



**Cabinet**

**17:30 to 19:10**

**18 January 2017**

Present: Councillors Waters, Harris, , Kendrick, Ryan, Stonard, and Thomas.

**1. Apologies**

An apology for absence was received from councillor Bremner.

**2. Public questions / petitions**

There were no public questions or petitions.

**3. Declarations of interest**

No declarations were made.

**4. Minutes**

**RESOLVED** to agree the minutes of the meeting held on 14 December 2016.

**5. Corporate performance measures 2017-18**

**RESOLVED** to recommend the draft corporate performance measures 2017-2018 to council for approval.

**6. Revenue budget monitoring 2016-17: Period 8**

The leader of the council introduced the report.

In response to a member's question, the chief finance officer explained that there is a contingency provision in the budget each year for unforeseen spend and, in addition, the prudent minimum balance makes allowance for unforeseen factors which may require additional spend.

**RESOLVED** to note the financial position as at 30 November 2016 and the forecast outturn 2016-17.

## **7. Council tax reduction scheme 2017-18: Post consultation**

The cabinet member for resources and business liaison introduced the report.

The director of business services explained that in addition to the responses used to write the report, a letter had also been received from the executive director of finance and commercial services at Norfolk County Council (appendix 1).

This letter responded positively to all four questions posed, but also suggested three proposals for the city council to consider. The chief executive added that a response had also been received from South Norfolk Council, making similar suggestions (appendix 2). Discussion ensued during which it was suggested that the cabinet member for resources and business liaison should write to both Norfolk County Council and South Norfolk Council suggesting that they adopt the Norwich City Council scheme.

### **RESOLVED to:**

- 1) recommend council to make the following changes to the council tax reduction scheme (CTRS) for 2017-18 by continuing with the 2016-17 scheme with four modifications:

that the:

- a) applicable amounts shall be uprated by the composite rate of council tax increase that excludes adult social care. Including in the scheme the principle of the uprating rather than the actual figure;
  - b) provision of backdating shall be reduced from six to two months;
  - c) eligibility of CTRS applicants shall be aligned with the housing benefit regulations for those temporarily living away from Great Britain; and,
  - d) eligibility to CTR shall be aligned with the maximum six-month non-payment of Universal Credit, subject to being entitled to CTR during the period in question.
- 2) write to both Norfolk County Council and South Norfolk Council suggesting that they adopt the Norwich City Council model for their council tax reduction schemes.

## **8. Risk management report**

The cabinet member for resources and business liaison introduced the report.

In response to a member's question, the director of business services explained that issues arising from the virus which had made it onto the city council network before Christmas had been resolved quickly and efficiently through close cooperation between LGSS and city council teams. He added that regular software and anti-virus updates continued to take place and that the circulation

of correct, up-to-date information to all IT users helped to minimise the impact of further risk in this area.

**RESOLVED** to approve the proposed amendments to the corporate risk register and risk management policy.

## 9. Equality information report

The cabinet member for fairness and equality introduced the report.

In response to a member's question, the strategy manager explained that although recording methodology had changed (making it impossible to achieve direct comparison of figures month to month) raw data indicated a rise in reporting of hate incidents and hate crimes. He said that it was difficult to ascertain causality of this, as it could be down to increased awareness of such crimes and the need to report them.

**RESOLVED** to approve publication of the annual equality information report.

## 10. Mutual exchange incentives – better outcomes for tenants

The cabinet member for council housing introduced the report. She explained that the report which had been issued with the agenda had had a number of paragraph numbering issues and that a further report, amending this, had been circulated (appendix 3). It was the amended report which was then referred to during this item.

**RESOLVED** to agree to:

- 1) note the findings of the review of the Mutual Exchanges incentives scheme
- 2) retain the key elements of the incentives policy including the qualification criteria and payment levels as a guideline originally set and added to in April 2014
- 3) change the emphasis from a mandatory 'entitlement' scheme to a discretionary scheme offering incentives and payments ONLY where to do so will help the exchange to happen to the mutual benefit of both the tenants involved AND the council. I.e. where finance (rent arrears) or lack of prohibits the exchange from taking place.
- 4) augment the existing scheme and to offer a discretionary payment to tenants who mutually exchange in circumstances that meet the following criteria:
  - a) where at least one of the properties in a mutual exchange has had disabled adaptations.
  - b) where one of the parties in a mutual exchange is fleeing domestic abuse or is a victim of hate/mate crime

- c) in other extenuating circumstances for vulnerable persons (e.g. where the position or condition of the property is exacerbating health issues)

5) cap payments at £1500 per tenant or £2500 for one exchange procedure.

