however it does report on the performance of the Council in managing its borrowing and investment resources
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	



## **Treasury Management Policy Statement**

The council's financial regulations require it to create and maintain a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury activities, as a cornerstone for effective treasury management.

### **Definition**

The council defines its treasury management activities as: The management of the organisation'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.

### **Risk Management**

The council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

### **Value for Money**

The council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

### **Borrowing policy**

The council values revenue budget stability and therefore, all other things being equal, will borrow the majority of its long-term funding needs at long-term fixed rates of interest. However, short-term and variable rate loans may be borrowed to either offset short-term and variable rate investments or to provide value for money. The council will also evaluate debt restructuring opportunities of the existing portfolio.

The council will set an affordable borrowing limit each year in compliance with the Local Government Act 2003, and will have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities when setting that limit.

### **Investment policy**

The council's primary objectives for the investment of its surplus funds are to protect the principal sums invested from loss, and to ensure adequate liquidity so that funds are available for expenditure when needed. The generation of investment income to support the provision of local authority services is an important, but secondary, objective.

The council will have regard to the Communities and Local Government Investments and will approve an investment strategy each year as part of the treasury management strategy. The strategy will set criteria to determine suitable organisations with which cash may be invested, limits on the maximum duration of such investments and limits on the amount of cash that may be invested with any one organisation.

**Report to** Cabinet  
09 September 2020  
**Report of** Director of resources  
**Subject** Write off of non-recoverable national non-domestic rate debts

**Item**

10

---

### **Purpose**

To provide an update on the position as at 21/08/2020 with regard to the write-off of non-recoverable national non-domestic rate (NNDR) debt and to request approval to write-off debts totalling £86,488.87 which are deemed irrecoverable.

### **Recommendation**

To approve the write off of £86,488.87 of non-recoverable national non-domestic rate debt which is now believed to be irrecoverable and is covered within the bad debt provision for 2020/21.

### **Corporate and service priorities**

The report helps to meet the corporate priority Inclusive economy

### **Financial implications**

The cost to the collection fund of write offs is shared as follows: Central Government 50%, Norwich City Council 40% and Norfolk County Council 10%. However, each year an assessment of debt is undertaken to set a Bad Debt provision within the Collection Fund.

These write-offs of £86,488.87 will mean that there will be £1,990,532.33 left in the bad debt provision for 2020/21.

**Ward/s:** All Wards

**Cabinet member:** Councillor Kendrick - Resources

### **Contact officers**

Anton Bull, director of resources 01603 989201

Carole Jowett, revenues and benefits operations manager 01603 987607

### **Background documents**

None

## Report

1. National Non-Domestic Rate income for 2020/21 was initially estimated at around £76m. Due to the impact of Covid19 and the increased discounts and grants of around £42m that have been introduced by Central Government, we are currently estimating that we will need to collect around £34m this year.
2. Significant work continues to be undertaken by the Revenues and Benefits team to pursue all outstanding debts owing to the council, but due to the ongoing situation surrounding Covid19, there is uncertainty as to the long-term impact that this will have on our collection and the economy.
3. There will unfortunately always be debts where despite our best efforts, it is believed to be irrecoverable. This is often because the company owing the money has become insolvent.
4. In the year to 21/08/2020, £378,553.36 of NNDR debt has been written off.
5. The reason for this report is that a debt of £86,488.87, requires cabinet approval for write-off, because of its value.
6. The write-off of £86,488.87 is across two accounts for the company Gannets Food Limited. The company went into liquidation on 18/02/2020 and the statement of affairs shows no assets. There are two BID levy accounts for this company, with a total outstanding balance of £389.11 which will also be written off.
7. The cost to the collection fund of these write offs is shared as follows: central government 50%, Norwich City Council 40% and Norfolk County Council 10%. Norwich City Councils share of write-off's to date for 2020/21 including the ones proposed in this report is £186,016.92.
8. Each year an assessment of debt is undertaken to set the bad debt provision within the collection fund. These write offs will be charged in full against the provision for 2020/21.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	09/09/2020
<b>Director / Head of service</b>	Director of resources
<b>Report subject:</b>	Write-off of non-recoverable National Non-Domestic Rate debt
<b>Date assessed:</b>	27.08.20

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	While there is a loss of income to the council, government and the county council, writing off debt that is irrecoverable is best practice to ensure accurate financial reporting.
Other departments and services e.g. office facilities, customer contact	X	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	X	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	X	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	X	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	X	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	X	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	X	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	X	<input type="checkbox"/>	<input type="checkbox"/>	

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

	Impact			
<b>Risk management</b>	<input type="checkbox"/>	X	<input type="checkbox"/>	The report demonstrates that the council is aware and monitors risks to the collection of its income. The council has set a bad debt provision, and this write off is within that provision demonstrating good financial management.

