



Cabinet

17:30 to 18:15

6 February 2019

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

Also present: Councillors Carlo and Lubbock

Apologies: Councillor Maguire (other council business)

1. Public Questions/Petitions

There were no public questions or petitions.

2. Declarations of Interest

There were no declarations of interest.

3. Minutes

RESOLVED to agree the accuracy of the minutes of the meeting held on 16 January 2019.

4. Council Tax Reduction Scheme 2019-20

(A copy of the report of the director of business services to the cross-party working group – council tax reduction scheme’s meeting on 15 September 2019 was available on the council’s website with the papers for this meeting.)

The chair moved that recommendation 1(f) be amended by deleting the words “to maintain a single person discount” and replacing it with “for a local discount of 25%”.

Councillor Davis, cabinet member for social inclusion, presented the report. The city council’s council tax reduction scheme was probably the only one in the country to retain the 100 per cent council tax discount; continue to provide the local discount provision for care leavers and residents absent from the main dwelling due to domestic abuse and, as part of the council’s commitment to Norwich City of Sanctuary, to create a local discount of 25 per cent for 3 months for liable persons where they give a home to an asylum seeker or refugee who has no ability to work. The maintenance of the scheme had a negative impact on the council’s budget as it was not fully funded by the reducing revenues support grant, but did save the council from pursuing a large number of small debts which were difficult to recover and caused stress and anxiety to people in precarious financial circumstances.

Councillor Davis then referred to the response from Norfolk County Council. The county council was in agreement with the proposed council tax reduction scheme

2019-20 but in addition had asked the city council to give consideration to exploring the following proposals: to limit council tax support where a claimant has savings at a lower level than the current requirement of £16,000; limit council tax support to occupants of properties no higher than Band D council tax; and to work with district colleagues across the county to establish the cap for the council support discount for working age claimants at a uniform amount across the county, which was suggested to be 75 per cent (the current range across the county was 75 to 100 per cent with only the city council offering 100 per cent). These proposals did not fit into the council's social inclusion strategy and would not be considered.

Councillor Kendrick, cabinet member for resources, referred to the scheme and said that the council was able to maintain the 100 per cent discount in its council tax reduction scheme by meeting costs through its financial management, which included its commercial activity.

RESOLVED to recommend that council:

- (1) makes the following changes to the council tax reduction scheme (CTRS) for 2019-20 by continuing with the 2018-19 scheme with the following modifications:
 - (a) as in previous years, increase the working-age applicable amount by the 2019-2020 composite rate of council tax (excluding adult social care);
 - (b) increase the level of income brackets used to decide non-dependent deductions, and the level of non-dependent deductions, by the 2019-2020 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 2019-2020 composite rate of council tax (excluding adult social care);
 - (d) retain the local discount provision for care leavers;
 - (e) retain the local discount provision for liable persons absent from a main dwelling due to domestic violence events;
 - (f) create provision for a local discount of 25% for 3 months for liable persons where they give a home to an asylum seeker or refugee who has no ability to work;
- (2) removes the previous local discount for liable persons where a property is uninhabitable or in need of major repair work or structural alteration (currently 12 months at 50 per cent);
- (3) removes the unoccupied furnished/second home discount (currently 5 per cent);
- (4) subject to the relevant regulations being enacted, increases the surcharge on empty properties and increases the empty homes premium by:
 - (a) 100 per cent for properties empty and unoccupied for 2 years or more;

- (b) 200 per cent for properties empty and unoccupied for 5 years or more;
- (c) 300 per cent for properties empty and unoccupied for 10 years or more.

5. Business Rates Retail Relief

Councillor Kendrick, cabinet member for resources, presented the report. The full cost of granting relief to certain retail business premises, with a rateable value below £51,000, would be met by central government.

During discussion members commented that this was good news, particularly for businesses eligible for the relief.

RESOLVED to approve the award of a business rates retail relief in line with the government's announcement in the autumn 2018 budget as detailed in the report.

6. Revenue and Capital Budget Monitoring 2018/19 – Period 9

Councillor Kendrick, cabinet member for resources, presented the report.

The chief finance officer said that this was a half year monitoring report. She explained that the underspend in the commercial acquisitions programme was due to the use of cash holdings rather than external borrowing, thus saving on financial costs which had been allocated in the budget. These savings would be earmarked in reserves for the commercial programme to mitigate future risks.