#### **11. Update to the private sector financial assistance policy**

The cabinet member for council housing introduced the report.

**RESOLVED** to amend the existing private sector financial assistance policy to add the ability to offer a 'top-up' to a facilities grant as detailed in the report.

#### **12. Installation of sixty thermodynamic hot water systems**

The cabinet member for council housing introduced the report.

**RESOLVED** to award a contract for the installation of Thermodynamic hot water systems to 60 council owned homes to Impact Renewable Energy Ltd.

#### **13. Procurement of repairs to City Hall clock tower**

The cabinet member for resources and business liaison introduced the report.

In response to a question, the associate director of operations (LGSS) explained that the bulk of the cost involved in the repairs lay in the erection of scaffolding around the clock tower. As such, a scoping exercise would to place to ascertain the possibility of carry out other works (such as repointing, painting the clock hands etc.) whilst the scaffold remained.

**RESOLVED** to approve the award of the contract for repairs to City Hall clock tower to JB Specialist Refurbishments Ltd.

#### **14. Award of contracts for structural repairs to council homes**

The cabinet member for council housing introduced the report.

**RESOLVED** to:

Approve the award of the structural repair and improvement contracts as follows:

- 1) Somerleyton Gardens and Wilberforce Road – concrete repairs and deck membrane replacement to JB Specialist Refurbishments Ltd.
- 2) West Pottergate - concrete repairs and deck membrane replacement to Thomas Sinden Ltd.
- 3) Omnia Ph.4 (William Mear Gardens) – concrete repairs and staircase replacement to Thomas Sinden Ltd.

## **15. Exclusion of the public**

**RESOLVED** to exclude the public from the meeting during consideration items \*16 to \*17 (below) on the grounds contained in the relevant paragraphs of Schedule 12A of the Local Government Act 1972 (as amended).

## **\*16. Managing assets (housing)**

The cabinet member for council housing introduced the report.

**RESOLVED** to approve:

- 1) the disposal of the freehold interest in the assets on the open market; and,
- 2) the capital receipts from the disposals be reinvested in the housing capital program for improving, repairing and maintaining our housing stock or for enabling new affordable housing.

## **\*17. Review of the neighbourhood model and services: phrase three**

The cabinet member for council housing introduced the report.

**RESOLVED** to agree to:

- 1) the principle of developing a more targeted integrated approach to deliver services that is efficient and effective, building on phases one and two of the council's neighbourhood model;
- 2) consult UNISON and affected employees on the proposed management and organisational structure changes in citywide services and the housing Service outlined in the report; and,
- 3) delegate authority to the Director of neighbourhoods, in liaison with the Deputy Leader and portfolio holder for council housing; portfolio holder for neighbourhoods and community safety and portfolio holder for customer care and leisure to make the necessary changes to implement the final proposals, including the final employee structures following consultation, as part of the plan of change.

CHAIR

**Executive Director of Finance  
and Commercial Services  
County Hall  
Martineau Lane  
Norwich  
NR1 2DW**

Fao Laura McGillivray  
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Our Ref: SIG/JEP

Please ask for: Simon George  
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19 January 2017

Dear Laura,

Many thanks for your email of the 13<sup>th</sup> December to Wendy Thomson giving us the opportunity to respond to your consultation on the Council Tax support scheme. Please see below our responses to your questions as well as a few further thoughts we would ask that your members consider when reviewing your scheme, both this year and in future years.

\* QC1: Do you agree the council should continue to increase 'applicable amounts' for the scheme to protect those on low incomes?

**Yes**

\* QC2: Do you agree we should allow a Universal Credit claimant to remain eligible for CTRS during a period when they are not receiving Universal Credit?

**Yes**

\* QC3: Do you agree we should reduce the backdating of CTRS from six to two months?

**Yes**

\* QC4: Do you agree we should change CTRS to match recent changes in housing benefit regulations for applicants temporarily living away from Great Britain?

