

# Cabinet



**Please contact:** Emma Denny

**Please email:** [emma.denny@north-norfolk.gov.uk](mailto:emma.denny@north-norfolk.gov.uk)  
**Please Direct Dial on:** 01263 516010

Thursday 7<sup>th</sup> May 2020

A remote meeting of the **Cabinet** of North Norfolk District Council will be held on **Monday, 18 May 2020** at **10.00 am**.

## **PUBLIC ATTENDANCE AND PUBLIC SPEAKING – COVID-19**

*Please note that due to the Covid-19 restrictions, meetings of cabinet will be held remotely via Zoom video conferencing and live streamed on Youtube.*

**Public speaking:** If you wish to speak on an agenda item, please email [emma.denny@north-norfolk.gov.uk](mailto:emma.denny@north-norfolk.gov.uk) no later than 5.00 pm on the Thursday before the meeting and include a copy of your statement. You will have the opportunity to make your statement by video link but in the event that this is not possible, or if you would prefer, your statement will be read out by an officer.

This meeting will be broadcast live to Youtube and will be capable of repeated viewing. The entirety of the meeting will be filmed except for confidential or exempt items. If you attend the meeting and make a representation you will be deemed to have consented to being filmed and that the images and sound recordings could be used for webcasting/ training purposes.

**Emma Denny**  
**Democratic Services Manager**

**To:** Mr A Brown, Mrs S Bütikofer, Mrs A Fitch-Tillett, Ms V Gay, Mr G Hayman, Mr R Kershaw, Mr N Lloyd, Mr E Seward and Mr J Rest

All other Members of the Council for information.  
Members of the Management Team, appropriate Officers, Press and Public



**If you have any special requirements in order to attend this meeting, please let us know in advance**  
If you would like any document in large print, audio, Braille, alternative format or in a different language please contact us

**Chief Executive :** Steve Blatch  
**Tel** 01263 513811 **Fax** 01263 515042 **Minicom** 01263 516005  
**Email** [districtcouncil@north-norfolk.gov.uk](mailto:districtcouncil@north-norfolk.gov.uk) **Web site** [www.north-norfolk.gov.uk](http://www.north-norfolk.gov.uk)

## A G E N D A

### 1. TO RECEIVE APOLOGIES FOR ABSENCE

### 2. MINUTES

1 - 16

To approve, as a correct record, the minutes of the meetings of the Cabinet held on 2<sup>nd</sup> March and 30<sup>th</sup> March 2020.

### 3. PUBLIC QUESTIONS AND STATEMENTS

To receive questions and statements from the public, if any.

### 4. ITEMS OF URGENT BUSINESS

To determine any other items of business which the Chairman decides should be considered as a matter of urgency pursuant to Section 100B(4)(b) of the Local Government Act 1972

### 5. DECLARATIONS OF INTEREST

Members are asked at this stage to declare any interests that they may have in any of the following items on the agenda. The Code of Conduct for Members requires that declarations include the nature of the interest and whether it is a disclosable pecuniary interest

### 6. MEMBERS' QUESTIONS

To receive questions from Members, if any

### 7. OVERVIEW & SCRUTINY MATTERS

To consider any matters referred to the Cabinet by the Overview & Scrutiny Committee for reconsideration by the Cabinet in accordance within the Overview and Scrutiny Procedure Rules

### 8. RECOMMENDATIONS FROM CABINET WORKING PARTIES

17 - 20

The following recommendation was made at the meeting of the Planning Policy & Built Heritage Working Party on 16<sup>th</sup> March 2020:

**RESOLVED** unanimously to recommend to Cabinet:

1. That the changes proposed to the list of Small Growth Villages be endorsed.

2. That the revised approach and policy wording be endorsed, subject to policies SD2 and SD3 (small growth villages criterion) being amended to reflect the additional consideration of substantial infrastructure / service improvements as a requirement for support, and that responsibility for drafting such an approach, including finalising the associated policies, be delegated to the Acting Planning Policy Manager.

**9. LOCAL PLAN - PROJECT UPDATE - TIMELINE**

21 - 30

Summary: This report provides a short update around the Local Plan time line.

Recommendations: That the revised time line for the Local Development Scheme is published.

Cabinet Member(s)	Ward(s) affected
All Members	All Wards
Contact Officer;	
Iain Withington Planning Policy team leader / Acting Policy Manager 01263 <a href="mailto:Iain.Withington@north-norfolk.gov.uk">Iain.Withington@north-norfolk.gov.uk</a>	

**10. NORTH NORFOLK DISTRICT COUNCIL RESPONSE TO THE CORONAVIRUS PANDEMIC**

31 - 44

Summary: This report details North Norfolk District Council's response to the Coronavirus Pandemic at a strategic, local and organisational level. This includes:-

- establishing a dedicated COVID helpline and email address operated over extended Customer Service hours including weekends and Bank Holidays since 30<sup>th</sup> March;
- making contact with over 2000 local residents who are "shielding" under Government advice and providing support to over 1200 other people who are self-isolating and who have requested support from the Council with shopping and prescription deliveries;
- operation of 10 Local Co-ordination Centres through which support has been provided to vulnerable people through voluntary community networks and Council staff
- administering the distribution of the Council Tax Hardship fund to 3424 households
- the administration of £26million of Small Business Rate Reliefs and £45million of Small Business Grants on behalf of the Government.

Options considered:

The report also outlines preparations being made by the Council for the Recovery phase of this global incident.

The report details the Council's actions in responding to the Coronavirus pandemic during the Response phase and the preparations being made for the Recovery phase. Options considered are outlined in the report.

