

Cabinet**17:30 to 19:05****12 February 2020**

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

Also present: Councillor Schmierer

1. Public Questions/Petitions

There were no public questions or petitions.

2. Declarations of interest

Councillors, Waters, Harris and Kendrick declared a pecuniary interest in item 6 (below) as council tenants but had received a dispensation from the council's monitoring officer to take part in the discussion for the item but understood that they would not be able to vote on the resolution regarding council rent increases.

Councillor Packer declared a pecuniary interest in item 15 (below) as he was an employee of Norfolk County Council.

Councillor Maguire declared an other interest in item 6 (below) as a director of Norwich Norse Environmental Limited and item 15 (below) as a director of Norwich Norse Environmental Limited and Norse Environmental Waste Services Limited

Councillor Kendrick declared an other interest in item 15 (below) as a director of NPS Norwich Limited and item 6 (below) as a director of the nplaw board, as a director of NPS Norwich Limited and as a director of Norwich Regeneration Limited.

Councillor Stonard declared an other interest in item 6 (below) as a director of Norwich Regeneration Limited and the CNC Building Control board.

3. Minutes

RESOLVED to agree the accuracy of the minutes of the meeting held on 15 January 2020.

4. Norwich Regeneration Limited Business Plan – Key Decision (Paragraph 3)

RESOLVED to defer consideration of this item until the March meeting of cabinet.

5. Corporate Plan 2020-21

Councillor Waters, leader of the council presented the report.

As only two quarters of data on the updated criteria had been collected, it was suggested that a review of the performance framework, including the recommendations from the scrutiny committee, be undertaken once a full year's worth of data was available.

In response to a question from Councillor Schmierer, Councillor Stonard, cabinet member for sustainable and inclusive growth, said that there was no evidence that the retail sector in Norwich was struggling as footfall had increased and there were some major developments happening.

RESOLVED to:

- (1) consider any changes required to the corporate plan vision, mission and priorities to inform the council's resource allocation for 2020-21;
- (2) agree that a review of the performance framework be undertaken once a full year's worth of data is available.

6. Budgets, Medium Term Financial Strategy, HRA Business Plan, Capital Strategy and Treasury Management Strategy 2020-21

(Councillors, Waters, Harris and Kendrick declared a pecuniary interest in item 5 (below) as council tenants but had received a dispensation from the council's monitoring officer to take part in the discussion for the item but understood that they would not be able to vote on the resolution regarding council rent increases.)

The leader of the council said that as three members were unable to vote on resolution (7), this would be taken separately.

Councillor Kendrick, cabinet member for resources presented the report. He highlighted the success of the Commercial Property Investment Strategy which had given the council an additional £1.9 million of income. There were streams of work being undertaken to identify further efficiencies.

Councillor Harris, deputy leader and cabinet member for social housing said that there were challenges being faced by the Housing Revenue Account such as the continuation of the Right to Buy scheme and the effects of four years of rent reductions.

The chief finance officer said that it was a robust budget but there were challenges ahead.

The scrutiny committee had made the following recommendations at its meeting on 6 February:

- (1) ask cabinet to:
 - a) further understand where money market funds are invested and if this investment is ethical,
 - b) investigate the use of Housing Revenue Account money towards carbon future proofing,

- c) investigate sources of income to replace that from reduced use of car parks;
and

(2) recommend that cabinet convenes the cross party budget working group.

The leader of the council said that the cross party budget working group would be convened if necessary and the remaining recommendations would be considered in due course.

Councillor Schmierer asked if there would be additional staffing within the council to address the performance indicators showing lower than targeted numbers of residents feeling safe and being satisfied with responses to anti-social behaviour. The director of people and neighbourhoods said that the capacity issues highlighted in the report were temporary and the Safer Neighbourhoods Strategy ensured that resources were being focussed. A safer neighbourhoods coordinator was also in post.

RESOLVED unanimously, to note:

- a) The budget consultation process that was followed and the feedback gained as outlined in Appendix 2 (I).
- b) Section 8 on the robustness of the budget estimates, the adequacy of reserves, and the key financial risks to the council.
- c) That the Council Tax resolution for 2020/21, 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.

Cabinet is asked to recommend to Council to approve:

General Fund

1. The council's net revenue budget requirement as £17.888m for the financial year 2020/21 [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 £269.38 (paragraph 2.23) 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 £4.289m (paragraph 2.46).
4. The award of new business rates reliefs using discretionary relief powers as set out in paragraph 1.4. 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 2.2, 2.7 and 2.54.

Housing Revenue Account

6. The proposed Housing Revenue Account gross expenditure budget of £61.4m and gross income budgets of £68.1m for 2020/21 (paragraph 3.4).
7. Of the estimated surplus of £6.7m, £2.1m is used to make a revenue budget contribution towards funding of the 2020/21 HRA capital programme (paragraph 3.4).
8. A 2.7% increase in garage rents for 2020/21 (paragraph 3.15).
9. The transfer of £1m of underspend forecast to be achieved in 2019/20 to the HRA's spend-to-save earmarked reserve (paragraph 3.3).
10. The prudent minimum level of housing reserves as £5.874m (paragraph 3.34).

