



**Cabinet**

**17:30 to 19.10**

**6 July 2022**

Present: Councillors Waters (chair), Harris (vice chair), Giles, Hampton, Jones, Kendrick (to the middle of item 6, below), Oliver and Stonard

Also present: Councillor Galvin, Green group leader

**1. Declarations of interest**

There were no declarations of interest

**2. Public questions/ petitions**

There were no public questions or petitions.

**3. Minutes**

**RESOLVED** to agree the accuracy of the minutes of the meetings held on 8 June 2022.

**4. Taking Forward an LGA Corporate Peer Challenge of the City Council**

Councillor Waters, leader of the council, presented the report. During the presentation, he commented that, as a Labour administration, there was an expectation that the peer review team for Norwich would be led by a Labour leader of an urban local authority. He also drew members' attention to the consultation which would include the group leaders of the opposition parties on the council and a cross-party group of councillors, officers and the council's strategic partners.

The chief executive referred to the report and said that the Corporate Plan sets out the vision of being an outward looking, learning organisation which means being transparent and learning from best practice in the local government sector. LGA Corporate Peer Reviews were an established and respected process for councils to seek constructive peer challenge from councillors and senior officers facing similar challenges and opportunities. The council's last LGA Peer Review was 10 years' ago, and it was now a good time to invite a peer review team, given the challenges of the past two years; changes to the corporate leadership team; and the recently published new Corporate Plan. The council was committed to being transparent and the report would be published, together with the council's response and an action plan for development. The peer review was expected to be a positive and worthwhile experience for the council.

During discussion, a member welcomed the proposal and said that the council was an outward facing organisation.

In reply to a question from Councillor Galvin, regarding the expectation that the council had a LGA peer review every 5 years, the leader said that during that period there had been in-depth peer reviews of housing and homelessness services. The last half decade had been an eventful one, which had included the consideration of restructuring of local government and devolution in 2015/16, and challenges and pressures on local authorities from central government funding reductions. The council had set up its ambitious 2040 City Vision and programme of partnership working, which included delivery of the Towns Fund and the Covid Recovery Plan. The review was a good opportunity to test the new Corporate Plan.

**RESOLVED** to agree to take forward an LGA Corporate Peer Challenge of the council along the lines set out in this report, with the final scope of the review delegated to the chief executive for agreement in consultation with the leader of the council.

## **5. Q4 2021/22 Corporate Assurance Report**

Councillor Waters, leader of the council, introduced the report and said that it was an important piece of work for the council and residents. He presented the section on performance and drew members' attention to the executive summaries for each directorate, which contained information on performance against key indicators, successes, challenges and case studies (as set out in Appendices A to C).

At the request of Councillor Kendrick, cabinet member for resources, the executive director of corporate and commercial services presented the finance and risk sections of the report and provided a general overview of the underspends in the General Fund (GF) and Housing Revenue Account (HRA). It had been a challenging year and resources had been focused on providing services for the most vulnerable residents and homeless people, supporting businesses, providing responsive repairs to tenants, whilst making assumptions about Covid and the recovery of the city and setting the budget for 2021/2022. Members were asked to approve the recommendations set out in relation to the General Fund (3)(b) and (c). The capital programme had been affected by the pandemic with delays in contracts and getting on site, and there was a request for authorisation for the executive director of corporate and commercial services, in consultation with the cabinet member for resources, to carry forward unspent capital funding to protect finite resources. The five year capital programme would need to be reprofiled but there was no loss of resource at this point. Corporate risks were summarised in the report (covering report paragraphs 14 to 16) and appendices at directorate level. Members were advised that waste management services were a key risk and was subject to a separate report on the agenda for this meeting.

Discussion ensued in which the chair pointed out that the report should be considered in the context of the cost-of-living crisis and cuts to government funding for local authorities, which were affecting the council.

