

Cabinet

Date: Wednesday, 16 December 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:

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Agenda

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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 11 December 2020.**

Petitions must be received by the committee officer detailed on the front of the agenda by **10am on Monday 14 December 2020.**

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

4 Minutes

To agree the accuracy of the minutes of the meeting held on 11 November 2020.

5 COVID-19 recovery plan progress report

Purpose: To consider the progress of and the update to the council's COVID-19 recovery plan.

6 Emerging Budget 2021-22

Purpose: To consider an update on the latest 2021/22 budget projections and proposals, including savings and income opportunities identified for consultation. The final budget will be brought back to Cabinet in February 2021 with a recommendation to approve before it goes to February Budget Council for final decision.

7 Treasury Management Mid-Year Review Report 2020-21

Purpose: To consider the Treasury Management performance for the

first six months of the financial year to 30 September 2020.

8 Corporate Performance and Risk Report, Quarter Two 2020-21

Purpose: To consider progress against the delivery of the corporate plan priorities and key performance indicators and an update on corporate risk for quarter two of 2020-21.

9 Scrutiny committee recommendations

Purpose: To consider the recommendations from the scrutiny committee meetings held virtually on 15 October and 19 November 2020.

10 Consultation response to draft Local Transport Plan

Purpose: To consider the City Council's response to the County Council's consultation on the draft Local Transport Plan.

11 Update on Business Activities of Norwich Regeneration Limited

Purpose: To consider the mid year trading position of Norwich Regeneration Limited (NRL) and how it is performing in the light of Covid-19.

12 The award of contract for the provision for emergency accommodation for rough sleepers - Key decision

Purpose: To consider the approval of the retrospective award for the current contracts for emergency provision of accommodation to rough sleepers, and to delegate authority to award future contracts to 31 March 2021 and beyond as set out in this report.

13 Exclusion of the public

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.

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***14 The award of contract for the provision for emergency accommodation for rough sleepers – 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.

Key decisions

A 'key decision' means a decision which is likely to either –

- (a) result in the council incurring expenditure which is, or making savings which are, significant in relation to the council's total budget for the service or function to which the decision relates (for these purposes the presumption is that "significant" means any sum exceeding whichever is greater of the thresholds established by the European public contracts directive 2014/24/EC for local government in respect of contracts for supplies or services), or;
- (b) be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the Norwich city area.

Date of publication: **Tuesday, 08 December 2020**

Cabinet**16:30 to 18:25****11 November 2020**

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

Also present: Councillors Osborn and Wright

1. Public Questions/Petitions

Two public questions had been received.

The first question was received from Mr John Marais who asked the cabinet member for health and wellbeing the following question:

"My question concerns the proposed flood lighting until 10pm for the proposed tennis courts at Heigham Park. Floodlighting can cause serious environmental damage to wildlife, including small mammals, birds and insects. Even plant growth can be affected. The use of LED lighting, while cheaper, has even worse environmental consequences than other forms of lighting. This has been borne out by recent research by biologists at Essex University, published in the journal 'Nature, Ecology and Evolution', and further publicised in the Guardian of 2/11/20. Heigham Park is a delightful small oasis of natural beauty in the city, and I would like to know if Norwich City council, which claims to strongly support the protection of the environment, is aware of the potential environmental damage that nightly floodlighting could cause. Even at this late stage, please reconsider these plans, otherwise the City's credibility as an environmentally aware body will be seriously jeopardised?"

The cabinet member for health and wellbeing's response:

"Dear Mr Marais, thank you for your question.

Norwich City Council does indeed take its responsibility to protect the environment seriously. My colleague, Councillor Maguire has highlighted at council and cabinet the numerous successes and achievements, including awards, of this council. I hope these external reviews reassure you that we do work to the highest environmental standards where practically and financially possible.

In relation to your question, we are aware that floodlighting can cause impacts for wildlife, including small mammals, birds and insects. That is precisely why we had an independent ecology assessment undertaken as part of the planning process.

The report concluded that "the extent of light trespass is not thought likely to cause disturbance even if a roost [in a single tree close to the site of low suitability] is present. The impacts on other species are considered to likewise be negligible".

The report also included the finding that "...species of conservation concern locally are likely to be widespread species, but with the site lacking cover for such species to be present other than as transitory individuals. The project lighting is unlikely to affect local insects, such as moths, given that the wider location is urban."

For complete clarity, I do want to confirm that the lighting system at Heigham Park tennis courts will only be on when courts are in use.

In terms of the use of LED lighting, good design with the use of LEDs can make a significant difference to minimising any adverse effects. When planning the new lighting at the proposed tennis courts our officers were mindful of the conclusions of the habitat survey and planned a lighting scheme which ensures a positive outcome for both tennis players, the street and local wildlife.

LEDs have an advantage over other lighting as they are very directional, casting most light on the ground and little light at the horizontal or higher levels. In this regard they can be an improvement over other lamp types that have drop lenses resulting in more light scattering to locations where it is not useful. Our design ensures that the task light (lighting needed to play tennis) has minimal backward spill and upward wash. This was demonstrated in the images of light modelling which were submitted as part of the planning process. LED is the most suitable choice in this respect.

One of the most effective ways to reduce the unintended adverse effects of lighting is to turn lights off when they are not needed. For most lamp types previously used for municipal outdoor lighting, turning the lamp on and off comes with an energetic penalty or warmup period. In contrast, LEDs can easily be extinguished and illuminated without delay. Consequently, LEDs are suited to the use of controls to extinguish lights when they are not needed.

Finally, insect attraction to LEDs is lower across the board when compared with lamps that emit ultraviolet light. Both "warm" and "cold" LEDs have been compared with metal halide and mercury vapor lamps and found to attract less than a tenth of the number of insects, a finding that is attributable to the difference in ultraviolet emissions. In regards to energy, on average LED's are 75%+ more efficient and have no toxic elements such as mercury. LED's have a longer life span. This means lower carbon emissions. LED lights last up to six times longer than other types of lights, reducing the requirement for frequent replacements.

This approach to use lighting which is low energy, directed on the tennis courts and only accessed when the courts are in use, would appear to follow the measures sought by the Green Party, as according to their website they want to, "prioritise measures that reduce its [light pollution] dominance, such as making the direction of lighting more accurate, and also introducing less energy intensive methods of lighting." Exactly our approach taken to this project.

I have not had the opportunity to read the journal you refer to. I did see though that in the Guardian article a professor at Essex University's Environment and Sustainability Institute was quoted as saying, "we need to think in terms of using it [lighting] only when we need it, where we need it and how we need it." In my view, this is the approach that the city council has taken to minimise the impact of light pollution in relation to the tennis courts at Heigham Park and Lakenham Rec, whilst enabling improved physical and mental wellbeing benefits for our residents."

The second question was from Councillor Denise Carlo who asked the cabinet member for health and wellbeing the following question:

“In his response to the resident who submitted a petition on Heigham Park to the City Council on 22 September 2020, Councillor Packer said that free tennis sessions would be available to low income households and schools. However, the integrated impact assessment refers only to free taster sessions and to low cost tennis for kids starter courses at a cost of £24.99. The assessment states that Norwich Parks Tennis membership at £35 per household per year is affordable and will reduce inequalities in Norwich. However, many households in Norwich are suffering poverty and cannot afford to put food on the table, let alone subscribe to Norwich Parks Tennis and pay for a tennis racket and coaching sessions. Heigham Park is situated in the second least deprived ward in Norwich. Constructing three all-weather courts at Heigham Park using £262,000 from the General Fund would take capital spending which could otherwise be spent on essential capital projects in wards experiencing high levels of poverty and deprivation. Has the council carried out an equalities impact assessment and considered leaving all ten former grass courts as undeveloped grass for quiet recreation, to be maintained by the local community and diverting the capital expenditure saved to capital infrastructure needs in the many wards experiencing deprivation as a better way of meeting the needs of disadvantaged groups?”

The cabinet member for health and wellbeing’s response:

“Thank you for your question Councillor Carlo. An equalities impact assessment has been undertaken and reducing inequalities has been one of the objectives for the expansion of Norwich Parks Tennis.

I must say that I find it interesting that you are now raising your concern about the affordability of accessing tennis with the expansion of Norwich Parks Tennis (NPT). The reason I mention this is that originally you wanted the area to remain as grass courts and run by a community group. I have checked the community group’s website today and in their business case it states that ‘Annual subscription is £60’. It is not clear to me whether this is £60 per household or per individual. Either way it is significantly more expensive than the NPT option of £35 per household per year. This is especially true with their grass option open only for the summer months, making it even more expensive for residents to access. The charge to turn up and play through your preferred choice is also more expensive than that of the Norwich Parks Tennis option. Sixty pounds to access sports facilities for a few months a year may not be expensive to you, but it will be for many of our residents.

I would also highlight that every ward in Norwich has residents who are facing financial difficulties, particularly following the impact of Covid19. There are residents in your ward, and streets close to Heigham Park, who have great concerns and face daily worries about their financial situations. If you need me to take you on ward walk so that you can see areas where people are struggling in your ward, just let me know.

Based on the positive impact that the award of this contract will bring your proposal is not deemed suitable because it would not involve:

- Returning tennis to Heigham Park
- Enabling access to sports facilities every day of the year for extended hours
- Creating a hub which will support other tennis facilities

- It does not have a focus on making tennis more financially affordable
- It does not increase usage of the park outside of normal hours which would potentially reduce anti-social behaviour – this could have prevented the arson to the tennis court pavilion.

In your question, you reference funding of services in areas of deprivation, I will highlight to you again that the £262,000 is being used for *both* Heigham Park and Lakenham Rec. Lakenham Rec is situated in an area of higher deprivation than Nelson, so I'm expecting you'll applaud this action

The courts at Heigham Park will act as a hub, with the income generated from its use helping to sustain facilities in other parts of the city which include Lakenham Rec and Waterloo Park, two spaces in areas of higher deprivation than the immediate Heigham Park area.

Focusing on my portfolio, for complete clarity, as an administration we are indeed investing significant funds in our open spaces across our city, including in areas of less average wealth than Nelson. Just a few examples include:

1. £40,000 invested in refurbishing damaged infrastructure at Wensum Park
2. £62,000 invested on 20 Acre Wood to improve access of a new hard surface path from Earlham Green Lane Larkman estate through to West Earlham Community hub, doctors surgery and schools.
3. Towns funding application submitted for £80,000 improvements to West End St play area Multi Use Games Area
4. £157,000 investment for Earlham Park toilet block replacement, plus Sloughbottom Park toilets refurbishment and the addition of disabled facilities.
5. We are working with the Wensum Residents Association for Parks to deliver a £47,000 project which will dramatically improve West End Park, with the aim being to increase use, improve community cohesion, reduce ASB and provide a space that the local community can be proud of.

This reflects just the spending under my portfolio.

It is clear that you do not want this project to go ahead. I do though find it hypocritical that you say you are concerned about affordability of a service, when you were championing an alternative option which appears to be possibly almost at least twice as expensive (for an annual membership) for our residents to access compared to Norwich Parks Tennis.

As a council we take a whole rounded approach to investment in services across the city. Our residents should feel that they have a stake in, and can access, all parks across the city, regardless of where they live.

Looking at our investment and work more widely, let me conclude by making this as clear as possible. We are a Labour administration which works incredibly hard to help all of our residents. We understand the challenges, particularly those that the most vulnerable members of our city are facing.

We are one of only a few councils which provide 100% council tax reduction for the most financially vulnerable, we are investing in our vital Pathways homeless

partnership to eliminate rough sleeping in our city. We have also been building award winning eco homes for our residents and will continue to build more houses – something other councils can only dream of. All of this despite continued cuts to our budget since 2010.

I am proud at what we are achieving as a city council and only wish that every so often you might acknowledge some of the fantastic work we are undertaking in such a difficult environment.

In summary, we will deliver this project, we will prioritise widening access to services to all who can benefit from sport and the enjoyment of our shared open and green spaces regardless of their postcode, we will keep putting social inclusion at the forefront of all that we do and we will do this because we are a Labour council and very proud to be one.

Finally chair, I would like to take this opportunity to put on record my thanks to the Parks and Open Spaces team, under the leadership of Simon Meek, who have, and continue to do an excellent job, which was indeed recognised nationally just days ago with the award of two Green Flags. An achievement I hope we can all be justly proud of.”

In response to Councillor Carlo's supplementary question the director of peoples and neighbourhoods said as had been noted an equalitys impact assessment had been completed which Councillor Carlo could review if she wished. In terms of reducing inequalities the expansion of Norwich Parks Tennis increased access to provision across the city. The detail of the tender defined how the council expected the provision to be provided; how the number of courts would be increased, maximising reach to residents and communities. The details of how to target and reduce inequalities would be part of the detail that the new contract would include.

2. Minutes

RESOLVED to agree the accuracy of the minutes of the meeting held on 14 October 2020.

3. Declarations of interest

There were no declarations of interest.

4. Q2 Budget Monitoring 2020/21and Medium Term Financial Strategy update

Councillor Kendrick, cabinet member for resources presented the report.

The general fund revenue budget was forecast to be overspent by £0.8m due to the financial pressure resulting from the impact of Covid 19. An emergency savings strategy had been implemented reducing the financial impact of the pandemic but there was still a gap to be overcome. The forecast did not take into account the impact of the second lockdown on the general fund overspend.

The Housing Revenue Account was forecast to be overspent by over £1.1m due to an anticipated increase in rent and service charge debt as resident's income was predicted to be impacted by Covid. This deficit would be set against the forecast underspend on the repairs budget where works had been delayed due to Covid and

the inability of workers to get on site during the first lockdown. Investment into property purchases had been delayed due to the government reconsidering the terms of borrowing from the treasury to local authorities.

The report included provision for investment into laptops to enable flexible working across the council's workforce.

The process of setting the budget for the year 2021-22 was underway. Currently there was a £5.2m shortfall as a consequence of Covid predicted for the budget year. The financial compensation from government, reimbursing local government for its expenditure around Covid, had been lacking. The terms of the local government settlement were still unknown.

The chief finance officer said that it was important to acknowledge the amount of work actually taking place in terms of managing the budget at such a dynamic time and thanked colleagues for their hard work. There was another tranche of funding forthcoming from government which would improve the in-year budget position. She noted that local authorities were in the last year of the local government settlement which made the Medium Term Financial Strategy (MTFS) difficult to plan and that this was the second year of a one year settlement until the Local Government Spending Review was resolved. The MTFS was based on assumptions until these figures were known and in the medium term the council would have a financial deficit of £12.4m. Reserves were being utilised over the medium term but this was not a realistic strategy over the long term. The local government spending formulae had to be worked on with central government because it clearly was not working.

The deputy section 151 officer said that the budget reflected the current position and did not take account of the impact of the second lockdown which was currently being experienced nationally.

The deputy leader and cabinet member for social housing said that an enormous amount of officer work had gone into completing the budget. She wanted to reassure residents that work to engage with tenants whose income had been impacted by Covid would be undertaken and a new budget advice team leader had recently been appointed to continue this work. Whilst repairs and improvement works to properties had been delayed in the first lockdown, work continued in the present lockdown, although slowed due to the need for social distancing of workers and the impact of Covid on supply chains.

The report noted that the rules on councils using income derived from right to buy (RTB) receipts had been relaxed in June due to Covid and the inability of local authorities to invest this money into new social housing. The deputy leader and cabinet member for social housing said that the council were still waiting to hear if this period of relaxation would be extended or the council was in danger of losing funds. Work to lobby government on this front continued.

The cabinet member for resources said in response to Councillor Osborn's question that many councils were in a precarious position financially and despite a number of promises from central government, local government had not been adequately reimbursed for its work during the pandemic. The leader of the council added that the council had joined with a group of other Norfolk councils and made representations to government on this basis.

In response to Councillor Osborn's question, the deputy leader and cabinet member

for social housing said that RTB receipts had to be spent by the end of the financial year and with the pandemic this would not be possible. RTB receipts could be retained for up to three years and used to fund any development up to 30%. The council had repeatedly made the case to retain 50% of RTB receipts for five years. The senior finance business partner said that the government had reassured authorities it was still considering an extension on retaining RTB receipts following its recent consultation on the matter.

The leader of the council said that it illustrated a familiar narrative that central government were not funding local government adequately. The MTFS revealed structural flaws in the system of local government funding. The austerity of the last decade coupled with the withdrawal of the revenue support grant to local authorities led to councils being enabled to generate money. The council had responded positively to the challenge to generate income but Covid had shown that the system of local government funding was 'bust'. Government was being asked to work with local government to find a sustainable system of funding.

RESOLVED to:

- 1) note the forecast outturn for the 2020/21 General Fund, HRA and capital programme;
- 2) note the consequential forecast of the General Fund and Housing Revenue Account balances;
- 3) note the current MTFS projections and approach to updating key assumptions;
- 4) approve the creation of an HRA tenancy & estate management system earmarked reserve, as detailed in paragraph 21;
- 5) recommend to full council the approval of additions to the General Fund capital programme, as detailed in paragraph 27;
- 6) approve delegation authority to the director of strategy, communications and culture, in consultation with the resources portfolio holder to award a contract to purchase new laptops, as detailed in paragraph 29;
- 7) note the decision taken by the S.151 officer, in consultation with the Leader and Portfolio Holder for Resources, in respect of the 2021/22 Business Rates Pool, as detailed in paragraphs 30-34;
- 8) note the decision taken by the Chief Executive, in consultation with the Leader and resources portfolio holder, for the council to enter into a loan agreement to provide Norwich City Services Ltd £0.2m of working capital finance to facilitate the depot roof works in 2020/21. Detailed in paragraphs 35 & 36.

5. Future Housing Commissioning

Councillor Stonard, cabinet member for sustainable and inclusive growth, introduced the report. The report and its recommendation followed much discussion at cabinet about the future of social housing in Norwich. In November 2019, cabinet approved the Norwich Council Housing Strategy which was an ambitious program to deliver affordable homes to meet local need. It was agreed to review the council's approach to housing development and to identify a pipeline of sites to take forward and a housing commissioning board was established to oversee this work. A pipeline of sites were identified and work to review the Housing Revenue Account to establish the finances available undertaken.

The East of England Government Association (EELGA) had been commissioned to undertake a piece of work to identify different delivery options. Four delivery options

were considered and two given detailed consideration. EELGA's report compared both options, to deliver in-house or via a wholly owned company and noted the merits of both. It was recognised that different approaches would be needed at different delivery sites. EELGA's reported highlighted the lack of adequate current resources in place to deliver this work.

It was suggested, in the short term to increase capacity, to build on the expertise of Norwich Regeneration Limited (NRL) staff who had been seconded to the council also increasing resilience. Decisions about final delivery models would be considered once a new team was in place.

The deputy leader and cabinet member for social housing thanked EELGA for their work and said there was an ambition to build social housing to meet resident's needs. The council were fortunate to have the expertise of NRL in place and this would be used to progress delivery at priority sites. However a team was needed and NRL would play a pivotal role in the recruitment of that team ensuring the correct skills were in place.

The director of place said that a number of reports had been presented to cabinet looking at and considering how social housing was delivered. The means of operating had been changed, officers were working at pace and hoped to return shortly with more detail in relation to recruiting a team. The director of people and neighbourhoods said the report clearly illustrated what the council could do and highlighted the importance of the rules about RTB receipts.

RESOLVED to:

- 1) instruct officers to take forward proposals that build in-house expertise, capacity and resilience in a housing delivery team as quickly as possible to ensure delivery of the priority social housing schemes; and
- 2) note the progress that has been made on the delivery of the three priority sites and agree the timetable set out for future delivery.

6. The award of a contract to facilitate the Norwich Parks Tennis Expansion at Heigham Park and Lakenham Recreation Ground – key decision

Councillor Packer, cabinet member for health and wellbeing presented the report.

RESOLVED to award the contract for the delivery of the Norwich parks tennis expansion project to Fosse Contracts Ltd.

7. Norwich Town Deal Bid - key decision

The leader of the council presented the report. The successful award of a Towns Deal for Norwich was to be celebrated. It represented the work of the council in partnership with stakeholders across the city based on the model of the Norwich 2040 vision. It incorporated a number of different strands of work some of which were commercially sensitive and were detailed in the exempt appendix to the report. It drove forward the council's vision for an inclusive economy representing an investment in the people and city of Norwich.

The Towns Deal Board would remain in place to oversee the delivery of the awarded funds and the report laid out a testing timetable. The project would incorporate a number of different strands; health and wellbeing, addressing environmental concerns with the development of brown field sites and infrastructure funding and would form an essential part of the city's Covid recovery plan.

The cabinet member for sustainable and inclusive growth said the award was good news for the city and was a testament to the excellent work of council officers and the partnership working borne out of Norwich 2040. The economic development manager said the bid had partly been so successful because the ground work of establishing a city wide partnership with a common vision had already been achieved via Norwich 2040. This enabled the project to move at pace and the bid to be considered in the first tranche of awards. The leader of the council noted that a successful award of £1m had already been made to the council and an initial investment made to regenerate the Halls in the city.

The director of place said that the heads of terms now had to be translated into a business case to go back to government before the award could be made.

(Councillor Jones left the meeting at this point)

In response to Councillor Osborn's question the director of place said that four other local areas were invited to bid; Kings Lynn, Great Yarmouth and Ipswich. Norwich was the only one ready to bid in the first tranche of applications. He noted that it was hoped the other areas would be successful in their bids too. The aim of the funding was to achieve a levelling up. It centred on urban regeneration but was expected to be felt wider than the urban area, to take into account deprivation often experienced in the suburbs of cities. As such the Norwich bid was for a wider area than the city council boundaries.

The economic development manager said Norwich was in the first cohort of 17 bids which the government received and were one of only seven to be awarded a deal and one of only three to receive the full award bid for. This was testament to the quality of the bid which provided for local opportunities to develop skills in areas which the city was short of, such as the development of modern green infrastructure and digital skills. This addressed the levelling up agenda providing an opportunity for individuals to train and gain skills for employment; skills which equally would drive the regeneration of the city, filling the gaps which local businesses experienced when recruiting.

The leader concluded that Norwich had a successful track record bidding for funding for citywide regeneration and referenced the successful bid for funding in the 1990s which resulted in the building of the Forum in the city.

RESOLVED to accept the Norwich Town Deal offer as detailed in the exempt appendix.

8. Compulsory purchase of the Ailwyn Hall site, Lower Clarence Road – Key decision

The director of place provided an update on the acquisition of the Ailwyn Hall site. This was not a straightforward purchase and work had been ongoing with officers, the monitoring officer, specialist and legal advisors regarding the purchase. The council had received a letter the day before the cabinet meeting forwarded from its

specialist advisor from a property management agent acting on behalf of the owner advising that the owner had submitted a planning application to build a hotel on the site. The letter requested that the item be withdrawn for consideration from the cabinet agenda and the letter itself placed before the meeting.

In terms of withdrawing the item it was not considered inappropriate or unreasonable to continue with the process. Having regard to the best practice advice from the Ministry of Housing, Communities and Local Government it advised that Local Authorities could lose time by waiting and to pursue a twin track approach which meant to pursue the compulsory purchase whilst continuing to consider alternative viable developments was in accordance with guidance. The fact a planning application had been put forward was in fact evidence that the CPO process was working. It was prudent to recognise there was a need to be flexible and an additional recommendation was being put forward to provide flexibility to the timetable of actions. The timetable could be reviewed in order to give the owner every chance of pursuing their own development on the site but it was premature to delay the CPO process at this stage.

The cabinet member for sustainable and inclusive growth referred to the work of the council to bring forward stalled development sites. The decision was made at cabinet in September 2020 to purchase the site. The proposal was to use the Housing Revenue Account to provide social housing at the site. Contact was made with owners to negotiate a purchase, an offer was made by the council and refused but these negotiations would continue alongside the CPO process.

Architects had been appointed and three design options considered, the preferred option was presented in the report. The CPO process allowed a public authority to acquire a third party interest in land although it was a complex process and one to be considered only after all other options had been exhausted.

The deputy leader and cabinet member for social housing said that ideally it was hoped the land could be acquired through negotiations. The council had not used these powers since 2005 and did not do so lightly. The site provided could provide social housing in a good location with good access to public transport and further its development resolved the issue of it looking an eyesore and being a blight on the local area.

The city growth and development manager said that pursuing a twin track approach was not uncommon in this area. It was important to establish if the planning application submitted by the owner was acceptable in planning terms and viable for the site. She noted that the powers being used were the Housing Act compulsory purchase powers and not the Planning Act powers. The Housing Act was used in the specific case where social housing was needed.

In response to Councillor Osborn's question the director of place said it was a legally complex process, risks were being managed and specialist and legal advice was being taken on an ongoing basis. The city growth and development manager said that once a CPO was served anyone had the right to raise an objection with the planning inspectorate. An objection had to be made on valid grounds such as the owner was not adequately compensated and the process was clear with clear definitions of what a valid objection was. It was to be noted that local authorities had a high success rate when CPO's were considered. She highlighted that there were some indicative costs relating to the process in the exempt appendix to the report.

RESOLVED to:

- 1) approve the making of a compulsory purchase order under section 17 of the Housing Act 1985 for the land edged red on Plan 1 to enable the delivery of social housing; and
- 2) delegate authority to the Director of Place in consultation with the deputy leader and portfolio holder for social housing to take all steps necessary to secure a confirmed compulsory purchase order including but not limited to:
 - a) the carrying out of land referencing including without limitation the service of notices under section 16 of the Local Government (Miscellaneous Provisions) Act 1976 and/or section 5A of the Acquisition of Land Act 1981.
 - b) the entry onto the Land and other land for the purpose of carrying out surveys
 - c) the completion of the statement of reasons
 - d) preparation of a draft Order, Order Map and Order Schedule (including any minor amendments to ensure that all interests required are included) the preparation of notices to owners, lessees and occupiers, site notices and any other notices required to be served or advertised in accordance with the Acquisition of Land Act 1981
 - e) timing of the making of the compulsory purchase order and further steps
- 3) delegate authority to the Director of Place in consultation with the deputy leader and portfolio holder for social housing to:
 - a) make General Vesting Declarations (GVDs) under the Compulsory Purchase (Vesting Declarations) Act 1981 or to serve notices to treat and notices of entry following confirmation of the order;
 - b) issue and serve any warrants to obtain possession of property acquired by the Council following the execution of a GVD or service of a notice of entry relating to the order if it is considered appropriate to do so;
 - c) to acquire third party interests in the land within the CPO either by agreement or compulsorily; and
 - d) to develop the scheme design further based on the enhanced environmental specifications proposed and to submit a planning application for the proposals

Report to Cabinet
16 December 2020
Report of Chief executive officer
Subject COVID-19 recovery plan progress report

Item

5

Purpose

To consider the progress of and the update to the council's COVID-19 recovery plan, which was agreed by Cabinet and Full Council in June 2020.

Recommendation

To note the progress made in the delivery of the COVID-19 recovery plan and the main actions contained within it.

Corporate and service priorities

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

Financial implications

Multiple impacts across council budgets.

