

Cabinet**16:30 to 18:20****10 February 2021**

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

Also present: Councillors Boglein and Lubbock

1. Declarations of interest

Councillors Harris, Kendrick and Waters had been granted a dispensation by the council's monitoring officer as council tenants and would therefore take part in the discussion and vote on item 6 below.

2. Public Questions/Petitions

There were no public questions or petitions.

3. Minutes

RESOLVED to approve the accuracy of the minutes of the meeting held on 20 January 2021.

4. Corporate Plan 2021-22

The leader of the council presented the report. Every budget was policy led and the Corporate Plan aligned with the Medium Term Financial Strategy. The current Corporate Plan had been agreed in February 2019 and would run until 2022. It was developed with reference to the Norwich 2040 Vision and the council's mission vision, with a performance framework underpinning it. The Corporate Plan showed the citizens of Norwich that resources were being used in the right way. The Covid-19 pandemic had changed the detail of the Corporate Plan and paragraph 19 made reference to the Covid Recovery Blueprint which had been prepared in June 2020 and an update given to cabinet in December 2020. There were a number of key principles and objectives set out in 2019 which would remain the same but the Covid Recovery Blueprint would be the key document and progress would be marked against this at intervals.

The performance framework had been slimmed down to 28 indicators which allowed the council to focus on outcomes for those areas over which it had a direct influence. The removed indicators were monitored at a service level and used as wider metrics to give the senior leadership team oversight of service delivery.

The leader of the council thanked the scrutiny committee for its consideration of the performance framework and responded to the recommendations listed at paragraph 17 and 18 of the report and responded to each of them in turn.

He said that the estate management satisfaction recommendation would be better placed to consider in 2022 when the service had transferred back in house from Norse. The recommendation around anti-social behaviour complaints was already part of the service level metrics and would continue to be monitored. The remaining KPIs needed to be outcome based so a KPI around this would need further work. The recommendation on retrofitting of council owned homes was something that the council was already committed to and could demonstrate progress on so there was no need for a KPI to be included. Regarding the suggestion on reporting on the percentage of non-profit organisations receiving business rates relief, the performance framework was concerned with high level indicators so it was not appropriate for this to be included. The recommendations on council owned shop and Norwich Market occupancy rates would be covered by the commercial portfolio KPI. Finally, the recommendation on staff welfare metrics was something that was already monitored regularly by the senior management team.

An additional recommendation had been made by the scrutiny committee asking cabinet to ask the council's treasury management advisors to research and investigate the addition of 'social value' as a fourth criteria of the treasury management investment policies. The interim director of resources and Section 151 officer said that she would speak to the council's treasury management advisors about adding the criteria as she would want to take advice before committing to including this.

Councillor Bogelein said that she appreciated that the council wanted to be focussed on outcomes but she felt that a more detailed measure around anti-social behaviour and perceptions of feeling safe was necessary. The leader of the council said that the aligning of the objectives with the Covid-19 Recovery Plan picked up some issues around this such as domestic abuse and the 2040 City Vision work on County Lines. The 28 remaining indicators showed what the council could directly influence but it continued to work with partners on issues.

The chief executive said that a performance and vision board was being set up which heads of service would sit on and the board would manage performance. This would feed into corporate leadership team meetings on a quarterly basis, alongside risk and HR metrics.

RESOLVED to:

- (1) note the corporate plan vision, mission and priorities, to inform the council's resource allocation for 2021-22; and
- (2) agree the corporate performance framework for 2021-22

5. Council Tax Reduction Scheme 2021-22

Councillor Davis, cabinet member for social inclusion, presented the report. She thanked officers for their hard work on the scheme. She highlighted the amendments and modifications listed at paragraph 13 of the report. She suggested an addition to recommendation (2) to include a reference to in legacy benefits for completeness. She said that she was pleased that the council was looking to retain a scheme of council tax reduction which would help the most vulnerable in society.

RESOLVED to recommend council to:

1) make the following changes to the council tax reduction scheme (CTRS) for 2021/22 by continuing with the 2020/21 scheme with the following modifications:

- a) as in previous years increase the working-age applicable amount by the 2021/22 composite rate of council tax (excluding adult social care)
- b) increase the level of income brackets used to decide non-dependant deductions and level of non-dependant deductions by the 2021/22 composite rate of council tax (excluding adult social care)
- c) increase the level of income brackets used to decide entitlement to second adult reduction by the 2021/22 composite rate of council tax (excluding adult social care)
- d) apply technical updates already applied to DWP benefits for working-age applicants to keep legislation updated to EU exit decisions
- e) retain the local discount provision for care leavers
- f) retain the local discount provision for liable persons absent from a main dwelling due to domestic violence events
- g) retain a single person discount for 3 months for liable persons where they give a home to an asylum seeker or refugee who has no ability to work

2) agree that the scheme will have provision to reflect changes Government might introduce to continue with a COVID-19 increase in Universal Credit rates, legacy benefits and / or Working Tax Credit additional earnings disregards for the 2021/2022 year. This will ensure customers are not disadvantaged by the Government increase.