Capital Strategy

11. The proposed general fund capital programme 2020/21 to 2024/25 and its method of funding as set out in table 4.4, table 4.5 and Appendix 4 (B).
12. The proposed HRA capital programme 2020/21 to 2024/25 and its method of funding as set out in table 4.4, table 4.6 and Appendix 4 (B).
13. The capital strategy, as required by CIPFA's Prudential Code.

Non-financial Investments (Commercial) Strategy

14. The placing of security and yield above liquidity when considering commercial property investments as explained in paragraphs 5.15 to 5.18.
15. Continuing to borrow in order to invest in commercial property outside of the city's boundaries in order to obtain the best opportunities available, diversify the portfolio, and thereby mitigate the risk of holding these investments (paragraph 1.32 and 5.9).
16. The setting aside of 20% of the net new income achieved from commercial property investment into the commercial property earmarked reserve as set out in paragraphs 5.19 to 5.21.
17. The council's policy and process for lending to Norwich Regeneration Limited as set out in paragraph 5.26.
18. The estimated loan facility (amount of lending) the council will need to make available to Norwich Regeneration Ltd to deliver its Business Plan as set out

in table 5.2. Final decisions on lending will be subject to the process set out in paragraph 5.32.

19. The estimated equity investment the council will need to make in Norwich Regeneration Limited to deliver its Business Plan as set out in table 5.3. Final decisions on investments will be subject to the process set out in paragraph 5.32.

Treasury Management Strategy

20. The borrowing strategy 2020/21 through to 2024/25 (paragraphs 6.21 to 6.24).
21. The capital and treasury prudential indicators and limits for 2020/21 through to 2024/25 contained within paragraphs 6.13 to 6.20 and tables 6.2 to 6.4, including the Authorised Borrowing Limit for the council.
22. The Minimum Revenue Provision (MRP) policy statement described in paragraphs 6.33 to 6.37 and contained in Appendix 6.
23. The (financial) Investment Strategy 2020/21 (paragraphs 6.38 to 6.73).

Summary of key financial indicators

24. The indicators for 2020/21 through to 2023/24 contained in section 7.

RESOLVED with Councillors Davis, Jones, Maguire, Packer and Stonard voting in favour to a 2.7% increase in dwelling rents for 2020/21, 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% from April 2020. This will result in an average weekly rent increase of £2.07 for Norwich tenants (paragraphs 3.9 to 3.14).

7. Council Tax Reduction Scheme 2020-2021

Councillor Davis, cabinet member for social inclusion presented the report. She highlighted the changes to the scheme as outlined at paragraph eight of the report. Norfolk County Council had asked the city council to explore the proposals set out at paragraph nine of the report but these would not be considered as they did not fit with Norwich City Council's financial inclusion strategy.

RESOLVED to recommend that council makes the following changes to the council tax reduction scheme (CTRS) for 2020-21 by continuing with the 2019-20 scheme with the following modifications:

- a) as in previous years increase the working-age applicable amount by the 2020-21 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 2020-21 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 2020-21 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) for all working-age applicants introduce a tolerance rule (or de-minimis rule) of £15 income change per week (equating to £3 of CTR entitlement). This tolerance would apply before either CTR entitlement increased or decreased.
- f) disregard of income changes or capital received in respect of the Windrush Compensation Scheme
- g) disregard:
 - (i) any arrears of Universal Credit where they are paid due to loss of a severe disability premium and where the maximum Universal Credit award is not adjusted by DWP to reflect the arrears payment;
 - (ii) ongoing transitional payments of Universal Credit where these are paid due to loss of a severe disability premium and where the maximum Universal Credit award is not adjusted by DWP to reflect the transitional payment;
- h) reinstate the 'remunerative work rule' where CTR would only have a higher non-dependent deduction applied if the non-dependant's contractual working hours are 16 or more per week
- i) Universal Credit self-employed income to be calculated by the city council
- j) retain the local discount provision for care leavers
- k) retain the local discount provision for liable persons absent from a main dwelling due to domestic violence events
- l) 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

8. Equality Information Report 2020

Councillor Davis, cabinet member for social inclusion presented the report. She said that member's views had been taken into account with the production of the report. She highlighted some key figures such as the 0% gender pay gap for Norwich City Council and said that digital inclusion work had seen an increase of 120%.

In response to a question from Councillor Schmierer, the chief executive said that he had the ambition that the workforce of the council matched the demographic of the city and had already been looking at ways to progress this.

RESOLVED to approve publication of the annual equality information report.

9. Revenue and Capital Budget Monitoring 2019-20 P9

Councillor Kendrick, cabinet member for resources presented the report and highlighted some key figures.

Councillor Schmierer referred to page 274 of the agenda papers and asked what the proposals for Waterloo Park Pavilion were going forward. Councillor Packer, cabinet

member for health and wellbeing said that there was a tender process in progress for a new occupant.