Conclusions:

The report details the actions taken by the District Council in response to the Coronavirus Pandemic and of the preparations being made to support local communities and businesses "recover" from this unprecedented global event.

Recommendations:

**Cabinet is asked to note and comment on the Council's response to the Coronavirus Pandemic; and**

**note and comment upon the preparations being made for Recovery – to include:-**

- **the short-term actions proposed in respect of:-**
  - **opening up the Council's services and facilities;**
  - **transition for the stepping down of the Community Support Programme;**
  - **planning the return of staff to their main roles from working at home and redeployment into other roles;**
  - **re-establishing formal meetings of the Council and**
  - **critically considering the implications of lockdown and phased lifting of social distancing restrictions, possibly over a number of months, on local businesses, particularly tourism businesses which face having a severely curtailed summer season**

- the longer term need to review the Council's Medium-Term Financial strategy in light of the changing financial situation of the Council and as a result undertake a review of the Council's proposed programme of activity as previously detailed in the Corporate Plan and Delivery Plan.

Reasons for Recommendations: To inform corporate learning from experience gained through the response phase and inform decisions moving forward through the Recovery phase

Cabinet Member(s)  Cllr Sarah Butikofer, Leader of the Council	Ward(s) affected  All
Contact Officer, telephone number and email:  Steve Blatch, Chief Executive Email:- <a href="mailto:steve.blatch@north-norfolk.gov.uk">steve.blatch@north-norfolk.gov.uk</a> <a href="tel:01263516232">Tel:- 01263 516232</a>	

## 11. COVID 19 FINANCIAL IMPLICATIONS

45 - 78

Summary: The coronavirus COVID-19 pandemic represents a monumental challenge for the District Council which will inevitably have a significant impact on the Council's resources and budget during 2020-21 and future years.

This report provides an overview of the current assessment of the emerging financial impact of COVID-19 which will have a profound impact on the organisation's ability to achieve planned budget savings and income for 2020-21 onwards. It also considers the COVID-19 funding provided to date from government and the extent to which this will support the current financial pressures.

An update is also provided in relation to the support provided to local businesses through the Small Business Grant scheme and the various additional business rate reliefs announced.

The Council is proactively responding to the challenge of the COVID-19 pandemic to maintain the delivery of vital front line services whilst at the same time freeing up capacity to help, support and protect vulnerable people, supporting businesses and ensuring the safety of all of our staff whilst delivering this vital work.

Options considered:

This report sets out the initial high level forecasts relating to the COVID-19 pandemic but at this stage there are no specific alternative options considered.

Conclusions:

This report provides an overview of the current assessment of the emerging financial impact which will have a profound impact on our ability to achieve savings and income for 2020/21. In addition, it helps to set the context for the Council's MTFS and budget planning process for 2021/22, which will be reported to Cabinet later in the year.

The Council faces an unprecedented financial and public health crisis. It will be essential to continue to engage with Government, MPs and other stakeholders to campaign for adequate and sustainable funding for the District so that we can continue to deliver vital services to residents, businesses and visitors.

The current pandemic demands very different ways of working and will require review and consideration of current and future priorities. Looking beyond the immediate impacts, the overall level of uncertainty means the financial environment remains extremely challenging for the foreseeable future. The assumptions upon which both the Medium Term Financial Strategy (MTFS) and the 2020/21 budget are based have now been significantly undermined by the current crisis and will necessitate a fundamental review of the budget position given the current funding pressures.

The current projected budget position (c£1m deficit 2020/21) is constantly changing and therefore the high level projections contained within this report must be seen in this context and could be subject to significant change depending on further announcements over the coming months.

Recommendations:

**It is recommended that Cabinet note:**

- 1. The current package of financial support being provided to the Council by the**

**government to support its response to COVID-19;**

- 2. Continues to lobby central government for further additional financial support;**
- 3. The forecast cost and income pressures being faced by the Council and the extent to which they exceed the available government funding and therefore the requirement for any deficit to be funded from other Council resources;**
- 4. The various caveats and risks associated with the current forecasts;**
- 5. The proposals in respect of updating the Medium Term Financial Strategy (MTFS) and the financial planning framework for the 2021/22 budget;**
- 6. The proposals for a fundamental review of the capital programme to ensure that the schemes still reflect the Council's changing priorities and to ensure that the Council can still afford them given the rapidly changing financial landscape;**
- 7. The proposal for a further financial update to come forward to Cabinet in July, by which time there will hopefully be more clarity regarding any continuing restrictions to include;**
  - Opportunities for re-prioritising and re-focusing currently approved 2020/21 budgets;**
  - Opportunities for savings, efficiencies and income generation this year;**
  - A review of the current reserves position with recommendations for re-allocation where appropriate and;**
- 8. The progress to date in respect of the application of the various new business rates reliefs announced along with progress towards the government funded Small Business Grant programme which local authorities are being asked to administer (Appendix D).**

Reasons for Recommendations: To make Members aware of the current COVID-19 position in respect of the Council's budget and resource position for 2020/21 and indeed future years.

Cabinet Member(s) Eric Seward	Cllr	Ward(s) affected All
Contact Officer, telephone number and email: Duncan Ellis (Head of Finance & Assets), ext 6330, Duncan.ellis@north-norfolk.gov.uk		

**12. OFFICER DELEGATED DECISIONS (MARCH TO MAY 2020)** 79 - 86

Summary: This report details the key decisions taken by Senior Officers under delegated powers from 1<sup>st</sup> March to 1<sup>st</sup> May 2020.

Options considered: Not applicable.

