



Cabinet

16:30 to 19:00

16 December 2020

Present: Councillors Waters (chair), Harris (vice chair), David, Kendrick, Maguire and Stonard.

Apologies: Councillors Jones and Packer

Also present: Councillors Bogelein and Wright.

1. Public Questions/Petitions

There were no public question or petitions.

2. Minutes

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

3. Declarations of interest

Councillor Stonard and Councillor Kendrick declared an other interest as directors of Norwich Regeneration Limited.

4. COVID-19 recovery plan progress report

Councillor Waters, leader of the council presented the report. The council had considered and agreed a blueprint for recovery, at its meeting in June 2020. It was one of the first Covid-19 recovery plans published in the country. This item provided an update on the progress on the plan's objectives, it was a living document responding to the changing landscape.

A partnership working approach had been taken building upon the work already undertaken under the umbrella of the 2040 city vision. The first element of the report detailed the initial response to Covid-19, the impact on the city, its residents and businesses. The leader commended the residents of Norwich and those coming into Norwich for acting in a proportionate and responsible way and for following the public health guidance. The second element focused on the recovery of the city going forward which was recognised as a city wide effort.

Key recovery themes and actions were identified, securing the council's finances was a recurrent theme within these. The council had an established infrastructure it had used to distribute central government funding to assist those in need and had invested its own resources to provide additional support to residents and businesses. The leader expressed concern that without adequate government financing to cover the costs of responding to the longer term effects of the pandemic, local government would not remain an effective partner.

Measures to counter the longer term challenge such as upskilling the workforce and supporting the most vulnerable had been identified. The pandemic highlighted existing trends and inequalities and the shortcomings of the current social security system. The council also worked in partnership to ensure the business community were supported and further considered what a good economy looked like. To this end the partnership had established the 'good economy commission'.

The chief executive officer said that in June the council published one of the first comprehensive Covid-19 recovery plans. During the first three months of the pandemic the council responded to the needs of vulnerable people and businesses. After which it was important to look forward and put a planning mechanism in place. The council continued to respond to the needs of vulnerable residents and business whilst focussing on the stated priorities the plan identified. This report provided an update on those actions.

He thanked colleagues across the council for going above and beyond their normal roles to assist the residents and businesses of Norwich. Currently 26 council officers and security personnel were deployed in shifts across the city to support residents, visitors and businesses in the city. This represented the most comprehensive response team in Norfolk. A continued programme of winter support was being provided to residents who felt unable to stop shielding. A contact tracing service had been developed with partners which had been rated as one of best in the country by the Nuffield Trust.

In terms of adequate government funding the promise to reimburse the full costs of Covid-19 to local government was yet to be fulfilled. This had real budgetary implications. An initial budget shortfall of £7m had been forecast and £3m of savings across the council had been found whilst still providing Covid-19 support with the resulting financial implications.

The response to Covid-19 provided an opportunity to build on the creative approaches taken. In the initial lockdown 120 rough sleepers were accommodated under the government's 'everybody in' scheme, 104 of these individuals had successfully moved into more settled accommodation. This opportunity was built upon and working with partners at the County Council a 'no homelessness in Norfolk' policy was being developed. The council had distributed over £40m of grants to businesses and was the highest performing authority in Norfolk.

The successful Towns Deal award of £25m would provide for brownfield regeneration and council house building. Opportunities for development in East Norwich were to be explored with a masterplan for development to be considered in the next year. The council's wholly owned company NRL was performing well and had achieved strong sales since July 2020. The council had considered an ambitious housing commissioning programme representing the development of over 300 council homes across the city with construction starting next summer.

The council's recently adopted environmental strategy set out an ambitious carbon reduction programme setting a target for the council to achieve net zero carbon emissions by 2030. The council had been recognised by Friends of the Earth for its response to the challenge of climate change. Despite many challenges significant progress had been achieved. Looking forward the council would work closely with its partners to support the roll out of a Covid-19 vaccine.

The cabinet member for social inclusion thanked the council's revenues and benefits team for its excellent work supporting customer to apply for Council Tax Support, self-employment grants and £500 self-isolation payments. She highlighted the work of the council's communities team and its work with the Norwich Food network, linking all foodbanks across Norwich ensuring citywide coverage. She further praised the excellent work of the financial inclusion consortium in the city where customers were referred for specialist support.

The deputy leader and cabinet member for social housing commended the work of the council's housing team and its achievements working to accommodate rough sleepers during the pandemic.

Councillor Bogelein noted the intention to support the development of digital and creative sectors of the economy and highlighted research which indicated in areas which relied on the development of this sector many 'low skilled' individuals were left behind. She asked how would foundational sectors of the economy such as care and health services would be supported. The leader of the council said it was important to equip people with the digital skills they needed whilst considering what an inclusive economy would look like in the city. He referred to the regular clap for carers events and the revaluation of the value of previously underappreciated jobs such as those in the care sector and noted the council's support for the living wage campaign.

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

5. Emerging Budget 2021/22

Councillor Kendrick, cabinet member for resources presented the report. Despite assurances in March 2020 that local government would be fully compensated for their work during the Covid crisis the government was yet to provide this funding. The council had lost revenue from its car parks and income from commercial properties as a result of the pandemic. This was at a time of increased costs associated with the administration of government grants. The burden of austerity had fallen on local government with a 50% cut to funding since 2010. The pandemic had increased demand on local government services and a number of councils across the country were declaring bankruptcy.