Recommendations from impact assessment	
<b>Positive</b>	
<b>Negative</b>	
<b>Neutral</b>	
<b>Issues</b>	
The council should continue to monitor its levels of debt and take action to recover debts where possible and it is cost effective to do so.	



**Report to** Cabinet  
09 September 2020  
**Report of** Director of strategy, communications and culture  
**Subject** To award a contract for the IDOX (uniform system)

**Item**

11

## KEY DECISION

---

### Purpose

To seek approval to award a contract for IDOX uniform system.

### Recommendation

To award a 3 year contract to enable uninterrupted services for planning, licensing, environmental health and the Norwich Local Land and Property Gazetteer (LLPG).

### Corporate and service priorities

The report helps to meet the corporate priority of a healthy organisation.

### Financial implications

The budget for this is £66,403.32 for the first year and the same value plus indexation for the subsequent 2 years. Approximately £199,210 over the 3 year period that will be met from the existing IT services budget.

**Ward/s:** All Wards

**Cabinet member:** Councillor Kendrick - Resources

### Contact officers

Nikki Rotsos, Director of strategy, communications and culture 01603 212211

Paul Gooch, Contract support and applications manager 01603 987580

### Background documents

None

# Report

## Background

- 1) The Uniform system has been in use at the council for several years. This system comprises software for:
  - a. The council's core Local Land and Property Gazetteer (LLPG) used as the master address database for the council and for ensuring accurate address information on our other systems. This is also used to align our local gazetteer with the approved addresses controlled by the National Land and Property Gazetteer (NLPG).
  - b. Planning – managing all planning applications, appeals, consultations, historical reporting and queries
  - c. Licensing – managing all aspects of licensing (e.g. taxis, licensed premises, skips)
  - d. Environmental Health – managing all Food Safety inspections and reports, Workplace Health and Safety, Public Health
- 2) The fact that several service areas within the council use the system currently means any consideration of alternative solutions will be complex.
- 3) Based on experience, the time and resources required to gather requirements for an assessment of the best options going forward, is likely to take at least 2 years from start to finish.
- 4) Significant resource from a range of teams within the council is already committed to a number of essential and transformational projects leaving little capacity for an assessment of this complexity for some time.
- 5) A new 3-year agreement with IDOX is believed to offer sufficient time for resources to be allocated to a full assessment of needs and potential solutions, moving on to the most suitable procurement route as appropriate.

## Tender process

- 6) The expiry of the current contract (novated from LGSS) requires a new procurement
- 7) Crown commercial services framework RM3821 allows a direct award for this software and is considered appropriate due to the 'off the shelf' nature of the product.
- 8) The term of 3 years will allow the council sufficient time to examine future requirements for these services, including consideration of whether to replace the software or extend its use further.

## Timescales

- 9) Award will allow a new contract to replace the existing one which concludes at the end of September 2020.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	09 September 2020
<b>Director / Head of service</b>	Nikki Rotsos, Director of strategy, communications and culture
<b>Report subject:</b>	IT contract renewal – IDOX (Uniform solution)
<b>Date assessed:</b>	28.08.20

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

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

Recommendations from impact assessment
<b>Positive</b>
<b>Negative</b>
None
<b>Neutral</b>
None
<b>Issues</b>
None

**Report to** Cabinet  
09 September 2020  
**Report of** Head of neighbourhood housing services  
**Subject** To award a contract for gas servicing and repairs to housing heating systems.

**Item**

12

## KEY DECISION

---

### Purpose

The seek approval to award a contract for the housing heating systems servicing and repairs for 2021 to 2025.

### Recommendation

To award the contract for the housing heating systems servicing and repairs to Gasway Services Ltd.