Recommendations: **To receive and note the report and the register of officer decisions taken under delegated powers.**

Reasons for Recommendations: The Constitution: Chapter 6, Part 5, sections 5.1 and 5.2. details the exercise of any power or function of the Council where waiting until a meeting of Council or a committee would disadvantage the Council. The Constitution requires that any exercise of such powers should be reported to the next meeting of Council, Cabinet or working party (as appropriate)

**LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW**

*(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)*

Delegated decision forms – as completed by the relevant officer
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Cabinet Member(s) All	Ward(s) affected All
Contact Officer, telephone number and email: Emma Denny, Democratic Services Manager, 01263 516010	



**13. PURCHASE OF FURTHER PROPERTY FOR USE AS TEMPORARY ACCOMMODATION FOR HOMELESS HOUSEHOLDS** 87 - 92

Summary: This report identifies a further suitable property to be purchased by NNDC for use as temporary accommodation for homeless households.

Options considered: Do not purchase this unit but instead invest the budget.

Conclusions: The Council has a duty to provide temporary accommodation for homeless households. The Council purchases much of this accommodation from the private sector with a significant net cost to the Council. Purchase of this property will provide a quality, flexible home for temporary accommodation and there is budget provision available to purchase such homes.

Recommendations: That Cabinet agrees to the purchase of the identified property (subject to an independent valuation and survey) using the budget provision.

Reasons for Recommendations: To provide authority for expenditure over £100,000.

**LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW**

Budget report to Full Council - 22 February 2017  
Purchase of two properties for use as Temporary Accommodation for homeless households – Cabinet 2 March 2020

Cabinet Member(s): Cllr Andrew Brown  
Ward(s) affected: North Walsham West

Contact Officer: Nicky Debbage, Housing Strategy & Delivery Manager,  
Tel: 01263 516027, email [nicky.debbage@north-norfolk.gov.uk](mailto:nicky.debbage@north-norfolk.gov.uk)

**14. EXCLUSION OF PRESS AND PUBLIC**

To pass the following resolution:  
“That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following item of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs \_ of Part I of Schedule 12A (as amended) to the Act.”

**15. PRIVATE BUSINESS**

## CABINET

**Minutes of the meeting of the Cabinet held on Monday, 2 March 2020 at the Council Chamber - Council Offices, Holt Road, Cromer, NR27 9EN at 10.00 am**

### Committee

#### Members Present:

Mr A Brown	Mrs S Bütikofer (Chair)
Mrs A Fitch-Tillett	Ms V Gay
Mr G Hayman	Mr R Kershaw
Mr N Lloyd	Mr E Seward

#### Members also attending:

Cllr T Adams, Cllr P Grove-Jones, Cllr J Rest, Cllr N Pearce, Cllr J Toye and Cllr E Withington

#### Officers in Attendance:

Corporate Director and Head of Paid Service (SB), Democratic Services Manager, Head of Legal & Monitoring Officer and Head of Finance and Asset Management/Section 151 Officer

#### Also in attendance:

Press and Public

## 49 MINUTES

The minutes of the meeting of Cabinet held on 03 February 2020 were approved as a correct record and signed by the Chairman.

## 50 PUBLIC QUESTIONS AND STATEMENTS

None received.

## 51 ITEMS OF URGENT BUSINESS

The Chairman informed Members that there was one item of urgent business. This would be dealt with in private session at the end of the meeting.

## 52 DECLARATIONS OF INTEREST

None received.

## 53 MEMBERS' QUESTIONS

The Chairman reminded Members that they could ask questions during the meeting as issues arose.

## 54 OVERVIEW & SCRUTINY MATTERS

The Chairman invited the Vice-Chairman of the Overview & Scrutiny Committee to speak. Cllr Adams said that the Committee had considered the Delivery Plan and

had agreed to establish Scrutiny Panels to monitor and review the Plan as it progressed.

## **55 RECOMMENDATIONS FROM CABINET WORKING PARTIES**

The Chairman invited Cllr J Toye, Chairman of the Member Development Group to introduce this item. He explained that the Group had considered the use of software for Members to manage their case work and this system seemed to be the best solution.

Cllr R Kershaw queried how secure the system was – particularly regarding the management of personal data. The Leader replied that she was familiar with the system and could confirm that it was extremely secure.

It was proposed by Cllr S Butikofer, seconded by Cllr R Kershaw and

### **RESOLVED**

To proceed with the purchase of the ecasework system for interested users.

## **56 BUDGET MONITORING REPORT 2019-20 PERIOD 10**

The Portfolio Holder for Finance, Cllr E Seward, introduced this item. He said that there were three recommendations and he asked the Head of Finance to outline those relating to the award of new contracts. The Head of Finance explained that the office cleaning contract had previously been packaged with the Kier cleansing contract. The Council was the only local authority in the region to take this approach and so the proposal was to remove it from the wider waste management contract and have it as a separate contract. Regarding the energy contract, he explained that the new supplier, Haven Power, was able to supply the Council with 94.5% green energy with REGO (Renewable Energy Guaranteed Origin) certificates. The contract would start in April 2020.

Cllr P Grove-Jones asked whether the rate of pay for the cleaning contract would be in line with minimum wage requirements. The Head of Finance confirmed that they would as this was a legal requirement. He said that he would clarify whether the living wage threshold was met.

Cllr N Lloyd, Portfolio Holder for Environment, thanked officers for their work on the new energy contract. He said that it reflected the Council's commitment to the green agenda.

It was proposed by Cllr E Seward, seconded by Cllr N Lloyd and

### **RESOLVED that**

- 1) Cabinet note the contents of the report and the current budget monitoring position
- 2) Agree the award of the new cleaning contract to Norse Group Services Ltd
- 3) Agree the award of the new energy contract

Reason for the decision:

To update Members on the current budget monitoring position for the Council.