During discussion, Councillor Carlo referred to the underspend on repairs and maintenance in the housing revenue account and said that as investment in heating systems, and other measures to save fuel, was showing benefits it should be rolled out. The director of neighbourhoods said that there was usually a gap between significant capital investment and revenue spending, and that as part of the budget setting process, the housing management team and NPS were looking at a cyclical budget which could be rolled out to provide a planned investment programme, which would include heating systems. Councillor Harris, deputy leader and cabinet member for social housing, said that the underspend could be attributed to improved contracts. However, she said that she would like to see this money spent more quickly to ensure that the council's housing was maintained to the best possible standard for its tenants.

The director of neighbourhoods confirmed that he could provide Councillor Carlo with details of the numbers of properties which have been upgraded and the numbers of properties which had still to be done.

RESOLVED to:

- (1) note the forecast outturn for the 2018-19 General Fund, HRA and capital programme;
- (2) note the consequential forecast of the General Fund and Housing Revenue Account balances;

- (3) approve the addition to the General Fund capital programme, as detailed in paragraph 11 of the report; and,
- (4) note the General Fund capital programme virement, as detailed in paragraph 12 of the report.

7. Write Off of Irrecoverable National Non Domestic Rate Debt – Key Decision

Councillor Kendrick, cabinet member for resources, presented the report. He explained that there were situations where it was not possible to collect business rates despite the council's best endeavours. The council could still seek to recover these debts should the circumstances change in the future.

RESOLVED to approve the proposed write off of £579,628.90 of National Non-Domestic Rate debt, which is now believed to be irrecoverable.

8. Procurement of Various Housing Upgrade and Maintenance Contracts – Key Decision

(The completed impact assessment for this report was circulated in advance of the meeting and available on the council's website.)

Councillor Harris, deputy leader and cabinet member for social housing, presented the report which she said confirmed the council's commitment to good standard housing for its tenants and determination to reduce fuel poverty. The contracts were procured through the Eastern Procurement Ltd framework to help provide good value for money. The budget for the housing improvements would be subject to approval at full council as part of the budget setting for 2019-20.

In reply to a question, the interim operations director, NPS Norwich, explained that there was a new standard for composite doors, which had been introduced after the Grenfell Tower fire, and there was a delay whilst manufacturers caught up with demand. Composite doors installed previous to the new standard were resistant to fire and had met the standard at the time of installation.

RESOLVED to:

- (1) approve the award of the heating installation contract to three contractors as set out in the report:

PH Jones Ltd
Dodd Group
Gasway Services Ltd

- (2) approve the award of installation of composite doors to two contractors as set out in the report:

Ashford Windows Ltd
Anglian Building Products Ltd

- (3) delegate authority to the director of neighbourhoods in consultation with the deputy leader and cabinet member for social housing, to award a contract to

the best value supplier for the external wall insulation, and loft and cavity insulation contracts.

9. Procurement of the Housing Communal Area Mechanical and Electrical Repairs and Maintenance Contract – Key Decision

RESOLVED to defer consideration of this item in order to consider a revised report at the meeting on 13 March 2019.

10. Procurement of a Housing Structural Repairs Contract

Councillor Harris, deputy leader and cabinet member for social housing, presented the report which demonstrated the council's investment to keep its housing stock in a good state of repair. Expenditure on the proposed structural repairs for flats in Godric Place; and, Sale Road and Woodside Road, Heartsease, would be subject to approval at full council as part of the budget setting process for 2019-20 and both contracts would be subject to leaseholder consultation.

RESOLVED to award two contracts for structural repairs at Godric Place (Phase 3) and Heartsease (Omnia blocks) to JB Specialist Refurbishments Ltd.

11. The Award of Contract for Insurance – Key Decision

Councillor Kendrick, cabinet member for resources, presented the report.

RESOLVED to delegate approval for the director of business services, in consultation with the cabinet member for resources, to award the contract for insurance for the three year period 1 April 2019 to 31 March 2022, together with an optional two, twelve month extensions to cover the period 1 April 2022 to 31 March 2024.

12. Risk Management Report

Councillor Kendrick, cabinet member for resources, introduced the report. He said that the assessment of A8 Housing Investment Strategy and B1 Public Sector Funding, which both scored 20, were higher than the council would like but reflected the reality of the situation and the potential consequences.

The director of business services presented the report. The risk register would be re-evaluated against the new corporate plan which was subject to approval at council on 26 February 2019. The chief finance officer said that steps to mitigate the risk of uncertainty of external funding in future years would be considered as part of the budget papers for consideration at the next cabinet meeting.

Councillor Carlo said that she considered that C1 Emergency Planning and Business Continuity should be scored higher because of the inevitability of Climate Change. Councillor Waters, as chair and leader of the council, advised Councillor Carlo that there would be an opportunity to debate the Corporate Plan at full council and that her observations had been noted. He pointed out that the risk register was under review in line with the emerging Corporate Plan. The council had reinforced its commitment to addressing climate change at full council on 29 January 2019, but a

key element of that motion was that central government had a responsibility to provide councils with resources.