**Yes**

In addition we would ask that the City Council give consideration to exploring the following proposals:

1. To limit Council Tax Support where claimant has savings to a lower level than the current £16,000 (Breckland use £10,000 & Kings Lynn and West Norfolk use £6,000)
2. To limit Council Tax Support discount to occupants of properties no higher than Band D Council Tax
3. To work with district colleagues across the County to establish the cap for the Council Tax Support discount for working age claimants at a uniform amount in Norfolk, suggested at 75% of the maximum Council Tax charge. The range is currently from 75% - 100%, with only the City Council offering 100% in the County.

Many thanks for the opportunity to respond to the consultation and we would welcome the opportunity to discuss the scheme further on an on-going basis.

Kind regards,

A handwritten signature in black ink, appearing to read 'Simon George', with a stylized flourish at the end.

Simon George  
**Executive Director of Finance & Commercial Services**



Dear Cllr. Waters,

## Norwich City Council Budget Consultation- South Norfolk Council Response

Thank you for the invitation to respond to your Budget Consultation 2017-18.

There are many examples over the past year of how we have successfully worked together to drive growth and productivity as well as ensuring we are working in the most efficient way, not least our work through the Greater Norwich Growth Board.

We recognise that we are operating in an evolving local government financial landscape. There are a number of areas where we would like to continue and develop our collaboration with you over the coming year to support both our organisations to make our budgets go further, make efficiencies and improve outcomes for our residents. These include:

- **Greater Norwich Collaboration;** Our collaboration across Greater Norwich, in particular with regard to the Greater Norwich Growth Board has delivered some impressive outcomes, not least the investment in the Northern Distributor Road. Over the coming year we are interested in building on this collaboration to identify other potential areas of collaboration across the Greater Norwich geography to drive economic and housing growth.
- **Norfolk procurement consortium;** we have appointed a consortium manager which may provide an opportunity for collaborative working which we can discuss with you.
- **CNC Building Control;** we look forward to continuing our collaboration through the shared CNC Building Control Service, driving efficiencies for both our organisations and ensuring the service remains cost competitive for all partners.
- **Waste and Recycling;** we also look forward to continuing our collaboration through the Norfolk Waste Partnership and are open to exploring any new opportunities to improve waste and recycling for our residents.

We note your proposals regarding changes to your council tax reduction scheme and would suggest that it may be helpful for this scheme to be aligned across the Greater Norwich and the Norfolk area as a whole to provide more consistency for our residents.

We would welcome your thoughts on the suggestions outlined in this letter for further collaboration and any other areas you would like us to consider. We look forward to continuing to work together and to hearing the outcome of your budget consultation.

Yours sincerely,

**Cllr. John Fuller**  
**Leader**

Sinead Carey  
National Management Trainee

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**Report to** Cabinet  
18 January 2017  
**Report of** Head of neighbourhood housing services  
**Subject** Mutual exchange incentives – better outcomes for tenants

Item

10

## Purpose

This report proposes a change to the current mutual exchange incentive scheme that Norwich City Council currently offers in order to make it more cost-effective and targeted to help the most vulnerable.

## Recommendation

To agree to:

1. Note the findings of the review of the Mutual Exchanges incentives scheme
2. Retain the key elements of the incentives policy including the qualification criteria and payment levels as a guideline originally set and added to in April 2014
3. Change the emphasis from a mandatory 'entitlement' scheme to a discretionary scheme offering incentives and payments ONLY where to do so will help the exchange to happen to the mutual benefit of both the tenants involved AND the council. I.e. where finance (rent arrears) or lack of prohibits the exchange from taking place.
4. Augment the existing scheme and to offer a discretionary payment to tenants who mutually exchange in circumstances that meet the following criteria:
  - a) Where at least one of the properties in a mutual exchange has had disabled adaptations.
  - b) Where one of the parties in a mutual exchange is fleeing domestic abuse or is a victim of hate/mate crime
  - c) In other extenuating circumstances for vulnerable persons (e.g. where the position or condition of the property is exacerbating health issues)
5. Cap payments at £1500 per tenant or £2500 for one exchange procedure.

## Corporate and service priorities

The report helps to meet the corporate priority a healthy city with good housing

## Financial implications

The proposed scheme will be resourced from the existing budgetary provision of £25,000 allocated to the current mutual exchange scheme.