**57 PURCHASE OF TWO PROPERTIES FOR USE AS TEMPORARY ACCOMMODATION FOR HOMELESS HOUSEHOLDS**

Cllr A Brown, Portfolio Holder for Housing, introduced this item. He thanked the Housing Options and Property Services teams for their work on this project. He explained that the Council had a statutory duty to provide temporary accommodation for homeless households. Currently the Council purchased much of this accommodation from the private sector at a significant cost. Purchase of properties to provide quality, flexible homes for temporary accommodation would meet the Council's statutory duty and reduce the cost impact of paying for bed and breakfast accommodation which was often of variable quality and not always suitable. The two properties for which summary offers had been accepted were in suitable locations and in good condition. One was a two bedroom bungalow in North Walsham and the other was a one bedroom house in Hempton (near Fakenham). Between them they could accommodate up to 6 people at any one time.

Cllr P Grove-Jones asked how many people were currently in need of temporary accommodation. Cllr Brown replied that there were 42 households at the present time but that it did fluctuate. The Head of Paid Service (SB) added that the nature of temporary accommodation meant that the turnover was reasonably high and they would only stay in the property whilst their needs were assessed and a suitable alternative was found.

Cllr J Rest asked whether consideration had been given to the purchase of apartments or flats as these could be more secure and more cost effective to maintain. He also asked whether furniture would be provided and who would cover the cost of any replacement. Cllr Brown replied that on this occasion a bungalow was being purchased as it provided disabled access. He confirmed that white goods would be installed in the properties. The Leader added that they would be furnished too. She said that flats would be considered in future to ensure a mix of properties. Cllr Rest said that maintenance costs were key and flats were a cheaper option. The Leader replied that it was not an opportunity to generate income but the purchase of properties could save the Council money in the long-term as it would reduce the amount spent on bed and breakfast accommodation.

Cllr J Toye sought clarification that a person could be housed in temporary accommodation for up to 6 weeks. The Housing Strategy & Delivery Manager replied that it was a period of 56 days whilst the Council assessed their needs but that it did depend on the nature of the accommodation requirements.

Cllr E Seward, Portfolio Holder for Finance, said that the two properties would cost approximately £300k. This left £300k in the allocated budget and the Council would ensure that a mix of options was explored.

It was proposed by Cllr A Brown, seconded by Cllr R Kershaw and

**RESOLVED**

That Cabinet agrees to the purchase of the identified properties (subject to an independent valuation and survey) using the budget provision.

Reason for the decision:

To provide authority for expenditure over £100,000.

## **58 SHERINGHAM ENABLING LAND**

Cllr G Hayman, Portfolio Holder for Commercialisation & Assets, introduced this item. He explained that the land referred to in the report was approximately an acre of surplus land which had been identified as being suitable for development. The sale of this would generate a capital receipt for the Council which would go towards the Sheringham leisure centre project. The site had been marketed for over two years and the Council had recently received a formal offer to acquire the freehold of the land for redevelopment. Cllr Hayman added that the leisure project had been inherited from the previous administration and there was a need to ensure that it was financed sufficiently.

Cllr E Withington, local member for Sheringham North, said that there was disappointment in the town that there would not be housing on the site. This was the preferred option. The Leader replied that all options had been considered but there was a need to act fiscally and it was felt that the recommended proposal met the criteria.

It was proposed by Cllr G Hayman, seconded by Cllr A Brown and

### **RESOLVED**

1. To approve the disposal of the site as detailed in Option 1
2. To allocate a capital budget of £100,000 for site servicing costs and in addition a contingency of 10%.

Reason for the decision:

To dispose of an asset that is surplus to requirements and funds generated are to enable the Leisure development on adjacent land.

## **59 EXCLUSION OF PRESS AND PUBLIC**

It was proposed by Cllr V Gay, seconded by Cllr N Lloyd and

RESOLVED to pass the following resolution:

That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following item of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1, 2, 3 & 5 of Part I of Schedule 12A (as amended) to the Act.”

## **60 PRIVATE BUSINESS**

Urgent Item – Senior Leadership Restructure

The Leader referred Members to the report and accompanying appendix that had been circulated at the start of the meeting. She said that it set out the business case and provided the reasons.

It was proposed by Cllr S Butikofer, seconded by Cllr R Kershaw and

### **RESOLVED**

To approve the funding requirements outlined within the business case as set out in the exempt appendix to the report

The meeting ended at 10.41 am.

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Chairman

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## **CABINET**

**Minutes of a remote meeting of North Norfolk District Council's Cabinet held on Monday, 30 March 2020 at 10.00 am**

### **Committee**

#### **Members Present:**

Mr A Brown	Mrs S Bütikofer (Chair)
Mr C Cushing	Mr J Rest
Mrs A Fitch-Tillett	Ms V Gay
Mr G Hayman	Mr R Kershaw
Mr N Lloyd	Mr E Seward

#### **Officers in Attendance:**

Democratic Services Manager, Head of Legal & Monitoring Officer and Head of Finance and Asset Management/Section 151 Officer

#### **Also in attendance:**

Press and Public

### **61 UPDATE FROM THE MONITORING OFFICER**

The Chairman invited the Monitoring Officer to outline the format of the meeting. She began by explaining that whilst the provision to allow remote meetings had been included in the Coronavirus Act 2020, regulations had not yet been made, so whilst we these were awaited, decisions were being taken using officer delegated powers under Chapter 6 of the Constitution using two main delegations (5.1 and 5.2). These delegations could be exercised by any Member of the Strategic Leadership Team.