He highlighted ongoing budget uncertainties experienced by local authorities and noted that the council were currently awaiting the outcome of the local government settlement and again that this would only be a one year funding allocation. The budget provided for an increase to council tax at 1.99% which would generate income of £200,000. As a short term measure the council had drawn on its reserves to balance the budget but this was not sustainable. Service reviews would be undertaken across the organisation to deliver efficiencies where possible. In recognition of the financial risks experienced a risk reserve would be set up. He noted that without proper funding local government would not be able to meet the challenge of the next crisis which arose.

The chief finance officer said that the budgetary challenges for this year and the next could not be underestimated. The impact of Covid-19 on the council budget for 2021-22 was over £3m, £2m from reserves would be drawn down to balance the budget but without the pressure from Covid this would not have been needed. Initial savings of £1.9m had been achieved and a 1.99% increase on council tax set. It

was still unclear what additional support government would provide to local authorities and as such the budget figures were indicative and the impact of Covid could affect the ability to deliver identified savings.

The leader commented that the local government settlement for the years 2019 and 2020 did not reflect the increased work councils had undertaken in the period and did not acknowledge their work on Covid adequately.

RESOLVED to:

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

6. Treasury Management Mid-Year Review Report 2020/21

Councillor Kendrick, cabinet member for resources presented the report. He highlighted that government reforms to the Public Works Loan Board had affected the council's ability to borrow money to make investments and this was why an increase to the Money Market Fund (MMF) was being requested. The chief finance officer said that currently if the council invested money with government it would achieve a negative investment rate. It would be difficult to achieve much return in the market and safety was paramount but an increase to the MMF would enable the council greater flexibility when investing.

Councillor Bogelein noted that scrutiny committee had asked cabinet to investigate where money market investments were made and if these investments were ethical. The chief officer said she would provide information outside of the meeting.

RESOLVED to:

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

7. Corporate Performance and Risk Report, Quarter Two 2020-21

The leader of the council presented the report. He noted that the report included the risk register and reflected the work undertaken by the senior management team to identify and mitigate risks to the council.

In response to Councillor Bogelein's question the cabinet member for social inclusion said that at the beginning of the Covid-19 pandemic individuals had been initially

resistant to the move from face to face debt and financial advice to online and telephone advice. The strategy manager said that the council's approach to income collection incorporated an element of debt prevention too.

RESOLVED to note progress on the key performance indicators for this quarter and the corporate risk register.

8. Scrutiny committee recommendations

Councillor Kendrick, cabinet member for resources introduced the report and asked Councillor Wright in his capacity as chair of the scrutiny committee to present the report. Councillor Wright stated the report covered recommendations from two committee meetings. The first looked at rough sleeping and the other on the work of the LEP.

The leader noted that a number of the recommendations from the report were questions and some had been asked before. In response to the recommendations on rough sleeping the deputy leader and cabinet member for social housing said she would look with the department to provide the information requested where possible and noted that members were to receive training on working with individuals experiencing homelessness in January.

RESOLVED to note the recommendations made at the meeting of scrutiny.

9. Consultation response to draft Local Transport Plan

Councillor Stonard, the cabinet member for sustainable and inclusive growth presented the report. This was a response to the County Council's transport plan, it responded to the challenges of climate change, air pollution and how to make the city more liveable. It linked into the council's 2040 city vision, Covid-19 recovery and city centre inner space plan work. The city council considered the county's plan unambitious, in that it failed to address the significant challenges facing the city.

There was little recognition of the radical transformation that would be required. The government document 'gear change' detailed the aim to make half of all journeys across the country by cycling or walking by 2030. It was necessary to stop assuming that traffic growth would continue and to design for the future. The pandemic had shown how quickly patterns of behaviour could change. In particular the impact of homeworking was effective in reducing traffic flow.

Transport planning was also about social justice, the availability of affordable transport options and the resultant impacts on life chances. The city council's response hoped to reduce inequalities and promote fairness of access to education and employment opportunities. In terms of electric vehicles there was a recognition that much of the electric generated was derived from fossil fuels and that the manufacture of the vehicles increased energy consumption. However they did represent an improvement and it was important to provide the necessary infrastructure to support use.

The response included an increase in the provision of 20mph zones within the city which impacted beneficially on the environment and reduced road collisions too. Parking was addressed with the consideration of a parking levy on land used for

parking in the city. This ambitious response hoped to create a health debate on transport planning and the future of the city.

The director of place said that the County Council had indicated a timetable for the delivery of the Transport for Norwich Strategy with a first draft aimed for September 2021. This response had been drafted to set out the city council's ambitions for Norwich ahead of that.

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

10. Update on Business Activities of Norwich Regeneration Limited

Councillor Stonard, the cabinet member for sustainable and inclusive growth presented the report. There had been a remarkable turnabout in the performance of the company. Homes were selling well and it was forecast that the company would be able to repay its loan from the council ahead of projections. Clear actions had been taken to strengthen the governance and the board of the company.

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

11. The award of contract for the provision for emergency accommodation for rough sleepers – key decision

Councillor Maguire, the cabinet member for safe and sustainable city environment presented the report. He highlighted that over 80% of individuals that were sleeping rough and accommodated in the first lockdown had been moved into more settled accommodation.

RESOLVED to:

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

CHAIR