Councillor Harris, deputy leader and cabinet member for social housing, commented on the underspend in the HRA revenue and capital programme. Covid had affected all services across the service, including the repairs and maintenance service and

had delays to capital programmes, which had meant that the council could not provide houses as planned. It had been the right decision for officers' time to focus on the transfer of the repairs and maintenance service to Norwich Council Services Ltd (NCSL) and the implementation of the housing management IT system. The financial inclusion team had worked hard to support residents, and some of the HRA underspend had been based on assumptions around loss of rental income which had not been as severe as expected. The HRA would be reviewed in the short term, with a further review of the 30 year business plan, and this would inform budget decisions in the autumn, against the background of the cost of living crisis. She pointed out that it had been a difficult year and thanked officers.

Councillor Jones, cabinet member for safe, strong and inclusive neighbourhoods, said that there had been excellent work on housing benefits to reduce claims to an average of 14 days. The necessary action taken to address safety concerns at St Peter's House had impacted on the private housing "made Safe" indicator. An independent peer review of the regulatory service had been undertaken with a proposed restructure and additional capacity to undertake work to make homes safe over the next year.

In reply to a question from Councillor Galvin relating to Antisocial behaviour, the cabinet member for safe, strong and inclusive neighbourhoods confirmed that significant progress to reduce the risk had been made including recruitment made to the ASB team. The chief executive pointed out that this was the quarter 4 report and that data was therefore a few months old; the reduced risk would show in the next quarterly report. The cabinet member for social housing confirmed that there were regular meetings with the registered social housing providers about antisocial behaviour management.

**RESOLVED to:**

- (1) note the progress on the key performance indicators for quarter 4 and the position for the 2021/22 year alongside the corporate risk register;
- (2) note the provisional financial outturn for the 2021/22 general fund, Housing Revenue Account (HRA) and the council's overall capital programme;
- (3) in relation to the General Fund underspend of £2.364m:
  - (a) note the increase to the General Fund balance by £0.426m in accordance with the decisions made at Cabinet on 9 February 2022;
  - (b) approve an increase of £1.100m to the risk reserve in relation to the emerging risks associated with the updated MTFS position (separate report "Medium Term Financial Strategy – update" refers); and
  - (c) approve the addition of any remaining underspend (currently estimated at £0.838m based on the provisional outturn) to the business change reserve.
- (4) note in relation to the HRA underspend of £7.619m, the consequent increase to the HRA General Reserve balance;
- (5) note the General Fund capital programme underspend of £10.230m;

- (6) note the HRA capital programme underspend of £23.200m;
- (7) delegate to the Executive Director of Corporate and Commercial Services, in consultation with the portfolio holder for resources, authority to approve any capital carry forward requests for unspent capital resources from 2021/22 and add them to the 2022/23 capital programme (such approvals also to be reported to Cabinet at the next available meeting);
- (8) note the concerns raised and future actions discussed.

## **6. Medium Term Financial Strategy – Update**

Councillor Kendrick, cabinet member for resources, introduced the report and said that it set out the challenges facing the council over the next two years. The council's financial situation had been made worse by increasing inflation and this would affect purchasing goods, how much staff were paid, delivery of infrastructure and provision of services. It was expected that for the next financial year beginning in April 2023, the impact on the council on goods and services would be £4.2m from inflation alone. Therefore, the council would need to find an additional £4.2m in savings and additional income to set a balanced budget. The report showed that the forecast total budget gap next year was £6.2m and the total forecast budget gap over the next 4 years was £11m.

(Councillor Kendrick excused himself from the meeting at this point.)

The executive director of corporate and commercial services presented the remainder of the cabinet member for resources' statement on his behalf. The council's financial position was precarious and required a focused response. It was not a situation that was anticipated 6 months ago and was not unique to the council as it impacted on every council, public sector organisation and business. There was no sign that the government would provide councils with additional resources, but the council would continue to lobby for it. The council would need to take a serious look at its priorities for the next 12 to 18 months and every decision taken would be made the context of the seriousness of the financial situation. There would inevitably be some services or projects that the council would not be able to deliver. The council would consider every opportunity to cut out waste, deliver services in a different way, make best use of its assets and prioritise its resources. The report set out these challenges and a further report would be presented to cabinet in the autumn.