RESOLVED to note:

- (1) the forecast outturn for the 2019/20 General Fund, HRA and capital programme;
- (2) the consequential forecast of the General Fund and Housing Revenue Account balances;
- (3) the anticipated dividend from Legislator 1656 in relation to Norwich Airport Ltd shares, as detailed in paragraph 3;
- (4) the details of MHCLG funding in relation to The Towns Fund, as detailed in paragraph 4; and,
- (5) the General Fund capital programme use of the capital contingency fund, as detailed in paragraph 13

10. Greater Norwich Joint Five Year Infrastructure Investment Plan 2020-2025 – Key Decision

Councillor Waters, leader of the council presented the report. He referred to the updates on current projects and said that there was a theme of sustainable transport.

Councillor Schmierer questioned whether the spend on tennis courts was in the best location. Councillor Packer, cabinet member for health and wellbeing said that the scheme increased accessibility to parks, led to improved health outcomes and made tennis courts financially stable in the long term. Councillor Jones, cabinet member for safer, stronger neighbourhoods said that there were deprived communities in wards across the city and she looked forward to all residents being able to use tennis courts.

The chief executive said that investment in public transport was a high priority and conversations were being held around transport infrastructure. The updated strategy should reflect recent funding announcements. The director of place said that the timetable for the updated strategy had been pushed back due to the December general election and a revised timetable was awaited.

RESOLVED to:

- (1) agree the Greater Norwich Joint Five Year Infrastructure Investment Plan 2020-2025, included in Appendix 1;
- (2) approve the CIL allocations included within the first year of the five-year plan forming the 2020/21 Annual Growth Programme.
- (3) recommend to council the inclusion of the following projects (totalling £581,238 in 2020/21, £110,975 in 2021/22 and £85,675) into the council's capital programme commencing in 2020/21:

- (a) 20 Acre Wood Community Access Improvements;
- (b) Hellesdon Station Green Infrastructure Improvements;
- (c) Norwich Parks Tennis;
- (d) Recreation Road Pool.

11. Replacement of Space Heating System and Controls for Norwich City Hall – Key Decision

Councillor Kendrick, cabinet member for resources presented the report.

Councillor Schmierer questioned whether consideration had been given to sharing ground source heat pumps with other nearby buildings. Councillor Maguire, cabinet member for safe and sustainable city environment said that part of the specification would be that the system was adaptable for other sources, once the right technology was available.

RESOLVED to delegate approval to the director of place, in consultation with the cabinet member for resources, to award the contract for the replacement of the space heating boilers and controls which serve to provide the heating provision for Norwich City Hall.

12. To Award Contracts for Housing Repair and Maintenance Works – Key Decision

Councillor Harris, deputy leader and cabinet member for social housing presented the report.

RESOLVED to:

- 1) To approve the award of the following seven contracts for various housing repair related areas:
 - a) Re-wire element within the main Electrical Upgrades, Re-wires and Inspections contract to Foster Property Maintenance Ltd;
 - b) Electrical Upgrades and Inspections element within the Electrical Upgrades, Re-wires and Inspections contract to Gasway Services Ltd;
 - c) Re-Pointing contract to Foster Property Maintenance Ltd;
 - d) Kitchen and Bathroom Replacement contract to Foster Property Maintenance Ltd;
 - e) Domestic Gas Heating Upgrading Provision contract to P H Jones Ltd;
 - f) Composite Door and Window Upgrades contracts to Anglian Windows Ltd and Ashford Commercial Ltd;
 - g) Paintings and Repairs contract to Mitie Property Services Ltd;

- 2) to delegate authority to award two contracts for housing repair to the director of people and neighbourhoods in consultation with the deputy leader and cabinet member for social housing as follows:

- a) Renewal of Timber Roofline in PVCU contract; and
- b) Housing Roofing Repair Programme contract

13. To Award Contracts for Structural Repairs at Chipperfield Road, Millers Lane and Pearcefield – Key Decision

Councillor Harris, deputy leader and cabinet member for social housing presented the report.

RESOLVED to award the contract for housing structural repairs at Chipperfield Road, Millers Lane and Pearcefield to Bawburgh Installations Ltd for the sum of £215,205.47.

14. Award of contract for Structural Repairs at Heathgate – Key Decision

Councillor Harris, deputy leader and cabinet member for social housing presented the report.

RESOLVED to delegate authority to award the contract for structural repairs, subject to the completion of the procurement and tender evaluation processes, to the director of people and neighbourhoods in consultation with the deputy leader and cabinet member for social housing.

15. NPS Norwich Ltd Business Plan – Key Decision

(Councillor Packer, having declared an interest in this item left the meeting at this point).

Councillor Kendrick, cabinet member for resources presented the report and highlighted the significant achievements set out at paragraph 2 of the report.

In response to a question from Councillor Davis on the quality of work carried out within her ward, the interim operation director (NPS) asked that Councillor Davis send more detailed information to him so that he could investigate.

RESOLVED to approve the NPS Norwich Ltd Business Plan for 2020-21.

CHAIR