### Corporate and service priorities

The report helps to meet the corporate priority Great neighbourhoods, housing and environment.

### Financial implications

The financial consequence of this report is the award of a contract at a cost of £6,288,817.60 over a four-year period, which will be included within the Housing Revenue Account financial forecasts and budgets for financial years commencing 2021/22.

**Ward/s:** All Wards

**Cabinet member:** Councillor Harris - Deputy leader and social housing

### Contact officers

Lee Robson, head of neighbourhood housing 01603 989545

Neil Watts, major works and services manager NPS 01603 227172  
Norwich Ltd

### Background documents

None

## **Report**

### **Background**

1. The council has a statutory duty to service and maintain all housing heating systems. A robust procedure is operated to ensure that all domestic boilers are serviced every year in accordance with relevant legislation and regulations. NPS Norwich (NPSN) and Norwich City Council officers work closely with the council's contractor to ensure that the council's landlord responsibilities are met with respect to this important programme of work.
2. In addition to the above, the council maintains a number of district heating systems and communal boilers which heat flats and sheltered housing blocks which are also maintained within the same contract.
3. The council's current heating servicing and repairs contract is due to finish on 31<sup>st</sup> March 2021. It is currently being delivered by Gasway Services Ltd under a contract that was tendered in 2016/17 for a period of four years.
4. Eastern Procurement Ltd (EPL) is a local consortium of 21 service supplier members and 12 associate members. Eastern Procurement's customers have collective ownership of more than 216,000 properties across the East of England and have joined together to procure housing maintenance and improvement works. EPL has a number of responsive, cyclical and planned contracts in place which are all OJEU compliant from a procurement perspective. In effect EPL procure contracts on behalf of its' members. The members can then 'call down' works from these contracts. This has the significant collective advantage of increasing buying power and taking the burden of procurement away from individual members. The group has been in existence now for around 14 years and the council joined the consortium in October 2011.
5. As members of EPL the Council can take advantage of what contracts it wishes to utilise or it can decide not to procure any work at all through the consortium. In this way the Council retains complete control without any commitment.
6. Earlier this year EPL carried out a procurement process to put a new heating servicing and repairs framework agreement in place for members to access. The framework lasts for four years. . The proposal is that the council will take advantage of this framework to replace the current contract from 1 April 2021.

### **Tender Process**

7. Seven suppliers were appointed to the framework agreement thereby allowing EPL members to choose to award contracts by direct call-off or by mini-tender.
8. A mini-tender was conducted with the seven suppliers, based upon the service required for the council. Minor amendments were made to the specification to ensure that the current high standard of performance continues to be met.
9. Leaseholders have been consulted on the use of the framework.



## Mini-tender evaluation and results

10. The evaluation was based on price and quality with a 60/40% weighting respectfully. The quality scores were utilised from the framework tender process. This is because the earlier framework procurement had included a detailed quality evaluation which the seven successful suppliers had passed. This allows the mini-tender to be a quicker process without asking the suppliers to duplicate information that has already been provided.

### Evaluation results

11. Six of the seven framework contractors returned tender submissions for the service.
12. The contractor scoring the highest when considering both price and quality was contractor 3, Gasway services, as can be seen from the scoring matrix below.

	Contractor 1	Contractor 2	Contractor 3	Contractor 4	Contractor 5	Contractor 6
PRICE (60)	50.70	53.37	60.00	53.62	41.23	51.13
QUALITY (40)	27.22	30.62	27.90	20.27	21.67	18.62
TOTAL (100)	77.92	83.99	87.90	73.89	62.90	69.75

13. Also it can be seen from the above matrix Gasway Services scored the full 60 marks against the price evaluation as they submitted the overall lowest price.
14. The price score combined with their framework quality submission meant that Gasway Services attained the highest evaluation score.
15. The price tendered by Gasway Services Ltd is in the sum of £1,572,204.42 per year. This equates to a sum of £6,288,817.60 over a four-year period. This represents a saving of approximately £67,000 per year on existing rates.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	9 September 2020
<b>Director / Head of service</b>	Head of neighbourhood housing services
<b>Report subject:</b>	To award a contract for gas servicing and repairs to housing heating systems.
<b>Date assessed:</b>	19/08/2020

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The tender process ensures that the Council achieves the best value for money at that particular time.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Regular servicing and repairs of gas boilers minimises any risk to safety from carbon monoxide poisoning and gas explosion. Well maintained and efficient heating systems that can be easily controlled by users improve personal comfort and well being

	Impact			
<b>Equality and diversity (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Environmental (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Regular servicing and repairs keeps the assets in good condition.
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Regular servicing ensures that the boilers are working efficiently to minimise energy consumption.
<b>(Please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>

	Impact			
<b>Risk management</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Regular servicing and repairs of gas boilers minimises any risk to safety from carbon monoxide poisoning and gas explosion.