Ward/s: All Wards

Cabinet member: Councillor Waters - Leader

Contact officers

Stephen Evans, Chief executive officer

01603 212001

Report

Introduction

1. The impact of the Covid-19 pandemic has required a response at the global, national and local levels. In Norwich, as elsewhere across the United Kingdom, it continues to affect the lives of every resident and business in the city.
2. In June 2020, Cabinet agreed the [Covid-19: A blueprint for recovery](#) which provided an overview of the council's initial response to the virus, and identified a number of priority themes and actions which would frame the council's – and the city's - recovery.
3. The city council was one of the first councils in the country to publish a comprehensive, forward looking recovery plan from Covid-19. It sets out a number of priority activities that the council feels are crucial to a sustainable recovery and the organisation will continue to track performance against the delivery of the plan and build on it as a 'living' document. Regular updates on progress will be reported to Cabinet.
4. As the recovery blueprint makes clear, the city's response to – and recovery from – the pandemic will require a partnership response. Since the document was developed and published, several discussions have been held with the [Norwich 2040 City Vision](#) partnership to steer the city through the challenges and opportunities ahead.
5. This report provides Cabinet with details of progress made against the plan since the summer. It considers the impacts, successes and challenges faced so far or anticipated in the short to medium term.

Oversight of the city's recovery

6. The Norwich 2040 City Vision represents a shared commitment between local businesses, voluntary sector organisations, Norwich City Council, our schools and universities, and our residents.
7. The vision has never been more important in shaping our future as a city, for the benefit of all residents, businesses and visitors. Considering the additional challenges presented by Covid-19, the newly established Vision Covid-19 Recovery Group has been working together to understand the impact Covid-19 has had, and continues to have on the city and to consider how to keep things on track to reach its 2040 vision.
8. Members of the group (see paragraph 82) hold important interlocking links with key partnerships and organisations across and for the city, as well as the wider vision network. A number of focus areas the group is considering include:
 - a) Communication, consultation and engagement with residents, businesses and community groups
 - b) Inequality in light of Covid-19 (financial, health, digital)
 - c) Becoming a more sustainable city

- d) Mental health and well-being while living with Covid-19
- e) Healthy people: the need for social cohesion, social capital, social networks and social support
- f) Housing and its contribution to the vitality of the city
- g) The future of:
 - i) higher education and the city
 - ii) arts, culture and heritage
 - iii) the city centre

Monitoring the impacts of COVID-19: People, Place and Economy

9. The council has developed a range of key metrics to help support officers, members and other stakeholders to understand the key impacts of Covid-19 on the people, place and economy of Norwich.

People

10. Norwich Covid-19 cases summary as at 6 December 2020:

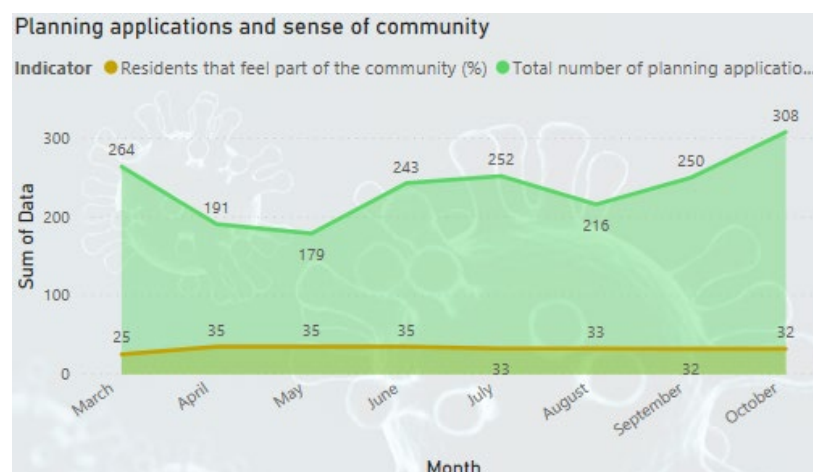
- a) Total number of C-19 cases in Norwich **1,851**
- b) Total number of C-19 deaths in Norwich **24**

11. Norwich Community Response Hub summary as at 31 October 2020:

- a) Total number of food parcels delivered **830**
- b) Total number of prescriptions delivered **855**
- c) Total number of successful support calls **4,767**

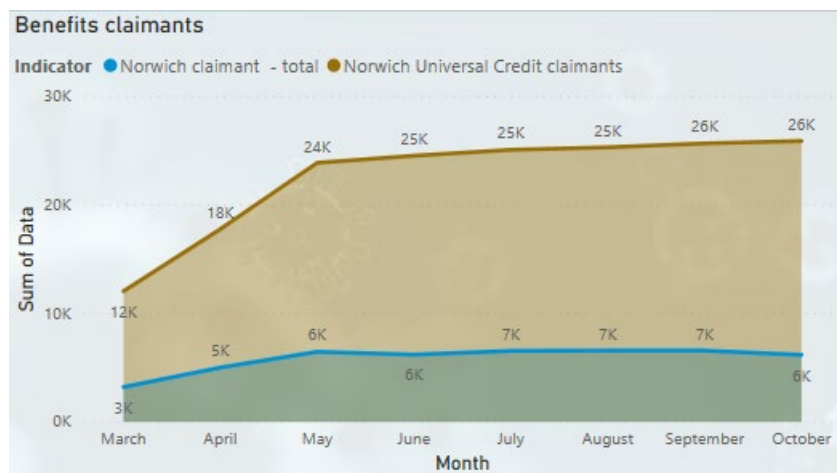
Place

12. The chart below shows two indicators relating to residents feeling part of the community and the number of planning applications received since March.

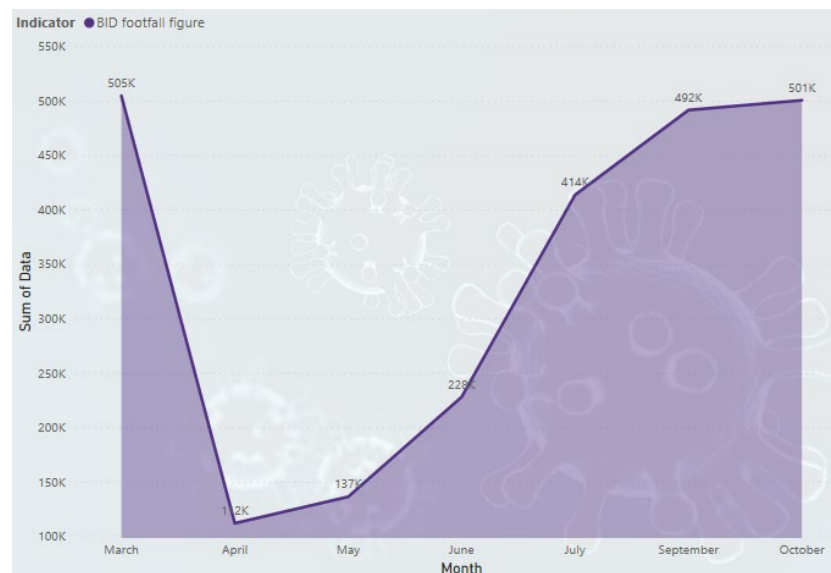


Economy

13. The chart below shows how levels of benefit claims and universal credit claims have increased since the start of the pandemic in Norwich.



14. The chart below shows the levels of footfall in the city centre as captured by the Norwich Business Improvement District.



Doing what we can to keep the city safe

15. Until such time as a vaccine has been distributed widely, all we can do is continue to try to suppress the virus through actions and behaviours. Since November the council has been working hard to try and reduce the rising number of cases prior to the second national lockdown, as well as planning for the easing of lockdown in the run up to Christmas. The following have been put in place:

- formation of a team of **Covid-19 support officers** offering support to businesses and reassurance to residents and visitors that the city is safe. Ahead of the end of the national restrictions ending on 2 December and the city moving into Tier 2, the support team has been bolstered with the recruitment of trained security personnel to support the safe reopening of the night time economy. In total, the council has recruited a team of 26

support officers and security personnel who will be deployed in shifts through to the New Year and beyond.

- b) a raft of **communications activities**, both internal and external across a range of platforms to ensure people are kept up to date with current regulations and know where to get support and advice, and promoting #ProtectNorwich.
- c) improved **signage and visible messaging in the city centre** about how to keep safe, including on lamp posts and bollards.
- d) a continued proactive approach to **enforcement activities** to ensure public safety, working closely with local businesses and the police.
- e) running the **Local Co-ordinating Group** for Norwich.
- f) continuing engagement in **county wide emergency response activities** such as the multi-agency Strategic co-ordination group and Tactical co-ordination group.
- g) the broadening out of attendance at the **tactical co-ordination group** to Heads of Service to provide greater resilience in our internal emergency response capability.
- h) continued **winter support** for residents who feel unready to stop shielding and a Winter Fund held with the Norfolk Assistance scheme to provide food, fuel payments and living allowances for those impacted by Covid until March 2021.
- i) developing **enhanced contact tracing** with Public Health, Norfolk County Council and fellow districts to allow for more robust contact tracing of residents potentially impacted by clusters of positive cases to provide support to isolate and further contact tracing.

Recovery themes and actions

16. It is important that the council not only focuses on how, as an organisation, it recovers and responds to challenges faced as a result of the pandemic but also the leading role it plays in the wider recovery of the city. The priority themes from the plan are helping to shape the council's approach to recovery. Each theme has a set of associated key actions, the progress of which is detailed in this section of the report.

Securing the council's finances

17. The blueprint identified the following key actions in relation to securing the council's finances:

Action	Status	Comments
Closely monitor and update budget impact analysis and regularly update CLT and Cabinet	Ongoing	CLT have moved to monthly monitoring of in year budget position (previous quarterly)

Lobby government to ensure that Norwich City Council, and local government more widely, is fully compensated for the financial impacts of C19	Ongoing	A range of measures including letters to the PM, Chancellor, local MPs and via the LGA and wider Norfolk officer and political networks
Conduct a corporate review of all 2020-21 revenue budgets to identify areas for immediately reducing in-year expenditure through additional controls on non-essential spend and recruitment	Complete	Now forecasting to bring 2020/21 in on budget, having forecast a £7m over spend in June. £3.3m in-year savings identified together with additional resources from Gov't.
Review the capital programme to ensure that the schemes still reflect the council's current priorities and that these are affordable in the new financial landscape	Ongoing	Capital programme reviewed in terms of both deliverability and affordability. A number of schemes have been deferred into next financial year due to the pandemic restrictions. Proposed 5 year capital programme contained in the draft budget proposals to December Cabinet.
Update the council's Medium-Term Financial Strategy, to understand the short to medium implications for savings requirements and use of reserves	Ongoing	Updated financial forecasts presented to Cabinet in November with a further update as part of draft budget report to December Cabinet.
Commence the process for setting the budget for 2021-22 and provide further detail to Cabinet in July on the approach and timeline	Ongoing	Draft budget proposals to December Cabinet ahead of consultation.

18. The pandemic continues to have a significant impact on the council's budget during the 2020-21 financial year and over the medium term. The impact of increased costs and reduced income is being felt and, although central government has provided additional funding, it is far from enough to plug the funding gap that has developed.

19. Last month's Spending Review was high level, and we are working through the detail as more information is shared, but the Chancellor's key headlines for local government included:

- a) providing local authorities with £670m to support four million households that are least able to afford council tax payments
- b) additional £1.55bn to local authorities to meet additional pressures as a result of Covid-19
- c) support to local authorities to compensate for irrecoverable loss of council tax and business rates revenues in 2020-21 and later years
- d) extending the existing support for sales, fees and charges for a further three months until the end of June 2021
- e) maintaining the existing new homes bonus for a further year
- f) a reduction in borrowing rates through the public works loan board (PWLB), but ending the use of PWLB for investment property
- g) pay rises in the public sector paused next year for all those earning above £24,000 except frontline NHS doctors and nurses.

20. The council is doing all it can to mitigate the wider impacts of the pandemic. However, it is currently unknown how much Covid-19 support we will receive in

2021-22. Also, over the longer term, it is hard to predict the full extent of economic recovery required and what measures will be needed to address the financial deficit.

Modernising the council; reimagining local services

21. The blueprint identified the following key actions in relation to modernising the council and reimagining local services:

Action	Status	Comments
Implement changes to the internal layout and other safety measures within city hall to support social distancing as more staff return to the office when it is appropriate to do so, with a risk assessment of the building carried out and unions engaged	Complete	Recognising that long-term working from home may have mental health and wellbeing implications for staff, significant effort has gone into making City Hall Covid-secure. Staff are now able to work from the office for part of the week with prior agreement on a risk-assessed basis.
Continue to allow staff to work from home where possible, striking a balance between home and office-based working and allowing flexibility for staff	Complete	Continued investment in IT infrastructure to improve mobile working capability, with new laptops to be rolled out to all staff by April 2021. Staff can also request access to office furniture and are able to apply for home working tax relief.
Take forward an organisation wide review of service delivery, to look at reimagining how services are delivered in future	On target	An organisation-wide service review process was commenced in September, which builds on the experiences of the pandemic to look at how services might be delivered differently. First set of service reviews to conclude by April with the second set to conclude in July.
Recast its service transformation plans in light of this service review, to be taken forward as part of the 2021/22 budget and business planning cycle	On target	As above. Proposals for a new council transformation programme will go to Cabinet for approval in February.
Develop a customer experience and digital strategy to set out the council's vision and approach to services.	On target	Digital Strategy currently being developed. Will be presented to Cabinet in February.
Review the decisions that have been taken as part of the crisis response to stop, start or amend service delivery – and the experience of working in different ways – to consider lessons learned and apply them to service areas over the longer-term	Complete	Ongoing process with lessons learned feeding through to service reviews.
Use the principles of recovery engagement to recalibrate the compact between the council and residents, communities, businesses and other city stakeholders	On target	Covid legacy planning to reflect the local environment is progressing well with engaged stakeholders. Work streams identified to build on works and improve overall systems for residents.

22. Covid-19 has forced the council to change how it operates and how it delivers services to residents. Whilst some of this change has been hard, the organisation now has the capability to work and deliver differently – to build on the technological changes made to become a modern, flexible organisation with the potential to change its culture and improve staff wellbeing.

23. The newly formed Customer, IT and digital board provides the governance and oversight for key IT and customer facing projects that will unlock efficiency savings and provide a better experience for customers. An IT road map is in place to plan and prioritise projects and a draft customer experience and digital strategy will be completed early in the New Year.
24. A series of service reviews have commenced which build on the lessons from service changes delivered through the first Covid lockdown and place customers at the heart of change. Based on the ideas being developed from service areas, work has commenced to re-shape our transformation programme and to put in place the necessary capability across the council to deliver change effectively.
25. Officers from across the council have formed a mental health and wellbeing working group, which has been set up to champion positive mental wellbeing in the workplace and help bring about a catalyst for change. A framework of core standards for the organisation to adopt relating to positive mental health and wellbeing is being developed. In addition, a number of mental health first aiders have been trained, to create a trusted source of support for colleagues who need it.
26. The council has adopted a more flexible way of working by supporting many employees to work from home and improved laptops will be rolled out in the New Year to improve remote working capability. In addition, measures have been put in place to ensure that City Hall is Covid secure so that people who do need to come into the building for their wellbeing can do so.

Supporting the most vulnerable

27. The blueprint identified the following key actions in relation to supporting the most vulnerable:

Action	Status	Comments
Work proactively with partners through the Pathways programme to develop a sustainable approach to tackling homelessness in the city	On target	Work continues to support people who are homeless or at risk of becoming homeless. Since March, 120 people have been moved into emergency accommodation with the vast majority now in more sustainable accommodation. Pathways extended to 6 days a week with twice weekly street counts.
Over the longer-term, work with Pathways, the county council and the voluntary and community sector to look at pathways out of poverty for the most vulnerable. This will look at training and skills opportunities and measures to move people closer to the labour market and into employment	On target	A cross-Norfolk strategic housing partnership has been established to take a county-wide approach to tackle homelessness and deliver the 'No homelessness in Norfolk' strategy which was developed over the summer. The partnership brings together the county council, district councils, health services and emergency services. As well as short-term response, the partnership is also looking at access to skills and training.
Work with domestic abuse support providers to signpost victims of domestic abuse to the support on offer and to work with front line teams within the council to train staff to spot signs of domestic abuse	On target	Learning programme agreed at November safeguarding group. Work in progress with HR & Learning to

		identify appropriate training programmes and providers. Norwich City Council to Chair Norfolk DA strategic commissioning group to design and deliver holistic programme for victims, perpetrators and their families. Programme of engagement with professionals referring to DA support services, with service providers and service users to take place in early 2021.
Hold virtual internal and engagement events to gather evidence and lessons from the council's long-term approach to reducing inequalities and crisis support	On target	Ongoing engagement is taking place via a number of partnerships, including Norfolk Strategic Homelessness Group, Good Economy Commission, Norfolk Equality and Human Rights Council, Reducing Inequalities Target Areas Network, Financial Inclusion Consortium, and Norwich Food Poverty Action.
Use these principles and lessons learnt to build on existing collaborative and asset-based approaches to tackling pre-existing and emerging financial and digital inclusion in the city, as part of tackling wider inequality	On target	Ongoing through continuing work on City Vision Covid-19 Recovery group work strands, community participation strategy, Reducing Inequalities Target Areas, projects being developed through the Good Economy Commission, financial inclusion projects, including new non-commercial debt policy.

28. Analysis of the impacts of Covid-19 suggests that socio-economic, health and other inequalities in the city are being exacerbated by the pandemic, as shown earlier in this report. Whilst the level of support provided by the council is reducing as we move from crisis to recovery, there is a long-term need to maintain holistic support for some residents who face particular disadvantage.

29. The council continues its good practice around this through the work of the Specialist support team as well as multi-agency approaches such as the Early Help Hub, Pathways and Reducing Inequalities Target Area networks. To gather further evidence and lessons from the council's long-term approach to reducing inequalities and crisis support, a newly appointed Community Conversations officer will shortly begin a series of localised engagement work.

30. In September, Cabinet approved a new policy on non-commercial debt which seeks to better recognise and work proactively with vulnerable people. It aims to:

- a) ensure a consistent approach to the management of debts across the authority
- b) recognise the varying causes of debt and adjust recovery procedures accordingly
- c) reduce the likelihood of financial hardship for customers by ensuring individuals financial circumstances are considered on a case by case basis
- d) enable the signposting of debtors to debt advice as appropriate

31. Work continues on administering self-isolation payments to those who need them and the ambitious approach developed, not only provides access to the £500 payment for those on low incomes, but also assesses their wider financial and support needs, such as access to food and medicine. As of 3 December, £115,000 had been paid out by the city council.
32. One of the biggest challenges faced since Covid-19 came along is supporting an increasing number of people presenting to the council as homeless. The council accommodated 120 rough sleepers, or those at risk of rough sleeping, through the 'Everybody In' emergency measures. 104 of these people have now been moved out of emergency accommodation and into more settled accommodation.
33. Of those who remain in emergency accommodation, we are working with partners to source a sustainable long-term solution. In May, Cabinet agreed the Greater Norwich [homelessness strategy](#) which sets out our approach – working with neighbouring districts – to preventing and responding to homelessness, as well as supporting those at risk of and recovering from domestic abuse.
34. The council has recently agreed to extend the existing Pathways contract for a year starting 01/04/2021, ensuring that the partnership remains in existence to help address rough sleeping and support people with complex needs in Norwich. Further to this, through the Greater Norwich Homelessness forum steering group, there is now an arrangement with The Feed to provide employment and skills services to people with complex needs.

Business and the local economy

35. The blueprint identified the following key actions in relation to business and local economy:

Action	Status	Comments
Work with the Norwich BID, Norfolk Chambers of Commerce, police and county council to implement physical measures and signage in the city centre to support social distancing	Ongoing	New signage implemented ahead of end of second national lockdown on 2 December.
Use licensing powers to support businesses – particularly those in the hospitality sector – where appropriate to vary their use of outside space, whilst ensuring that people with disabilities can access pavements and move around the city safely	Ongoing	A range of initiatives implemented including closure of roads to promote pedestrian/cycling access and use of outside space for restaurants including land next to city hall.
Continue to identify opportunities to promote sustainable travel in the city centre – with a focus on walking, cycling and other forms of sustainable travel as appropriate	Ongoing	In addition to the above, the city council has worked with Norfolk CC to bring the trial of e-scooters for hire to the city.
Work with City Fibre and the county council to deliver full fibre broadband in Norwich	On target	Work due to commence spring 2021.
Where there is evidence of malpractice, assess whether action can be taken against employers who fail to provide a safe working environment	Ongoing	The council will have 20x Covid-19 support officers giving out government message of hands, face and space. These officers supported by 6x SIA wardens and the 3x enforcement teams will also be identifying issues where employees are being put at risk. Enforcement action will be

		proportionate following the giving of advice.
Continue to deliver grants and wider support to businesses	Ongoing	Overall, the city council paid out £40m in business grants during the first wave of the pandemic. As of 3 December, an additional £1m had been paid out to via nearly 600 grants to businesses impacted by the second national lockdown.
Engage with business, representative groups and relevant public authorities, and monitor relevant data sources and emerging national and local analysis, to understand the challenges facing businesses and the wider economic impact of C19	Ongoing	Economic development team continues to engage with businesses, representative groups and relevant public authorities, and monitoring relevant data sources and the emerging national and local analysis, to understand the challenges facing businesses and the wider economic impact.
Work in partnership to develop appropriate solutions to the challenges identified, including through council planning, licensing and enforcement functions and by working with partners on issues including skills and pathways to work	Ongoing	The council will work in partnership with Norwich BID, the constabulary and the county council to ensure C-19 safety in the city by providing new street signage, display boards and projecting information onto the castle. Additionally, we are supporting the hospitality sector to open successfully and keep their customers safe.
Establish the Good Economy Commission as the lead on the economy theme under the City Vision Steering board, to make recommendations across the City Vision partnership to support an inclusive recovery over the medium-term	On target	GEC established and has scoped a number of work streams to gather evidence and shape recommendations around the future of the Norwich economy. It will be inviting engagement with residents and other stakeholders across the city over coming months.
Consider how the council's role as an anchor institution can support an inclusive economy through the use of council assets, contractual, recruitment and procurement levers	Pending decision	This is in scope for the council service reviews plus wider work on this will be taken forward once the Good Economy Commission provides recommendations.
Review the Norwich Economic Strategy 2019-24 to identify any new actions required to respond to C19	On target	Review underway, and will take account of the important contribution the education sector makes to our local economy, the role of VCSEs (key employer) and community economic development
Develop and deliver a Town Investment Plan to get access to £25m funding for investment in the city	On target	Formal approval of £25m Town Deal plus £1m accelerated payment achieved in October. Proposals being developed to ensure delivery, overseen by Towns Deal Board.
Engage in wider recovery plans with partners including the New Anglia Growth Hub and the Norfolk Resilience Forum	Ongoing	Ongoing close engagement with LEP and NRF to promote wider recovery and support to business.

36. The impact of lockdown on the city centre has been significant. The council's objective is to support the local economy whilst doing what it can to protect Norwich. Colleagues from across the organisation continue to work hard to support the local and regional response to Covid-19. The council has overseen the distribution of over £40m in grants to approximately 3,000 businesses through the small business, and retail, hospitality and leisure schemes, and the discretionary grants fund.
37. Our environmental health team continue to work in partnership with the Norwich Business Improvement District, Norfolk Chambers of Commerce, police and local businesses to make sure the right adjustments are made so that people in the city can shop, eat and drink with confidence.
38. Following consultation, Exchange Street and St Benedict's Street now have traffic control schemes, widened pavements and areas where businesses can place tables and chairs outside. Additionally, businesses have been given permission to use areas of council owned land.
39. These measures help to create a better environment for pedestrians and cyclists, and further restrict vehicle access to the city centre. We are ambitious to go further, and have worked up proposals to trial vehicle restrictions in other areas of in the city, including Magdalen Street which we will be pressing the county council to implement.
40. Local authorities have been given government funding (£8 per capita) for five wardens and five track and trace officers. These resources will in part work with the police in managing the Night Time Economy, giving advice on Covid-19 secure measures, social distancing and identifying any breach of regulations.
41. Our Economic Development team continues to engage with businesses, representative groups and relevant public authorities, and monitoring relevant data sources and the emerging national and local analysis, to understand the challenges facing businesses and the wider economic impact.
42. In the short-term this will provide an in-depth appreciation of the opportunities and challenges faced by the Norwich business community during the pandemic. In the long term, we will have better information to inform the decision-making process in developing local policies to support the local economy.
43. Work to deliver a full fibre broadband network in Norwich is due to begin in in spring next year. A local delivery team will be up to full strength by the end of December with build contractors appointed by the end of March 2021.
44. Through proposals submitted to the [Town Deals fund](#), the government announced that Norwich will receive £25m in funding for investment in regeneration, skills and enterprise infrastructure.
45. Norwich is one of only seven areas across the country to receive a Towns Deal and that we received the full amount bid for. Developing the bid has been a true partnership approach, working with many of our Norwich 2040 City Vision partners through the Town Deals Board to develop and submit our proposals.
46. This investment has the potential to create a step-change in the local enterprise environment, with the money being used to deliver a range of projects across two packages, as outlined below.

1- Skills and enterprise infrastructure

47. This package of projects supports how we will grow the digital and creative economy and ensure our residents and businesses have the advanced skills in digital, construction and engineering they need to prosper:

- a) **Digital hub** – a new city centre workspace with start-up and grow-on space for digital businesses
- b) **The Halls** – investment to update and refurbish the venue including the development of state-of-the-art visual media, making space for collaboration and high value cross-sector partnerships between culture, digital and technology
- c) **Digi-tech factory** – a new skills facility providing digital tech, engineering and design courses
- d) **Advanced construction and engineering centre** – a new technological advanced training facility, supporting the application of digital technology to construction, manufacturing and engineering sectors.

2- Urban regeneration

48. These projects offer opportunities for significant levels of housing growth and employment space creation to accommodate the needs of a growing city:

- a) **East Norwich** – investment to accelerate the development of a new high quality urban quarter in east Norwich
- b) **Revolving fund** – investment to unlock brownfield sites to deliver modern homes and workspaces for the growing economy
- c) **Public realm** – investment to enhance the city centre public and urban spaces and improve connectivity and navigation
- d) **Branding** – communicating what the city has to offer by developing a commercial proposition for Norwich as **the place** for business and a city to live, learn and invest in.

49. Partnership working continues to prove successful with the formation of the Good Economy Commission, who has scoped a number of work streams to gather evidence and shape recommendations around the future of the Norwich economy. It will be inviting engagement with residents and other stakeholders across the city over the coming months.

Housing, regeneration and development

50. The blueprint identified the following key actions in relation to housing, regeneration and development:

Action	Status	Comments
Restart council house repairs and maintenance programmes and work with Norwich Norse Buildings to ensure the backlog is cleared	Complete	Repairs and maintenance recommenced following the end of the first national lockdown. The council continues to monitor progress with NNB.