**Ward/s:** All Wards

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

**Contact officers**

Tracey Fordham, housing operations manager	01603 213581
Grant Lockett, tenancy services and income manager	01603 212180
Phyllida Molloy, service development officer	01603 212817

**Background documents**

None

# Report

## Background

### Supporting tenants to mutually exchange

1. Section 92 of the Housing Act 1985 states that a tenant in a secure tenancy may, with the written consent of the landlord, assign the tenancy to another secure tenant who satisfies the conditions.
2. In February 2014, the Department for Communities and Local Government (DCLG) set out seven steps to guide local authorities and social landlords in how to promote mobility through mutual exchange. One such step was to make mutual exchange a viable and attractive proposition, for example by introducing financial incentives, undertaking repairs as an incentive or providing flexibility to the grounds on which consent for a mutual exchange is withheld.

### Council policies

3. Norwich City Council's Tenancy Policy states that eligible tenants can exchange their home with another council tenant or housing association tenant.
4. Mutual exchanges are essentially tenant led process which can be an effective and simple way to find a new home of a more appropriate size and in a preferred location. From a Council point of view this can help with better use of stock, help ensure affordability, may help resolve a local issue and reduce void cost as no costs are involved in preparing the properties for re-letting (beyond utility safety checks) that would ordinarily be incurred by the Council during a transfer process via the Council's waiting list.
5. On 18 May 2005 Cabinet concerned at low take up of mutual exchanges agreed to implement a mutual exchange incentive scheme with the aim of encouraging mutual exchanges and making them easier and more attractive to tenants.
6. The scheme incentivised tenants for exchanging a house for a flat or maisonette, and giving up 2 or more bedrooms if they are under-occupying (ensuring best utilisation of housing stock) and a 'pick list' of services were also offered to boost the incentive, for example cooker reconnection, washing machine reconnection etc.
7. The scheme is detailed below:

A tenant would qualify for an incentive payment provided:-

- They are 'giving up' a house (except for a 1-bedroom house) in exchange for a flat or maisonette

*and/or*

- They are 'giving up' 2 bedrooms or more and moving to a flat or maisonette

Contributions to Removal Expenses and Cash Incentive

Removal costs            £150 for all qualifying tenants

*plus*

Incentive 1            £250 if exchanging from house to a flat or maisonette

*plus*

Incentive 2            £250 if 'giving up' 2 bedrooms or more

## Services

Each tenant would also be offered services from the 'pick list' below if required to facilitate the exchange, up to a maximum value of £130: -

Cooker reconnection	Cost =	£68.33 (max)
Washing machine reconnection	Cost =	£19.99 (max)
New door locks	Cost =	£56.58
New WC seats	Cost =	£29.83 ea
Use of a skip	Cost =	£111.11
Garden vegetation clearance	Cost =	£124.40

8. Only tenants of the Council would be eligible for the incentive payments, not tenants of other landlords who exchange into Council accommodation. Additionally, tenants who have received the incentives would be disqualified from receiving the incentives should they exchange again within 5 years.

## Policy reviews

9. In April 2014 a review of the incentive scheme was undertaken due to the implications of the bedroom tax where tenants were under-occupying and therefore housing benefit did not cover the full rent. Whilst there was no overall change to the policy, the scheme was amended to incentivise the giving up any number of bedrooms and an additional element incorporated where £150 was awarded to anybody who exchanged to a property that they could have been offered under the choice based lettings (CBL) allocations scheme with minor amendments approved to the pick list of services offered.
10. The financial incentive was introduced to reduce the number of people transferring and in turn reduce the associated high void costs. A mutual exchange allows secure council tenants to exchange with another council or housing association tenant whilst a transfer is managed through the Choice Based Lettings (CBL) allocations scheme and involves properties being void for a period of time.
11. Following concerns of a high spend in this area the incentive scheme was reviewed again in October 2016 to see if it was meeting its original aims.
12. The review covered the exchanges that had taken place during 2015/16 and found:

13. 200 of our properties were mutually exchanged during 2015/16. Of these, 107 were exchanged between Norwich City Council tenants and 93 exchanged with a registered provider or other local authority tenants.
14. Of the 200 properties that were mutually exchanged, 57 properties were downsized, 50 upsized and 93 exchanged to a property of the same size.
15. 98 exchanges received an incentive payment. The value of the incentives totalled £32,234.43.
16. There are three elements of the cash reward incentive and tenants can potentially receive 0, 1, 2 or all 3 elements. The table below shows the number of payments made in 2015/16 as a result of meeting each incentive criteria. The largest number of payments made were to tenants who exchanged to a property that they could have been offered under the CBL allocations scheme.