To put as much engagement with Members around that decision making as possible, and to provide accountability and transparency in decision making, Cabinet meetings would take place remotely, acting as an 'advisory committee' to the officers making the decisions. Those decisions would be recorded and then be reported through to all Members via the Members' Bulletin and also publicised on the website. It was intended that this 'hybrid' approach to Cabinet meetings would continue until the regulations were in force.

### **62 MINUTES**

The minutes of the meeting held on 2<sup>nd</sup> March 2020 were agreed as a correct record (subject to formal approval at the next meeting of Cabinet)

### **63 PUBLIC QUESTIONS AND STATEMENTS**

None

### **64 ITEMS OF URGENT BUSINESS**

None.

## 65 DECLARATIONS OF INTEREST

None.

## 66 MEMBERS' QUESTIONS

None.

## 67 OVERVIEW & SCRUTINY MATTERS

The Democratic Services Manager referred Members to the recommendations from the Overview & Scrutiny Committee meeting held on 11<sup>th</sup> March and the subsequent covering statement from the Chairman of the Committee.

The Chairman said that she was generally supportive of the recommendations but in relation to recommendation 1, she felt that it would be preferable to keep the current situation under review rather than specify a 5 year period. Cllr G Hayman, Portfolio Holder for Commercialisation and Assets, agreed saying that he would not support the disposal of the property now as the market was so volatile. However, it should be acknowledged that it was a drain on resources and the situation should be carefully monitored and regularly reviewed. Cllr J Rest added that it should be reviewed sooner rather than later. He said that the 5 year period started from the date the property was purchased which was 2.5 years ago.

## 68 BIG SOCIETY FUND - REVIEW AND REFOCUS

Cllr V Gay, Portfolio Holder for Culture and Wellbeing, introduced this item. She explained that the renaming of the Fund to the North Norfolk Sustainable Communities Fund would provide clarity by aligning more closely with the key priorities identified in the Corporate Plan as well as broadening its purpose.

1. Cllr J Rest said that he supported the proposal to no longer provide 100% of funding for projects and the requirement that match funding should be identified. Cllr Gay agreed, saying that match funding would be required for all applications – this could be in all forms, including 'in kind'.
2. Cllr A Fitch-Tillett sought confirmation that Option 2 was the preferred outcome. Cllr Gay confirmed that it was, saying that it clarified the future direction of the fund.
3. Cllr C Cushing queried the thinking behind the changes as the Big Society Fund was well established and known throughout the District. Cllr Gay replied that the intention was to broaden the fund. Its focus would be based on local communities but with a broader remit than previously.

The proposal by Cllr V Gay, seconded by Cllr N Lloyd was put to the vote and it was agreed that the view of Cabinet was:

**To request that the Head of Economic & Community Development should exercise his delegated authority and rename and refocus the Big Society Fund and make any consequential changes to the Fund's prospectus in consultation with the Portfolio Holder for Culture & Wellbeing.**

Reasons for the decision:

To ensure the fund reflects Council priorities, enables more organisations and

communities to apply for funding to make their communities sustainable.

To utilise the fund to build sustainable communities and demonstrate the Council's commitment to respond to the Climate Emergency it declared in 2019.

## **69 ADVICE AND INFORMATION CONTRACT**

Cllr V Gay, Portfolio Holder for Culture & Wellbeing, introduced this item. She began by thanking the Health and Communities Manager for her hard work in preparing the report. She explained that the current funding arrangements for the provision of advice and support via the Citizens Advice Bureaux (CAB) were drawing to a close and consideration needed to be given as to the best way to provide this service in the future. She said that it was a crucial service for residents and a review of the current arrangements would help shape future provision.

It was proposed by Cllr V Gay, seconded by Cllr R Kershaw and agreed by Cabinet to request:

- 1. That officers review the advice and information service being delivered by Norfolk Citizens Advice**
- 2. That, having regard to the review, the Section 151 Officer, in consultation with the Portfolio Holder for Culture & Wellbeing exercises his delegated authority to award a conditional grant (of no more than the current sum of £66,323) to Norfolk Citizens Advice towards the continuation of advice and information services in North Norfolk at dedicated offices and agreed outreach locations for the period 01 April 2020 to 31<sup>st</sup> March 2021.**
- 3. That over the coming year, officers review the various operational options for meeting the advice and information needs of the District in future years (after the proposed new contract period)**

Reasons for the decision:

To enable the continuation of established advice and information services by Norfolk Citizens Advice in North Norfolk for the period 1<sup>st</sup> April 2020 – 31<sup>st</sup> March 2021.

To ensure the funding awarded by the Council to Norfolk Citizens Advice enables residents across North Norfolk to benefit from the provision of advice and information services in North Norfolk including at designated and outreach locations as appropriate.

To ensure that sufficient preparations are made to secure appropriate provision to meet the needs of users of the service in the future.

## **70 SPONSORSHIP AND ADVERTISING POLICY**

Cllr G Hayman, Portfolio Holder for Commercialisation and Assets, introduced this item. He explained that this policy was the first step towards making the Council more financially sustainable. He added the policy would ensure that Members were happy with the advertisers that were used.

Cllr J Rest referred to section 8 of the report which outlined the risks associated with the policy. He said that there should be a disclaimer to protect the Council in the case of anything negative happening to any of the advertisers.

Cllr A Fitch-Tillett commented that the timing was unfortunate as it was not a good time to take money off local businesses. Cllr Hayman said that he acknowledged this, the Council should have the policy in place so that it could be progressed once the situation improved.

The Chairman said that the agenda was published before the current crisis began and they would be put on hold until such a time that they could be progressed.