Reintroduce services to let council homes and reintroduce its housing options policies	Complete	The service was restarted following the end of the first national lockdown.
Support people in private sector rented accommodation, including implementing a private renters charter and taking action against sub-standard accommodation	On target	Charter agreed by Cabinet in March followed by a communications campaign.
Prepare, submit and implement the Town Investment Plan to maximise up to £25m of investment in the regeneration of Norwich	Complete	Towns Deal now agreed.
Make progress on the Greater Norwich Local Plan to put in place a framework to guide development in the city and encourage it to be well designed and genuinely sustainable	On target	Accelerated timetable agreed, with the GNLP to be presented to January 2021 Cabinet.
Ensure that infrastructure to support growth is delivered in a timely manner, with delivery of affordable housing maximised, and planning powers used effectively to ensure delivery of priorities	On target	Plans progress to build up to 300 new council homes across a number of sites in the city, with HRA funding invested in a new housing delivery team.
Make the most of its own land holdings and financial capability to maximise rates of housing delivery through exemplary homes that meet the needs of the people of Norwich, and develop a pipeline of sites that can be delivered over the medium to long-term	On target	All 39 properties released for sale by Norwich Regeneration Ltd since July have now been reserved by prospective purchasers. Further properties expected to be released spring 2021.
Through its wholly owned housing company, Norwich Regeneration Limited, build 74 new homes at the Rayne Park development in Bowthorpe	On target	See above.
Take forward the redevelopment of the former council depot at Mile Cross as a council housing-led scheme, to deliver c200 new council homes	On target	Plans progressing, with a report to Cabinet in November setting out a proposed way forward, subsequently agreed.
Begin the master planning process for the regeneration of East Norwich, which has the potential to deliver 4,000 new homes and create 6,000 new jobs	On target	East Norwich Partnership Board began meeting in July to oversee master planning process. Tender out to procure master planning partners, to be presented to February Cabinet for approval.

51. Delivering against the council's housing, regeneration and development objectives will be a vital part of the city's longer-term recovery. Development and regeneration will not only be necessary to provide the homes and jobs that are needed but the recovery of the construction sector will also provide important employment opportunities. The procurement process is underway for the regeneration of East Norwich, which has the potential to deliver 4,000 new homes and create 6,000 new jobs. A report on a proposed master planning partner will be taken to Cabinet in February 2021.

52. As the housing market thrives locally, the new homes being built via Norwich Regeneration Ltd at the Rayne Park development in Bowthorpe are selling strongly. Since July, 100% of the 39 properties released for sale have now been reserved by prospective purchasers. Conversion rates in terms of viewings to sales are very positive, with one in three viewings securing a deposit.

53. Last month Cabinet considered a report on the council's approach to the delivery of around 300 council homes across a number of sites in the city

including Mile Cross, Argyle Street and Threescore in Bowthorpe and agreed with the recommendation to increase our in-house capacity to build out these sites.

54. We will now take forward a process to design and recruit to a new housing delivery team over the coming months to oversee the development of new council houses at these sites, and others, which may be added to the pipeline for social housing. Work on designing the three schemes in question has continued over the summer and we expect work to begin on site next year.

55. As pressure on housing supply in the city continues to increase and the waiting list for social housing grows, it's crucial that we continue to build new council homes over the coming years, alongside the development of high quality homes for private sale and rent through our wholly owned development company, Norwich Regeneration Ltd.

Arts, culture and heritage

56. The blueprint identified the following key actions in relation to arts, culture and heritage:

Action	Status	Comments
Work with the arts, heritage and culture sector to enable the city's institutions and events to re-open in a safe way when it is appropriate to do so	Ongoing	The council worked with the Royal Norwich Theatre to support successful delivery of the Interlude festival over the summer.
Engage closely with the sector to understand the issues facing them and seek solutions together, including working with national arts and culture organisations as required	Ongoing	Continued close engagement through a range of forums.
At the appropriate time, work to deliver council run events, including to celebrate the hard work of the city over this period, in line with social distancing requirements	On hold	
Work with 2040 City Vision partners to develop a culture strategy for Norwich, which places the importance of arts, culture and heritage at the centre of the city's recovery	On target	Discussions with City Vision partners have begun.

57. The sector has been greatly affected by Covid-19 with the closure of businesses, charities and organisations during the lockdown and the cancellation of marquee events. Arts, culture and heritage are central to the city's vision for the future. The sector creates jobs and is fundamental to the wellbeing of residents, to the city's attractiveness as a place to invest or visit, and to the creation of an innovative and vibrant city that drives growth across the region.

58. In a bid to bring tourists back to the city, Visit Norwich, Visit East of England and Norwich City Council have worked together to take part in a regional campaign to promote visitors returning to the East of England.

59. The Norwich Business Improvement District and VisitNorwich also launched a new film, 'Norwich, the Next Chapter' aimed at inspiring confidence in people across Norfolk to safely return to Norwich.

60. The council has worked with the arts, heritage and culture sector to enable some of the city's institutions and events to re-open in a safe way. In August and September INTERLUDE took place, a programme of live performances

and participatory activities from Norwich Theatre and Lost in Translation Circus in a temporary outdoor venue in Chapelfield Gardens. This was supported by Norwich City Council and the Norwich Business Improvement District and in association with Aspoll.

61. October was Black History Month. This is something which the council provides grant funding for and is more than any other authority. In previous years, Norfolk Black History Month has proved to be one of the most successful in the country in terms of numbers of people coming to events and wider engagement. For obvious reasons, the programme for this year was different with most events being held virtually.
62. Colleagues in our events team have worked with Black History Month resulting in artists producing some temporary murals in places across the city, including Exchange Street. We are also working closely with the Chair of Norfolk Black History Month to shape how we can get a permanent mural in the city.
63. The Norwich 2040 Cultural Compact board has been formed and work has begun on developing a culture strategy for the city. This will include input from local and regional sectoral expertise, have cultural organisations at its heart and lead to the production of a collective plan which places arts, culture and heritage at the centre of the city's recovery.

Climate change and the green economy

64. The blueprint identified the following key actions in relation to climate change and the green economy:

Action	Status	Comments
Ensure that its Environment Strategy and Action Plan (with input from stakeholders) includes reference to opportunities emerging from the crisis and articulates environmental objectives during the recovery phase	On target	Strategy updated to reflect this.
Build on its strong track record of success to identify further opportunities for reducing carbon emissions across council assets and operations, which has seen a 60% reduction since 2007	Ongoing	Future actions set out in the council's Environment Strategy which was published in August 2020.
Undertake an 'opportunity audit' across the council's place-making activities to identify and prioritise specific opportunities to deliver quantifiable environmental benefits, to supplement the Environment Strategy	On target	Initial work has led to applications being made to the decarbonisation fund for LED lighting retrofitting and for Solar PV/ Battery storage. There is also the potential use of Office for Low Emission Vehicles grants for fleet electrification trial
Consider opportunities to further promote sustainable travel in the city, building on the already well-advanced measures already in place	Ongoing	E-scooters currently be trialled in the city.
Work to ensure that future housing and regeneration schemes are subject to the highest possible environmental standards	Ongoing	Agreed as part of future housing plans.

65. It is suggested that the pandemic is both a prefiguring of the existential threat posed by climate change and also an opportunity to accelerate our collective

response to that threat. As the council and the city looks towards recovery, there is an opportunity to build on existing approaches through council activity and influence others in its role as civic leader.

66. In August, the council published its latest five-year environmental strategy, comprising all major campaigns and priorities for the forthcoming period and highlighting recent progress. A new work programme and target to make the city council's operational carbon emissions net zero by 2030 are among the pathways introduced within the strategy to continue the council's positive trend of environmental improvement.
67. The strategy builds on a string of recent successes for the council, which have been recognised by a number of awards and recommendations, the most recent being identified as one of the top performing councils in the country by Friends of the Earth, for its response to the climate change emergency.
68. Levels of reduction in carbon emissions vary quarterly, but we continue to build on a strong track record of success by identifying further opportunities to reduce emissions across council assets and operations which have resulted in a 62.1% reduction since 2007.
69. In addition, promotion by Roar Power, the city council's 'white label' energy provider, encourages residents to switch such that they can make a positive impact on carbon emissions as it offers 100% renewable electricity as standard on all tariffs and 100% offset gas through an even more eco-friendly tariff.
70. In August, Cabinet approved the City Centre Public Spaces Plan which sets out the council's approach to managing space within the city centre, including green spaces, areas of future development, and the city's main walking, cycling and traffic routes.
71. Transport for Norwich has been awarded £32m of government Transforming Cities Fund providing a total of £58m further worth of sustainable transport investment over the next four years in addition to the investment secured from the Towns Fund for public realm projects.
72. Through the work of the Norwich 2040 City Vision, a Norwich Business Leaders' Climate group has been formed and is in the formative stages of developing its approach and identifying actions to help meet the goals of the Paris Agreement. Possible focus areas include:
 - a) sustainable buildings
 - b) clean transport
 - c) clean energy
 - d) waste and circular economy

Harnessing social capital

73. The blueprint identified the following key actions in relation to harnessing social capital:

Action	Status	Comments
Develop a Community Participation Strategy which looks at how the council can work with communities across the city to enable them to realise the opportunities and respond to the challenges ahead	Behind schedule	Work started to scope the strategy and develop a set of guiding principles but this has been delayed by prioritisation of the team to coordinating local community response to the pandemic.
Work with residents to understand the level of support needed from the council without imposing unnecessary process and allowing communities to define their own local priorities and responses to local challenges	On target	A wealth of information and knowledge has been collected through the Covid community response which will be used to help develop our future strategy.
Adopt an asset-based community development approach which empowers residents and allows for community-led decision making in neighbourhoods, acknowledging that organic social capital building will vary by neighbourhood and adapt approaches accordingly	On target	The post covid working models, building on both the positive relationships across sectors, is being developed with ABCD at its core to ensure that residents are central to development and implementation of new ways of working.
Develop communications strategies which both amplify inspiring stories and create two-way conversations to inform council decision making	On target	Linked to the Citizen Participation work stream, varied guidance and tools to enable more two-way conversations are being tested and reviewed to help us better collaborate with residents.

74. This year has seen the role of neighbours and hyper-local community support become vital both in terms of providing support to the vulnerable and as a way to engage residents in their community and make them feel safe and connected. The development of community participation and communications strategies are critical for empowering residents allowing for community-led decision making.

75. Due to another lockdown and continuing community needs that need to be prioritised, work on the strategies has been delayed slightly but is progressing well. Established networks within the VCSE sector will continue to be an important resource in helping to meet community need and provide important avenues of communication with communities of interest.

76. Covid-19 has highlighted how Important being connected is, and new groups are still coming forward. The recommendations from the developing strategies will provide the framework in which to harness this much needed social capital.

77. The council is engaged with wider sector community participation thinking which seeks to look for new, community-based solutions to some of our society's biggest challenges, from the economy, employment, training and skills to ordinary people creating healthier communities.

78. The council has continued to support delivery of the VCSE-led Norwich Food Poverty Action Plan, working with members of the Food Network in the city, including to adapt the plan in response to Covid-19. We allocated £10,000 to support food provision for families over the October half term, with some unspent funding to be used to support provision over the Christmas holidays.
79. We have also been supporting the range of organisations in the partnership to deliver other projects within the plan, by supporting initial discussions around a proposal for a social supermarket.
80. The council also continues to provide funding to the Financial Inclusion Consortium to support people in financial difficulty, including as a result of Covid-19. More widely we have been flexible with organisations receiving grant funding to allow them to use the money in the way they see best in response to Covid-19.

Conclusion

81. Despite the challenges brought about by Covid-19 the council has achieved a great deal since the Covid-19 Recovery Blueprint was agreed. Through the efforts and hard work of officers across the organisation, the council is pushing forward with its ambitious agenda to transform the city while responding to the Covid-19 pandemic and maintaining access to the essential services residents and businesses need.

Vision COVID-19 recovery group

82. Representatives from following groups and organisations act as the steering group during the City Vision COVID-19 recovery phase:

- Cultural Compact Board
- Financial Industries Group
- Good Economy Commission
- Healthy Norwich
- MAP & Norwich Youth Advisory Board
- New Anglia Local Enterprise Partnership
- NHS Norfolk & Waveney Clinical Commissioning Group
- Norfolk Chambers of Commerce
- Norfolk County Council – Public Health
- Norfolk Equality and Human Rights Group
- Norfolk Housing Alliance
- Norwich 2040 Local Cultural Education Partnership
- Norwich Business Improvement District (BID)
- Norwich Business Leaders Climate Group
- Norwich Cathedral and other faith representatives
- Norwich City College
- Norwich City Council
- Norwich City Football Club
- Norwich Opportunity Area
- Norwich University of the Arts
- Town Deals Board
- Transport representative TBD
- University of East Anglia
- VCSE Leadership Group

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	16 December 2020
Chief Executive:	Stephen Evans
Report subject:	COVID-19 recovery plan progress report
Date assessed:	8 December 2020

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

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

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
The elements are marked neutral above as this report covers the full range of activity of the council and it is impossible to identify the full range of impacts, therefore impact assessments should be completed for individual projects and decisions that follow from this document.	
Issues	

Report to Cabinet
16 December 2020
Report of Interim Director of resources (S.151 officer)
Subject Emerging Budget 2021/22

Item

6

Purpose

To consider an update on the latest 2021/22 budget projections and proposals, including savings and income opportunities identified for consultation. The final budget will be brought back to Cabinet in February 2021 with a recommendation to approve before it goes to February Budget Council for final decision.

Recommendations

To:

- 1) note the financial strategy principles incorporated into the report, which address the ongoing impacts of Covid-19, and enable the Council to set a balanced budget for 2021/22;
- 2) approve the budget principles for consultation for the general fund revenue budget and for the general fund and HRA capital programmes; and
- 3) approve the creation of an earmarked reserve to help manage the financial risks associated with the longer-term impacts of Covid-19 as well as the implementation of the budget proposals.

Corporate and service priorities

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

Financial implications

This report presents the latest overview of the proposed 2021/22 general fund budget proposals and the proposed 2020/21 capital programme, therefore the financial implications of these proposals are given throughout the report.

Ward/s: All Wards

Cabinet member: Councillor Kendrick - Resources

Contact officers

Annabel Scholes – Interim Director of Resources (S.151)	01603 989201
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Background documents

None

Report

Introduction

1. This report summaries the emerging position, as currently known, for the General Fund revenue budget and the council's general fund and HRA capital programmes.
2. The paper highlights the current and ongoing impacts of Covid-19 and how these are expected to affect the 2021/22 budget position, as well as how the authority will manage the ongoing financial risks and uncertainties brought about by the pandemic and its economic impacts.
3. It contains initial proposals for budget savings, capital investment, and council tax for the 2021/22 financial year. The views of citizens and local businesses will be sought on these proposals, via the public budget consultation exercise, before the budget is discussed and approved by Cabinet on 10 February 2020 and finally by Council on 23 February 2020. The budget consultation will be launched shortly after Cabinet approval is granted and will run for 5 weeks.
4. The report also provides an update on the recent Government Spending Review and the implications for local authority finances.
5. Some of the figures contained in this report are likely to change when the budget and MTFS are formally presented to council for approval, as a result of the full details of the local government finance settlement being issued before Christmas and other updated assumptions. A full list of items still to be finalised are shown in paragraph 34.

Local Government Finance – Economic & Statutory Context

Spending Review

6. On 25 November the Chancellor announced his 2020 Spending Review. This will be followed by the provisional local government settlement which is currently expected to be announced during week commencing 14th December. As previously announced by government, this will only be a one-year settlement for 2021/22. The key announcements impacting on local authorities are set out in more detail below.
7. **Spending Power:** Local authority core spending power is projected by the Government to rise by 4.5 per cent in cash terms, or £2.2 billion in 2021/22. This increase is largely due to the ability of social care authorities to increase their council tax bills by up to 5 percent. Revenue Support grant will increase in line with inflation.
8. **Covid support:** To support local authorities in England with Covid-19 pressures next year, the Government expects to provide over £3 billion in additional support. The additional support includes:
 - £1.55 billion to meet additional expenditure pressures as a result of Covid-19;

- £670 million to support households that are least able to afford council tax payments;
- £762 million to compensate for 75 per cent of irrecoverable loss of council tax and business rates revenues in 2020/21; and
- extending the existing Covid-19 sales, fees and charges reimbursement scheme for a further 3 months until the end of June 2021

9. **Council Tax:**

- The referendum threshold for increases in council tax will remain at two per cent in 2021/22. For authorities with social care responsibilities, there will be the ability to levy a three per cent adult social care precept.
- Police and Crime Commissioners (PCCs) in England will have the flexibility to increase funding in 2021/22 with a £15 council tax referendum limit on a Band D property.

10. **Business Rates:** There were a number of announcements including:

- The Government has decided to freeze the business rates multiplier in 2021/22, saving businesses in England an estimated £575 million over the next five years. Local authorities will be fully compensated for this decision.
- The Government is considering options for further Covid-19 related support through business rates reliefs. In order to ensure that any decisions best meet the evolving challenges presented by Covid-19, the Government will outline plans for 2021/22 reliefs in the New Year.
- The Government again confirmed that it would delay the move to 75 per cent Business Rates Retention. In order to provide further stability to the sector, the Government has also decided not to proceed with a reset of business rates baselines in 2021/22.
- The Government is undertaking a fundamental review of the business rates system and is currently considering responses to the call for evidence. A final report setting out the full conclusions of the review will be published in spring 2021.

11. **New Homes Bonus:** The Government will maintain the existing New Homes Bonus scheme for a further year with no new legacy payments. There will be a government consultation on reforms to the New Homes Bonus shortly, with a view to implementing reform in 2022/23.

12. **Public Sector Pay:** Excluding the NHS, the government announced that the public sector will pause pay rises in 2021/22. The Government has no formal role in the decisions around annual local government pay increases which are developed through negotiations with the trade unions. Also announced was an increase in the National Living Wage (NLW) for individuals aged 23 and over by 2.2 per cent from £8.72 to £8.91, effective from April 2021.

13. **Other funding streams:**

- An investment of £573 million in Disabled Facilities Grants and £71 million in the Care and Support Specialised Housing Fund, supporting people to live independently.
- UK Shared Prosperity Fund (UKSPF) to support the regeneration of towns and communities by targeting further investment at places most in need by supporting places, such as former industrial areas, deprived towns and coastal communities
- Levelling Up Fund worth £4 billion for England is a new cross-departmental fund to invest in a broad range of high value local projects up to £20 million, including bypasses and other local road schemes, bus lanes, railway station upgrades, regenerating eyesores, upgrading town centres and community infrastructure, and local arts and culture. The Government will publish a prospectus for the fund and launch the first round of competitions in the New Year.
- National Home Building Fund (NHBF), with initial funding of £7.1 billion over the next four years to unlock up to 860,000 homes.
- Reconfirming £12.2 billion for the Affordable Homes Programme (AHP).
- An additional £12 million to take forward the Government's radical planning reform agenda
- £254 million of additional resource funding, including £103 million announced earlier this year for accommodation and substance misuse, to support rough sleepers and those at risk of homelessness during Covid-19. The Government will also provide new funding to support prison leavers at risk of homelessness into private rental tenancies and will commit £87 million of capital funding in 2021/22 primarily to support the delivery of long-term accommodation for rough sleepers.
- £98 million of additional resource funding, bringing total funding to £125 million, to enable local authorities to deliver the new duty to support victims of domestic abuse and their children in safe accommodation in England
- The underlying core settlement for local authorities in 2021/22 includes providing £16 million to support modernisation of local authorities' cyber security systems.

14. **Fairer Funding Review:** The implementation of the fair funding review has been delayed. This decision allowed local authorities to focus on meeting the public health challenge posed by the pandemic. The Spending Review does not specify when the review will be revisited.

15. **PWLB Consultation:** In March 2020 the government commenced a consultation on the Public Works Loan Board (PWLB) future funding terms. As part of the Spending Review announcement, the government has confirmed that it will reform the PWLB lending terms, ending the use of the PWLB for investment property bought primarily for yield.

16. Alongside the Spending Review, the Government has published revised lending terms for the PWLB and guidance to support local authorities to determine if a proposed project is an appropriate use of PWLB loans. The new terms apply to all loans arranged from 26 November 2020.
17. In response to the revised lending terms the Government has cut PWLB lending rates to gilts + 100 base points for Standard Rate and gilts + 80 base points for those authorities able to make use of the Certainty Rate.

Implications for Norwich

18. The key implications for Norwich are continuing to be assessed and further information with regards to the Covid-19 support mechanism will not be available until the provisional finance settlement is published. Any additional funding will be one-off in nature.
19. Initial assessment of the implications for Norwich are detailed below:
 - The 2% council tax referendum limit for shire districts is in line with the Medium Term Financial Strategy (MTFS) assumptions. Applying a 1.99% increase to council tax will generate approximately £0.2m for the council. This would result in a Band D increase of £5.36 (10p per week) to a total of £274.74. As such, the council will be consulting on proposals to increase council tax by the full permissible 1.99% in 2021/22.
 - The MTFS had assumed no new allocation of New Homes Bonus so any confirmed allocation will provide additional grant income. Allocations in recent years have ranged from £0.032m to £0.416m.
 - The council will be compensated by the government for business rates income lost through the decision to freeze the multiplier for 2021/22 rather than apply CPI. Any additional business rates reliefs announced in January should also be fully funded from central government through a grant to the council.
 - The extension of the income reimbursement scheme for the first three months of 2021/22 will provide additional support for continuing losses of sales, fees and charges income. The proposed 2021/22 budget has included estimated reductions in income relating to car parks, leisure and events and any reimbursement of these losses will reduce the required drawdown from reserves needed to set a balanced budget. The scheme does not cover councils for losses resulting from commercial investments.
 - The scheme to compensate authorities for irrecoverable losses will also benefit the revenue budget position. It is not clear yet how the scheme will operate and therefore the financial impact on the council.
 - The delay in the Fairer Funding Review and Business Rates reset provides an additional year of stability over how much income can be retained by the council. These delays combined with another one-year finance settlement means there is significant uncertainty over future funding levels over the medium term.

- The MTFS assumed a 2% pay award for 2021/22. As the decisions around annual local government pay increases are developed by pay bodies in negotiations with the trade unions, it proposed to leave the current overall budget allowance of 2% but with 1% of it held in a risk reserve (further detail in paragraph 30).
20. Based on the Spending Review announcement an initial amendment has been made to the budget to increase the estimated government grant income in 2021/22. Overall an additional £0.432m has been included in the budget based on the following split:
- £0.032m additional New Homes Bonus
 - £0.300m from the extended income reimbursement scheme
 - £0.100m additional Covid-19 support grant

These are initial estimates, with the New Homes Bonus and Covid-19 allocations based on the lower end of our ranges of estimates. Updated figures are expected as part of the provisional local government settlement announcement in December.

General Fund Revenue Budget

Background

21. The financial year 2021/22 is the eleventh year of austerity and government-imposed funding cuts. The city council has already made efficiency savings, including the generation of new income streams, of some £39.5m over these eleven years and further gross savings/increased income of £1.95m are proposed in 2021/22.
22. The financial challenges the council faces have been further increased as a result of the Covid-19 pandemic. During 2020/21 there has been increased spending in areas such as housing rough sleepers and enabling council staff to work efficiently from home - combined with a loss of income from sources such as car parks, commercial rents and events. The council responded quickly to these factors and through detailed reviews of internal spending identified in-year savings of over £3m to reduce the overall budget impact. This is money which was taken out of council budgets in-year to mitigate against the impact of the pandemic, which otherwise could have been spent on local services.
23. The medium-term budget position continues to be set against a backdrop of uncertainty over future government funding levels. Once again the financial settlement covers only one year and local authorities have no reliable basis on which to appropriately plan their medium term budgets. It is unclear how much funding there will be, how it will be distributed, and the means of delivery.
24. The council's intention is to protect all services currently provided for as long as possible whilst meeting the statutory need to set a balanced budget each year, maintaining financial stability over the medium term, and managing significant financial risks. However, difficult decisions will be required and it is inevitable that this council will need to review the nature and level of the services provided from 2022/23. The outcomes of the central government

funding reviews (Fairer Funding & Business Rates Retention) will be critical in understanding the longer-term funding levels for the Council.

2020/21 Outturn

25. The quarter 2 budget forecast presented to Cabinet in November showed a forecast overspend of £0.8m. Since Q2 the council has received an additional tranche of Covid-19 funding of £0.96m to assist in dealing with the crisis. This additional funding, combined with all the positive short-term actions the council took to reduce spend, will result in an overall general fund underspend. From a budget setting perspective it has therefore been assumed that no general fund reserves will be needed to support the 2020/21 budget.
26. As it is clear that the financial risks associated with Covid-19 will continue to significantly impact the council in future years, it is vital that the council remains resilient to the future risks and therefore the in-year savings will continue to be delivered and any improved financial position kept aside to manage the future risks.

Identification of Savings

27. The savings options for 2021/22 have been proposed from service areas and reviewed by finance, HR, strategy and legal. Proposals have then been reviewed by officers to assess the deliverability and impacts on the corporate plan.
28. It is important to note that the Council in the later part of the year saw an increase in the ongoing budget gap due to the medium term impact of Covid-19. A number of short term growth items have been identified, with the council's car parking and rental income levels having the largest impact.
29. The Council at the start of 2020/21 agreed the development of cross cutting service reviews developing a medium term transformation programme to avoid taking decisions that were too narrow in their outlook. The risk of potentially limiting options as they focused on individual services rather than the wider cross cutting opportunities was considered higher than the risk of not closing the budget gap for next financial year.
30. Permanent savings of £1.939m have been identified, including £0.172m of additional stretch saving targets for services to meet in 2021/22. This is currently a shortfall against the savings target of £3.150m shown in the MTFS update presented to Cabinet in November 2020.
31. The budget gap has been closed by taking on some additional short term options such as changing the approach to funding the capital programme, by maximising the use of capital receipts for one year rather than the ongoing budget for the revenue support of the capital programme. These decisions are assumed to be reversed in 2022/23 in the revised MTFS and will therefore be addressed through the service reviews mentioned above. It is important to note whilst one-year measures assist in setting a balanced budget, they do not address the structural financial gap over the medium term. The council has significant financial challenges and will require the cross-cutting service reviews to drive forward the savings options for future years. Whilst service reviews will look at how services can be delivered

differently and more efficiency, it is likely – given the scale of the challenge – that they will lead to a reduction in service capacity in some areas.

Managing Risk

32. The Covid-19 pandemic has resulted in unprecedented uncertainty for council finances, both in terms of pressure on key services and income streams, at a time when demand for local services has increased. This uncertainty will continue into the 2021/22 financial year and forecasting income in particular is understandably challenging in the current economic environment.
33. There is also risk associated with the deliverability of the budget savings as delays in implementation may reduce the level of financial saving in 2021/22.
34. As a result of the increased financial risk, is it considered prudent to set aside a specific risk reserve to help manage any financial impacts from Covid-19 and any delayed delivery of the savings plans. It is intended that this reserve is funded from any revenue underspends in 2020/21 as well as any additional budget benefits confirmed as part of the provisional finance settlement.

Provisional movements in the budget

35. Table 1 below summaries the key movements in the base budget (i.e. the current year's approved budget) to arrive at the provisional 2021/22 budget. Further breakdown of the key assumptions are shown in Appendix 1 and 2.

Table 1

	2021/22
	£000
Base budget carried forward	17,372
MTFS identified net pressures	1,144
Permanent identified pressures (Appendix 4)	750
Short term Covid-19 pressures (Appendix 6)	3,166
Revised base budget requirement	22,432
Recurring efficiencies identified (Appendix 3)	(1,939)
One-off efficiencies identified (Appendix 5)	(1,941)
Budget base (including cumulative savings)	18,552
Resources	(16,562)
Budget Shortfall	1,990
Required use of general fund reserves	(1,990)

36. A summary of the proposed permanent budget savings are shown in Appendix 3, with items categorised into service transformation, budget-rebasing or revenue generation.
37. Overall the budget movements mean an estimated £1.990m will need to be taken from general fund reserves to set a balanced budget. This is a slightly lower usage of reserves than estimated in the MTFS to Cabinet in November (£2.066m) reflecting the additional benefits from the Spending Review announcement and one-off savings identified. The utilisation of reserves is not sustainable in the long term and the ongoing service reviews will need to

form a key element of bringing the budget into balance over the next two years.