During discussion, the executive director of corporate and commercial services commented on the report and explained the importance of understanding the current position and the challenges that had emerged since February 2022, when the MTFS was last considered. She explained that there was support amongst authorities for a two year financial settlement from government. The settlement would not be announced until December and that was too late as budgets for 2023/2024 would have been substantially planned at this stage. She warned members that if the level of savings could not be found the level of reserves held by the council could reach the minimum level of reserves by the end of 2023/2024.

During discussion, the deputy leader and cabinet member for social housing thanked the officers for the report, which set out the challenge to the council at a time when

there was more pressure on its services. Councillor Galvin commented that the report was sobering. In reply to her suggestion that the council invested in a commercial venture to provide retrofitting and skills training, the leader commented that there had been a successful bid and provision for retrofitting in the 2022/23 budget. He expressed his concern about government policies and the impact that it had on local authorities and the community. All parts of the council would need to work together to meet the challenges it faced, to target resources and manage vital services. He hoped to engage with both opposition group leaders moving forward.

With no members indicating that they wished to discuss the exempt appendix, it was:

**RESOLVED to:**

- (1) note the current indicative MTFS projections;
- (2) note the financial risks; and,
- (3) endorse an approach to the early identification of on-going actions to close the estimated budget gap over the medium term financial planning period.

**7. City Deal Borrowing and the establishment of the Greater Norwich Strategic Investment Fund (Key decision)**

Councillor Waters, leader of the council, presented the report. The Greater Norwich Board partners had made the collective decision to recommend the Greater Norwich Strategic Investment Fund (SIF) to their respective cabinets. He drew members' attention to the purpose set out in Appendix A of the report which explained that the fund was to advance loans for capital funding for projects with a guaranteed return on that loan, with interest and repayments being made into the Strategic Investment Fund. The fund was like the Towns Deal Revolving fund. This funding would help deliver schemes as part of the Greater Norwich Delivery Plan (GNDP).

The executive director of city development and city services confirmed that Norfolk County Council, as the accountable body, and South Norfolk and Broadland Councils would be considering versions of the report in the coming weeks. He explained that the pooling of the Community Infrastructure Levy (CIL) by the Greater Norwich Growth Board partners was unique. The proposal was to use a surplus in the Infrastructure Investment fund (IIF) to create the SIF and kickstart growth within Greater Norwich.

During discussion, the executive director of development and city services answered questions on repayment of loans if the government were to abolish CIL. In the case that CIL was not replaced, liability would rest with the county council, as the accountable body. Liability would rest with the district councils in the case that CIL was replaced with another form of developer contribution.

Councillor Galvin referred to the use of infrastructure funding to build roads, rather than flood defenses, recreational facilities and open spaces and asked how this would contribute to carbon neutrality. The leader pointed out that there were papers to the Greater Norwich Growth Board and reports to cabinet on the range of schemes using investment from CIL and IIF. These included a range of projects to benefit communities and provide jobs, housing and community facilities, such as

schools and libraries, and promoted a modal shift in transport towards walking and cycling. SIF would be used for the East Norwich transformation project. This was good investment for the people in Greater Norwich. All partners were committed to achieving carbon neutrality. The council was pursuing this through its work with the Norwich Climate Change Commission as part of the 2040 City Vision partnership and its partnership with the Greater Norwich Growth Board.