It was proposed by Cllr G Hayman, seconded by Cllr R Kershaw and agreed by Cabinet to request

- 1. That the Head of Finance and Assets exercise his delegated authority to approve the Sponsorship and Advertising Policy**
- 2. That a further report is produced covering the potential opportunities**

Reason for the decision:

To enable officers to try and drive additional income for the Council from sponsorship and advertising opportunities and to agree the policy in line with objective 2.3 of the Delivery Plan.

## **71 REVENUES AND BENEFITS IT SYSTEM PROCUREMENT**

The Chairman and Leader of the Council, Cllr S Butikofer, introduced this item. She said that the procurement of a new Revenues & Benefits software system was extremely important. The service areas involved had undertaken a considerable amount of research and had come to the conclusion that the re-procurement of the current system offered enhanced features that would support improved customer service provision, integrate well with other Council services, provide value for money and involve minimum downtime. By making a Direct Award, the Council would balance the need to achieve value for money with a system that was suitable, whilst minimising disruption and additional cost in implementation.

Cllr R Kershaw queried the timing of implementation, given the current workload of the teams, who were dealing with a high level of claims as a result of the Coronavirus pandemic. The Chairman replied that it would be from October 2020.

The Head of Legal, Democratic Services and Benefits added that by re-procuring the existing system, new functionality – such as online claim forms - could be brought in earlier. This would reduce the workloads of the officers working to process the claims.

It was proposed by Cllr S Butikofer, seconded by Cllr E Seward and agreed by Cabinet to request

- 1. That the Head of Legal, Democratic Services and Benefits agree the procurement of the Revenues & Benefits IT system through a Direct Award via the Crown Commercial Framework (RM3871) to Civica (Open Revenues) for a contract period of 5 years from October 2020 at a total cost of £301,000 and**
- 2. That a capital provision of £101,000 is made for the software licences to be financed from capital resources.**

Reason for the decision:

A direct award balances the need to achieve value for money for the Council, with a system that is suitable for the needs of both services, with minimal risk of disruption and additional cost in implementation

## **72 PURCHASE AND OPERATION OF CAR PARK AT NORTH WALSHAM RAILWAY STATION**

Mr G Hayman, Portfolio Holder for Assets and Commercialisation, introduced this item. He explained that it was an update to a previous Cabinet report which outlined an opportunity to for the Council to acquire a car park within North Walsham. He said that once the current crisis resulting from the pandemic was over, the purchase could proceed, subject to further negotiations.

Cllr N Lloyd said that he would like to add his support for the project, as local member.

Cllr J Rest asked whether the Council was still intending to pursue the issue of access to the car park. Cllr Seward acknowledged that this remained a challenge. He said that one option would be to approach Greater Anglia to see if they could assist with the issue. He added that if parking charges were set at a good level then it would encourage use.

Cllr A Fitch-Tillett raised concerns about the contamination of the site and asked if it was a concern. The Asset Strategy Manager replied that it was contaminated and a validation report had been requested. She said that the car park would require a sealed surface and that would essentially provide remediation. She added that if the site was developed in the future then a remediation plan would be required.

It was proposed by Cllr G Hayman, seconded by Cllr R Kershaw and agreed by Cabinet to request the Head of Finance and Assets

- A. Purchase the car park at the cost plus legal fees and associated capital costs and revenue budgets. To be funded from the Local Property Investment Fund as identified within exempt Appendix C;
- B. Purchase the car park subject to satisfactory site investigations.
- C. Reviews the viability of charging against our commercial and environmental objectives.
- D. Allocates funding of approximately £5,000 for a Traffic Regulation Order to protect Hornbeam Road and the adjacent strategic network from displaced parking

## **74 PRIVATE BUSINESS & EXEMPT REPORTS**

## **75 PROPERTY TRANSACTION**

Mr G Hayman, Portfolio Holder for Assets & Commercialisation introduced this item. He acknowledged that external factors may influence the outcome but it was important that the Council moved towards seeking agreement. Cllr Seward agreed, saying that it was the right outcome and that the site needed to be developed as soon as possible. Cllr Hayman said that this was a purely commercial transaction and a decision was required to ensure that progress could be made.

Cllr C Cushing asked whether a deadline could be imposed. The Leader agreed that this should be looked at and added that another valuation of the property was needed. The Asset Strategy Manager replied that a request for a valuation had been submitted and this was likely to come back in the next 2-3 weeks. Cllr Gay said that she would feel more comfortable in supporting the proposals if a timeframe was imposed. The Asset Strategy Manager said that a deadline of 6 weeks – essentially within a month of the valuation being received, would be reasonable.

Cllr Seward said that it was also important to establish whether the proposals would accord with the Council's planning policies.

It was proposed by Cllr G Hayman, seconded by Cllr N Lloyd and agreed by Cabinet to request that the Head of Finance & Assets:

- A. To dispose of the property subject to Officer advice, as provided in the exempt appendix and following assurance that the proposals are in accordance with the Council's planning policies.**
- B. A budget is provided for the removal of the portakabins and associated works.**
- C. An independent valuation of the site for disposal is obtained by a specialist surveyor and once this is obtained, a deadline of 6 weeks for a response is imposed.**
- D. To ascertain that the proposals accord with the Council's planning policies**
- E. To impose a deadline of 6 weeks for a response**

Reasons for the decision:

The disposal would bring the property back into use.

The disposal supports key corporate priorities.