38. The expected use of the general fund reserve over the medium term is shown in Table 2 and savings requirements in Table 3.

Table 2

	2020/2 1	2021/2 2	2022/2 3	2023/2 4	2024/2 5
	£000	£000	£000	£000	£000
Opening Reserve Balance	(9,464)	(9,980)	(7,990)	(4,597)	(4,267)
Transfer (to)/from reserves	(516)	1,990	3,393	330	(81)
Closing Reserve Balance	(9,980)	(7,990)	(4,597)	(4,267)	(4,348)

Table 3

	2021/2 2	2022/2 3	2023/2 4	2024/2 5
	£000	£000	£000	£000
Assumed annual service growth	750	750	750	750
Gross saving requirement	(1,949)	(3,850)	(3,850)	(2,400)
Net annual saving requirement	(1,199)	(3,100)	(3,100)	(1,650)

39. The prudent minimum level for the general fund reserve was set at £4.298m in February 2020 and will be reviewed ahead of the final budget papers. This was set based on an assessment of three years cover for operational risks along with amounts for unforeseen events and specific risks. As detailed in paragraph 34 the council will be developing a risk reserve which will supplement the general fund reserve assumptions. Table 3 shows that £3.4m of reserves are expected to be used to balance the budget in 2022/23 alongside £3.10m of additional net savings. It is important to note that we expect this position to improve as the service review outcomes are developed in more detail.
40. From 2023/24 the balance of reserves is at the current prudent minimum level. Savings will still be needed if inflationary increases or growth in costs are not able to be offset by rises in council tax, business rates and other income generated by the council. These savings will need to be made without relying on reserve contributions to balance the budget.

Areas awaiting further information

41. There are a number of areas within the budget where the council is awaiting further information, these are summarised in Table 4.

Table 4

Information required to finalise the budget position:	Budget items impacted:
Final figures from Government to be released in the 2021/22 Local Government Financial Settlement	<ul style="list-style-type: none"> ▪ New Homes Bonus allocations ▪ Housing Benefit Administration Grant
Final contractual & living wage payment figures where linked to inflation indices.	<ul style="list-style-type: none"> ▪ Third party contractual payment costs
Revenue & Benefits will update forecasts by end of January 2021 for the NNDR1 return	<ul style="list-style-type: none"> ▪ Income from Business Rates currently in MTFS is very preliminary
Final council tax base figures	<ul style="list-style-type: none"> ▪ Income from council tax
Mechanism for compensation mechanism for irrecoverable council tax and business rates losses.	<ul style="list-style-type: none"> ▪ Surplus/deficit from business rates and council tax
Impacts of national lockdown on this year and next	<ul style="list-style-type: none"> ▪ Revenue outturn position for 2020/21 and resultant impact on reserves ▪ Income levels for 2021/22

Capital Programme

42. The council owns and maintains an extensive range of assets including commercial property, housing, a market, heritage assets, walkways/paths and lighting columns. Major investment in these and new assets is funded from the capital programme, which in turn is resourced from the disposal of surplus assets, revenue contributions, grants and borrowing.
43. All budget proposals included in the proposed capital programme have been assessed by officers, after discussion with NPS and/or the budget manager, in an attempt to ensure that all schemes have a robust business case, and are achievable in the financial year.
44. The council's capital strategy will form part of the budget papers for Cabinet and Council in March 2021. As part of the longer-term capital planning work, the council is taking forward a review of its asset portfolio and asset management strategy. This work has commenced and will be key to informing the strategic management of the council's assets within the context of the corporate plan and provide a more robust view of the medium and long term asset investment requirements. The work is planned to take place over the next 5 months with a Property Asset Management Plan scheduled to be taken to Cabinet in summer 2021.
45. The comprehensive review of the general fund's assets will look to optimise the contribution the land and properties made to the council's strategic and service objectives as well as identifying assets that are not performing

financially or may be surplus to requirement. Disposal of assets would generate capital receipts for the council: these could be used to fund capital investments in areas such as IT to enable greater efficiencies; reduce the requirement on the revenue budget to fund the capital upgrade programme; or be used to fund specific transformation projects under the government's flexible use of capital receipts strategy. For example, the disposal of an asset for £5m could reduce the need to make the planned contributions from the revenue budget for a three year period (therefore reducing pressure on the general fund budget) or be used flexibly to fund transformation projects which can deliver revenue savings.

General Fund Capital Programme

46. The current proposed General Fund capital programme for 2021/22 to 2025/26 is set out below.

Table 5: Proposed GF Capital Programme 2021/22 – 2025/26

Scheme	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	5 Year Total £000s
Community centres - energy efficiency works at West Earlham, Cadge, Eaton, Belvedere, Clover Hill and Chapel Break	60	0	0	0	0	60
Cadge Road Community Centre - re-roofing works	39	0	0	0	0	39
Park toilet refurbishment - Wensum, Heigham and Eaton parks	200	0	0	0	0	200
Waterloo Park Café - works to enable re-letting	36	0	0	0	0	36
Ketts Heights - access improvements, repairs to walls and infrastructure and creation of biodiversity habitat	109	203	0	0	0	312
21 Acre Wood - community access improvements	6	1	1	8	0	16
Previously approved schemes	1,778	1,606	1,440	1,440	1,440	7,704
Total - People & Neighbourhoods	2,228	1,810	1,441	1,448	1,440	8,366

Scheme	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	5 Year Total £000s
4A Guildhall Hill - remedy of dilapidations	86	0	0	0	0	86
38 Exchange Street - shop refurbishment	61	0	0	0	0	61

Scheme	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	5 Year Total £000s
85-91 Ber Street - re-roofing works	41	0	0	0	0	41
Minimum Energy Efficiency Standard (MEES) - works to investment properties in various locations	40	0	0	0	0	40
Solar photovoltaic panels installed on NCSL depot	28	0	0	0	0	28
2 Old Meeting House Alley - electrical rewire and replacement boiler	12	0	0	0	0	12
City Walls - rolling programme of repairs	40	40	40	40	40	200
River Wensum - pontoon replacement	12	0	0	0	0	12
Closed churchyards - rolling programme of repairs - various locations	10	10	10	10	10	50
Norwich Yacht Station - replace rotten hardwood quay headings and capping timbers	8	0	0	0	0	8
Community Infrastructure Levy - contribution to strategic pool	1,393	1,718	1,853	1,407	2,053	8,424
Towns' Fund Programme - Compulsory Purchase Order revolving fund	4,319	0	0	0	0	4,319
Towns' Fund Programme - advanced construction and engineering centre	3,100		0	0	0	3,100
Towns' Fund Programme - East Norwich	3,000	2,000	0	0	0	5,000
Towns' Fund Programme - digi-tech factory	1,000		0	0	0	1,000
Towns' Fund Programme - public realm improvements at St Giles and Hay Hill	1,000	3,000	0	0	0	4,000
Towns' Fund Programme - programme management	250	250	0	0	0	500
Towns' Fund Programme - digital hub funded from business rates pool	235	0	0	0	0	235
Towns' Fund Programme - digital hub	0	2,425	0	0	0	2,425
Previously approved schemes	1,634	261	0	0	0	1,895
Total - Place	16,268	9,704	1,903	1,457	2,103	31,435

Scheme	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	5 Year Total £000s
Towns' Fund Programme - Make space at the Norwich Halls	1,926	1,500	0	0	0	3,426
St Andrew's Hall – replacement of electrical distribution board DB/S & DB/R, luminaires on 1st floor corridor and upgrade to main bonding	17	0	0	0	0	17
St Andrews Hall – St George's kitchen electrical upgrade	6	0	0	0	0	6
Norman Centre - replacement boilers	165	0	0	0	0	165
Previously approved schemes	75	75	75	75	75	375
Total - Strategy & Culture	2,188	1,575	75	75	75	3,988

Total Proposed GF Capital Programme	20,683	13,089	3,419	2,980	3,618	43,789
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Funding the capital programme

47. The proposed capital programme is planned to be funded as follows:

Table 6

Scheme	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	5 Year Total £000s
GF Capital Receipts/RCCO	1,812	470	425	425	425	3,557
Grants & Contributions	16,076	10,315	1,140	1,140	1,140	29,811
Borrowing	740	261	0	0	0	1,001
Salix Borrowing	28	0	0	0	0	28
GNGB	226	290	1	8	0	525
CIL	1,393	1,718	1,853	1,407	2,053	8,424
Section 106	408	35	0	0	0	443
Total GF Capital Programme	20,683	13,089	3,419	2,980	3,618	43,789

Capital Receipts and Revenue Contributions to Capital Outlay (RCCO)

48. The council's extensive and diverse asset portfolio presents a significant maintenance and upgrade liability, requiring continual investment. As many of these assets do not generate an income, it is not possible to fund the investment from borrowing and provision must be made to cover the costs from capital receipts or a revenue contribution instead (RCCO). For such capital works a budget envelope of £1.8m has been set based on an

assessment on what is considered both affordable and deliverable within each financial year.

49. To support the capital budget envelope, the council has built into its financial planning stepped increases in the revenue budget contribution to capital. For 2021/22 this was planned to be £1.550m. As part of the revenue budget pressures, a one-year decision has been taken to significantly reduce the revenue contribution in 2021/22 to £0.3m. This will result in more funding being required from capital receipts than originally planned, but this is affordable from existing GF capital receipt balances, which are forecast at £4.275m at the start of 2021/22 financial year.

Grants and Contributions

50. Schemes that are proposed to be funded from grants form part of the work carried out by the Homes Improvement Agency which is funded by the Better Care Fund (including the Disabled Facilities Grant) received from Norfolk County Council.
51. Section 106, Community Infrastructure Levy (CIL) and Greater Norwich Growth Board (GNGB) schemes are funded from existing resources earmarked for specific purposes.
52. Following the government's launch of the Towns' Fund prospectus in November 2019, Norwich was successful in its bid for £25million of funding to drive forward long term economic and productivity growth via the development of a Town Deals Investment Plan. This funding supports £14.595million of the proposed 2021/22 GF capital programme and £9.175million of the proposed 2022/23 GF capital programme, with £0.5million to be added to the 2020/21 GF capital programme and the remaining £0.730million funding revenue costs.

Borrowing

53. With the exception of the acquisition of IT, tools and equipment to support the insourcing of the Norse joint venture, there are currently no plans to increase borrowing in 2021/22. Following the 2020 Spending Review, the revised guidance on Public Works and Loans Board lending terms will be reviewed to identify any opportunities afforded by the reduced borrowing rates.

HRA Capital Programme

54. The current proposed HRA capital programme for 2021/22 is based on the following neighbourhood housing primary goals and set out in the table below:
 - Meeting housing need - delivering new homes
 - Maintaining and improving condition of existing housing
 - Improving the use and management of our existing housing stock
 - Improving our neighbourhoods.

Table 7: Proposed HRA Capital Programme 2021-26

Project	2021/2 2 £000s	2022/2 3 £000s	2023/2 4 £000s	2024/2 5 £000s	2025/2 6 £000s	5 Year Total £000s
Meeting housing need - delivering new homes	19,428	22,862	17,215	6,798	4,970	71,273
Maintaining and improving condition of existing housing	18,515	19,133	18,786	17,215	16,330	89,979
Improving the use and management of our existing housing stock	8,732	8,021	7,180	6,380	5,830	36,143
Improving our neighbourhoods	1,454	1,195	975	925	925	5,474
Fees	710	710	710	710	710	3,550
Total Proposed HRA Capital Programme	48,839	51,921	44,866	32,028	28,765	206,419

Table 8: Detailed Proposed HRA Capital Programme 2021/22

Housing Priority Category	Scheme	Description	2021/22 £000s
Improving our neighbourhoods	Community Upgrades	Estate Aesthetics	750
		Door Access Controls/CCTV	470
		HRA Shops	200
		Catton Grove Community Centre – Replacement of electrical distribution board, toilet luminaires and external lighting	9
		Community centre assets	25
Improving the use and management of our existing housing stock	Heating Upgrades	Boilers (Communal)	3,575
		Boilers (Domestic)	3,100
	Independent Living Upgrades	Disabled Adaptations	1,100
		Sheltered Alarms - Warden Call System upgrades integrating access control.	200
		Stairlifts	50
	Sheltered Housing Regeneration	Sheltered Housing Communal Facilities Upgrades	132
	Thermal Upgrades	Solar Thermal & PV	550
		Thermal Comfort (EWI)	25
Maintaining and improving condition of existing housing	Home Upgrades	Electrical (Domestic)	3,515
		Bathroom Upgrades	2,200
		Kitchen Upgrades	1,520
		Whole Home Improvements	1,300
	Preventative Upgrades	Structural	3,500
		Tower Block Regeneration – Normandie Tower	1,500
		Re-Roofing	940
		Structural Pointing	200

Housing Priority Category	Scheme	Description	2021/22 £000s
		Lift Upgrades	150
	Window & Door Upgrades	Windows - New Installations Tower Blocks	2,000
		Composite Doors	860
		Windows - New Installations General Domestic	730
		Windows - New Installations Communal	100
		NPS Fees	710
Meeting housing need - delivering new homes	New NCC Social Housing	Argyle Street	2,440
		Mile Cross Depot	5,330
		Northumberland Street	689
		Affordable Housing Opportunities Fund	2,500
		Three Score Phase 3	4,660
		Ailwyn Hall redevelopment	827
		King's Arms redevelopment	932
	New Social Housing	Site Development	50
		Grants to Registered Housing Providers	2,000
Total HRA Capital Programme			48,839

55. The proposed council house upgrade programme continues to maintain the Norwich Standard of improvement and the structural integrity of tenants' homes.
56. The new social housing budget includes the development of 156 additional homes at Mile Cross, 90 homes at Three Score phase 3 and 14 homes at Argyle Street by the HRA and the purchase of 9 homes at Northumberland Street.
57. Grants to Registered Housing Providers are funded from retained one-for-one Right to Buy receipts in accordance with the principles agreed by cabinet on 7 October 2015.
58. All proposed HRA revenue budgets, the HRA capital programme and capital funding proposals will be incorporated into the HRA Business Plan projections, which will be reported to Cabinet in January 2021.

Equality Impact of budget proposals

59. In order to ensure that we discharge our public sector equality duty to ensure we have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations we have undertaken an initial screening of all budget proposals to ascertain where there is a possible impact. This has identified those proposals that require an Equality Impact Assessment or consultation.

60. Equality Impact Assessments for specific proposals are developed as proposals are being finalised. This ensures that the impact is understood and mitigating actions that minimise disadvantage and tackle inequality are identified where possible. These assessments will be provided alongside the budget papers through scrutiny committee, cabinet and council to ensure transparency and so that members can make informed decisions. There may be some proposals that have implications for council employees for which details of consultation or Equalities Impact Assessments cannot be published owing to data protection or employment legislation.
61. Information on the residents of the city as well as council customers and employees can be found in the annual Equality Information Report published on the council's website.

Public Consultation and next steps

62. In line with the approach used in previous years, citizens, HRA tenants, partners and local businesses will be consulted on the proposed approach to meeting the savings target for 2021/22 and the proposed council tax and HRA rental levels. This consultation will also include the council tax reduction scheme despite there being no significant changes proposed for the scheme in 2021/22. The consultation will run from 21st December 2020 until 27th January 2021.
63. The next steps for the budget and MTFS proposals are set out below:

Scrutiny to consider the proposed General Fund revenue budget and MTFS, HRA Business Plan, capital strategy, investment strategy and capital programme	4 February
Cabinet to recommend the General Fund revenue budget and MTFS, HRA Business Plan and capital programme	10 February
Council to approve the General Fund revenue budget and MTFS, HRA Business Plan and capital programme	23 February

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	16/12/2020
Director / Head of service	Annabel Scholes
Report subject:	Emerging Budget 2021/22
Date assessed:	07/12/2020

	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 emerging budget will secure continuing value for money in the provision of services to council tax payers and other residents of the city, as well as the provision of capital works to council tenants.
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"/>	The emerging budget and savings within this paper covers a wide range of council activity and spend. The approach to reviewing the equality impacts of budget proposals is set out in paragraphs 59-61 of the report.
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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The proposed capital programme will provide for improvements to the council's assets and the surrounding environment.</p> <p>The proposed council house upgrade programme continues to maintain the Norwich Standard of improvement and the structural integrity of tenants' homes.</p>
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"/>	The proposed capital programme will provide for improvements in thermal and carbon efficiency.
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Steps to manage financial risk associated with the deliverability of the budget proposals and wider Covid-19 impacts are detailed in paragraphs 32-34.
Recommendations from impact assessment				
Positive				
None				
Negative				
None				
Neutral				
None				
Issues				
None				

Budget Resources

	2021/22
RESOURCES	
<i>Council tax</i>	
Increase in tax base	1.00%
Projected tax base	37,373
<i>Planned council tax increases</i>	
Council tax Increase	1.99%
Council tax Band D £	274.74
Council tax Yield (£000)	£10,268
Surplus on Collection Fund (£000)	£75
	£10,343
<i>Business Rates Retention Scheme</i>	
RPI	0.00%
Local Business Rates (£000)	£6,140
Surplus/(deficit) (£000)	(£138)
	£6,003
Revenue Support Grant (£000)	£216
Total Resources (£000)	£16,562

Budget Requirement

Base Budget Requirement brought forward (£000)	£17,372
<i>Inflation</i>	
Payroll inflation %	3.25%
Payroll inflation (£000)	£683
Pension Deficit increases (£000)	£623
Net inflation (for 2021/22 0.5% expenditure and 0% income inflation £000)	£207
<i>Changes in Grants</i>	
New Homes Bonus (£000)	£472
Covid-19 grants including income reimbursement scheme (£000)	£45
Other Government Grants (£000)	(£400)
	£149
<i>Financing/vacancy management changes</i>	
Movement in Revenue Contribution to Capital (£000)	
Movement in corporate vacancy factor (£000)	(£1,000)
Increase in HRA corporate recharges (£000)	(£175)
External interest & MRP (£000)	(£72)
Reduction in insurance reserve contribution (£000)	(£449)
Use of repairs reserve to fund budgeted repairs (£000)	(£25)
Reduction in commercial property earmarked reserve contribution (£000)	(£200)
Additional 1% of payroll inflation into risk reserve	(£200)
<i>Budget Movements</i>	
Removal of unachieved rental income (£000)	£688
NRL loan interest reduction (£000)	£119
Housing Benefit reduction in overpayments (£000)	£675
Assumed demand-led pressures (£000)	£750
Short-term Covid-19 pressures (£000)	£3,166
Senior Management Restructure - Director level (£000)	(£165)
Senior Management Restructure - Head of Service level (£000)	£189
TOTAL MTFS budget movements (£000)	£5,070
Revised base budget requirement (£000)	£22,432
Required Efficiencies (£000)	(£5,870)
Prior year permanent savings carried forward (£000)	
Permanent Savings (£000)	(£1,687)
Additional Income (£000)	(£252)
One-off savings (£000)	(£1,941)
Efficiencies/Savings identified (£000)	(£3,880)
Remaining budget gap to be funded from reserves (£000)	(£1,990)

Permanent Savings/Income Options

A) Budget options – contract efficiencies, budget rebasing and review of recharges

	Theme	Description	2021/22 £000
1	Contract Reviews	Variations to existing contracts through delivering efficiencies and varying charging mechanisms	294
2	Alternative funding sources	Transfer of housing eligible expenditure to the Housing Revenue Account. Inclusion of new grant funding sources (i.e. Towns' Fund).	282
3	Budget rebasing	Minor budget reductions to reflect the current need	164
			740

B) Budget options – income generation

	Directorate	Service Area	Title	Description	2021/22 £000
4	Neighbourhoods	Parks and Open Spaces	Parks parking charges	New income stream generated by charging for parking in parks which currently provide free parking.	50
5	Neighbourhoods	Cemeteries	Growth in cemeteries income	Increase in access to green burials, and the use of Rosary Cemetery.	50
6	Neighbourhoods	Cemeteries	Increased cemeteries charge	Annual increase in fees in line with inflation and benchmarking.	20
7	Neighbourhoods	Integrated Waste Management	Increased garden waste charge	Price increase for garden waste subscriptions from £52 to £55 p.a. (6% increase)	29
8	Neighbourhoods	Community Centres	Community Centre transfer	Commercially run community centres - possible change to commercial let / sale for 2-3 properties	34
9	Neighbourhoods	Environmental Services	Clinical waste subsidy removal	Remove subsidy on commercial clinical waste disposal charges to several institutions	24
10	Place	Conservation Design & Landscape	Additional fee income from design & landscape work	Additional income from capital funding & external work to cover additional team resource.	11
11	Resources	Financial Arrangements	Norwich City Services Ltd loan interest	Interest from Norwich City Services Ltd on loan for depot improvements	34
					252

C) Budget options – service transformation

	Directorate	Service Area	Title	Description	2021/22 £000
12	Place	Off-Street Parking	Alternative parking payment options	Increased payment options for car parking payments resulting in reduced cash collection costs and an assumed increase in income (as seen in other authorities).	111
13	Place	Pool Cars	Pool car fleet	Rationalisation of vehicle fleet	14
14	Place	Planning	Planning staffing	Proposal involves cutting one of our admin posts which will become vacant in October 2020 being £18k from 620060 2000 and 2011.	18
15	Resources	Revs and Bens	Revs & Bens Automation	5% efficiency target split across 2 years supported by the automation of tasks through investment in systems.	92
16	Strategy & Culture	IT Services	IT cost reductions	Renegotiation and rationalisation of multiple contracts	175
17	Strategy & Culture	Customer Contact	Digital First	Digital delivery of services following customer behaviour changes and channel shift during Covid-19. This will build on the work already done through full automation in parking permits and our successful appointments based approach.	114
18	Strategy & Culture	Tourism	Visitor Information	Re-focus on online information to align with customer behaviour changes as a result of Covid-19. Also develop an enhanced policy role to maximise and support partnership working.	113
19	Strategy & Culture	Mail Handling	Postage savings	Reduced postage costs linked to e-Billing and channel shift.	100
20	Strategy & Culture	Leisure	Leisure & culture post	Removal of vacant post	38
					775

Permanent Growth

	Directorate	Service Area	Title	Description	2021/22 £000
21	Neighbourhoods	Waste Management	Recycling costs	Additional costs per tonnage for recycling	120
22	Neighbourhoods	Licensing	Licensing resource	Licensing business support post	20
23	Place	Asset Management	Site management	Additional gypsy and traveller site management costs	60
24	Place	Tree maintenance	Tree maintenance	Maintenance to trees located on General Fund sites	20
25	Place	Conservation & Design	Additional post	Principal Landscape Architect to be funded from increased income generation	11
26	Place	Planning Fee	Planning fees	Reduction in planning fee income based on recent performance during Covid-19 and future assumptions.	170
27	Place	Planning	CNC Building Control	CNC building control - payments to cover contractual obligations.	23
28	Place	Car Parks	Business Rates	Business rates for re-opened Barn Road car park	42
29	Resources	Legal Services	Increased legal costs	Additional costs following re-provision of legal services contract	25
30	Resources	Elections	Electoral Management System	Development of systems to improve the efficiency of the electoral service (subject to business case)	30
31	Resources	HR	Additional HR resource	Additional resource to align with increased demand.	56
32	Resources	External Audit	Audit fee	Audit fee rise from additional regulatory changes.	30
33	Resources	Finance	Income budget rebasing	Cheque write-offs - unachievable income linked to reduced cheque use	80
34	Resources	Insurance	Increased insurance costs	Additional insurance premium costs	40
35	Strategy & Culture	Strategy	Digital Inclusion	Extension of Digital Inclusion Post following end of grant funding	23
					750

Short Term Savings

	Directorate	Service Area	Title	Description	2021/22 £000
36	Neighbourhoods	Cemeteries	Repairs cap	One year cap on general repairs and maintenance spend - only essential H&S works will be completed	10
37	Neighbourhoods	Street Cleansing	Short term street cleansing budget cap	One year cap in spend on the other contractual services budget	15
38	Neighbourhoods	Neighbourhood Operations	Short term neighbourhood ops budget cap	One year cap in spend on the projects budget.	8
39	Neighbourhoods	Housing Improvement Agency	Revenue contribution to capital	Reduction in revenue contribution to capital for Disabled Facilities adaptations - team costs covered by grant.	20
40	Place	NPSN Core Fee	NPSN core fee	5% reduction on GF element of the core fee	52
41	Place	General fund property repairs	GF responsive repairs	Reduced repairs budget on responsive repairs and planned maintenance (no reduction in programmed maintenance (safety and compliance))	325
42	Place	NPSN Pension Contribution	NPSN pension costs	Reduced pension contribution costs payable based on actuarial assessment.	84
43	Place	Environmental Strategy	Environmental Service events	Temporarily reduce environmental public events due to uncertainty over impact of Covid-19.	7
44	Place	Joint Ventures	NPSN Profit	Profit share assumption per NPSN business plan GF share	25
45	Resources	Financing Arrangements	Interest cost reduction	The one-off saving figure based on analysis of expected external borrowing requirement during 21/22.	1,140
46	Strategy & Culture	Events	Events reduction	Temporarily reduce annual offering because of uncertainty around Covid-19 and link more closely to available grant funding.	226

	Directorate	Service Area	Title	Description	2021/22 £000
47	Strategy & Culture	Norman Centre	Norman Centre cost reduction	Reducing expenditure to partially offset expected income losses in 21/22 relating to Covid-19.	4
48	Strategy & Culture	St Andrews Hall	St Andrews cost reduction	We will make savings on expenditure e.g. temporary staffing costs and electricity costs if events do not go ahead. However, these savings will only go some way to covering loss of income.	25
					1,941

Short Term Growth

	Directorate	Service Area	Title	Description	2021/22 £000
49	Neighbourhoods	Citywide Services	NNE profit share	NNE profit share - possible reduction in Y1 for NSCL	110
50	Neighbourhoods	Licensing	Licensing income	Estimated reduction in income due to the impact of Covid-19	121
51	Place	Asset Management	Client asset manager	Additional resource for commercial property management	72
52	Place	Asset Management	Commercial rents	Projected reductions in commercial rental income due to impact of Covid-19	418
53	Place	Asset Management	Provision market	Adjustment in income budget to reflect a 5% void assumption	38
54	Place	Asset Management	Heating Boilers	Isolation valve maintenance for City Hall boilers	5
55	Place	Asset Management	City Hall rental income	Loss of rental income from vacant area within City Hall	27
56	Place	Asset Management	Bus shelter adverts	Reduction in forecast bus shelter advertising revenue	120
57	Place	Car Parks	Rose Lane MSCP	Additional battery costs for emergency lighting	5
58	Place	Car Parks	Multi-storey car parks	Projected reductions in income due to the impact of Covid-19	926
59	Place	Car Parks	Off-street car parks	Projected reductions in income due to the impact of Covid-19	539
60	Place	Planning	Greater Norwich Growth Plan	Additional contribution to pay for one off costs of examination	55
61	Resources	Finance	Interest income	Loss of interest income from investments due to nil or negative interest rates	190
62	Resources	Human Resources	Employee costs	Additional resource - transactional team leader	23
63	Strategy & Culture	Culture	Leisure Services	Short term funding to address Covid-19 pressures	330
64	Strategy & Culture	Culture	The Halls	Projected reductions in income due to the impact of Covid-19	150
65	Strategy & Culture	Culture	The Norman Centre	Projected reductions in income due to the impact of Covid-19	37
					3,166

Report to	Cabinet	Item
	16 December 2020	
Report of	Interim Director of resources (S.151 officer)	7
Subject	Treasury Management Mid-Year Review Report 2020/21	

Purpose

To consider the Treasury Management performance for the first six months of the financial year to 30 September 2020.