Recommendations from impact assessment	
<b>Positive</b>	
Finance, health and well being, built environment, energy consumption and risk management.	
<b>Negative</b>	
<b>Neutral</b>	
<b>Issues</b>	



**Report to** Cabinet  
09 September 2020  
**Report of** Director of strategy, communications and culture  
**Subject** City council leisure provision

**Item**

13

## KEY DECISION

---

### Purpose

To outline the impact of Covid 19 on the councils' contract with Places Leisure (PL) for the management of Riverside Leisure Centre and to provide information on the financial implications of reopening the centre on the 1 September.

### Recommendation

To pay Places Leisure negotiated costs associated with the enforced closure of Riverside Leisure Centre and estimated recovery costs in this financial year, subject to an open book reconciliation.

### Corporate and service priorities

The report helps to meet the corporate priority People living well

### Financial implications

General fund revenue costs estimated at £445,609 which are to be funded from the £1,818,177 of Emergency Covid-19 grant funding received from Ministry Housing, Communities and Local Government.

Loss of management fee income of £80,214. The first 5% of the loss is expected to be borne entirely by the council, with 75% of the remaining loss being claimable from central government under the Covid income reimbursement scheme.

**Ward/s:** Thorpe Hamlet

**Cabinet member:** Councillor Packer - Health and wellbeing

### Contact officers

Martine Holden, Leisure and sport development manager 01603 989416

Greg Rowland, Leisure development officer 01603 989552

### Background documents

None





# Report

## Background

1. This report sets out the impact Covid-19 has had on the leisure industry and how the council has worked to address the issue in relation to the reopening of Riverside Leisure Centre (RLC) owned by the city council and contracted out to Places Leisure (PL) to manage.
2. Many local authority leisure centres are run by leisure operators or trusts, PL manage 35 centres. The sector often operates on low margins (1 to 5% income relative to contracts) and are reliant on income for cash flow. PL reinvests its profits back into the centres and RLC has recently benefitted from refurbishment of the upstairs changing facilities, fitness gym and the dance studio.
3. The centre prior to Covid-19 had 3,600 members and 465,000 attendances in 19/20. It directly employs 79 staff who all but one were furloughed until shortly before the reopening of the centre on the 1<sup>st</sup> September.
4. The contract is in its seventh year of an 11 year contract and was performing well until the Government required all leisure centres to close from midnight on the 20<sup>th</sup> March. The Government then enabled them to reopen again from the 25<sup>th</sup> July providing they complied with Covid secure guidance. However, this means significant restrictions would need to be in place due to social distancing and cleaning requirements, resulting in reduced footfall and therefore considerable loss of income for the operator whilst expenditure remains high.
5. Sport England recognised early on that the leisure industry was at significant risk due to costs associated with the closure period and recovery phase. To assist councils ascertain a fair and reasonable approach to addressing the issue it offered councils financial support to engage leisure consultants to work with councils and leisure operators. The consultant's role was to challenge costs and to help identify whether these costs were reasonable. The city council successfully applied for this funding and commissioned The Sports Consultancy (TSC) to undertake this work.
6. TSC assisted council officers with the complex negotiations that took place with PL and enabled costs to be independently scrutinised and challenged. The consultants reviewed 3 key aspects – closure costs incurred by PL during lockdown, recovery costs whilst operating under social distancing restrictions and alternative options if an agreement could not be reached for PL to reopen the centre.
7. Following the enforced shutdown, the Government issued two procurement policy notes (PPN) 02/20 and 04/20 which strongly encouraged councils to work with providers to ensure service continuity during and after the crisis. They included advice on supporting suppliers with cash flow and payments (if appropriate).
8. Legal advice was sought at an early stage from NPLaw who advised that the Covid 19 situation was viewed as a Qualifying Change in Law.