## **76 PROPERTY TRANSACTION**

Cllr G Hayman, Portfolio Holder for Assets and Commercialisation introduced this item. He said that various options had been explored. The asset was a huge drain on the Council's resources and no longer supported the objectives of the Corporate Plan. Cllr Rest agreed. He said that he knew the site well. He asked whether it was possible to ring-fence any income from the sale for the local area. The Leader said that a firm commitment could not be made on this as any receipts should be invested across the whole of the District. The Head Finance and Assets confirmed this but added that if an opportunity came up in the vicinity then the business case would be considered.

It was proposed by Cllr G Hayman, seconded by Cllr N Lloyd and agreed by Cabinet to request that the Head of Finance & Assets

- 1. To seek pre application advice on the planning acceptability of additional plots on the site in order to maximise the value of the asset prior to disposal.**
- 2. Dispose of the freehold of the site on the open market through the appointment of a specialist Estate Agent.**
- 3. To dispose of the site subject to overage clauses.**

**4. To recommend reinvestment of the receipt in a suitable income generating asset in line with the Council's adopted Commercial Property Strategy.**

Reasons for the decision:

The current use of the site does not currently directly support any of the key themes contained with the Corporate Plan.

The Leader thanked all officers for working so hard under difficult circumstances.

The meeting ended at Time Not Specified.

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Chairman

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## **SMALL GROWTH VILLAGES AND POLICY APPROACHES TO GROWTH IN RURAL AREAS**

The Acting Planning Policy Manager presented a report relating to the identification of the final suite of Small Growth Villages under Policy SD3 and the establishment of the overarching approach to the identification and delivery of apportioned growth in Small Growth Villages, including the ratification of the approach through a suite of policies that deliver flexible and exception growth in the rural areas. The report focused on the broad distribution of growth in relation to rural development, and discussed the options available and recommended modifications to the Draft Plan for inclusion in the submission version.

The Acting Planning Policy Manager stated that paragraph 5.14 should refer to HOU3 and not HOU4 as written.

The Chairman stated that it was important to bear in mind that the Small Growth Villages represented a small percentage in terms of housing delivery.

Councillor N Dixon stated that there were limitations in the current Plan which had resulted in non-delivery of allocated sites in Service Villages and substantially closed down the routes for growth in small villages, which were restricted to exceptions schemes. With regard to the draft Plan, he considered that the approach and principles in respect of Small Growth Villages were acceptable in the main. However, he considered that the process was complex and that it needed to be kept as simple as possible so it was easy for communities to understand the best route to achieve their ambitions. There were also many villages with infrastructure constraints, such as flooding, highways and utilities. Many of these constraints could only be resolved by funding through development and he was concerned that the proposed policies would not allow it to happen. He suggested that the proposed policies should allow flexibility for any village to promote sites that would deliver substantial community benefit and/or infrastructure improvement that would raise the level of service provision or solve significant infrastructure constraints. He considered that there was a need to engage constructively to allow villages to move forward in a measured way which was consistent with the Council's policies.

The Chairman stated that villages and their Parish Councils could make a case through Neighbourhood Plans and Community Land Trusts. He asked the Acting Planning Policy Manager to comment.

The Acting Planning Policy Manager explained that the Local Plan was the strategic planning policy for the District and had to be positively prepared, so that the policies were designed to facilitate growth. The Council's priority remained the provision of affordable housing and the exceptions policy was the main route to address local housing need in perpetuity in rural villages. Proposed policy SD2 had been added to the emerging Local Plan and consulted on at Regulation 18 consultation in order to reiterate approaches from national policy which allowed communities to bring forward their own development through community land trusts or neighbourhood planning, and to make it clear that they could take that route if they wished to grow. Councillor Dixon's point regarding improved services, improved connectivity and infrastructure could be added. There were criteria to ensure there was no significant harm and the scale of growth was appropriate to the location.

Councillor Dixon supported the principle of neighbourhood planning but he considered that neighbourhood plans were difficult to put together and steer through the system and many Parish Councils would not take that route. He stated that the Rural Exceptions policy allowed significant amounts of housing to be developed in almost any village without the requirement for an economic viability test. He considered that there was inconsistency in that the policies

would allow exceptions schemes, but would not allow development which provided a significant benefit to meet the requirements of Policy SD2.

The Acting Planning Policy Manager explained that Policy SD2 was written in such a way as to negate the requirement for a neighbourhood plan in certain circumstances, provided there was community support. However, the Planning Policy Team had carried out many site appraisals as part of the emerging Local Plan and were willing to share them with any community that decided to undertake a neighbourhood plan to make the work less onerous. Communities were welcome to engage with the Team on this matter.

The Chairman stated that it was noticeable that the response from Parish Councils to the Regulation 18 consultation had been muted. He considered that some Parish Councils were more enthusiastic and capable than others which might equally have a genuine case for community led development and could fall through the gaps.

Councillor Mrs P Grove-Jones considered that the lack of response to the consultation was because people did not understand it and were therefore not engaged. The Plan would be in place for a long time and there would be many changes affecting the villages and the economic situation, therefore there was a need to be open minded.

The Acting Planning Policy Manager stated that there was a statutory duty to produce the local plan and the policies within the emerging Plan were more flexible than they had been before. The Plan was designed to be permissive and it would provide the appropriate framework for decisions at Development Committee.

Councillor Ms V Gay stated that she was sympathetic to the issues raised by Councillor Dixon. She requested clarification as to the relationship between secondary and desirable services and the term “at this stage” used within the report.

The Senior Planning Officer explained the hierarchy of services. Small growth villages were required to have four services in the secondary and/or desirable category. “At this stage” meant Regulation 18 consultation stage.

Councillor P Heinrich supported Councillor Dixon’s views. He questioned the logic of including settlements such as Walcott which could not be developed because of flooding, whereas some settlements with a good range of services were omitted because they did not have an essential service.