Recommendation

To:

- 1) note the contents of the report and the treasury activity undertaken in the first six months of the 2020/21 financial year; and
- 2) recommend that Council approve an increase in the approved counterparty limit with an individual Money Market Fund (MMF from £5m to £10m but remaining within the existing £25m maximum for that type of financial instrument (paragraph 11).

Corporate and service priorities

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

Financial implications

The report details the performance of the Council in managing its borrowing and investment resources during the first half of 2020/21.

Ward/s: All Wards

Cabinet member: Councillor Kendrick - Resources

Contact officers

Annabel Scholes, Interim Director of Resources (S.151)	01603 989201
Hannah Simpson, Strategic Finance Business Partner	01603 989569
Caroline Knott, Senior Technical Accountant	01603 987615

Background documents

None

Report

Background

1. CIPFA (the Chartered Institute of Public Finance & Accountancy) defines treasury management as: “The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
2. The report reviews the treasury management activity during the first six months of the financial year 2020/21 and reports on the prudential indicators as required by CIPFA’s Treasury Management Code of Practice.
3. The original Treasury Management Strategy (TMS) and Prudential Indicators were reported to and approved by Council on 25 February 2020.
4. This Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector and operates its treasury management service in compliance with this Code. This requires that the prime objective of treasury management activity is the effective management of risk, and that borrowing activities are undertaken on a prudent, affordable and sustainable basis.
5. The council’s investments in commercial property, equity shares, and lending to third parties are classified as non-financial (commercial) investments and are reviewed annually within the non-financial (commercial) investments strategy part of the budget report in February.

Investment Strategy

6. The TMS for 2020/21, which includes the Annual Investment Strategy, was approved by the council on 25 February 2020. It sets out the Council’s investment priorities as being:
 - Security of capital;
 - Liquidity; and
 - Yield
7. 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.
8. The Council held £57.550m of investments as at 30 September 2020. Table 1 below shows the movement in investments for the first six months of the year.

Table 1

Investments	Actual		Actual
	31-Mar-20	Movement	30-Sep-20
	£'000	£'000	£'000
Short term investments:			
Banks	4,000	4,000	8,000
Building Societies	0	5,000	5,000
Local Authorities	10,000	(5,000)	5,000
Cash Equivalents:			
Banks	11,300	8,250	19,550
Non- UK Banks	0	0	0
Building Societies	0	0	0
Local Authorities	4,000	1,000	5,000
UK Government	0	0	0
Money Market Funds	15,000	0	15,000
Total	44,300	13,250	57,550

9. It is anticipated that cash balances will decrease during the second half of the year as Covid-19 business grants being administered by the council will be paid out and further capital expenditure is incurred.
10. Market rates have fallen since the pandemic across all types of investments and the Debt Management Account Deposit Facility (DMADF) is now charging local authorities to hold cash. The Council still aims to place surplus cash in investments with the most beneficial return bearing in mind the need to maintain security and liquidity.
11. In order to provide additional flexibility when holding short term cash, the report recommends increasing the approved counterparty limit within each of the Money Market Funds (MMF) in the Treasury Management Strategy Statement from £5m to £10m (see revised table in **Appendix A**). The MMF are designed to support local authorities' cash management. Each MMF allows the council to keep cash both liquid (instant access) and secure (AAA rated) whilst offering a small return on the investment. This will help cash management at a time where the council is receiving and paying out significant amounts of cash in relation to business grants and other Covid support mechanisms.
12. The Interim Director of Resources (S.151 officer) confirms that all investment transactions undertaken during the first six months of 2020/21 were within the approved limits as laid out in the Annual Investment Strategy.

BALANCE SHEET POSITION

External Borrowing

13. Table 2 below shows the Council has actual external borrowing of £219.879m, of which £179.590m relates the Housing Revenue Account (HRA). No additional borrowing has been required in the first six months of the year.

14. Table 2 shows the current and forecast borrowing position. At this stage there is not expected to be any further external borrowing taken for the remainder of the financial year. This is significantly below the estimate included in the TMS due to a halt in the planned commercial property acquisitions. This decision was taken in March 2020 in light of the launch of HM Treasury's consultation on the borrowing terms of the public works loan board.

Table 2

	Actual	Actual	TMS Forecast	Revised Estimate
Long Term Borrowing	31-Mar-20	30-Sep-20	31-Mar-21	31-Mar-21
	£000	£000	£000	£000
Public Works Loan Board	214,107	214,107	287,431	214,107
Money Market	5,000	5,000	5,000	5,000
3% Stock (Perpetually irredeemable)	499	499	499	499
Other financial intermediaries (Salix)	262	262	0	236
Corporate Bonds and External Mortgages	11	11	11	11
Total	219,879	219,879	292,941	219,853

15. There have been no repayments of debt scheduled during 2020/21.

Future Economic forecasts

16. On 4th November the Bank of England's **Monetary Policy Committee (MPC)** voted unanimously to keep Bank Rate unchanged at 0.1%. The report from the MPC highlighted the following:
- The unemployment rate rose to 4.5% in the three months to August. The extended Coronavirus Job Retention Scheme and new Job Support Scheme will mitigate significantly the impact of weaker economic activity on the labour market. The unemployment rate is expected to peak at around 7¾% in 2021 Q2.
 - Twelve-month CPI inflation increased to 0.5% in September, but remained well below the MPC's 2% target, largely reflecting the direct and indirect effects of Covid on the economy. CPI inflation is expected to remain at, or just above, 0.5% during most of the winter, before rising quite sharply towards the target as the effects of lower energy prices and VAT dissipate.
 - At this meeting, the MPC judges that a further easing of monetary policy is warranted. The Committee agreed to increase the target stock of purchased UK government bonds by an additional £150 billion in order to meet the inflation target in the medium term, taking the total stock of government bond purchases to £875 billion.
 - The outlook for the economy remains unusually uncertain. It depends on the evolution of the pandemic and measures taken to protect public health, as well as the nature of, and transition to, the new trading arrangements between the European Union and the United Kingdom. It also depends on the responses of households, businesses and financial markets to these developments.

17. Overall, the pace of recovery is not expected to be in the form of a rapid V shape, but a more elongated and prolonged one after a sharp recovery. The November MPC report noted that GDP fell by around a quarter between February and April. Activity recovered somewhat thereafter, as lockdown restrictions were eased. GDP was 9% below its 2019 Q4 level in August, and is expected to be 9% lower over Q3 as a whole.
18. There will be some painful longer term adjustments as e.g. office space and travel by planes, trains and buses may not recover to their previous level of use for several years, or possibly ever. There is also likely to be a reversal of globalisation as this crisis has shown up how vulnerable long-distance supply chains are. On the other hand, digital services is one area that has already seen huge growth.
19. The Bank's policy statement says "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably". The council's treasury advisors note that this seems designed to say that even if inflation rises to 2% in a couple of years' time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate.
20. The **Financial Policy Committee** (FPC) report on 6th August revised down their expected credit losses for the banking sector to "somewhat less than £80bn". It stated that in its assessment "banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC's central projection". The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC's projection, with unemployment rising to above 15%.

Interest rate forecasts

21. Table 3 below shows the interest rate forecasts from our treasury advisors through to March 2024. The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its meeting on 4th November. Some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected within the forecast horizon ending on 31st March 2024 as economic recovery is expected to be only gradual and, therefore, prolonged.

Table 3

Link Group Interest Rate View 9.11.20														
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20														
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60

Note: The Council's treasury advisor, Link Group assist the Council to formulate a view on interest rates. Following the conclusion of the review of PWLB margins over gilt yields on 25.11.20, all forecasts below have been reduced by 1%. These are forecasts for certainty rates, gilt yields plus 80bps:

PWLB Rates

22. HM Treasury imposed two changes of margins over gilt yields for PWLB rates in 2019-20 without any prior warning. The first took place on 9th October 2019, adding an additional 1% margin over gilts to all PWLB period rates. That increase was then at least partially reversed for some forms of borrowing on 11th March 2020, but not for mainstream General Fund capital schemes, at the same time as the Government announced in the Budget a programme of increased infrastructure expenditure. At the same time it also launched a consultation with local authorities on possibly further amending these margins.
23. As part of the Spending Review announcement, the government has confirmed that it will reform the Public Works Loan Board (PWLB) lending terms, ending the use of the PWLB for investment property bought primarily for yield. Alongside the Spending Review, the Government has published revised lending terms for the PWLB and guidance to support local authorities to determine if a proposed project is an appropriate use of PWLB loans. The new terms apply to all loans arranged from 26 November 2020.
24. In response to the revised lending terms the Government has cut PWLB lending rates to gilts + 100 base points for Standard Rate and gilts + 80 base points for those authorities able to make use of the Certainty Rate.
25. The Council has previously relied on the PWLB as its main source of funding and will consider the newly released guidance in detail to inform decisions over future capital projects.
26. As the interest forecast table for PWLB certainty rates, above shows, there is likely to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession 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.
27. The overall balance of risks to economic growth in the UK is probably relatively even, but is subject to major uncertainty due to the virus.

28. There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, could impact gilt yields, (and so PWLB rates), in the UK.

Forward borrowing considerations to mitigate expected future interest rate increases

29. 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.

Debt Rescheduling

30. No debt rescheduling was undertaken during the first six months of 2020/21.
31. It is not anticipated that the Council will undertake any rescheduling activity during the remainder of the financial year. However, should borrowing rates fall significantly as a result of Brexit, the Council may consider borrowing to finance its unfinanced borrowing need as well as rescheduling some of its existing debt if this proves cost effective.

Prudential Indicators

32. This part of the report is structured to provide an update on:
- The changes to the Council's capital expenditure plans;
 - How these plans are being financed;
 - The impact of changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
 - Compliance with the limits in place for borrowing.

Capital Expenditure & Financing

33. The 2020/21 capital programme budgets were approved as part of the budget papers by full Council on 25 February 2020. Subsequent to this there were approved revisions to the capital budgets to include the 2019/20 capital carry forwards and new capital schemes approved during the year. The current capital programme budget is shown in Table 4 along with the mid-year estimate. A detailed breakdown of capital programme schemes can be found in the Quarter 2 budget monitoring report.

Table 4

	2020/21 Original Budget	2020/21 Revised Budget	2020/21 Forecast Outturn
	£000	£000	£000
General Fund capital expenditure	30,727	36,563	8,007
General Fund capital loans	5,700	6,990	6,990
HRA	34,816	48,348	28,689
Capital Expenditure	71,244	91,901	43,686
Financed by:			
Capital receipts	17,438	16,905	6,682
Capital grant and contributions	4,422	5,361	2,956
Capital & earmarked reserves	15,394	23,864	20,592
Revenue	3,291	13,733	6,150
Total Resources	40,544	59,864	36,380
Net borrowing need for the year	30,700	32,037	7,306

34. Table 4 above shows how the revised capital programme will be financed and shows a significant reduction in the net borrowing need for the year compared to the figure anticipated when Council approved the Treasury Management Strategy. The main reason for the reduced borrowing need for the year is the halt in the planned commercial property acquisitions pending the outcome of the HM Treasury consultation on the borrowing terms of the public works loan board.
35. In addition to the approved capital programme, the TMS incorporated a number of capital ambition schemes and non-financial investments (commercial lending). Significant delays as a result of the Covid-19 pandemic mean that it's not currently forecast that these schemes will incur spend in 2020/21. The consequence of this is that the Council's forecast Capital Financing Requirement (CFR) for 2020/21 shown in Table 5, is lower than initially anticipated.
36. The forecast net lending to the council's wholly owned subsidiary, Norwich Regeneration Limited, has also reduced from the Treasury Management Strategy. During the first 6 months of the year the Council provided additional loan finance to the company of £2.250m with further loans of £3.6m in October 2020. No further loan drawdowns are expected and based on current cash flow projections for the company £1.650m will be repaid by the company before the year end. The impact of this on the CFR is shown in Table 5.

The Capital Financing Requirement

37. Table 5 below shows the Council's CFR, which is the underlying external need to borrow for a capital purpose. The second table compares the original and revised forecast debt position against the CFR, the difference representing an under borrowing position. This under borrowed position means the capital

borrowing need (the CFR) has not been fully funded with loan debt. Instead cash in hand supporting the Council's reserves, balances, and expenditure has been used as an alternative temporary measure. This strategy is prudent in the current economic climate - as returns achievable from the investment of cash are lower than the cost of raising additional loan debt, and counterparty risk remains elevated – but this will need to be reversed over time when the original requirement for that cash arrives.

Table 5

	2020/21 Original Estimate	2020/21 Revised Estimate
	£000	£000
Opening General Fund CFR	125,099	115,511
Movement in General Fund CFR	37,722	6,027
Closing General Fund CFR	162,821	121,538
<i>Movement in CFR represented by:</i>		
Borrowing need (capital programme)	25,000	47
Borrowing need (NRL lending net of repayments)	5,700	4,200
Borrowing need (NCSL lending net of repayments)		1,140
Borrowing need (Project Place capital investment)		268
Borrowing need for the year (capital ambition)	8,500	0
Appropriation of Mile Cross Depot site to HRA		(1,800)
Less MRP and other financing adj.	(1,478)	522
Movement in General Fund CFR	37,722	6,027
Opening HRA Fund CFR	205,717	205,716
Movement in HRA CFR	7,206	1,800
Closing HRA CFR	212,923	207,516
TOTAL CFR	375,744	329,054

38. The council has maintained an under-borrowed position to date in 2020/21 (Table 6). This means that the capital borrowing need 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. It is likely that the Council will need to undertake fixed rate long term borrowing during 2021/22. Any decisions will be reported to Cabinet at the next scheduled opportunity.

Table 6

	2020/21 Original Estimate	2020/21 Revised Estimate
	£000	£000
Gross borrowing (excluding finance leases)	292,941	219,853
CFR	375,744	329,054
Over/(Under) Borrowing	(82,803)	(109,201)

Prudential Indicators relating to Borrowing Activity

39. **Authorised Limit** – This represents the legal limit beyond which borrowing is prohibited, and needs to be set and revised by Council. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The limit represents the CFR (assumed fully funded by borrowing) plus a margin to accommodate any unplanned adverse cash flow movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The authorised limit has not been breached and no external borrowing has taken place so far this year.

Table 7

Prudential Indicator	2020/21
	£000
Authorised Limit for external debt	405,744

40. **Operational Boundary** – This indicator is based on the probable external debt during the course of the year; it is set deliberately lower than the authorised limit. This limit acts as an early warning indicator should borrowing be approaching the Authorised Limit. This limit may be breached on occasion under normal circumstances, but sustained or regular breaches should trigger a review of borrowing levels. The operational boundary has not been breached and no external borrowing has taken place so far this year.

Table 8

Prudential Indicator	2020/21
	£000
Operational boundary for external debt	375,744

Borrowing Activity

41. Due to the increase in PWLB rates in October 2019, and the subsequent consultation by HM Treasury the Authority has continued the prudent approach of utilising internal borrowing to fund its borrowing requirement and reduce external borrowing costs.
42. Long-term fixed interest rates are currently low but are expected to rise slightly over the five-year treasury management planning period. The Interim Director of Resources (S.151 Officer), under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates or opportunities at the time, taking into account the associated risks e.g. counterparty risk, cost of carry and impact on the Medium Term Financial Strategy as well as risk of interest rate increases.
43. Opportunities for debt restructuring will be continually monitored alongside interest rate forecasts. Action will be taken when the Interim Director of Resources (S.151 officer) feels it is most advantageous.

Investment Performance

44. The objectives of the Council's investment strategy are firstly the safeguarding of the repayment of the principal and interest of its investments, and secondly ensuring adequate liquidity. The investment returns being a third objective, consummate to achieving the first two.
45. The Council held £57.550m of financial investments at 30th September 2020 and the investment profile is shown in table 1 in paragraph 8 above.

Risk Benchmarking

46. The Investment Strategy for 2020/21 includes the following benchmarks for liquidity and security.
47. **Liquidity** – The Council has no formal overdraft facility and seeks to maintain liquid short-term deposits of at least £1 million available with a week's notice.
48. Average return on investment at 30 September 2020 was 0.28% against a 7 Day LIBID benchmark average rate of -0.06% (minus). The weighted time to maturity (WAM) of investments was 26 days compared to 40 days on 30 September 2019. The slight decrease in WAM duration reflects a slightly cautious approach in holding liquid cash given the uncertainty over cash flows during the covid-19 pandemic. This has meant cash has been invested for slightly shorter periods whilst still ensuring availability for all cash flow requirements. At 30 September 2020 the Council held £57.550m of cash balances, all of which are invested for periods of less than 364 days.
49. The Interim Director of Resources (S.151 officer) can report that liquidity arrangements were adequate during the year to date.
50. **Security** – The weighted average credit risk of the portfolio at the end of the period was 3.26% (3.84% September 2019). The Council's maximum security risk benchmark for the portfolio as at 30 September 2020 was 0.005% which equates to a potential loss of £2.9k on an investment portfolio of £57.550m. This credit risk indicator is lower than the anticipated maximum risk of 0.011% in the TMS.
51. At 30 September 2020 100% of the investment portfolio was held in low risk specified investments.
52. The Interim Director of Resources (S.151 officer) can report that the investment portfolio was maintained within this overall benchmark during the year to date.

Minimum Revenue Provision Policy

53. The Council is required to approve an MRP Statement in advance of each year. Council approved the 2020/21 on 25 February 2020.

REGULATORY UPDATE

Proposed changes to IFRS 16 Leases and likely impacts for the Local Authority Accounting Code.

54. Although the standard was issued in January 2012, authorities are expected to comply from 1 April 2022. The current classification of leases into operating and finance will no longer apply with the exceptions of leases of 12 months or less and leases of low value. This change will therefore impact the Council's CFR, but have no borrowing impact. A lot will depend on the evaluation of contracts and their implications. The potential impacts of the new standard will be covered in the 2021/22 Treasury Management Strategy.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	16/12/2020
Director / Head of service	Annabel Scholes
Report subject:	Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2020/21
Date assessed:	03/12/2020

	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 prudential indicators show that for the first six months of the year treasury management activity has produced positive results e.g. achieving an investment interest rate above the target.
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

	Impact			
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Managing risk is a major part of undertaking the treasury management activity. All the indicators and limits put in place to reduce the level of risk have been adhered to thus reducing the risks to an acceptable level as stated in the Treasury Management Strategy.

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	

Proposed counter-party limit amendment

Counterparty/Financial instrument	Minimum Credit Criteria or Equivalent	Specified Investments		Non-specified Investments	
		Maximum duration	Counterparty Limit (£m)	Maximum duration	Counterparty Limit (£m)
DMAF - UK Government	n/a	3 months	£30m	n/a	n/a
UK Government gilts	UK Sovereign rating	12 months	£15m	3 years	£5m
UK Government Treasury bills	UK Sovereign rating	6 months	£10m	n/a	n/a
Money Market Funds - CNAV	AAA	Liquid	£5m £10m per fund £25m overall limit	n/a	n/a
Money MARKET Funds - LVNAV	AAA			n/a	n/a
Money Market Funds - VNAV*	AAA			n/a	n/a
UK Local Authority term deposits (LA)**	n/a	12 months	£10m per LA	5 years	£5m per LA
Term Deposits with UK Building Societies	ratings for banks outlined below / Asset worth at least £2.5bn or both	12 months	£5m	n/a	n/a
Banks (Term deposits, CD, Call & Notice accounts)	AAA	12 months	£15m	2 years	£10m
Banks (Term deposits, CD, Call & Notice accounts)	AA+	12 months	£15m	12 months	£5m
	AA				
Banks (Term deposits, CD, Call & Notice accounts)	AA-	12 months	£10m	n/a	n/a
	A+				
	A				
Banks (Term deposits, CD, Call & Notice accounts)	A-	6 months	£5m	n/a	n/a
Property Funds	credit loss analysis, financial and legal due diligence	n/a	n/a	n/a	£5m per fund
Loan Capital and other third party loans including parish councils	Subject to financial & legal due diligence	considered on individual basis	n/a	considered on individual basis	n/a

Report to	Cabinet	Item
	16 December 2020	
Report of	Head of strategy and transformation	8
Subject	Corporate Performance and Risk Report, Quarter Two 2020-21	

Purpose

To consider progress against the delivery of the corporate plan priorities and key performance indicators and an update on corporate risk for quarter two of 2020-21.

Recommendation

To:

- 1) note progress on the key performance indicators for this quarter and the corporate risk register; and
- 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
Gavin Jones, Internal audit manager	01603 987605

Background documents

None

Report

Background

1. This report sets out progress against the key performance indicators (KPIs) that track delivery of the corporate plan priorities. This is the sixth 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 50 KPIs which monitor delivery of activities and services which contribute to these objectives.
3. This report provides an update on performance against KPIs for quarter two of 2020-21. Performance reporting for 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.
4. This report also incorporates the corporate risk register, which highlights key corporate risks.

Quarter two performance data

5. Full details of performance against KPIs is available at the following link:
<https://app.powerbi.com/view?r=eyJrIjoieYzZmYTlzMwYTYtYmY0YS00NWQ3LWJmMDYtNjQzYzg0YTUwOTM4IiwidCI6ImZhbnZQ4ZjM0LWE0YWMTNDNhMy1hMmE0LTg4ZWQ2MGI3OWU5MiJ9>
This is a new format for 2020-21 reporting due to a change in the reporting software; 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. Some historic data remains unavailable due to issues in gathering data or pauses in service delivery as a result of Covid-19. This includes KPIs relating to council shop occupancy, HR, empty homes and contract outcomes where it was not possible to gather data for March 2020; these appear on the dashboard with a zero value. Others gaps in data, particularly for June 2020, relate to services which were paused during lockdown, for example digital inclusion sessions and community centre hire. Two indicators are still unable to report data in quarter 2 as a result of Covid-19: these are street cleanliness inspections which have not yet resumed and use of community centres by income decile as centre activity remains limited. Some areas of performance also continue to be affected by restrictions due to Covid-19; these are explained in more detail below.

Quarter two performance summary

7. The below table (figure 1) summarises the number of KPIs under each corporate priority which are RAG rated red, amber or green and the number

where data is not available or is not due to be reported this quarter. This data can be explored in more detail in the dashboard.

Figure 1: summary RAG rating of key performance indicators by corporate priority

Corporate priority	Number of KPIs RAG rated			Data not available to date	Data not due for reporting in Q4
	Red	Amber	Green		
People living well	4	0	8	0	0
Great neighbourhoods, housing and environment	6	1	2	2	5
Inclusive economy	1	1	2	0	7
Healthy organisation	3	0	5	0	6
Total	14	2	17	2	18

8. Overall council performance reflects a very challenging operating environment, with significant economic and financial challenges for the city and the council, changing resident and business behaviours, and new and changing patterns of demand. The council's C19 recovery blueprint and update report show how the council is responding to these challenges and individual areas of council performance are highlighted below. Specific areas where anticipated performance is not on track are being addressed through service management, organisational change and working with partners. Ultimately this highlights the need for adequate resourcing of local government to ensure resilience of key services, especially in challenging times.
9. The following areas of performance are brought to your attention as areas which are performing well:
 - There has been a significant decrease in sickness absence, with a projected outturn for quarter 2 of 5.4 days per employee.
 - Customer satisfaction is still performing above target, although there has been a slight decrease since quarter 1: satisfaction for this quarter is 79.7%.
 - Revenues and benefits satisfaction levels also remain high for quarter 2 at 89%, even in challenging areas such as Council tax recovery.
 - Performance against the channel shift indicator also continues well, with customers continuing to access services online, phone contact back to normal levels and only emergency in person appointments currently taking place.

- Performance on the food hygiene indicator remains high, although is based on a smaller number of cases as the team continues to monitor and advise on Covid-19 measures which takes up a significant resource. Inspections restarted at the end of August 2020 concentrating on the backlog of high risk premises that required inspection, in line with the direction from the Food Standards Agency (FSA). There remains a significant backlog of food hygiene inspections this has been recognised by the FSA as a national issue which is being worked on collaboratively.
- 54% (67 of 124) of benefits decisions were upheld at review stage, with the majority (44 of the 57) of revised reviews based on new information the benefits team did not hold at the time of the original decision, meaning that these were likely not the result of assessment error.
- In quarter 2, 332 planning customers were surveyed in response to recently decided planning applications. 26 complete responses were received with 82% of customers either pleased or very pleased with the service received. Feedback indicates that officers were proactive and efficient and that customers were grateful for quick and direct communication by phone and email.
- Quarter two performance on private rented sector homes made safe is good for quarter two, although there are ongoing issues as a result of Covid-19. Work to make private rented sector homes safe continued during the lockdown and beyond. Many cases took longer due to inspections taking place online and also a delay in available contractors to carry out work and problems with tenants not having space in their homes to allow contractors to work and socially distance. This will be more fully reflected in the statistics for cases in 6-18 months' time. The team were also extensively involved in advising on and monitoring compliance with the health requirements of Covid-19 legislation during this period.

10. Commentary on output measures which are not meeting their targets is also included below:

- Planning decisions upheld at appeal is slightly below target for the period at 60% (and RAG rated red), as two of five appeals were lost. One related to an HMO and is being treated as an anomaly; the other related to a C1 (air-BnB type) property where the particular circumstances are unlikely to arise again but will be noted for future reference.
- CO2 emissions from local authority activity is under target at 2.5% and RAG rated red, although this relates to performance for 2019-20 and is published now as the figure has only recently become available. It shows a 2.5% fall in emissions during 2019/20 as part of a 62.1% reduction overall. While this is slightly below target for the year, emissions tend to vary considerably year to year and in previous years it has been exceeded. The council has set a net zero target for 2030.
- Although the percentage of homes rated 'C' or above has reduced slightly in percentage terms and is now rated amber, the actual number of homes rated 'C' or higher has increased by 9 over the quarter. However, a greater number of homes have moved from the 'no rating'

bracket into 'D' rating, which has disguised the real progress that has made, both in increasing those of 'C' or higher, and in reducing the number of properties with unknown energy efficiency.