Incentive	2015/16
1) £150 to anybody exchanging from a house to a flat or maisonette	19
2) £250 for each bedroom given up, regardless of the type of property the tenant moves from or to	53
3) £150 to anybody who exchanges to a property that they could have been offered under the CBL allocations scheme	71

17. During the review it was affirmed that although mutual exchange remained an attractive option to facilitate a move and that there are many more benefits to both the tenants and the council for a mutual exchange to proceed compared to a transfer, tenants who are affected by the bedroom tax are sometimes hampered from downsizing as they may have accrued rent arrears and/or are not able to afford the costs associated with moving.
18. Further analysis of the expenditure revealed that *there is no compelling evidence* to suggest that the mutual exchange incentive was the motivation of the exchanges completed.
19. Indeed, what was envisaged as an incentive was being operated as an 'entitlement' and could be viewed as rewarding tenants for moving largely as a result of their own personal choice. A number of payments have been made even when tenants have moved to a property of the same size and where their subsequent housing need has been met by another registered provider or local authority.
20. Research of other housing providers shows that most organisations do not offer any incentive, and those that do, offer a discretionary fund focused on specific circumstances or tenants. For example the London Borough of Wandsworth make discretionary payments to support tenants to move only if the exchange is a perfect fit.

## Using a discretionary incentive

21. It is anticipated that, in order to help tenants to downsize as a result of the bedroom tax, up to £300 per payment should be sufficient to clear arrears and help with moving costs. In 2015/16, 53 of those who mutually exchanged downsized and of these only 11 received payments to help clear their arrears.
22. There are currently 1990 tenants who have a weekly reduction in their housing benefit entitlement but it is difficult to predict how many tenants may wish to downsize via mutual exchange as a result of being subject to the bedroom tax.
23. For tenants with disabilities, it can be expensive for the council to adapt a property and there is not always a supply of properties with existing adaptations available for a transfer. If the needs of both parties can be met by mutual exchange, this should be encouraged and incentivised in order to secure a suitable property and potentially save the council significant sums of money required for adaptations. An example would be a tenant no longer requiring adaptations in their home and is able to find an exchange with someone who does require them. Each tenant may then qualify for a discretionary payment in order to help fund and incentivise the move.
24. Tenants who have arrears are not normally allowed to exchange. The council may consent to an exchange where there are special circumstances that means an exchange should be allowed to take place (for example where a resident is the victim of domestic abuse or hate crime) and a discretionary payment may be made to help clear some/all of the tenant's arrears and help with moving costs. In circumstances where not all arrears are cleared, the rent arrears will be transferred to the new tenancy providing an agreement has been reached with the tenant to clear them over a reasonable time.
25. Following this review, it is therefore proposed to:
  - a) Retain the key elements of the incentives policy including the qualification criteria and payment levels as a guideline originally set and added to in April 2014
  - b) Change the emphasis from a mandatory 'entitlement' scheme to a discretionary scheme offering incentives and payments ONLY where to do so will help the exchange to happen to the mutual benefit of both the tenants involved AND the council. I.e. where finance (rent arrears) or lack of prohibits the exchange from taking place.
26. It is further proposed to augment the existing scheme and to offer a discretionary payment to tenants who mutually exchange in circumstances that meet the following criteria:
  - a) Where at least one of the properties in a mutual exchange has had disabled adaptations.
  - b) Where one of the parties in a mutual exchange is fleeing domestic abuse or is a victim of hate/mate crime
  - c) In other extenuating circumstances for vulnerable persons (e.g. where the position or condition of the property is exacerbating health issues)

27. The payments will be capped at £1500 per tenant or £2500 for one exchange procedure.
28. By implementing these recommendations, payments to facilitate mutual exchanges in the future will be more cost-effective and are focused on the most vulnerable tenants.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	18 January 2017
<b>Director / Head of service</b>	Head of neighbourhood housing services
<b>Report subject:</b>	Mutual exchange incentives – better outcomes for tenants
<b>Date assessed:</b>	28 November 2016
<b>Description:</b>	



	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"/>	Expenditure will be more cost effective and will help the most vulnerable to move to accommodation that is suitable and more affordable
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"/>	
<b>Environmental (please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>(Please add an 'x' as appropriate)</b>	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

<b>Recommendations from impact assessment</b>	
<b>Positive</b>	
Value for money	
<b>Negative</b>	

<b>Neutral</b>
<b>Issues</b>