**RESOLVED to:**

- (1) authorise Norfolk County Council, as the Greater Norwich Growth Boards accountable body, to draw down up to £20m from the Public Work Loans Board to create a cyclical fund to support local infrastructure projects as agreed in the Greater Norwich City Deal, subject to the following conditions:
  - (a) The loan is used to create a fund, which will accelerate the delivery of infrastructure projects within the parameters defined within Community Infrastructure Levy (CIL) legislation.
  - (b) Repayment to be made from the Infrastructure Investment Fund (IIF pooled CIL);
  - (c) The loan will be loaned on to one of the Greater Norwich partners acting as lead authority and secured in a borrowing agreement with Norfolk County Council, which will include an agreed repayment schedule and back stop date.
  - (d) Repayments from the lead authority would be made into a new cyclable Strategic Investment Fund (SIF).
  - (e) Due diligence and legal arrangements regarding the beneficiary project will be the responsibility of the lead authority.
- (2) agree the draft legal agreement that will commit future pooled Community Infrastructure Levy income as repayment against the drawdown of up to £20m through the Greater Norwich City Deal (amounts will be drawn in stages see Appendix E and F);
- (3) subject to (2) above, upon each staged draw down totaling no more than £20m, the Greater Norwich Growth Board to be granted delegated authority to sign the legal agreement together with their s151 officers, under the direction of Norfolk County Council as the Accountable Body and in accordance with their signed Joint Working Agreement – Appendix H;
- (4) give the Greater Norwich Growth Board delegated authority to manage the allocation of the City Deal borrowing and later, governance of the Strategic Investment Fund in line with the draft Terms of Reference attached at Appendix A and B.

**8. HMO (Houses in Multiple Occupation) Licensing Policy (Key decision)**

Councillor Jones, cabinet member for safe, strong and inclusive neighbourhoods, introduced the report. Legislation introduced in 2018 had changed the definition of

houses in multiple occupation (HMOs). The policy had been a significant challenge to bring forward and was first considered at licensing committee in July 2021. There was scope in the policy to reward landlords that complied well with five year licences and hold other landlords to account with shorter three or one year licences. The fees would be paid in two stages to cover administration and processing the application for the licence and stage 2 to cover running the scheme and enforcement work. This would ensure that those requiring enforcement paid for it. There was a growing market for HMO accommodation, not just for students, and it was important that the quality of the accommodation was of a good standard.

In reply to a question from Councillor Galvin, the environmental health and public protection manager said that it was difficult to establish how many HMOs there were in the city, but an additional housing officer had been employed and the council was taking a proactive approach. Councillors and residents could contact the council's private sector housing or licensing teams if they were aware of a potentially unlicensed HMO in their area.

During discussion, the cabinet member for social housing said that this was a good report and welcomed the flexibility to reward good standards of accommodation, which would benefit residents.

The cabinet member for safe, strong and inclusive neighbourhoods said that councillors would have access to a map showing licensed HMOs across the city.

**RESOLVED** to adopt the HMO Licensing Policy as set out in Appendix 1 of the report.

## **9. Application to the UK Shared Prosperity Fund (Key decision)**

Councillor Giles, cabinet member for community wellbeing, presented the report. The UK Shared Prosperity Fund (UK SPF) was a government grant to replace European Funding streams, and required the council to submit an investment plan by 1 August 2022. The allocation had been made as a three year settlement plan with no competitive bidding process. The report detailed the proposed allocations and development of the plan.

During discussion, the cabinet member for community wellbeing said that European funding had been around £9m for the Norwich area per annum. The UK Shared Prosperity Fund would be £1.5m over a three year period and was therefore a fraction of funding from the European Union.

In reply to question from Councillor Galvin, the cabinet member for community wellbeing said that he welcomed any thoughts and proposals from residents and organisations who could feed into the process through the [Get Talking Norwich](#) website or through the community engagement officers or community connectors working in the neighbourhoods with the highest levels of deprivation.

**RESOLVED** to:

- (1) delegate to the executive director of community services, in consultation with the relevant portfolio holder, the submission of the investment plan and

subsequent spending decisions in order to meet the timescales from central government:

- (2) subject to the award of funding, approve:
  - (a) an amendment to the 2022/23, 2023/24 and 2024/25 General Fund capital programme to create budgets funded from UK Shared Prosperity Fund in accordance with the approved investment plan:
  - (b) the creation of additional 2022/23, 2023/24 and 2024/25 General Fund revenue budgets funded from UK Shared Prosperity Fund in accordance with the approved investment plan.