RESOLVED to note the risk management report.

***13.Exclusion of the Public**

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

***14.Risk Based Verification Policy - (Paragraph 7)**

Councillor Davis, cabinet member for social inclusion, presented the report. The audit committee had recommended the Risk Based Verification Policy to cabinet and it had the support of the director of business services, internal audit and the chief finance officer. The policy would be reviewed annually.

The strategic manager, Anglia Revenues Partnership, explained how the policy would be applied and that said it would be more effective in terms of customer services and better use of resources.

RESOLVED to approve and adopt the Risk Based Verification Policy, as detailed in the report.

CHAIR



Cabinet

17:30 to 19:00

13 February 2019

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

Also present: Councillors Carlo and Wright

1. Public Questions/Petitions

One public question had been received.

Mr Robert Hammond asked the cabinet member for sustainable and inclusive growth, the following question:

“Will Norwich City Council be compensating any of the traders whose business has been affected by the unnecessary roadworks across the city? With bus companies cancelling services and city centre stores closing, why are the council determined to eradicate traffic from the city centre when this has been proven to cause the reduction of visitors into Norwich? Who is providing the funding for the latest round of planned roadworks?”

Councillor Stonard, cabinet member for sustainable and inclusive replied:

“The roadworks referred to by Mr Hammond are a combination of planned maintenance, planned and emergency utility works, and highway improvement schemes. All of these are deemed to be essential works and are carried out under the powers to maintain and improve the highway, bestowed on councils by the Highways Act 1980. There is no provision under this or other highways legislation for a highway authority to pay compensation in these circumstances.

Funding for these works comes from a variety of sources, including private funding (utilities), local government funding (highway maintenance) and ‘external’ central government and Local Enterprise Partnership funding (highway maintenance and highway improvement).

Contrary to Mr Hammond’s assertion, the county and city councils intention is not to eradicate traffic from the city centre. The two councils are keen to improve access for all road users whilst, making best use of the space available and to ensure a good experience for pedestrians once they have arrived. Schemes such as pedestrianizing Westlegate are entirely consistent

with this but far from reducing the number of visitors to the city, numbers have increased.

Unfortunately the figures for 2018 are not yet available however the total number of day trip visitors to the city increased by 5.5% between 2016 and 2017 to 11,834,000 from 11,215,000. The number of overnight trips also increased by the same percentage, from 420,900 to 444,200.

Similarly Norwich Business Improvement District (BID) measures city centre footfall and this rose by 2% in 2017. Since 2013 average pedestrian footfall in town centres declined by almost 6.6% whereas in Norwich it has increased by 6.8%. Further the rate of unoccupied buildings in the city centre catchment area was 4%, below the national average of 12%. So it is wrong to talk of “the reduction of visitors to Norwich” because the opposite is the case. The Evening News headline of the 9th of this month stated that the city is booming. It is regrettable and potentially counterproductive when people try to talk down the city’s success.

Norwich’s success as a business and visitor destination continues to grow therefore. The retail heart of the city is described as thriving by analysts and the contraction that we have seen in retailing is far more likely to be attributable to global economic trends and technology/socially driven change in retail rather than any response to roadworks or traffic movement. Norwich’s diverse visitor offer is actually extremely user-friendly with high quality options to access the centre by park and ride, regular bus services, on foot or by cycle for those living close to the centre and an award-winning city centre parking offer.”

By way of a supplementary question Mr Hammond asked if the figures for day and night time visits and trips into the city could be broken down into how those visits were made, by foot, cycle, taxi, bus or car. Councillor Stonard advised that he would check if that information was available and if so provide it.

2. Declarations of interest

Councillor Stonard and Councillor Kendrick declared an ‘other’ interest in item *7 below in that they were the chair and board member respectively for Norwich Regeneration Ltd.

3. Norwich Highways Agency Agreement

(The chair referred to the supplementary agenda which had been circulated.)

Councillor Stonard, cabinet member for sustainable and inclusive growth, presented the report. The agreement engendered joint working and the sharing of expertise and had resulted in successful bids to government for transport projects. A recent independent report commissioned by Norfolk County Council highlighted the strengths and benefits of the agreement and it was disappointing this had not been presented to county’s Environment, Development and Transport (EDT) committee when they made their decision to terminate it.

Reviewing a transcript of the meeting it was clear the decision was informed by statements which had passed unchallenged and were misleading including the “killing off of the city” and that “footfall falling because of pedestrianisation”. These comments were patently untrue, the footfall for the city had increased, day trips were up and the number of unoccupied buildings lower than the national average. In fact the city had bucked national trends and was “booming”.