- Residual household waste is RAG rated red at 104.1kg for quarter 2. Across the country the impact of Covid-19 has been to significantly increase domestic waste tonnages as more people have spent more time at home, generating more waste.
- Total amount of additional income clients have gained through debt/money advice via council-provided advice is also rated red for Q2, at just under £20,000. This is due to the impacts of Covid-19 on the advice team and on residents. Advisers have been 'firefighting' urgent demands for help and covering vacancies meaning fewer cases than usual were closed so some results are yet to be recorded. Reduced staff capacity means that data recording may have also been less effective and this is currently being reviewed. Increased demand for support by residents has increased demands placed on charities for grants, for example availability of support for white goods is now under pressure, although there is an expectation that new Norfolk Assistance Scheme funding will boost forthcoming results.
- The proportion of tenants reporting feeling safe has fallen and showing as missing its target. A relatively low response rate partly accounts for quarterly fluctuations in the data, whereas the larger dataset of all residents' perceptions of safety stay steadily above 60%, which is a more reliable figure. We will continue to monitor the data and work with partners and through the safer neighbourhoods initiative to support all our residents to feel safe.
- Only 24% of respondents were satisfied with the service provided to deal with ASB and only 17% with the outcome of their ASB case, meaning both ASB KPIs are rated red for quarter 2. The ASB feedback supplied is currently for the stage one ASB case management. A new ASB service is being established to ensure a more consistent and effective response to ASB enforcement which will start to be in place later this year. In the meantime, the service is holding vacancies and the teams are focusing on the high risk cases meaning performance remains below target.
- Green Flag awards for parks and open spaces is also rated red as only two of the three submissions were successful. Eaton Park and Mousehold Heath have Green Flag Awards and Waterloo Park narrowly missed out. We will be reviewing the judge's feedback for all sites, to identify priority actions required prior to next year's submissions in February 2021.
- Assets maintained by community groups remains under target at 52 and is rated red for quarter 2, although it has not been possible to update figures due to staff time being taken up by Covid-19, so this may be an underestimation. Activity did slow during lockdown but we are now starting to see new groups asking to take on space, significantly in Mousehold and Tuckswold, often stemming from new groups forged from mutual aid set ups which is very positive. We hope to review these numbers soon and expect that it will jump further up towards the target.

- Volunteer hours in parks is below target at 2,457 and rated red, although hours have increased in quarter two despite ongoing restrictions. Despite challenges it is good to see that people are benefitting from the mental health, physical and social benefits of volunteering. There are 18 groups working on the city's parks and open spaces assets. Guidance for the site groups on operating in a Covid secure way was provided. The in-house groups have operated on a rota system to enable people to still benefit less frequently but in a safe way. Of the 18 groups, 14 have been active this quarter. We have reviewed this in light of the escalation in cases and advice was sent to all independent groups to reduce to a single group of 6, meaning figures may reduce again next quarter.
- Avoidable contact is rated red at 43.4%, principally due to high numbers of customers contacting the council about their benefit claims. Development of the portal and services online should help reduce levels of avoidable contact.
- The current general fund forecast is an outturn overspend of £0.8m and this indicator is therefore rated red for this quarter. This figure reflects the Quarter 2 forecast impact of Covid-19 on the council's income and expenditure as well as incorporating identified in-year savings and government funding. Since Quarter 2 a further £0.960m of government funding has been received. Therefore, if no further budget pressures are identified, this additional funding combined with all the positive short-term actions the council took to reduce spend will result in an overall general fund underspend.
- Indicators measuring the proportion of top earners with protected characteristics (compared to the whole workforce) who are female or disabled are both rated red for quarter two, although there has been an increase in the proportion of top earners who are disabled compared to the workforce as a whole.

Corporate risk register

11. The council has identified a need to reconstitute its arrangements for managing risk as a priority action included in the 2020 Annual Governance Statement. Whilst the Council has in place an established strategy and policy that conforms to best practice, the need to improve the application of these processes was identified to ensure that risk management is operating effectively at every level of its operations.
12. To facilitate a full refresh of the risk management process and corporate risk register, internal audit have worked with directors and the Corporate Leadership Team (CLT) through a mix of discussion and workshops to reset risk registers from scratch.
13. The corporate register will be reviewed each quarter by CLT as part of its quarterly performance review. It is intended to provide a risk management report to the audit committee twice yearly at the request of the audit committee chairman so that the committee can fulfil its oversight function.
14. The corporate risk register is included as Appendix 1.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	16 December 2020
Director / Head of service	Head of Strategy and Transformation
Report subject:	Quarter 2 performance and risk report 2020-21
Date assessed:	1 December 2020


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


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


Recommendations from impact assessment
Positive
Negative


Neutral
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


Corporate risk register


Risk 1			Owner: Interim Director of Resources				Category: Finance & Resources		Risk Direction:		
				Target Risk				Current Residual Risk			
Description/Triggers	Impact	Mitigation	Date Raised	Consequence	Likelihood	Score	Risk Strategy	Consequence	Likelihood	Score	
<ul style="list-style-type: none">• Council's financial position goes into significant deficit resulting in reserves falling below the prudent minimum level• Insufficient general and earmarked reserves to address shortfall• Or use of earmarked reserves impacts on ability to deliver other council projects (invest to save funded)• Non-delivery of in-year saving to mitigate financial deficit	<ul style="list-style-type: none">• Initial indications is that in 20-21 the general fund will overspend by £7.2 million without further action.• Relying solely on the general fund reserve to offset this would leave the reserve at an unsustainable level and below the £4.3m prudent minimum level.• Without significant action and consideration of reserves the council will be at serious risk of being in a S114 position.• Without a clear plan of action the council will have to begin engaging with CIPFA and the MHCLG.	<ul style="list-style-type: none">• £3.9m unallocated reserves available to offset deficit whilst maintaining prudent level of reserve.• To date (22/10/20), awarded £2.8m of Covid-19 funding from government	Jun 20	4	2	8	Manage	4	3	12	
			Risk Control Action								
			Action		Owner		Target Date	Update			
			Continue to lobby Government to fully compensate Norwich against the financial impacts of C'19'		Chief Executive		Ongoing	<ul style="list-style-type: none">• The Leader of the Council has written to the Prime Minister and Chancellor asking for the council to be fully compensated• The Leader has also lobbied the local MPs• Both the Leader and CEO are in regular discussion with other Norfolk Leaders and CEOs to lobby on this point, and are active members of the Key Cities network and are lobbying through that route• The CEO has been in touch directly with the Chief Executive of the LGA to lobby for a fair settlement for Norwich and the wider sector.• The CEO has also published articles in the MJ to lobby Government on this point• The s151 officer ensures that all financial returns setting out the impact of Covid on the council's budget are sent to MHCLG in a timely manner.			
			Review the capital programme to ensure that the schemes still reflect the council's current priorities and that these are affordable in new landscape.		Interim Director of Resources		Dec 20	Services have reviewed the programme and submitted opening briefs for options for the revised programme to be approved Feb 2021. Projects have been prioritised for review			
Conduct a corporate review of all 2020-21 revenue budgets to identify areas for immediately reducing in-year non-essential expenditure.		Interim Director of Resources		Jul 20	Completed						


Risk: 2. Council Funding Medium- Long Term			Owner: Interim Director of Resources				Category: Finance & Resources	Risk Direction:		
Description/Triggers	Impact	Mitigation	Date Raised	Target Risk			Risk Strategy	Current Residual Risk		
				Consequence	Likelihood	Score		Consequence	Likelihood	Score
<ul style="list-style-type: none">• Council fails to identify and plan for enough savings over the medium term.• Non-delivery of identified savings• New national funding arrangements reduce government funding (Fairer Funding, Business Rates Retention, New Homes Bonus)• Economic uncertainty increase volatility on business rates and council tax• Risk of inflation on costs and pension deficit increases.• Lack of capital resources to fund the council's asset base – implications	<ul style="list-style-type: none">• Councils financial position goes into deficit, reducing confidence in financial strength and governance• Unplanned use of reserves reducing capacity and flexibility and compromising stability.• Section 114 notice• Government intervention• Failure to deliver Council Plan• Adverse comments by poorer perception of Council by stakeholders.• Overspends arising from activity not in service plans.	<ul style="list-style-type: none">• Review all the assumptions within the MTFS• Corporate budget planning guidance issued• CLT review of budget options and MTFS refresh• Cabinet give due consideration to latest forecasts and options to close any gap identified during the review of MTFS assumptions.• Consultation launched if required prior to budget approval in Feb 2021• Restructure senior management team to improve service delivery and drive forward transformation programme.• Started process of service reviews to generate efficiencies• Utilising invest to save reserve to deliver transformation programme	Jun 20	5	2	10	Manage	5	3	15
			Risk Control Action							
			Action		Owner		Target Date	Update		
			Update the council's Medium-Term Financial Strategy, to understand the short to medium implications for savings requirements and use of reserves.		Interim Director of Resources		Sep 20	Complete		
			Commence the process for setting the budget for 2021/22 and provide further detail to Cabinet in July on the approach and timeline.		Strategic Finance Business Partner		Jul 20	Complete		
			Cabinet briefed on the MTFS refresh		Interim Director of Resources		Nov 20	Leader and Portfolio holder briefings complete prior to publication of report.		
			Cabinet approve the revised MTFS at Full Council		Interim Director of Resources		Feb 20			
			Comments: The Council is working towards a sustainable budget that does not utilise reserves. Current plans incorporate the use of reserves to bring the general fund reserve back to the risk assessed minimum requirement.							


Risk: 3. Commercialisation (investment property, NRL, other commercial income sources)			Owner: Interim Director of Resources				Category: Finance & Resources		Risk Direction:	
				Target Risk				Current Residual Risk		
Description/Triggers	Impact	Mitigation	Date Raised	Consequence	Likelihood	Score	Risk Strategy	Consequence	Likelihood	Score
<ul style="list-style-type: none">• Lack of depth of skills and knowledge to manage commercial activities (reliance on several key staff)• Uncertainty over the future government direction on commercial activity (PWLB consultation ongoing)	<ul style="list-style-type: none">• NRL – losses in the company result in additional revenue costs to the General Fund• Non-delivery of budgeted income levels to support general fund• Ineffective management of the property portfolio leads to reducing income and poor use of assets	<ul style="list-style-type: none">• Asset Management Strategy• Commercial Strategy	Jun 20	4	2	8	Manage	4	2	8
			Risk Control Action							
			Action		Owner		Target Date	Update		
			Address recommendations from the internal audit review of NRL governance.		Director of Resources		Aug 20	Actioned		
			Complete a thorough review of the Council's approach to housing commissioning and look to establish and revise structures as agreed. A report to be taken to Cabinet to agree the principle of the approach.		Director of Place		Nov 20			
			Following Cabinet approval, new and revised structures will be put in place.		Director of Place		Mar 21			
			Produce a new asset management strategy.		Director of Place		Mar 21			
			Comments:							


Risk: 4. Health & safety in the workplace			Owner: Director of People & Neighbourhoods				Category:	Risk Direction:		
Description/Triggers	Impact	Mitigation	Date Raised	Target Risk			Risk Strategy	Current Residual Risk		
				Consequence	Likelihood	Score		Consequence	Likelihood	Score
<ul style="list-style-type: none">Covid-19 and risk of spreading infection across the workplace.	<ul style="list-style-type: none">New way of working has the potential to change the council's culture and make it a more modern organisation which supports a flexible approach to work/life balance for staff.Impact of Covid-19 and duties to ensure social distancing and requirements to ensure safety in the workplace are addressed	<ul style="list-style-type: none">Improved IT capabilities to allow more staff to work from home were developed and rolled out quickly, which has enabled the majority of staff to work from home since March.Virtual council meetings are being held in order to limit the risk of spreading the disease through close contact, although the organisation will revert to 'face to face' meetings in the council chamber and committee rooms when it is appropriate to do so.Hand sanitiser dispensers introduced across workplace.Desk policy to ensure limited capacity adhered to & 2m social distancing observed.Mandatory e-learning modules for staff.	May 20	4	2	8	Manage	4	2	8
			Risk Control Action							
			Action		Owner		Target Date	Update		
			Implement changes to the internal layout and other safety measures within city hall to support social distancing as more staff return to the office when it is appropriate to do so, with a risk assessment of the building carried out and unions engaged.		Director of Resources		Jun 20	Actioned		
			Develop greater employee wellbeing and resilience including the formation of a mental health working group		Director of People & Neighbourhoods		Aug 20	Actioned		
			Continue to allow staff to work from home where possible, striking a balance between home and office-based working and allowing flexibility for staff.		Director of People & Neighbourhoods		Ongoing	Actioned		
			Comments:							


Risk: 5. Second wave of Covid-19:			Owner: Chief Executive				Category: Customer		Risk Direction:	
				Target Risk				Current Residual Risk		
Description/Triggers	Impact	Mitigation	Date Raised	Consequence	Likelihood	Score	Risk Strategy	Consequence	Likelihood	Score
<ul style="list-style-type: none">Adverse impacts associated with further restrictions and pressures associated with Covid-19 that will have on the city, council and local services	<ul style="list-style-type: none">Lack of government funding to support local businesses resulting in local business failuresEconomic uncertainty increase volatility on business rates and council taxInsufficient government funding to local authorities to support the delivery of additional Covid - 19 related activitiesFinancial pressure due to down turn in income leading to financial instabilityIncrease in unemploymentIncrease in claims for benefits and consequential impact on staff workloads	<ul style="list-style-type: none">Delivery of business support grants.Ongoing work with the Norwich BID and Norfolk Chambers of CommerceNorfolk wide response being managed through Norfolk Resilience Forum (NRF) attend by leader of the council and Chief ExecutiveCovid operational group continues to oversee response and actions deployed to reduce the number of cases.A gold command structure was put in place with the chief executive chairing daily meetings and the director of strategy and culture leading the responseC-19 Support Officer provided in the city to give and advice and support to businesses and the publicSilver command group:<ul style="list-style-type: none">Promote and disseminate information and toolkits to local businessesProvide advice & engagement with track and traceDeployment of covid-19 support officersCollaboration with police on enforcement actions	Jun 20	4	3	12	Manage	5	4	20
			Risk Control Action							
			Action		Owner		Target Date	Update		
			Work with the Norwich BID, Norfolk Chambers of Commerce, police and Norfolk County Council to review and implement physical measures and signage in the city centre to support social distancing.		Director of People & Neighbourhoods		Ongoing			
			Use its licensing powers to support businesses – particularly those in the hospitality sector – where appropriate to vary the use of outside space, whilst ensuring that people with disabilities can move around the city safely.		Director of People & Neighbourhoods		Ongoing			
			Continue to deliver grants and wider support to businesses.		Interim Director of Resources		Ongoing			
			To work effectively with partners through effective networks to minimise spread of virus, provide clarity of local message and for us to provide an effective local track and trace service		Chief Executive		Ongoing	Operational Group convened with key stakeholders including County Council Director of Public Health, East Anglia University. Action plan in place including deployment of Covid safe advisors, more visible communications e.g. regular press conferences, continued review of data to identify hotspots and continued local contact tracing system.		
			Comments: Scoring takes account of growing threat/spread of Covid 19 nationally							


Risk: 6. Impact of Brexit			Owner: Stephen Evans				Category: Customer		Risk Direction:	
				Target Risk				Current Residual Risk		
Description/Triggers	Impact	Mitigation	Date Raised	Consequence	Likelihood	Score	Risk Strategy	Consequence	Likelihood	Score
<ul style="list-style-type: none">Continued uncertainty over the nature of the UK's exit from European Union.Risks associated with potential no deal scenario	<ul style="list-style-type: none">Public disorder eventsFood availability (panic buying/ stockpiling) - Increased prices for food and fuelPossible disruption to fuel suppliesStaffing issues (EU nationals)Inclement weather may have increased impactsFlood season September – April (impacts on Costal Districts – provision of mutual aid)Staffing resilience managing concurrent events (e.g. Covid, Brexit, severe weather)Potential political developments (elections/referen dums) – these would place increased pressure on some district councils.Increases in environmental crimes i.e. fly tipping etc., as advised by the Environment Agency	<ul style="list-style-type: none">Membership & participation in Norfolk Resilience Forum (NRF)NRF multi-agency plans to deal with significant eventsNRF Brexit StrategyBusiness Continuity PlansBrexit Communications PlanNational guidance/ toolkits	Apr 20	3	5	15	Manage	3	5	15
			Risk Control Action							
			Action		Owner		Target Date	Update		
			Monitor the situation, awaiting further government guidance		Emergency Planning Manager/ Environmental Health & Protection Manager		Ongoing	EPM engaged with NRF EU transition working group		
			Information sharing through NRF structures		Emergency Planning Manager		Ongoing	NRF EU Transition strategy reviewed and updated		
			Participation in NRF Brexit planning meetings		Emergency Planning Manager		Ongoing	Risk assessment reviewed and updated in the strategy		
			Nominate strategic Brexit Lead Officer		CLT			TC will attend EU transition working group meetings, next 27/11		
			Comments: Impacts from NRF Brexit Strategy							
Currently lots of unknowns. The country is in a transition year during which the future terms for the relationship between the UK and EU is to be decided. These negotiations will need to conclude in their entirety by 31 December 2021 or the UK will leave with No Deal.										

Risk: 7. Failure to respond to a critical, business continuity or emergency planning event			Owner: Director of People & Neighbourhoods				Category: Processes & Systems	Risk Direction:		
Description/Triggers	Impact	Mitigation	Date Raised	Target Risk			Risk Strategy	Current Residual Risk		
				Consequence	Likelihood	Score		Consequence	Likelihood	Score
<ul style="list-style-type: none">• Occurrence of a significant event:<ul style="list-style-type: none">○ Loss city hall○ ICT failure○ Contractor collapse○ Severe weather events○ Sea level rise○ Fuel shortages○ Communications failure○ Pandemic○ Loss of power• The Council, businesses and members of the public in the city will also be at risk from the local effects of climate change in the medium to long term.	<ul style="list-style-type: none">• Council unable to function.• Increase in demand on Council services• Vulnerable Service Users unable to access services• Reputational Damage	<ul style="list-style-type: none">• Draft Corporate Business Continuity Plan• Service areas Business Impact Analysis and Business Continuity Plans• Work Area Recovery location for Customer Contact• ICT Disaster Recovery Plan• Incident Management Team response to business continuity incidents.• BMG TTX - Exercise Appleyard 1 (14/12/16)• BMG TTX - Exercise Appleyard 2 (26/7/17)• Service area business continuity exercises• Insurance policies• Asset register• Emergency Management Strategy• Incident specific response plans• Rest centre and community centre plans• Full participation in Norfolk Resilience Forum meetings• Review of NRF risk assessments and Norfolk Community Risk Register• Norfolk Emergency Response Guidance NRF multi-agency plans for specific risks• Participation in training and exercises	Apr 20	4	3	12	Manage	4	3	12
			Risk Control Action							
			Action		Owner		Target Date	Update		
			Completion of audit review (20/2/18) actions		CLT to determine lead officers Director of Strategy & Culture		End Feb 21	This has been outstanding for 2 years. Progress has been made, EPM to complete remaining actions by Feb 21, new management structure may impact on target completion date		
			Consider reinstating Business Continuity Steering Group for effective business continuity management to provide a mechanism for monitoring and implementing measures to enhance business resilience		CLT to determine lead officers Director of Strategy & Culture		End Feb 21	Meeting to be arranged in Feb 21		
			Completion of outstanding recommendations/actions from previous EP and BC exercises		CLT to consider and determine way forward Director of Strategy & Culture		Feb 21	EPM to review and capture outstanding actions		
			Work with emergency planning team in respect to plans for elections in May 2021 and include in plans specific covid-19 planning		Democratic & Elections Manager		May 21	EPM included in meeting schedule		
			Flag with contract managers risk of supplier collapse due to Covid or issues with supply change due to Brexit		Business Relationship & Procurement Manager		Nov 20			
			Comments: :							

Risk: 8. Sustained increase in homelessness and temporary accommodation			Owner: Director of People & Neighbourhoods				Category: Customer		Risk Direction:	
Description/Triggers	Impact	Mitigation	Date Raised	Target Risk			Risk Strategy	Current Residual Risk		
				Consequence	Likelihood	Score		Consequence	Likelihood	Score
<ul style="list-style-type: none">• Failing to fulfil statutory responsibility to assess people who present as homeless or at risk and to develop an appropriate way forward to prevent their being homeless.• With the developing economic downturn there will be more families living in poverty, with the risk of homelessness once the 3 months ban on evictions is lifted.• Failing to fulfil responsibility to clients presenting at risk of domestic abuse	<ul style="list-style-type: none">• Increase in costs to council.• Increase in social issues for the city.• Legal action against the council for not fulfilling statutory obligations• Increase in domestic abuse	<ul style="list-style-type: none">• Greater Norwich homelessness strategy 2020 – 25• Norwich tackling rough sleeping strategy 2017-22• The council worked quickly to ensure that accommodation was – and continues to be - available to all rough sleepers in Norwich.• Additional accommodation is continuing to be sourced where it is required.• The Pathways partnership programme continues to provide outreach support to those who need it, drawing on a wide range of expertise.• From August 20 a specialist tenancy relations adviser is employed from government funding to deal with PRS tenants threatened by homelessness• The council is recognised as a 'gold standard' authority in dealing with the prevention and relief of homelessness• Government funding has been used to increase the 'homelessness prevention fund'.• The council employs a specialist domestic abuse housing adviser to deal with DA victims threatened with homelessness	Jun 20	3	3	9	Manage	4	4	16
			Risk Control Action							
			Action		Owner		Target Date	Update		
			Work proactively with partners through the Pathways programme to develop a sustainable approach to tackling homelessness in the city.		Head of Neighbourhood Housing		Ongoing	CLT to consider recommendations to re commission of service. Next steps fusing in excess of £1m secured to increase supply and support functions for 'people who would eb sleeping rough.		
			Over the longer-term, work with Pathways and the voluntary and community sector to look at pathways out of poverty for the most vulnerable. This will include training and skills opportunities and measures to move people closer to the labour market and into employment.		Head of Neighbourhood Housing		On going			
			Given increased volumes of presentation and workload, it may be necessary to use government homelessness funding held in existing budgets to take on additional resource in the homelessness relief team. This to be monitored.		Housing Options Manager		On going	Watching brief. Change to winter provision being developed.		
			Comments:							

Risk: 9. Cyber Security & GDPR compliance			Owner: Director of Strategy, Communications & Culture				Category: Processes & Systems		Risk Direction:	
Description/Triggers	Impact	Mitigation	Target Risk				Risk Strategy	Current Residual Risk		
			Date Raised	Consequence	Likelihood	Score		Consequence	Likelihood	Score
<ul style="list-style-type: none">• Old and unsupported operating systems,• lack of staff awareness and training,• Cyber-attack etc.• Non-compliance with GDPR legislation	<ul style="list-style-type: none">• Data breaches and fines from the Information Commissioners Office (ICO) Mishandling sensitive information• IT systems don't meet service transformational expectations.• data loss or loss of systems for a period of time.• Customer services disrupted• Financial impact of prolonged IT shutdown• Political & reputational risk	<ul style="list-style-type: none">• Mandatory e-learning modules on systems security & GDPR• Corporate Information Group – monitor data breaches GDPR related issues.	Jun 20	4	3	12	Manage	4	3	12
			Risk Control Action							
			Action		Owner		Target Date	Update		
			Address recommendations from the internal audit review of GDPR -.including Information asset register		Data Protection & Security Team Leader		Dec 20	Action Taken: Sent out 89 review requests to officers within the council – one request for each team. Asset owners will be prompted for outstanding returns and progress will be reported and reviewed at the next Corporate Information & Assurance Group (CIAG).		
			Programme to replace legacy IT systems		Head of Customers, IT & Digital		Sep 23	An extensive programme of work is in place to replace and refresh legacy systems.		
			Internal audit of cyber security		Interim Audit Manager		Dec 20	In progress		
			Procure new electoral management system		Democratic & Elections Manager		May 21	Started procurement of new electoral management system as current system not providing adequate support to elections		
			Comments:							

Risk: 10. Joint Venture contracts			Owner: Director of People & Neighbourhoods				Category: Customer		Risk Direction:	
Description/Triggers	Impact	Mitigation	Date Raised	Target Risk			Risk Strategy	Current Residual Risk		
				Consequence	Likelihood	Score		Consequence	Likelihood	Score
<ul style="list-style-type: none">Ending the joint venture contracts with Norse group for environmental services (April 2021); property management and general fund and housing repairs & maintenance (April 2022) and avoiding significant impacts on services.Poor relationship managementJoint ventures not managed effectively, and key service outcomes not achieved.Contracts not managed effectively.Joint venture arrangements do not run to term or budget	<ul style="list-style-type: none">Key services not deliveredThe Council does not get VFMBenefits of partner and contract management not realised.Specification not adhered to.Services not provided at an acceptable levelCustomer and staff complaints	<ul style="list-style-type: none">Place project – multi officer project team and board in place to implement insourcing projectsBusiness as usual workstream to oversee delivery and performanceRevised key performance indicators for property and building maintenance contracts agreedRegular review of performance	Jun 20	3	3	9	Manage	3	4	12
			Risk Control Action							
			Action		Owner		Target Date	Update		
			Recommendations from the internal audit review of the housing repairs & maintenance contract reviewed and action plan agreed		Director of People & Neighbourhoods		Mar 21	Update report to be reviewed by Audit Committee in November 20		
			Safe transfer of environmental services to Norwich City Services Limited by 1.4.21		Chief Executive		Apr 21			
			Safe transfer of property and building maintenance services to Norwich City Services Limited by 1.4.22		Chief Executive		Apr 22			
			Comments:							

Risk: 11. Failure to fulfil statutory or legislative responsibilities, including safeguarding.			Owner: Director of People & Neighbourhoods				Category: Customer		Risk Direction:	
Description/Triggers	Impact	Mitigation	Date Raised	Target Risk			Risk Strategy	Current Residual Risk		
				Consequence	Likelihood	Score		Consequence	Likelihood	Score
<ul style="list-style-type: none">• Lack of understanding the statutory and legislative responsibilities.• Lack of awareness of legislative changes and new legislation.• Failure to implement statutory duties and responsibilities.• Lack of required skills knowledge and experience of key officers tasked to fulfil statutory or legislative responsibilities.• Insufficient organisational capacity.• Ineffective procedures and processes.• Lack of clarity of roles and ownership of legislative responsibilities (H&S, safeguarding, equality etc.).• Delegation of responsibilities where services are with a contractor.	<ul style="list-style-type: none">• Financial costs in compensation & fines• Intervention if complete failure• Acting illegally• Negative impact on the Council's reputation• Wrong decision being made• Harm, abuse, accident or death linked to failure of the Council to act within safeguarding arrangements• Being held to account by overseeing organisations (e.g. children safeguarding) maybe included in reputation	<ul style="list-style-type: none">• Communication Strategy to ensure implementation• Corporate Governance Group in place to oversee compliance• Legal Services in place to provide support• Positive approach to checking compliance with legislation• Professional leads identify legal requirements• Quality assurance processes in place for contracted services• Suitably trained and qualified staff and mandatory reading of key documents for all officers	Apr 20	4	3	12	Manage	5	3	15
			Risk Control Action							
			Action		Owner		Target Date	Update		
			Increase officer confidence in information sharing and understanding of when and how to do so appropriately		Early Intervention & Community Safety Manager		Mar 21	Home office guide on information sharing for professionals re-circulated to safeguarding champions Sept 2020 to discuss at team meetings. Corporate training programme in development; due for agreement Nov 2020.		
			Safeguarding policy and risk embedded into contractors' and sub contractors' policy and practice		Early Intervention & Community Safety Manager		Mar 21	Contractors to be included in relevant elements of corporate training programme; due for agreement Nov 2020.		
			Maintain safeguarding champion knowledge, understanding, confidence		Early Intervention & Community Safety Manager		Mar 21	Safeguarding meetings maintained. Training knowledge shared amongst safeguarding champions.		
			Embed learning across council teams		Early Intervention & Community Safety Manager		Mar 21	Safeguarding issues logs reviews to be undertaken by all council team leaders and managers – and discussed with officers at supervision meetings – scheduled from end of November 2020. Training programme to be introduced across the council from early 2021.		
			Comments:							

Risk Scoring matrix

Impact	Very High	5	5	10	15	20	25
	High	4	4	8	12	16	20
	Medium	3	3	6	9	12	15
	Low	2	2	4	6	8	10
	Negligible	1	1	2	3	4	5
			1	2	3	4	5
			Very rare	Unlikely	Possible	Likely	Very Likely
			Likelihood				

Report to Cabinet
16 December 2020
Report of Chair of scrutiny
Subject Scrutiny committee recommendations

Item

9

Purpose

To consider the recommendations from the scrutiny committee meetings held virtually on 15 October and 19 November 2020.