6. The council's budget 2021-22 and Medium Term Financial Strategy

Councillor Kendrick, cabinet member for resources, presented the report. The council was facing huge pressure on its resources to run day to day services which had been exacerbated by the Covid-19 pandemic. He highlighted the short term savings options outlined in the report. There had been a lot of work to protect frontline services whilst having a balanced budget. There were still financial pressures due to funding from central government being inadequate.

He highlighted an additional recommendation to the report which was a result of £1.5m of grant funding that the council had just received confirmation of to carry out energy efficiency projects. It was important to reflect the additions to the capital programme in the report which would be considered at full council on 23 February and cabinet was therefore asked to approve the additional recommendation:

“Cabinet is asked to recommend to Council to approve an amendment to increase the council's 2021/22 capital programme by £1.456m to include projects to be delivered as part of the government's Decarbonisation Scheme and Green Homes Scheme. The final split between the GF and HRA capital programmes will be managed through a technical virement and reported in the first monitoring report of 2021/22. These works will be fully funded from grant contributions”.

It was also noted that there was an error in the year on recommendation 24 on the report which should read ‘The (financial) Investment Strategy **2021/22** (paragraphs 6.38 to 6.73)’.

Councillor Harris, deputy leader and cabinet member for social housing commended officers for the report and said that with regard to the HRA, council homes were a very important asset and £129m had been invested in the last six years in the housing stock. She said that the HRA was in a strong position but there were still challenges. There had been a loss of income due to the 1% rent reduction enforced by central government, alongside the loss of approximately 140 properties each year through the Right to Buy scheme, which needed reform. The Covid-19 pandemic had impacted on work and the continued roll out of Universal Credit had impacted on rent collections, however, the income team were working closely with residents around this. The proposal for a 1.5% in rent increase had carefully weighed the financial implications for tenants against the need to maintain housing stock and build new homes.

The interim director of resources and section 151 officer said that it had been a challenging year but she was pleased to be presenting a robust budget. Two additional reserves were being suggested, a risk reserve which would help to mitigate against any challenges due to the lockdown and a business change reserve to invest in staff. There were challenges to the ongoing position as a lot of funding had been in the form of one off grants. The strategy of smoothing reserves would continue.

Councillor Bogelein said that there were both long and short term savings in the papers but some would only be considered after consultation. She asked which of those were at risk of not being taken forward and would therefore run the risk of drawing on reserves. The leader of the council said that as much certainty was provided as possible but the council received a lot of short term funding so the impact of this would need to be considered.

Councillor Lubbock commented that her political group were not happy with the proposal to charge for car parking at Eaton and Waterloo Parks and consideration needed to be given to residents living around those parks as there were no parking restrictions on the road. Councillor Packer, cabinet member for health and wellbeing said that the aim was to provide quality services and there would be an in depth feasibility study to understand the impacts of the proposals. Councillor Stonard, cabinet member for sustainable and inclusive growth, said that the feasibility work

would look at the displacement of parking. Many people who drove to the parks were from outside of the city and those who lived in the city would walk, cycle or take public transport.

The leader of the council said that he was disappointed that central government had relied so heavily on local government, especially throughout the Covid-19 pandemic without giving adequate funding.

RESOLVED to:

- a) Note the budget consultation process that was followed and the feedback gained as outlined in Appendix 2 (I).
- b) Note Section 8 on the robustness of the budget estimates, the adequacy of reserves, and the key financial risks to the council.
- c) Note that the Council Tax resolution for 2021/22, prepared in accordance with Sections 32-36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011, will be calculated and presented to Council for approval once Norfolk County Council and the Office of the Police and Crime Commissioner for Norfolk have agreed the precepts for the next financial year.
- d) Approve the creation of a new earmarked reserve to help manage the costs associated with business change activities.

Recommend to Council to approve:

General Fund

1. The council's net revenue budget requirement as £17.013m for the financial year 2021/22 including the budget allocations to services shown in Appendix 2 (C) and the savings and growth proposals set out in appendices 2 (F) and 2 (G).
2. An increase to Norwich City Council's element of the council tax of 1.99%, meaning that the Band D council tax will be set at £274.74 (paragraph 2.28) with the impact of the increase for all bands shown in Appendix 2 (E).
3. The prudent minimum level of reserves for the council as £5.100m (paragraph 2.52).
4. Delegate to the chief finance officer (S.151 Officer), in consultation with the portfolio holder for resources and the portfolio holder for social inclusion, the award of any new business rates reliefs announced by government using discretionary relief powers as set out in paragraph 1.6. The full cost of granting this relief will be compensated through a section 31 grant from Government.
5. Transfers to earmarked reserves as set out in paragraphs 2.5, 2.6 and 2.7.
6. Delegate to the chief finance officer (s.151 officer) the approval of technical

virements to make budget transfers where there is no underlying change in the budget intention as set out in Appendix 2(J) and paragraphs 2.19, 2.42 and 2.45.