9. Later the Secretary of State for Local Government announced support for councils who were experiencing significant loss of income as a result of the crisis. The Government will compensate councils for 75p in every £1 (with councils absorbing the first 5% of losses). From the information received to date the council is not able to claim for any other associated costs of supporting its leisure centre.
10. The councils contract requires PL to pay the council a monthly management sum, this amount varies on a yearly basis and in this current period up until end of February 2021 is £80,214.
11. Following detailed discussions with council officers, PL, and with advice from NPLaw a cost was proposed for the closure period along with a cost for the recovery period.

### **Financial implications for the council**

12. To enable the centre to reopen the following proposal was put forward to PL on the understanding that costs as set out below would need to be approved by Cabinet. On this basis and at risk, PL agreed to reopen the centre on the 1 September.
13. The proposed costs payable to PL whilst the centre was closed are estimated at a maximum of £225,619. The payment if approved will be subject to a final open book reconciliation, with an initial payment of £200k with any reconciling payment by the end of September 2020.
14. In recognition of the challenging financial and operational situation Riverside Leisure Centre will be operating in following reopening, the proposal is to pay PL the net costs of running the centre in this financial year, estimated sum is £219,990. This would include payment of £126,178 for the period September to November. Following which a formal review of the situation would take place to assist in forecasting the costs from December until 31<sup>st</sup> March 2021. As with the closure costs this would be reconciled on a quarterly open book basis.
15. In addition to the above costs, as the situation is identified as a Qualifying Change in Law within the contract the council would forego the current management fee of £80,214.
16. The council understands that PL has insurance for business interruption. However, this issue is currently being litigated through the High Court and at the time of writing, is unresolved. Officers will keep this matter under review and should PL's claim be successful will review costs accordingly.

## Options

17. Five options were put forward for consideration:

- Status quo - continuation of the current contractual arrangement with PL taking into account the closure and recovery costs as noted above
- In house - the council brings the management of the centre in-house
- Disposal – the council disposes of the centre to a commercial operator on a long lease
- Mothballing - the council closes and mothballs the centre for an indefinite period
- Retendering – the council retenders the management contract and selects a new operating partner

The financial and contractual implications of each option are outlined in more detail in the exempt appendix to this report.

## Risks

18. Whilst the status quo option is the most cost effective it does not eliminate financial risk for the council. Challenges going forward include there could be further spikes in Covid-19 resulting in an additional closure period and PL requiring financial support into the new financial year. A slow trading recovery could also negatively impact on net running costs to the council.

19. There are commercial risks for PL in terms of trading in an uncertain environment during the Covid -19 pandemic. Once the centre is open again for a period PL could decide the contract is not financially viable and hand back the keys. This would result in the council having to decide on another option which would incur further costs. There is also a risk that PL business model could be unviable if collectively councils do not cover Covid-19 costs and recovery takes longer than budgeted for. This would require the council to consider other options for the centre which would result in the council incurring considerable additional expenditure.

20. Closure of RLC whether intended or due to circumstances beyond the council's control could negatively impact on the council's reputation for delivering services.

## Conclusion

The centre is well used and positively contributes to the health and wellbeing of Norwich residents and visitors. It is the council's only leisure centre with swimming provision and has a pricing policy that is affordable to those on low income. It offers employment opportunities for over 70 people and therefore contributes to the local economy. Considerable work has been undertaken to reach the best negotiated position, that is in line with the decisions being made nationally by other councils who have contracts of a similar nature.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	9 September 2020
<b>Director / Head of service</b>	Nikki Rotsos
<b>Report subject:</b>	City council leisure provision
<b>Date assessed:</b>	21 August 2020

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Most cost effective option to maintain the service for residents
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Go4Less is used at riverside
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

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

	Impact			
<b>Risk management</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Good for the reputation of the council to provide affordable leisure provision.</p> <p>Possible risk to service if further spike in Covid-19</p>

### Recommendations from impact assessment

#### Positive

Retention of affordable service contributing to the leisure and cultural offer of the city offering support for residents to maintain health and wellbeing

Retention of jobs for 70+ leisure centre staff

Supporting the local economy

#### Negative

#### Neutral

#### Issues

Continued presence of Covid-19