The picture presented to EDT committee was that by ending the agreement it could reverse the installations of bus lanes and pedestrianisation of the city. However funding for schemes from central government were for this type of project only. It was a matter of national government policy and not Norwich City Council's policy.

The EDT committee had a narrow focus concentrating on operational matters and costs. Ending the agreement would lead to more opaque and less democratic decision making. It would impact negatively on future government funding bids which in the current financial climate was the only way to fund schemes.

Members discussed the impact on staffing and highlighted the skill and expertise of the city council staff and how TUPING staff to Norfolk County Council risked losing that expertise.

Councillor Wright said it was highly valuable to be able to make representations on behalf of ward residents and the decision to end the agreement was regrettable.

Councillor Carlo said she endorsed the excellent officer report and Councillor Stonard's comments and that the city council's highways team understood the city well which was useful as the majority of ward councillors work related to highways issues. She questioned if EDT appreciated the breadth and complexity of issues that the city council dealt with.

Councillor Waters, leader of the council said there was an opportunity to engage with the county council to address some of the issues that drove the decision. We want to build on and enhance a successful partnership to deliver ambitious projects which will benefit the city and wider hinterland.

RESOLVED to:

(1) To ask Norfolk County Council to reconsider its decision not to renew the Norwich Highways Agency Agreement based on the implications for Norwich and Norfolk set out in this report that were not made clear in the report to the Environment, Development and Transport committee; and

(2) Either:

- a) Renew the agreement for a further period; or
- b) Develop with the city council alternative arrangements that continue to deliver the best transport outcomes for Norwich and Norfolk.

4. Employment practice research

Councillor Waters, leader of the council presented the report.

Many people were impacted by poor pay and conditions, lack of stable income and predictable wages excluded them from financial benefits such as affordable credit and mortgages. The research was the result of a resolution by council and analysed the labour market. It had proved challenging to encourage employers to engage with the project. It was recognised such sectors such as the retail and care industries struggled to pay living wage to their employees.

The work tallied with the themes of 2040 City Vision of a fair and dynamic city. The research provided an important sense of people's experiences.

Members discussed the next steps following on from the research.

It was noted that the scrutiny committee were to discuss the research at their next meeting on 14 February 2019.

RESOLVED to:

- (1) ask relevant officers to speak to trade unions active in this area; and
- (2) consider what practical actions the council could take in response to the research, incorporating comments from the scrutiny committee.

5. Corporate Plan 2019-2022

Councillor Waters, leader of the council presented the report.

This corporate plan focussed on what the council can do and what it can measure to create meaningful outcomes recognising the role of partners and wider stakeholders. The scrutiny manager discussed the performance framework and said it was a departure from the previous framework as it was now a single set of metrics. It was a working document which would change year on year. The technical details of the framework were yet to be finalised and once this work was completed, the framework would return to cabinet for consideration.

The leader of the council said the corporate plan and the performance framework were being co produced in line with 2040 city vision work as more was learnt about the city.

RESOLVED to:

- (1) note the draft corporate plan 2019-2022; and
- (2) to defer agreeing any amendments to full council.

***6. Exclusion of the Public**

RESOLVED to exclude the public from the meeting during consideration of item *7 (below) on the grounds contained in the relevant paragraphs of Schedule 12A of the Local Government Act 1972 (as amended).

***7. Norwich Regeneration Ltd Business Plan – Key decision (para 3)**

(Councillors Stonard and Kendrick had declared an 'other' interest in this item)

Councillor Stonard, cabinet member for sustainable and inclusive growth, presented the report. Norwich Regeneration Ltd (NRL) was a significant achievement the city council providing a good quality supply of housing.

RESOLVED to:

- (1) approve the 2019/20 Business Plan for Norwich Regeneration Limited and the arrangements for resourcing it within the parameters of the business plan including the continued employment of the Managing Director; subject to approval of the budget implications by council;
- (2) agree the governance arrangements set out in the business plan; and
- (3) ask the board to consider amending the wording on the business plan to make the environmental enhancement of the physical realm a more explicit value.

(The public were readmitted to the meeting at this point.)

8. The council's 2019/20 budget and medium term financial strategy

Councillor Kendrick, cabinet member for resources presented the report. The budget achieved three main priorities; firstly it protected the most vulnerable, Norwich City Council was one of the only local authorities to offer a 100% Council Tax Reduction Scheme, it was a living wage employer which extended to the city council's contractors too. Secondly, it avoided any substantial cuts to services and lastly it maintained the council as a financially prudent authority which included commercial portfolio holdings which had inputted £500,000 into the budget this year.