Housing Revenue Account

7. The proposed Housing Revenue Account gross expenditure budget of £63.669m and gross income budgets of £68.708m for 2021/22 (paragraph 3.40).
8. The use of the estimated surplus of £5.039m along with a further £10.640 of HRA general reserves to make a revenue budget contribution of £15.679m towards funding the 2021/22 HRA capital programme (paragraph 3.40).
9. A 1.5% increase in dwelling rents for 2021/22, in accordance with following the Secretary of State issued Direction on the Rent Standard 2019. This enables authorities to increase rent annually by up to CPI (Consumer Price Index) as at the preceding September plus 1%. This will result in an average weekly rent increase of £1.19 for Norwich tenants (paragraphs 3.45 to 3.50).
10. That garage rents remain at existing levels for 2021/22 (paragraph 3.51).
11. That the setting of tenants' service charges is delegated the director of people and neighbourhoods/director of community services in consultation with the portfolio holder for Social Housing after engagement with tenant representatives.
12. The prudent minimum level of Housing Revenue Account reserves as £5.848m (paragraph 3.71).

Capital Strategy

13. The proposed general fund capital programme 2021/22 to 2025/26 (2020/21: £20.617m; 5 years: £43.724m) and its method of funding as set out in table 4.3, table 4.4 and Appendix 4 (B).
14. The proposed HRA capital programme 2021/22 to 2025/26 (2020/21: £48.839m; 5 years: £206.519m) and its method of funding as set out in table 4.3, table 4.5 and Appendix 4 (B).
15. The capital strategy, as required by CIPFA's Prudential Code.
16. The 2020/21 General Fund capital programme is increased by £1.025m to facilitate expenditure of Towns' Deal funding as set out in paragraph 4.34.
17. An amendment to increase the council's 2021/22 capital programme by £1.456m to include projects to be delivered as part of the government's Decarbonisation Scheme and Green Homes Scheme. The final split between the GF and HRA capital programmes will be managed through a technical virement and reported in

the first monitoring report of 2021/22. These works will be fully funded from grant contributions.

18. The delegation to the chief finance officer (s.151 officer) in consultation with the director of place/director of development & city services, approval of adjustments to the 2020/21 and future capital programmes to reflect the inclusion of match funding towards Towns' Deal funded projects (paragraphs 4.32 to 4.35).

Non-financial Investments (Commercial) Strategy

19. The setting aside of 20% of the net income achieved from previous commercial property investment into the commercial property earmarked reserve as set out in paragraphs 5.13 to 5.15.

20. The council's policy and process for lending to Norwich Regeneration Limited as set out in paragraphs 5.20 to 5.23.

21. The council's policy and process for lending to Norwich City Services Ltd as set out in paragraphs 5.25 to 5.27.

Treasury Management Strategy

22. The borrowing strategy 2021/22 through to 2025/26 (paragraphs 6.21 to 6.24).

23. The capital and treasury prudential indicators and limits for 2021/22 through to 2025/26 contained within paragraphs 6.13 to 6.20 and tables 6.2 to 6.4, including the Authorised Borrowing Limit for the council.

24. The Minimum Revenue Provision (MRP) policy statement described in paragraphs 6.33 to 6.37 and contained in Appendix 6.

25. The (financial) Investment Strategy 2021/22 (paragraphs 6.38 to 6.73).

Summary of key financial indicators

26. The indicators for 2021/22 through to 2024/25 contained in section 7.

7. Q3 budget monitoring 2020-21

Councillor Kendrick, cabinet member for resources, presented the report which showed the financial position as of December 2020. There was a reduced impact of Covid-19 due to the receipt of some government funding. The capital programme was underspent by £32m as detailed in appendix 6 of the report.

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; and
- 3) approve the creation of an East Norwich Masterplan earmarked reserve to hold the balance of contributions unutilised at year end

8. Local Development Scheme 2021-23

Councillor Stonard, cabinet member for sustainable and inclusive growth, presented the report. The scheme had been reviewed in 2020 but further information on timescales had been given so the scheme had been revised to reflect this, alongside work stream progress. The revised version would run until 2023. He highlighted the principle changes at paragraph seven of the report.