Recommendation

To consider the recommendations made at the meeting of scrutiny.

Corporate and service priorities

The report helps to meet all the corporate priorities.

Financial implications

None.

Ward/s: All wards.

Cabinet member: Councillor Kendrick - Resources

Contact officers

Adam Clark, strategy manager

Emma Webster, scrutiny liaison officer

Background documents

None

Report

Background

1. The council's scrutiny committee is constituted of councillors who do not sit on cabinet. They are expected to review/scrutinise and oversee decisions made by cabinet. They can 'call in', for reconsideration, decisions made by cabinet or an officer which have not yet been implemented. The main functions of scrutiny are to hold cabinet to account by examining their proposals; evaluating policies, performance and progress; ensuring consultations, where necessary, have been carried out; and highlighting areas for improvement.
2. The committee makes recommendations for cabinet, the wider council and other stakeholders based on evidence on the issues scrutinised at their meetings.
3. At the scrutiny meeting on 19 November scrutiny discussed 'maximising opportunities to achieve zero rough sleeping following covid-19' from a report presented by the council's housing partnerships officer. Two expert witnesses with experience working for CRISIS, Citizens Advice Service and Shelter attended the meeting.

It was **RESOLVED** to ask cabinet to consider the following recommendations:

- a) look at how the council communicates the risk of becoming intentionally homeless to tenants, to clarify that the council is giving information and to reduce the perception of threat.
- b) provide a demographic of those who have received such communications to the scrutiny committee members.
- c) review council policies around intentional homelessness.
- d) ask the housing partnerships officer to provide online training to members on approaching people on the street and how to give advice.
- e) support landlords in how to deal with tenants who will have change in circumstances over the coming months.
- f) Contacting tenants who the council had previously contacted with improvement notices and also use rogue landlord databases as an exercise in early intervention.
- g) Work with county and advice agencies to map where to refer people who need early intervention services.
- h) lobby central government for increased funding.
- i) To thank officers for their work in this area and to acknowledge the good work the council is undertaking regarding tackling homelessness.

4. Representatives from the New Anglia Local Enterprise Partnership (LEP) attended the September meeting of scrutiny and took questions from the scrutiny committee. Due to time constraints not all questions could be answered during the meeting so the LEP provided written answers. At the October meeting of scrutiny these written answers were considered and recommendations were requested by e-mail. The following recommendations were agreed by scrutiny on 19 November:

It was **RESOLVED** to ask cabinet to consider the following recommendations:

- a) That the Leader of the Council requests from the LEP a clear plan and commitments for how they are going to meet the minimum target of reducing emissions by 13% year on year.
- b) To ask cabinet through the scrutiny committee or CEEEP as appropriate to consider investment opportunities within Norwich that would generate the best results in reducing emissions and providing community benefit, so that these can be fed into the new Norfolk & Suffolk Investment Plan.
- c) The LEP written answers refer to “Developing a dedicated vehicle for generating local energy in a way which benefits communities, and consider where targeted pilots could help us explore initiatives and learn from other leading areas/schemes”. The council is due a report on solar financing from the cabinet member for safe and sustainable city environment, therefore the committee proposes that the cabinet member meets with local community energy groups and the LEP to discuss a pilot in Norwich.
- d) Ask cabinet to promote grants from the LEP by including details in communication with businesses when sending out business rates letters.
- e) Ask the LEP to provide information on the self employed grant scheme and lobby government to provide more targeted support for those who are self employed.
- f) LEP has details of its grants programmes on the website, but it's not clear what the impact of these is. Therefore the committee asks for a report on benefits delivered: impact on social mobility and local jobs
- g) ask the Leader of the Council to push for unions to be represented on the LEP board.
- h) To ask the Leader of the council as the council's representative on the LEP to ask that it considers:
 - a) including clean growth and protection/enhancement biodiversity as key criteria for project applications.
 - b) regularly assessing the net impact of its activities (policies/programmes/funding) on carbon emissions and extent to which the LEP is meeting legal targets.

- c) review its strategic approach to transport planning which is currently dominated by major road building schemes and to bring its policies and funding contributions into line with net zero carbon target.
 - d) assist WildEast in helping to meet its goal of dedicating 20% of all land in East Anglia to biodiversity by 2030.
 - e) build on the goodwill and acknowledgement of climate emergency to press for carbon accounting. Chris Starkie acknowledged that - not enough was being done to meet the Climate Change Act's requirements. Small acts of carbon reduction need to be weighed against, and scaled up to exceed actual ongoing emissions and the first step is measurement. Tyndall report gives 13% annual reduction of Norwich emissions to meet targets in Climate Change Act. This is an engine of economic renewal and offers genuine opportunities to the many in high carbon jobs who will need alternative employment. The sooner this transition is managed, the more manageable it will be.
 - f) Recommend to the LEP that they lobby government for Universal Basic Income pilot scheme in Norwich to boost local demand.
 - g) Push for meetings to be held in public in order to increase accountability, transparency, public awareness and trust.
5. At scrutiny committee on 15 October during the work programme item it was agreed not to take any new select committees forward at this time and for Councillor McCartney-Gray to take work on safe drug consumption rooms to NHOSC for consideration. The substantive item was the council's response to enhancing community development following Covid-19, presented by the neighbourhood and community enabling manager. It was agreed that the work being undertaken around community engagement was positive and would give people a vehicle in which to engage with the council. There was discussion around the importance of delivering efficient public services with stretched time and resources and that it would be helpful for both councillors and residents to understand the council's internal processes.

It was **RESOLVED** to ask cabinet to consider the following recommendation:

Ask cabinet to commission a piece of work to refresh the constitution so that it more accurately reflects the collaborative nature of the council, for example, in discussions with councillors to include a rationale on why a project can or cannot be taken forward.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	16 December 2020
Director / Head of service	Annabel Scholes
Report subject:	Scrutiny Committee Recommendations
Date assessed:	3 December 2020
Description:	A summary of scrutiny committee discussions and recommendations from 15 October and 19 November 2020

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

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

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	

Report to Cabinet
16 December 2020
Report of Director of place
Subject Consultation response to draft Local Transport Plan

Item

10

Purpose

To consider the City Council's response to the County Council's consultation on the draft Local Transport Plan.

Recommendation

To approve the City Council's response to the County Council's Local Transport Plan.

Corporate and service priorities

The report helps to meet the corporate priority Inclusive economy

Financial implications

Changes to parking tariffs would have financial implications but these would be modelled before any changes are agreed.

Ward/s: All Wards

Cabinet member: Councillor Stonard - Sustainable and inclusive growth

Contact officers

Ben Webster, Design conservation and landscape manager 07741 103253

Graham Nelson, Director of place 07979 516835

Background documents

None

Report

Background

1. On 31 March 2020 the City Council lost most of its ability to directly affect transport and highway matters following the County's decision to terminate the highway agency agreement that had existed for many years. Nevertheless, the City Council understands that fulfilment of its corporate objectives for the health, wellbeing and prosperity of its citizens is strongly influenced by having a good transport system. This means that the City will seek to influence the policies and priorities of the County Council. This is especially important because the transport needs of a city are very different to those of a predominantly rural county.
2. The County Council has invited the City Council to respond to its consultation on the Local Transport Plan for Norfolk. Local Transport Plans (LTP) provide a strategy and policies for transport and guide investment priorities. A new 4th iteration of the LTP has been drafted by County that will cover the period 2020-36. The document can be found [here](#). The City Council's draft response is attached at appendix 1. Approval is being sought to for the response so it can be sent to the County.
3. Recognising that the LTP is only one element of the transport policy architecture that will apply to Norwich, the draft response offers a set of policy principles that the City Council would like the County Council to incorporate into the suite of policy documents that it is producing. Interventions are also proposed for consideration that would fulfil the policy principles. The response also goes beyond a critique of the detail of LTP policy to cover issues of governance, asset management and how transport policy is structured which are all important to create a well-functioning transport system.
4. Parking needs highlighting in this covering report because it is the main element of transport activity that the City Council retains a direct influence over and is an important source of revenue for the council. Paragraphs 3.3-3.4 of the draft response contain proposals for a new approach to the cost and availability parking in the city. The intention behind those proposals is to facilitate the development of redundant or badly located parking areas and incentivise the use of Park & Ride while maintaining revenue from the City Council's off-street parking. In common with all the interventions, these would need further development and testing in terms of their costs and benefits.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	16.12.20
Director / Head of service	Graham Nelson
Report subject:	Consultation response to draft Local Transport Plan
Date assessed:	30.11.20

	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"/>	Changes to parking tariffs would have financial implications but these would be modelled before any changes are agreed.
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"/>	Supports an approach to economic development that recognises that the efficient use of land and energy results in better access and productivity within the city and saving resources that can be invested in projects that create more jobs.
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Supports principles of fair and affordable access through the transport system and a reduction in pollution affecting people living in more deprived circumstances. If the cost of long-stay parking was increased this would have a greater impact on people on lower incomes although the revenue raised would be spent on the provision of services that would be disproportionately used by people in the lower socio-economic groups.
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"/>	

	Impact			
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input checked="" 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"/>	Encouraging walking, cycling and outdoor activity and reducing pollution boosts health and wellbeing.
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Bringing citizens together for events in good quality public space helps break-down barriers between neighbourhoods and foster a civic identity.
Eliminating discrimination & harassment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Principles of assessing the equality impacts of transport policy and schemes are advocated.
Advancing equality of opportunity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Affordable access to facilities in the city is important.
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	All of the policy principles espouse and environmentally progressive approach to transport.
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Reducing car use and supporting cleaner alternatives for movement supports the natural and built environment.

	Impact			
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The proposed transport modal hierarchy is based on prioritising modes that minimise the use of resources, especially space and fuel.
Pollution	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Reducing car use reduces pollution.
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"/>	The first priority in planning for transport is proposed as respecting climate limits by setting and sticking to carbon budgets for the sector.
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The development of a new approach to the price and availability of parking would need to carefully consider the risk of reducing revenue.

Recommendations from impact assessment	
Positive	
Negative	

Neutral
Issues
Changes to parking pricing and availability will need to be carefully modelled before any commitment is made to implement the broad approach identified in appendix 1.

Draft Local Transport Plan

Norwich City Council consultation response

DRAFT 03.12.20

1.0 Background

- 1.1 Local Transport Plans (LTP) provide a strategy and policies for transport and guide investment priorities. A new 4th iteration of the LTP has been drafted by Norfolk County Council that will cover the period 2020-36. They are consulting stakeholders and have asked for our feedback prior to approving the document in April 2021. The document can be found [here](#). An implementation plan will follow later in 2021 that lists schemes for the following three years in detail and longer-term schemes in less detail.
- 1.2 On 31 March 2020 the City Council lost most of its ability to directly affect transport and highway matters following the County's decision to terminate the highway agency agreement that had existed for many years. Nevertheless, the City Council understands that fulfillment of its corporate objectives for the health, wellbeing and prosperity of its citizens is strongly influenced by having a good transport system. This means that the City will seek to influence the policies and priorities of the County Council. This is especially important because the transport needs of a city are very different to those of a predominantly rural county.
- 1.3 The Norwich 2040 City Vision was published in November 2018 following an extensive dialogue with individuals and organisations in the city. Transport is an indispensable part of achieving many of the broad objectives of the Vision:
 - **Creative** city that promotes innovative development and the regeneration of urban spaces and communities; develops the city centre experience and maximises the use of our heritage assets.
 - **Liveable** city that creates efficient, good quality, low-emission and affordable transport options; protects and maintains our green and open spaces to improve biodiversity and air quality; and develops an alternative approach to energy.
 - **Fair** city that develops an inclusive and joined-up approach to service delivery, ensuring residents have access to all the city has to offer; promotes the independence and diversity of all of our citizens; and makes the best use of our public spaces for physical activity.
 - **Connected** city that has a transport system to link us to the region, country and work; is a great city for walking and cycling; and has a clean, affordable, integrated transport system.
 - **Dynamic** city that works with residents and businesses to create an inclusive economy and growth.
- 1.4 In June 2020 the City Council published [Covid-19: A blueprint for recovery](#). Among the actions were identifying opportunities to promote sustainable travel in the city centre, with a focus on walking, cycling and other forms of

sustainable transport; and to secure £25m investment from the Towns Fund. This was bolstered the following month by the publication of the [Norwich City Centre Public Spaces Plan](#) that presented an illustrated summary of the public space improvements that are planned over the next few years. A positive announcement about the Towns Fund was made at the end of October.

- 1.5 Our response to the LTP and the framework of transport policy that we want to see are grounded in the City Vision and recovery plan.
- 1.6 The architecture of local transport policy covering Norwich comprises the LTP, which covers the whole County and the Norwich Area Transportation Strategy (NATS), which was produced in October 2004 and updated in 2010 with the addition of an Implementation Plan. NATS is out of date and the work to produce a replacement Transport for Norwich Strategy (TfN Strategy) is overdue. It is imperative that the TfN Strategy is produced soon because the LTP it is not designed to provide the detailed transport policy for the city based on an analytical understanding of its needs. The draft LTP only contains seven short paragraphs describing transport priorities for Norwich (p52-53). Furthermore, the Greater Norwich Local Plan (GNLP) and TfN Strategy were intended to be mutually reinforcing but the GNLP has proceeded while the TfN Strategy has stalled. This undermines the ability to plan land use and transport together, which is fundamental to good placemaking. The final element of the emerging transport policy for Norwich is the Local Cycling and Walking Infrastructure Plan (LCWIP).
- 1.7 The relationship between these documents and the choreography of their production is not clear and there is no reference in the LTP to either the LCWIP, the 2040 City Vision or the Norwich City Centre Public Spaces Plan. The LCWIP, TfN Strategy and LTP would ideally nest together like Russian dolls, one within the next. Each is intended to have an implementation plan or action plan, comprising lists of schemes. We advocate that the list of cycling and walking schemes in the LCWIP is incorporated in the TfN Strategy action plan and that the TfN Strategy action plan is imported into the LTP implementation plan. These could then replace the transport content in the Norwich sections of other infrastructure documents - Greater Norwich Infrastructure Plan (GNIP) and the Norfolk Strategic Infrastructure Delivery Plan. This integration is needed to avoid creating a proliferation of overlapping plans.
- 1.8 An alternative, simpler approach would be to agree that the Norwich area is not included in the LTP or the Norfolk Strategic Infrastructure Delivery Plan but that policies and schemes are to be found in the TfN Strategy and the GNIP. This would ensure that the particular needs of Norwich and its hinterland are captured. Further simplification and integration could be achieved for the next iteration of the GNLP and TfN Strategy by producing one combined document.
- 1.9 This response to the LTP is not a detailed or exhaustive critique. Our overall view is that the document is deficient due to a lack of clarity of expression with too many words and too few images; generic policies that unsuccessfully attempt to straddle the needs of the City and the rest of the

County; specific commitments to infrastructure schemes that promote long-distance car-based connectivity but a lack of equivalent scheme commitments that would support the more environmentally progressive policies in the document; and a general lack of ambition and recognition that the world must be radically different by the end of the plan period in line with the government's objective in its Gear Change document published earlier this year for England to be "a great walking and cycling nation" with "half of all journeys in towns and cities being cycled or walked by 2030".

- 1.10 The approach to policy development should be informed by a determination to create the future we want by bending trends using policy levers, rather than extrapolating existing trends, such as car ownership and use. In order words, plan and provide, not predict and provide. For example, the first statistic presented in chapter 4 (p12) says that "nationwide, population growth is expected to increase road traffic by 17-51%". The source or time parameters for this statistic are not cited. The pandemic has shown how travel activity can change dramatically and it seems likely that a lasting effect of the pandemic will be that working from home will create longer commutes that happen on fewer days leading to a smoothing of demand to use the transport system across the day. So we should not treat either traffic growth or diurnal peak travel demands as a permanent or inevitable state and our focus should be on deciding how we want the future to look when the LTP expires in 2036 and the policies and interventions we need to make it happen.
- 1.11 We have offered here a set of high-level policy principles and interventions that flow from them that the City Council would like the County Council to incorporate into the suite of policy documents that it is producing. It is not a complete list and some of the policy principles might be better served by other interventions. It is incumbent on the County Council, with all its resources following the ending of the agency agreement, to undertake the analytical work needed to create an ambitious transport plan for Norwich.

2.0 Policy principles

2.1 Respect climate limits.

- 2.1.1 Climate change presents an existential threat. The County Council set a very ambitious carbon neutrality target for 2030 in its 2019 Environment Policy. It made a distinction between achieving this on its estate by 2030 and "working towards" it elsewhere. It is not explicit about whether the highway network, for which it has responsibility, is being treated as part of its estate for the purpose of applying this target but the content of LTP policy 12 (p42) suggest it is not. Nevertheless, policy 12 is a welcome recognition of the need to apply tough carbon reduction targets to transport given that the sector represents about one third of emissions of carbon dioxide. Achieving this ambitious goal will require an immediate and radical reduction in emissions but there is a gap in the LTP between the ends and the means because it does not demonstrate that the other policies in the plan will collectively achieve this objective.

2.1.2 The LTP should state a carbon budget for transport in Norfolk and Greater Norwich (if the data is available at County and city level) and present stronger policies in service of containing emissions within this budget. The explanatory text beneath policy 1 strongly suggests that the answer lies in “technology, innovation and behaviour change” (p17) but behaviour is shaped the by the structure of the city, the design of streets and the availability and level of service offered by different modes of transport. Individual major schemes and transport investment programmes should therefore demonstrate how they will not lead to this carbon budget being exceeded.

2.2 Put health, wellbeing and fairness at the centre of transport policy.

2.2.1 The availability of transport services is an important determinant of life chances and the harmful impacts of transport are disproportionately felt by the poorest people in our society. Lives are blighted and stunted by pollution arising from a transport system that relies too heavily on vehicles burning fossil fuels. Living by a busy road can shorten your life through the polluted air that infiltrates the lungs and the noise that can disturb sleep and cause stress. Fewer people know their neighbours on busy roads and this lack of community erodes wellbeing. These effects are amplified by poverty, whereby wealthier people in cars drive from the suburbs through the neighbourhoods of poorer people living in inner areas of the city. Transport policy therefore needs to promote social justice by reducing inequalities and promoting fairness, especially in relation to health outcomes.

2.2.2 A healthy city promotes walking and cycling as the default way to get around for short journeys. By integrating exercise into everyday tasks like the journey to the shops we boost our own health and reduce the pollution that damages the health of others. Our exhortations to cycle will only work if we have first created an environment that makes it feel safe and fun to be on a bike or to walk.

2.3 Ensure affordable access without a car.

2.3.1 Transport services provide access from homes to places where people work, learn, shop and are entertained. The best way to achieve good access is by creating compact mixed-use clusters in the city that are close to shared and clean transport services. This requires an approach to land use and transport planning that directs development and calibrates its density towards places where these services exist or can be provided. It stops development happening where they don't exist or the cost of providing them is too high. If we do not get this stage right it is impossible to achieve sustainable development because there will not be enough capital to provide the infrastructure to break the habit of car-based resource-intensive movement patterns.

2.3.2 Policy 5 (p26) “new development should be well located and connected to maximise use of sustainable and active transport options, making them more attractive places to live, thus supporting a strong sense of the public realm” is a helpful statement against which site allocations and infrastructure programmes can be evaluated. Policy 14 (p47) contains a

welcome commitment to working with other agencies to plan accessibility as part of service delivery e.g. decisions about the location of public facilities.

2.4 Prioritise the modes of transport based on efficient use of energy and space.

- 2.4.1 Our approach to transport planning since the second world war has been a self-fulfilling prophecy. We expect more car use, so we provide more space, which generates more car use. Instead we need to induce demand for the travel behaviour that we want by designing Norwich around the speed and ergonomic requirements of pedestrians, cyclists and buses that are efficient and conserve precious resources, rather than waste them.
- 2.4.2 Different ways of getting around consume different amounts of resources. A car, especially when containing only one occupant and powered by combusting fossil fuel, is very wasteful. A great deal of energy is burned to move the vehicle's own weight through a city at a speed far below that which it is designed to achieve. By contrast, a bicycle is the most efficient method of converting human to propulsive energy ever invented. Furthermore, the amount of space taken up by a person in a car is greedy by comparison with a person walking, riding a bicycle or sitting on a bus. Private cars occupy a disproportionate amount a space in motion and when parked. This pushes apart the buildings and facilities in a city, acting against the imperative that cities should be compact and walkable.
- 2.4.3 The amount of capital expenditure and design attention should be commensurate with the level in the hierarchy of resource efficiency (see 2.4.5 below). Currently the reverse is true with the £32m DfT Transforming Cities Fund grant (whilst very welcome) being dwarfed by the sums intended to be spend by Highways England and the County Council on road building schemes. This is reflected in section 6 and policy 8 on enhancing strategic connectivity, which seems the most clearly defined section of the document. By comparison, policy 9 in that section "Our priority for improved connectivity will be for it to be via clean transport modes" does not appear to be consistent with, supported or explained by the detail of highway schemes mentioned under policy 8 (p34).
- 2.4.4 The elevated position of buses in our proposed hierarchy is explained by their capacity to accommodate large numbers of passengers and therefore remove car journeys. However, if the buses have very few people on them and have dirty engines this is not a positive contribution to our objectives. It is therefore imperative that our interventions, planned in combination with the bus operators' investments, ensure good occupancy, cleaner and quieter engines. Our proposed hierarchy also reflects the importance of the sharing economy with Norwich being the UK's first Sharing City, hosting companies like Liftshare, the Norfolk Car Club and Beryl.
- 2.4.5 We propose that the LTP should include a hierarchy, not including freight vehicles, that follows the order in the table below. Each mode is given a simple 1-3 rating on 5 criteria, with a score of 1 being the best.

Pos	Mode	Active	Space	Clean	Affordable	Shared	Total
1	Walking	1	1	1	1	3	7
2	Cycling	1	1	1	1	3	7
3	Buses	3	1	3	2	1	10
4	Train	3	1	3	2	1	10
5	Taxi	3	2	3	2	1	11
6	Car club	3	2	3	2	1	11
7	Electric car (multiple occupants)	3	2	1	3	1	10
8	Hybrid car (multiple occupant)	3	2	2	3	1	11
9	Powered 2 wheeler	3	2	2	2	3	12
10	Fossil fuel car (multiple occupant)	3	2	3	3	1	12
11	Electric car (single occupant)	3	3	1	3	3	13
12	Hybrid car (single occupant)	3	3	2	3	3	14
13	Fossil fuel car (single occupant)	3	3	3	3	3	15

2.5 Balance the place and movement functions of streets.

2.5.1 The spaces between buildings are used for many different activities. Movement is very important, but it is often accorded too much value at the expense of dwelling, accessing, retail and social exchange. Language is important, as seen in the distinction between the word “street” (which

conveys the idea of a route with multiple functions) and “road” (where movement of vehicles is prioritised). When planning changes to the street network numbers are often substituted for street names, which further abstracts the “network” function from the qualities of place. Manual for Streets and Transport for London promotes a matrix to classify the parts of the street network according to their place function and movement function together. This should be applied to Norwich and it would mean that transport investment, traffic management and highway design decision will take more account of receptors to pollution; clusters of commercial activity; and buildings of civic, historic and architectural importance. Furthermore, the place of a street in the network hierarchy should reflect its importance as a link in the cycle network and bus networks and nodes of attraction for walking, not just the movement of private vehicles, as is currently the case.

- 2.5.2 Respecting the place function of streets extends into the techniques for design. This is typically a 2D exercise whereby designs are developed on a topographical line drawing that gives no detail beyond the building edge. Understanding the 3D envelope within which designs are developed is crucial to producing designs that respect and respond to the character of the street and identify how level changes impact on movement patterns and drainage. This requires the 3D modelling of building heights and facades and the vertical features within the street such as trees and lighting columns.

2.6 Be mindful of the equality impact of transport policy and design.

- 2.6.1 The ability to physically access the places we need to reach is a fundamental right. The street environment can be difficult to navigate if one is in a wheelchair or has a sensory impairment and we need to improve our understanding of the barriers they face by working more effectively with those who have lived experience of disability at all stages of policy and implementation. Simple interventions can often be cost effective, such as removing and consolidating signs that restrict footway space and installing dropped kerbs and tactile paving. Other types of intervention are mentioned on p54-55 of the LTP. We also need to challenge false assumptions that people with physical disabilities rely on vehicles to get around. For example, our observations suggest that the dedicated spaces for disabled motorists in the City Council’s car parks are very underused. One of the excellent features of the recent government guidance on designing for cycling (Local Transport Note 01/20) is the advice around designing for the geometric requirements of a variety of types of human powered vehicle, such as tricycles and hand cycles that are often used by people with disabilities.

2.7 Facilitate the delivery of goods through active management.

- 2.7.1 Businesses need to obtain goods to sell and raw materials to process into manufactured products. Customers are increasingly shopping online leading to a large increase in deliveries by van. When individual businesses consider their logistics in isolation this can create perverse outcomes whereby large vehicles are attempting to deliver into the heart of the historic

city. Freight can be consolidated into smaller vehicles to achieve last mile deliveries. The use of electric powered cargo bikes by the local company Zedify demonstrates what can be done and the competitive advantage of cargo bikes versus deliveries by motorised vehicles was assisted by the liberalisation of access to city centre streets through the cycle city ambition programme. In the same way that Harford P&R site is to be used as a recycling centre, there may be scope for other sites to offer more functions such as freight consolidation and pick up locations for parcels.

2.8 Make infrastructure work harder - blending grey, green and blue infrastructure.

- 2.8.1 A traditional approach to designing highway space likes to keep infrastructure hard, precise and controllable, consisting of impermeable surfaces, piped drainage and an absence of vegetation. It regards parks and green spaces as a separate realm. Our transport policies need to recognise the value of vegetation and permeable surfaces to mitigating climate extremes by absorbing water, slowing pluvial flooding and moderating the urban heat island effect. This requires collaboration between highway engineers, landscape architects and drainage experts. Another way of squeezing more value out of infrastructure is to allow kit to be combined, for example using lamp columns to mount traffic signals or provide electricity for electric vehicles (EV).