In response to Councillor Carlo's question on the existing maintenance backlog the chief finance officer said that the authority had large asset holdings and a review was needed which would begin next year. The leader of the council said the budget existed in a wider political landscape; the fair funding review was skewed towards rurality, the revenue support grant was run down and business rates were not an effective replacement.

RESOLVED 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 2019/20, 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.

To recommend to Council to approve:

General Fund

- (1) The council's net revenue budget requirement as £16.772m for the financial year 2019/20 including the budget allocations to services shown in Appendix 2 (C) and the growth and savings proposals set out in appendices 2 (F) and 2 (G).
- (2) An increase to Norwich City Council's element of the council tax of 2.99%, meaning that the Band D council tax will be set at £264.13 (paragraph 2.19) with the impact of the increase for all bands shown in Appendix 2 (E).
- (3) The planned use of £0.958m of General Fund reserves to finance the budget requirement in 2019/20 (shown in table 2.4).
- (4) The prudent minimum level of reserves for the council as £4.3m (paragraph 2.41).

Housing Revenue Account

- (5) The proposed Housing Revenue Account gross expenditure budget of £59.3m and gross income budgets of £67.4m for 2019/20 (paragraph 3.4).
- (6) Of the estimated surplus of £8.2m, £6m is used to make a revenue budget contribution towards funding of the 2019/20 HRA capital programme (paragraph 3.4).
- (7) The implementation of the minimum 1% rent reduction in accordance with legislation set down in the Welfare Reform and Work Act 2016 (paragraphs 3.11 to 3.12).
- (8) A 3.4% increase in garage rents for 2019/20 (paragraph 3.13).
- (9) The transfer of £1m of underspend forecast to be achieved in 2018/19 to the HRA's spend-to-save earmarked reserve (paragraph 3.3).
- (10) The prudent minimum level of housing reserves as £5.837m (paragraph 3.33).

Capital Strategy

- (11) Changes to the 2018/19 approved capital budget as set out in paragraphs 4.28 to 4.30.

- (12) The proposed general fund capital programme 2019/20 to 2022/23 and its method of funding as set out in table 4.7, table 4.8 and Appendix 4 (B).
- (13) The proposed HRA capital programme 2019/20 to 2022/23 and its method of funding as set out in table 4.7, table 4.9 and Appendix 4 (B).
- (14) The capital strategy, as required by CIPFA's Prudential Code.
- (15) The recommendation to undertake a comprehensive review of the entire general fund's land and property assets with a view to identifying those assets that need further investment and those which could be surplus to requirements (paragraph 4.20).

Non-financial Investments (Commercial) Strategy

- (16) The placing of security and yield above liquidity when considering commercial property investments as explained in paragraphs 5.15 to 5.18.
- (17) Continuing 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 1.38).
- (18) 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.
- (19) The council's policy and process for lending to Norwich Regeneration Limited as set out in paragraph 5.28.
- (20) The proposed loan facility (amount of lending) the council will make available to Norwich Regeneration Limited as set out in table 5.1, subject to the process set out in 5.28.
- (21) The proposed equity investment the council will make in Norwich Regeneration Limited as set out in table 5.2, subject to the process set out in 5.28.

Treasury Management Strategy

- (22) A change to paragraph 74 of the 2018/19 treasury management strategy to change the rating shown in that paragraph from AAA to AA- (AA minus) in order to rectify an error in the document.
- (23) The borrowing strategy 2019/20 through to 2021/22 (paragraphs 6.19 to 6.30).
- (24) The capital and treasury prudential indicators and limits for 2019/20 through to 2021/22 contained within paragraphs 6.13 to 6.18 and tables 6.2 to 6.4, including the Authorised Borrowing Limit for the council.
- (25) The Minimum Revenue Provision (MRP) policy statement described in paragraphs 6.31 to 6.35 and contained in Appendix 6 (A).
- (26) The (financial) Investment Strategy 2019/20 (paragraphs 6.36 to 6.69).

Summary of key financial indicators

- (27) The indicators for 2019/20 through to 2021/22 contained in section 7.
- (28) Not to establish self-assessed limits for the indicators in this year's budget report as explained in paragraph 7.4.

9. Procurement of a housing structural repairs contract at Somerleyton Gardens and Wilberforce Road – key decision

(The chair referred to the supplementary agenda which had been circulated.)

Councillor Harris deputy leader and cabinet member for social housing presented the report. The works would go into the next financial year and therefore some budget would be carried over.

RESOLVED to award the contract to UK Gunitite Ltd.

CHAIR