Councillor Bogelein questioned why a buffer of 22% had been added to the housing calculations and asked what the climate change projections were around this. The planning policy team leader said that there was a commitment to having a focussed housing needs assessment and once this had been finalised, members would be updated.

RESOLVED to approve the Local Development Scheme for publication under section 15 of the Planning and Compulsory Purchase Act 2004 (as amended by section 111 of the Localism Act 2011).

9. The award of contract for multidisciplinary professional advice in respect of the East Norwich Masterplan – KEY DECISION

Councillor Stonard, cabinet member for sustainable and inclusive growth, presented the report. A partnership had been created to develop the Carrow Works and adjacent sites for both homes and employment space. There was a need for infrastructure to support this and the development of a masterplan would make this coherent. The cost for this would be around £500k which would be shared with the members of the partnership. He highlighted the timetable for the development of the masterplan which was set out at paragraph ten of the report.

Sustainability was at the heart of the masterplan which included homes, green spaces and transport links. It was a highly ambitious and exciting project to develop a new quarter of the city.

RESOLVED To award the contract for multidisciplinary professional advice - East Norwich Masterplan for period 1 March 2021 - 31 March 2022 to Avison Young.

10. Greater Norwich Joint Five Year Infrastructure Investment Plan 2021-26 KEY DECISION

The leader of the council presented the report. He highlighted the four agreed projects which were outlined at page 276 of the report, with two of the four being within the Norwich City Council area. The project at Ketts Heights was around

interpreting the historical elements of the area and the leader of the council thanks the Friends of Ketts Heights for their work on the project.

The city growth and development programme co-ordinator said that the funding for the Ketts Heights project would be received by the council, whereas the funding for the football development centre would be given directly to the centre directly. The neighbourhood and community enabling manager said that there was a robust process for these projects which took into account the needs of the area and this was proving to be a good system for ensuring that investment was made in the right areas.

Councillor Bogelein asked if it would be possible to ask the infrastructure development board to fund a modern transport system for Greater Norwich, to be repaid through CIL funds. Councillor Stonard, cabinet member for sustainable and inclusive growth, said that the Transforming Cities funding was very significant and the work was about modal shift and pushing the use of public transport. There was more work to be done and the city council was in correspondence with the county council about reciprocal arrangements. The director of place referred to the Transport for Norwich Strategy and said that the council was trying to encourage the county council to come up with a more ambitious strategy.

RESOLVED to:

- 1) agree the Greater Norwich Joint Five-Year Infrastructure Investment Plan 2021-2026, included in Appendix A
- 2) To approve the CIL allocations included within the first year of the five year plan forming the 21/22 Annual Growth Programme.
- 3) To recommend to Council the inclusion of the following project into the council's capital programme commencing in 21/22:
 - Kett's Heights
- 4) To note the community CIL allocation covered in paragraphs 24-25.

11. To award contracts for the domestic gas heating upgrading of council dwellings

Councillor Harris, deputy leader and cabinet member for social housing, presented the report. She said that the initial contract was awarded for a three year period, with a performance review each year. The 2020-21 programme had failed to deliver targets. This was a significant investment in council homes and there was a need to manage the risk, so it was proposed that the contract be shared between two contractors, as detailed at page 333 of the report. The contract performance would be reviewed again in a year.

Councillor Bogelein asked about options for the future when replacing gas boilers. The major works and services manager (NPS) said that there was consideration being given to significant schemes of renewable energy systems for the future.

RESOLVED to approve the award of two contracts for the domestic gas heating upgrading of council dwellings for the two year period 1 April 2021 to 31 March 23 to:

- a) PH Jones Ltd and
- b) Dodd Group Ltd

12. To award contracts for the domestic electrical wiring of council dwellings

Councillor Harris, deputy leader and cabinet member for social housing, presented the report. The contract was subject to satisfactory performance and the programme had not been delivered to target. To give improved resilience, it was proposed to share the contract between two contractors with a review again in a year.

RESOLVED to approve the award of two contracts for the domestic electrical rewiring of council dwellings for the two year period 1 April 2021 to 31 March 2023 to:

- a) Foster Property Maintenance Ltd and
- b) Gasway Services Ltd

13. Exclusion of the public

RESOLVED to exclude the public from the meeting during consideration of items *14 and *15 (below) on the grounds contained in the relevant paragraphs of Schedule 12A of the Local Government Act 1972 (as amended).

***14. The award of contract for multidisciplinary professional advice in respect of the East Norwich Masterplan - exempt appendix (paragraph 3)**

RESOLVED to note the exempt appendix.

***15. Managing Assets (non housing) (paragraph 3)**

RESOLVED to:

- 1) approve, as shareholder, the discharge by Legislator 1656 Ltd of the overage interest referred to in this report subject to contract; and
- 2) approve disposal of the property referred to in this report on a long lease subject to contract.

CHAIR