#### **10. Greater Norwich Local Plan: Focused consultation on possible sites for Gypsy and Traveller accommodation (Key decision)**

Councillor Stonard, cabinet member for inclusive and sustainable growth, presented the report, which sought approval to consult on the Greater Norwich Local Plan (GNLP) proposed Gypsy and Traveller sites and allow landowners to promote other sites for inclusion in the plan. Members were referred to paragraph 5 and noted that the GNLP could be found unsound if provision of deliverable sites was not identified. The Gypsy and Traveller Accommodation Assessment (GTAA) provided evidence for the 50 additional pitches, with 27 pitches already having planning permission that were yet to be constructed. The proposed consultation sites were at Cawston, Costessey, and Wymondham.

In reply to a question from Councillor Galvin, the planning policy team leader confirmed that the Gypsy and Traveller community had been engaged in the evidence study. The consultation would follow standard procedures and she could provide further details outside the meeting.

#### **RESOLVED to:**

- (1) approve focused consultation on the Greater Norwich Local Plan (GNLP) proposed Gypsy and Traveller sites; and
- (2) agree to delegate authority to the executive director of development and city services, in consultation with the cabinet member for inclusive and sustainable growth, to agree consultation materials prior to the public consultation.

#### **11. Future of Waste Collection Services (Key decision)**

Councillor Oliver, cabinet member for environmental services presented the report. She thanked the head of environment services for his contribution and regular updates to her as portfolio holder. The contract would help meet the council's environment objectives and offered good value for money for nine years, with flexibility to change services to meet the requirements of the Environment Act, and look towards a carbon zero fleet.

The head of environment services confirmed that the extension of the contract offered good value for money, and that the proposal would achieve the budgeted



level of savings over the next 5 years. In the subsequent 4 years, there would be an additional cost of £0.067m per annum over the 2021/22 baseline. The proposed contract extension would also allow the council to evaluate the options for purchasing a new fleet in 2027, including a potential zero carbon fleet

In reply to Councillor Galvin, the chair said that the council demonstrated its social values by its commitment to the living wage and was moving towards carbon neutrality by delivering a zero carbon fleet in the next five years.

With no members indicating that they wished to discuss the exempt appendix, it was:

**RESOLVED** to approve the extension of the existing contract for the collection of residual waste and a range of recycling materials on behalf of the council until 2031 as detailed in Option 5 in the attached exempt appendix.

## **12. Award of Contract for Security Services (Key decision)**

Councillor Stonard, cabinet member for inclusive and sustainable growth, presented the report. The contract would require that all staff employed on the contract were paid the living wage and monitoring information would be provided to the council to enable effective contract and performance management.

**RESOLVED** to:

- (1) enter into a contract for security services at the council's multi-storey car parks, Market and Mile Cross Depot;
- (2) delegate approval to the executive director of development and city services in consultation with the portfolio holder for inclusive and sustainable growth to award the contract to the most economically advantageous tender following submissions.

## **13. Exclusion of the public**

**RESOLVED** to exclude the public from the meeting during consideration of items 14 to 17 (below) on the grounds contained in the relevant paragraphs of Schedule 12A of the Local Government Act 1972 (as amended).

### **\*14. Medium Term Financial Strategy – Update – Exempt Appendix (paragraph 3)**

(Cabinet had noted this appendix in item 6 above.)

### **\*15. Future of Waste Collection Services (paragraph 3)**

(Cabinet had noted this appendix in item 11 above.)

### **\*16. Managing Assets (Housing) (paragraph 3) (Key decision)**

Councillor Harris presented the report.

The development strategy manager updated members on the funding bids.

**RESOLVED** to agree to the disposal of land identified in the report to Broadland Housing Association to support the development of affordable housing.

CHAIR