2.9 Technology as the servant of our goals.

- 2.9.1 Technology can help us to make the best use of our infrastructure assets as expressed in policy 22 of the LTP. The widespread deployment of sensing devices mounted on street lighting columns, traffic signals and bus shelters can provide real-time information so adjustments can be made to traffic signaling in response to traffic congestion and concentrations of poor air quality.
- 2.9.2 It is tempting to embrace technological advances uncritically, but we need to check whether they help us get closer to our vision of a good society and ensure they are deployed equitably. The recent announcement by government that sales of vehicles exclusively powered by fossil fuels will be banned by 2030 is welcome and makes the needs for charging infrastructure more urgent. However, much of the electricity comes from the burning of fossil fuels; EVs can kill and maim when they collide with people, a risk that is increased by their quiet operation; particles from brake pad wear embeds in the lungs, the manufacture of EVs creates pollution and uses energy; and they consume the same amount of space when moving or parked as a normal car. These observations are offered as a corrective to the general fanfare around EVs and a reminder of why they do not sit higher up in our proposed hierarchy. Nevertheless, it is very important to supplement the 48 existing charging points in the City Council's area by deploying a large number of additional charge points, enabling EVs to be charged on street and in public car parks at a range of charging speeds.
- 2.9.3 The electrification of buses, taxis and car club cars is a higher priority because this combines the resource efficiency of the sharing economy with

the air quality benefit of eliminating tailpipe emissions in the most polluted places where these vehicles are concentrated, such as the city centre and the main radial routes.

2.10 Overcoming fragmentation of asset ownership.

2.10.1 Our ability to coherently design and manage the street environment is made much harder by the fragmentation of responsibility for owning, managing and maintaining assets on the highway. The County Council have traffic signs, traffic signals, highway surfaces, bollards, trees and grass. Amey manage street lighting under a 25-year PFI contract with the County Council, which means that decisions to use street lights for other functions such as sensors and EV charging may be restricted by the terms of existing contracts. The City Council has pedestrian signage and seats and regulates pavement cafes and street trading. It also has a contract with Clear Channel to provide bus shelters that are funded through advertising so decisions to use bus shelters more creatively require the agreement of a third-party. Responsibility for other forms of planting or public art is yet to be decided. Utility companies own many other pieces of equipment above and below the ground. The successful co-ordination of the street environment requires a consolidation of responsibility in the hands of fewer entities.

2.11 Make traffic models more sophisticated or do not use them.

2.11.1 Many of the decisions about the use of highway space and its allocation to different modes of transport are based on traffic models. These typically have four flaws, which bias decisions towards prioritising motorised vehicles. Firstly, the number of people walking or cycling on a link or junction in the network is not included. Secondly, no allowance is made for shifting people from driving to cycling or walking as a result of design interventions so it is assumed that the effect of reducing vehicular traffic capacity at a junction will be to move the traffic elsewhere on the network rather than for it to “evaporate” due to modal shift. Thirdly, strategic traffic models do not enable decisions to be made with confidence about detailed design changes to junctions and microsimulation models are required. These can consider the variety of interactions between road users at a specific junction but are too seldom used because of the cost. Fourthly, rush-hour traffic levels are often used to determine space and time requirements at junctions but the LTP helpfully acknowledges (p15) employment trends suggest that traditional working hours and office-based work patterns are changing.

2.11.2 We must overcome these limitations of traffic models if we are to continue using them and stop them being a pernicious drag on the implementation of schemes to promote walking and cycling. If we do not address this the space allocated to vehicle movement will continue to grow.

2.12 Maintenance is as important as improvement.

2.12.1 Our ability to maintain transport networks is under great strain so we need to not only increase the proportion of money spent on maintenance versus

new build but also use that money more intelligently. Building big new roads is not only expensive in capital terms but they must be looked after.

2.12.2 These types of project should be subject to a level of scrutiny commensurate with their cost. Currently, that scrutiny seems directed most fiercely towards the infrastructure that support a healthy city such as seating and planting rather than schemes to facilitate vehicular movement.

2.12.3 If a piece of highway has pedalway status it has a strategic movement function and users should not have to cycle through mulch or have their faces lashed by branches on unlit paths. This would not be tolerated on a minor road with primarily a vehicular function. The draft LTP policy 19 (p73) that commits to focusing maintenance on corridors for walkers and cyclists is very welcome and an additional reason cited for it should be the fact that modal shift to cycling and walking reduces maintenance costs because it is vehicles that damage highway surfaces.

2.12.4 The ability to target maintenance spend on cycling and walking networks makes the network maps in the emerging LCWIP even more important and the lack of a reference to the LCWIP in the draft LTP more concerning.

2.13 Generate revenue for investment in sustainable transport.

2.13.1 It is a feature of many continental cities that have invested consistently in sustainable transport that they generate revenue locally and spend it locally. By contrast, we are too dependent on competitively bidding to central government for money. Our interventions should seek to generate revenue from charging unwanted transport activity so that the money can be spent on encouraging wanted transport activity. This virtuous cycle of wielding sticks and dangling carrots will create a more constant revenue stream that allows us to have confidence that we can implement our plans. For example, the low cost of using an electric vehicle after purchase could result in more driving and a reduced level of taxation so road user charging will need consideration in the future.

2.14 Capital funds generated through new methods of raising revenue could be pooled with the community infrastructure levy or any successor infrastructure levy for allocation at the Greater Norwich level. A significant proportion of this revenue should be spent on supporting people to become confident and knowledgeable users of the transport system to get the maximum value from investment in infrastructure (e.g. cycle training, walking buses to schools and travel planning). The draft LTP seems to assume that we will remain reliant on competitive bidding to central government rather than develop independent income streams (p72).

3.0 Interventions

3.1 These policy principles can be implemented in a variety of ways using different financial, technological and regulatory tools. Examples that we would like to see receive serious feasibility analysis and decisions in the emerging suite of transport policy are:

- 3.2 **Workplace Parking Levy**, designed to discourage employers for devoting land to car parking; release land for development that is currently used for car parking; encourage employers to incentivise employees to walk, cycle and take public transport to work; and generate revenue for investment in sustainable transport. This would need to be applied across a much wider area than that covered by the City Council including peripheral business and retail parks to avoid a counter-productive hemorrhaging of jobs from the city centre towards the edge. More restrictive parking standards for new development would reinforce the benefits. Nottingham has implemented a workplace parking levy.
- 3.3 **Raise long-stay parking charges in public car parks**, designed to incentivise use of park & ride; maintain overall revenue levels by offsetting fewer car park users with the higher amount paid by each; facilitate redevelopment of redundant car parking space and intensify the turnover of the spaces that remain.
- 3.4 **Gradual reduction in the space available for fossil fuel vehicles to park**, designed to make land available for development in the city centre, remove the penetration of polluting vehicles into the heart of the city and incentivise the use of electric vehicles (EVs). The priority would be the removal of surface car parking that can only be reached by driving through environmentally sensitive parts of the city centre and the consolidation of parking into multi-story car parks or ground floor car parks with buildings above (e.g. new Barn Road car park). The existing 10,000 cap on parking numbers should be gradually reduced year on year through amendments to planning policy, with a proportion of the total allocated to EVs and multiple occupancy cars. Unauthorised car parks resulting in a breach of planning control will be investigated and the City Council will consider the use of its enforcement powers if appropriate.
- 3.5 **Allocate land for autonomous vehicles to park**, designed to facilitate a preferred scenario whereby autonomous vehicles gather in low value locations on the edge of cities for the majority of the day when they are not in use and from which they can be remotely summoned when they are needed. This would free the streets of parked vehicles and enable the space to be used more positively for widened footways, cycle tracks, cycle parking, seating and vegetation.
- 3.6 **Reallocate road space and time from cars (especially single occupancy) to walking, cycling and public transport**, designed to make these modes safer, quicker and more reliable. Policy 15 in the draft LTP (p15) is a welcome commitment that dedicated, segregated lanes should be provided for buses and cyclists with the acknowledgement that this is likely to disadvantage general traffic.
- 3.7 **Downgrade the traffic function of the inner ring road** and redesign it so people can more easily access the city centre on foot and on a bicycle, it is more pleasant to close to the inner ring road and it becomes easier to regenerate areas close to it. One of the City Council's preconditions for supporting the Norwich Western Link (NWL) is a clear and deliverable

commitment to a genuinely sustainable transport policy and implementation plan containing schemes that serve the policy principles outlined above. The combination of the Western Link and the Broadland Northway would produce a third ring of orbital strategic traffic routes encircling Norwich. We do not regard this as sustainable development, even if it is proved that the local environmental harm can be mitigated, unless the new road capacity is used to re-purpose existing road space for more sustainable uses. We therefore expect to see proper investigation of how the NWL can take traffic off the outer ring road, which in turn could take traffic off the inner ring road, allowing the inner ring road to be downgraded and redesigned. We look forward to seeing this emerge through the implementation and action plans supporting the LTP, TfN Strategy and LCWIP.

- 3.8 **Light-touch regulation of bus services** designed to ensure that core routes have an agreed frequency and capacity of service provided by vehicles that meet high environmental standards in exchange for public investment in infrastructure and the vehicle fleet.
- 3.9 **Freeing the city centre and the neighbourhoods from polluting vehicles**, designed to improve the quality of the air, reduce noise and create space for better public realm. This can be achieved through a combination of eliminating the few remaining routes that can be used by general traffic driving across the city centre and the introduction of an ultra-low emission zone across the city centre air quality management area where more polluting vehicles are banned or taxed. Any taxes would be spent on sustainable transport infrastructure, including assisting less profitable bus operators to introduce cleaner buses. A similar approach could be employed in the neighbourhoods to create “traffic cells” whereby through routes are eliminated and heavier flows confined to the edges of a neighbourhood. We need to check that schemes designed to exclude traffic from the city centre or from neighbourhoods do not result in harmful air pollution arising on major traffic routes where poorer people disproportionately live. If traffic is displaced rather than “evaporating”, mitigating measures should be employed and any residual impacts will need to be justified. Such justification will be easier to make if the neighbourhoods from which traffic has been removed are relatively deprived. The LTP draft policy 11 (p38) talks about “investigating vehicular restrictions or charging” but it is clear that the objective and legal obligation to improve air quality cannot be achieved without such measures and the LTP needs say what will be done.
- 3.10 **Reduce traffic in the vicinity of schools**, designed to reduce the danger to pupils on their journey to and from school and boost their independence and health by making it safer to cycle and walk to school. This would involve traffic restrictions, traffic calming and encouragement to parents.
- 3.11 **20mph as the default speed limit in Norwich**, designed to avoid and minimize the severity of road traffic collisions and encourage walking and cycling. The cycle city ambition programme enabled the introduction of a 20mph area across the city centre and a dramatic extension across residential neighbourhoods that were close to pedalways that were improved as part of the programme. There was also an acknowledgement that A road

status did not prevent lower speed limits where they pass through busy residential and commercial areas through the introduction of a 20mph restriction on Magdalen Road and the lower part of Sprowston Road. The logic used for the cycling ambition programme should be extended to the whole of Norwich with the creation and implementation of a plan showing the speed limit category that every street will ultimately belong to. Once this is done it would be much clearer and easier to publicise and enforce the fact that people should drive slower than 20mph in Norwich unless there is clear signage to say faster driving is permissible. A collateral benefit of this approach would be to encourage use of the strategic road network because people will reach their destination more quickly. Chapter 9 of the LTP covers road safety and acknowledges on p60 that “between 2000 and 2010 speed management contributed to a 59% reduction of road collisions in Norfolk with a reduction in killed and seriously injured from 862 to 353.” It is therefore disappointing that the safe speeds section on p61 contains no new commitment to 20mph as a default speed limit in Norwich as part of the safe systems approach outlined in policy 17. It would be deeply regrettable if a stronger commitment to reduce speed limits had not been made due to a lack of funding to introduce design changes that would create “self-explaining roads” where the “traffic environment elicits safe behaviour through its design” (p61).

- 3.12 **Create mobility hubs**, designed to facilitate interchange between shared and clean mobility services and support a virtuous cycle of development intensification and investment in key locations. The Transforming Cities Fund (TCF) application stated that “central to the passenger experience is ease of access and smooth interchange between transport modes. Users need confidence that there are key places within the city where they can access shared mobility services – buses, trains, car club vehicles and hire bikes. We will create these places and call them mobility hubs. We will make it convenient for people to reach these places on foot and by bicycle and hubs will be well-designed so that people feel comfortable, secure and well informed whilst waiting for services to arrive or navigating between them.” Mobility as a Service, whereby technology allows users to view and compare the speed, cost and environmental impact of their transport options in real time on smart phones, is mentioned on p19 of the LTP. Missing from this section is the symbiotic relationship that needs to be established between the technology and the physical consolidation of services at mobility hubs. Suitable locations on the TCF investment corridors were identified and a limited number are being funded through the programme. A commitment to create a comprehensive set across the area is needed in transport and planning policy.

4.0 Points of detail

- 4.1 Page 2 states that “Our ambitious Transforming Cities bid, and Cycle City Ambition programme, should see ...”. The tense is wrong because the Cycle City Ambition programme is complete and the Transforming Cities bid has been successful so it should be referred to as a programme rather than a bid.

- 4.2 Page 3 includes a policy to “Endeavour to secure, design and implement improvements to the strategic connections them [sic.] in a way that encourages clean transport modes.” The meaning of this is unclear and its elaboration later in the document does not clarify.
- 4.3 Page 4 under “recent progress and achievements” contains a cursory remark that “We have also made significant improvements to walking and cycling”. The achievements in this sphere deserve the degree of specificity provide for road and rail schemes earlier in the paragraph with reference to adopting a comprehensive pedalway network and investing significantly in improvements to the pink, yellow, blue and green pedalways and the Marriotts Way section of the red pedalway / NCN1.
- 4.4 Page 43 contains a reference to Norwich inner ring road being an air quality management area. This should refer to “within Norwich inner ring road”.
- 4.5 Page 52 refers to a priority being “quicker buses and new transport links to Norwich Airport, the University of East Anglia and Norwich Research Park”. It should be made clearer that these links should be principally with the city centre.
- 4.6 On pages 52-53 there is no mention of key regeneration sites within Norwich that have accessibility issues. Whilst this is something that may be more appropriate to expand upon within the TfN Strategy, we feel that there should be mention of this within the LTP given the strategic importance of these sites. In particular, mention should be made of the East Norwich Strategic Regeneration Area where redevelopment will need all the necessary supporting vehicular, pedestrian, cycle and public transport access infrastructure. Anglia Square will also need improvements in connectivity and permeability across the site with new and enhanced pedestrian and cycle links and improved shared transport services (buses, car club and bike share).

5.0 Governance

- 5.1 Questions of governance lie outside transport policy but are key to its successful implementation. Since the ending of the agency agreement and the demise of the Norwich Highways Agency Committee there has been some ambiguity about the member-level decision-making process.
- 5.2 The Joint Committee for TCF Projects was established with a remit to make decisions about schemes within that programme. Policy decisions fall to other County Council committees and decisions on schemes that are outside the TCF programme are made in the same way as elsewhere in the County through a combination of ward member and cabinet member decision making.
- 5.3 There is a need for a single set of councillors that represent the Greater Norwich area to make decision on policy and scheme implementation,

regardless of the funding source. One option would be for the Joint TCF committee to have an expanded remit.

Report to Cabinet
16 December 2020
Report of Director of place
Subject Update on Business Activities of Norwich Regeneration Limited

Item

11

Purpose

To consider the mid year trading position of Norwich Regeneration Limited (NRL) and how it is performing in the light of Covid-19.

Recommendation

To note the positive progress that has been made by NRL in improving governance and responding to covid-19

Corporate and service priorities

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

Financial implications

The company continues to manage within the resources approved by Council in June 2020. Further details are included at paragraphs 17 to 21.

Ward/s: All Wards

Cabinet members:

Councillor Stonard - Sustainable and inclusive growth

Councillor Kendrick - Resources

Contact officers

Graham Nelson, director of place

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Dave Shaw, Managing Director of NRL

Background documents

None

Report

Background

1. The Norwich Regeneration Limited company (wholly owned by the City Council) was set up in 2015 with three main aspirations in mind:
 - Help the council to meet housing need
 - Build properties to high environmental standards
 - Take a more commercial approach to generate income for the council in a time of budget austerity
2. In 2017, work began on the Rayne Park development at Bowthorpe to deliver approximately 170 homes (a mixture of private and social housing) for Norwich residents.
3. The Rayne Park Sections 2-4 Business Case, as approved by Council in November 2019, provided for a maximum loan of £11.4m for the completion of the project.
4. In March 2020, Cabinet approved the 2020/21 Business Plan for Norwich Regeneration Limited, supported the completion of the Rayne Park development, and noted the scale of development that is required for the company to return to making an annual profit within 5 years.
5. At the same time, Cabinet recommended that a review be taken forward of the Council's approach to the commissioning of housing development, including the identification of a future pipeline of sites to be taken forward for development by NRL. Further details of this review were reported to Cabinet in July and November 2020 including the identification of three priority sites for delivery of social housing and the strengthening of in house capacity to deliver.
6. As a result of changing housing construction and market conditions arising from the impact of Covid-19, Norwich Regeneration Ltd wrote to the Council in the spring to request both shareholder support and financial backing to complete the Rayne Park project as well as provide an update on the impact of Covid-19 on the build programme.
7. This led the Council through Cabinet on 10th June and the subsequent full Council meeting to:
 - 1) approve that the council, as shareholder, supports Norwich Regeneration Ltd to continue the build out of Sections 2-4 at Rayne Park;
 - 2) the council, as lender and shareholder, agree to an increase in the loan facility for Norwich Regeneration Ltd up to a maximum of £21m (previously £11.4m).
 - 3) adjustment the capital programme to increase the equity investment in Norwich Regeneration Ltd up to a maximum of £6.2m (currently £2.724m) by acquiring up to 3.5m of £1 ordinary shares.
 - 4) approve the issuing of new shares by Norwich Regeneration Ltd; and
 - 5) request Norwich Regeneration Ltd work alongside council officers to investigate and appraise options for the housing assets as further

information becomes available on the wider impacts of Covid-19 on the housing market.

8. This report updates on the company's response to difficult trading conditions created by the covid-19 pandemic, contract variations that have been necessary, sales performance achieved and improvements to governance of the company.

Progress made by NRL since March

9. Construction activity was required to stop on 26th March due to the impact of covid-19. Work on sections 2-4 of the Trinity Gardens at Rayne Park development ceased. The development is controlled via two separate JCT (joint contracts tribunal) Design and Build contracts. The contract for Section 3&4 providing for 48 new homes for completion by January 2021 and the contract for Section 2 providing for 26 new homes for completion by May 2021.
10. NRL worked closely with the main contractor to assess and mitigate the risk of covid-19. NRL are now satisfied with the safety measures in place both from the perspective of general construction and those new measures which mitigate risk imposed by CV-19. In the light of the lockdown period and new measures necessary on site revisions to both contracts were necessary. These revisions see extensions to the two contracts of 10 and 15 weeks respectively meaning the revised date for completion of section 3 and 4 is now April 2021 and section 2 July 2021.
11. The impact led the company to postpone the marketing of homes on sections 3 and 4 from when originally planned. This was delayed by 18 weeks and commenced in July. Significant amendments to show home viewing arrangements also needed to be made. These included an appointment system for show home viewing, all visitors to marketing suite asked to use NHS track and trace app, masks and sanitiser being used with a cleaning regime daily and between visits.
12. To date 3 separate phases of new homes have been released to the market comprising a total of 39 out of the 41 homes that have been identified for open market sale on phases 3 and 4. 2 properties are held as the sales and marketing suite.
13. The 39 properties, are a mixture of 2, 3 and 4 bed properties. It is important to note that as some of these properties have yet to be finished, sales cannot be completed until March 2021 (20 properties). It is now a considerable focus for the company and its main contractor to ensure that the properties are completed to a high standard in a timely manner and the conveyancing process runs smoothly. The company is confident that once practical completion is secured it will be in a position to exchange with purchasers quickly. The company is aiming to recognise all of the revenue from the current reservations by April 2021. If it succeeds this will provide cash sales income to the company of £9.63m.
14. The managing director of NRL will verbally update Cabinet on the progress with sales at the meeting.

Governance

15. Alongside the work to respond to covid-19 and deliver sections 2-4 of Trinity Gardens at Ryane Park, NRL has continued to work closely alongside the Company to improve its governance. In particular it has sought build the expertise, competency and experience to support the company so it build on operational improvements delivered over the past two years. Steps taken include:
- The recruitment of two non-executive directors to the board. Both non-executive directors hold a wealth of experience and expertise to assist the company grow as a housing developer. Their role will be to support and challenge both the company board and Managing Director.
 - The Articles of Association for the company have been amended in various ways with the agreement of the Council in September 2020. Among other things the amendments incorporate the appointment of the two non-executive directors and include the Managing Director as a director onto the board.
 - To further support the company, improve communication between it and the Council and strengthen the governance, Norwich City Council section 151 officer and director of place are now attending board meetings as non-participating observers. The participating observers are not part of the final decision making of the company board to avoid any potential conflict of interest.
 - Staff from NRL, including its managing director have been temporarily seconded on a part-time base to the Council in order to increase capacity and pace with regard to the delivery of social housing. This not only builds the Council's capacity but reduces operating costs of the company.

Financial Performance

16. The financial update is based on the first half of 2020/21, with key sales information at the date of writing this report. Construction of homes at Rayne Park has continued with 30 deposits for homes under construction received by 30 September rising to 39 at the time of writing.
17. The company has subsequently converted 12 sales receipting £2.880m since the end of Q2 (net of sales commission).
18. The company is continuing to manage within the financial approvals agreed by Council in June 2020. Council approved a maximum investment limit of £21m, but the company is now projecting to only need to a maximum of £16.8m, a reduction of £4.2m. The financial accounts for 2020/21 are therefore projecting an improved position.
19. The board has continued to review all costs and approved a reduction in overheads which will also be reflected in the improved 2020/21 financial accounts.

20. In light of the improved sales forecasts for quarter 3 and 4 of 2020/21 there is no requirement to do an interim impairment review. The review in April 2021 will be based on the latest balance sheet and P&L for the company.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	16.12.20
Director / Head of service	Graham Nelson
Report subject:	Update on Business Activities of Norwich Regeneration Limited
Date assessed:	30.11.20

	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"/>	When the NRL business plan was approved it was noted that the business plan will require additional council funds to be set aside in an earmarked reserve to manage the risk over the loan recoverability. This update notes a generally improving financial position.
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"/>	Activities of the company continue to support economic development especially in Bowthorpe ward.
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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The company continues to build a standard of new home which exceeds the environmental standards that would likely be delivered if the development was built out by other builders
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"/>	The company continues to build a standard of new home which exceeds the environmental standards that would likely be delivered if the development was built out by other builders

(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Whilst there is still an earmarked reserve to manage the risks that created by the Company, the financial position reported is improving so risks are considered to have reduced.

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	

Report to Cabinet
16 December 2020
Report of Director of people and neighbourhoods
Subject The award of contract for the provision for emergency accommodation for rough sleepers

Item

12

KEY DECISION

Purpose

To consider the approval of the retrospective award for the current contracts for emergency provision of accommodation to rough sleepers, and to delegate authority to award future contracts to 31 March 2021 and beyond as set out in this report.

Recommendation

To:

- 1) award a contract(s) for the emergency provision of accommodation to rough sleepers to 31 March 2021; and
- 2) delegate authority to the Director of People and Neighbourhoods in consultation with the Cabinet member for Safe and Sustainable City Environment to award a contract(s) for the emergency provision of accommodation to rough sleepers for the period from 1 April 2021 to 30 September 2021 subject to budget approval.

Corporate and service priorities

The report helps to meet the corporate priority People living well

Financial implications

The financial implications are set out in detail in the report, but all costs would be covered from external funding sources

Ward/s: All Wards

Cabinet member: Councillor Maguire - Safe and sustainable city environment

Contact officers

Chris Haystead, Housing Options manager

01603 989405

Background documents

None

Report

Background

1. As per the government's 'Everybody In' policy, throughout the Covid-19 outbreak the council has been providing emergency accommodation to rough sleepers. The government has now extended this expectation as part of its 'Next Steps' programme to accommodate rough sleepers until longer term accommodation can be found. The council will therefore need to continue to provide emergency accommodation as a winter provision for rough sleepers until March 2021 and potentially beyond. Suppliers have been sourced to 31 March 2021.
2. The councils' Contract Procedures allow for an exemption to be requested in an emergency when open competition is not appropriate. The Public Contract Regulations 2015 also allow for spend in emergency situations. The Government issued guidance at the start of the Covid-19 outbreak in their Procurement Policy Note 01/20, reminding local authorities of the relevant clauses in the regulations which cover the emergency procurement needs arising due to Covid-19, such as expenditure on emergency accommodation.
3. Therefore in March 2020 an exemption to the council's Contract Procedures was requested and approved for the value of £118,500. This was to enable a direct award to be made in an emergency situation without competition to the NR2 Hotel.
4. Reasons considered at the time and continue to remain valid are:
 - i. There was no functioning market. Numerous hotels and providers had and continue to be closed so no competition would be possible.
 - ii. Given the limited supply, there is competition from other authorities and agencies for suitable provision.
5. Following this initial procurement and in order to continue to meet the terms of 'Everybody In', the council further procured, through direct award, emergency accommodation through the accommodation providers detailed in paragraph 9 to this report and the exempt appendix.
6. In such a changing and dynamic environment, officers acted decisively when opportunities arose. However levels of expenditure made exceed the exemption to Contract Procedures and key decision levels.
7. The service were reacting to the emergency need to protect the lives of vulnerable individuals and a requirement to do this in real time superseded the standard cabinet process.
8. Approval is therefore sought for the contract award both, retrospectively and for the future to allow for the flexibility to 31 March 2021 and beyond subject to budget.

The financial situation

9. To date, the council's actual and projected expenditure on the 'Everybody In' and 'Next Steps' programmes, encapsulating winter provision and severe weather emergency provision (March 2020-March 2021), is as follows:

Provider	Period	Amount
Provider A	March-August 2020	£86,000
Provider B	March 2020–March 2021	£223,000
Provider C	December 2020 -March 2021	£77,000
Total		£386,000

10. To date, the council's confirmed income to pay for 'Everybody In', 'Next Steps', winter provision and severe emergency weather provision programmes is as follows:

Scheme	Amount
Government Covid-19 emergency funding	£119,000
Next Steps funding	£194,000
St Martins Housing contribution	£45,000
Government winter provision funding	£25,000
Housing benefit payments (March-July)	£25,000
Severe emergency weather provision grant	£ 4,500
Total	£412,500

11. In addition, the council will receive further housing benefit payments for those that qualify (estimated at £25,000).
12. The levels of confirmed and expected funding cover the accommodation costs until March 2021 when the programmes end.
13. This funding relates only to emergency accommodation for rough sleepers from March 2020-March 2021. Other ongoing work to address rough sleeping in Norwich is funded separately.
14. Cabinet are asked to consider awarding contracts for the emergency provision of accommodation to rough sleepers to 31 March 2021 as detailed in paragraph 9 and in the exempt appendix to this report; and to consider delegating authority to the Director of People and Neighbourhoods in consultation with the Cabinet member for Safe and Sustainable City Environment to award a contract(s) for the emergency provision of

accommodation to rough sleepers for the period from 1 April 2021 to 20 September 2021 subject to budget approval.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	16 December 2020
Director / Head of service	Louise Rawsthorne
Report subject:	The award of contract for the provision for emergency accommodation for rough sleepers
Date assessed:	7 December 2020

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

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

Recommendations from impact assessment
Positive
There is an overall positive effect
Negative
Neutral
Issues