The Acting Planning Policy Manager explained that some villages currently had services but were constrained, so they should and could not be relied upon to contribute to the housing target as they were highly unlikely to deliver growth. However, they met the methodology and it was necessary to have a consistent approach across the District. If a scheme were to come forward in those locations it should be considered favourably in line with the classifications and settlement hierarchy provided the necessary tests were met. Other locations were classed as unsustainable in the NPPF as they did not have the level of services to support growth, did not meet the methodology and were contrary to the climate change ethos promoted by the Council. Schemes in those locations could only come forward via the suite of policies for flexible growth, for example, as an exception designed to meet the needs of the community, affordable growth or key worker accommodation.

Councillor Dixon was concerned that allowing development of up to 30 new homes in small villages without tangible and significant benefits to infrastructure would be a disservice to those communities. It was necessary to ensure that villages had the opportunity to express a very clear opinion as to what they wanted in terms of community benefit, infrastructure etc and any development must contribute to solving those issues. He cited Sutton as an example of a

village with severe infrastructure constraints which would require significant benefits to accrue from development.

The Acting Planning Policy Manager stated that any development proposals could be considered by the Development Committee where constraints would need to be dealt with at the application stage. He suggested that a further criterion could be added to Policies SD2 and SD3 to give a clear indication to developers that they would be expected to deliver substantial community benefits, including necessary infrastructure improvements and service provision through their proposals.

Councillor Dixon welcomed this suggestion and provided it was adhered to, it would allay his concerns. He considered that villages needed to be given guidance as to how they could grow to meet the criteria for small growth villages in such a way as to deliver benefits for those localities.

The Chairman asked if it would be a comfort if there was a mechanism to review the classification throughout the lifetime of the Plan.

The Acting Planning Policy Manager advised that it was not appropriate to build a review mechanism into a policy, but such a mechanism could happen through proposals and reports. It was within the gift of Development Committee to approve an application in relation to material considerations at the time. The plan process was subject to a five-yearly review and the Annual Monitoring Report would consider the level of growth that had come forward.

Councillor Dixon stated that he wished to make the amendments to Policies SD2 and SD3 formally and that the policies be amended so that support for proposals in rural villages and policy SD2 be conditional on the delivery of substantial community benefit and or substantial infrastructure improvement which raises the level of service provision, facilities or solves significant constraints.

The Acting Planning Policy Manager stated that “substantial” was not used in the NPPF and there was the risk that such wording was likely to be amended as a result of examination.

The Working Party discussed the need to ensure that any delivery benefit was locked in, regardless of whether any housing was delivered as a single proposal by one developer or a series of proposals by a number of developers.

The Acting Planning Policy Manager stated that Policy SD5 specifically dealt with the strategic approach to developer contributions, viability and the approach to infrastructure requirements. He would take on board Members’ concerns regarding infrastructure delivery when SD5 was reviewed at a later date.

It was proposed by Councillor N Dixon, seconded by Councillor Ms V Gay and

**RESOLVED** unanimously to recommend to Cabinet

- 1. That the changes proposed to the list of Small Growth Villages be endorsed.**
- 2. That the revised approach and policy wording be endorsed, subject to policies SD2 and SD3 (small growth villages criterion) being amended to reflect the additional consideration of substantial infrastructure / service improvements as a requirement for support, and that responsibility for drafting such an approach, including finalising the associated policies, be delegated to the Acting Planning Policy Manager.**

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**Local Plan: Project update- Time line**

Summary: This report provides a short update around the Local Plan time line.

Recommendations: **That the revised time line for the Local Development Scheme is Published.**

Cabinet Member(s)	Ward(s) affected
All Members	All Wards
Contact Officer;	
Iain Withington Planning Policy team leader / Acting Policy Manager 01263 516034, <a href="mailto:Iain.Withington@north-norfolk.gov.uk">Iain.Withington@north-norfolk.gov.uk</a>	

**1. Introduction**

1.1 The emerging North Norfolk Local Plan has been subject to public consultation at regulation 18 stage during May and June 2019. This report is one of a number of reports that seeks to finalise the draft Local Plan policy approach in relation to consideration of the consultation responses and the finalisation of the supporting evidence. At the end of the process a revised Draft Local Plan incorporating justified modifications will be produced for the authority in order to consult at Regulation 19 Draft Plan publication stage ahead of subsequent submission for examination. At such a stage the Plan will be subject to consideration by an independent inspector against a number of legal tests and soundness tests to determine if it is legally compliant, justified, effective, and has been positively prepared. A binding report will be produced which will determine if the Draft Plan is sound, with or without further modifications, following which the Plan can be formally adopted by the Council.

1.2 This report focusses on the revised indicative project time line which has been reviewed with Planning Manager and the Planning Portfolio holder following the detailed review of requirements by officers and the production of and a comprehensive schedule of work across the planning policy team. The work programme has been informed in part by the Schedule of Responses presented to Members in December 2019, but also by the statutory requirements of Plan making and the decision making framework of the Council, legislative changes and predicted legislative changes, emerging evidence and partnership work and team resource. The result is the production of a new project time

line which is required to be published as part of the Local Development Scheme, LDS update.

- 1.3 In order to maintain this programme it will be a particularly busy and challenging period for officers and members. Given the intricate nature of policy writing and interrelations between policy areas in order to make timely progress across the wide-ranging and complex issues that the Local Plan covers in an efficient way, there remains a requirement to ensure the Plan is progressed in a timely, progressive and co-ordinated way with decision made in a timely manner.
- 1.4 A Local Development Scheme, LDS, must be prepared under Section 15 of the Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011). An LDS is essentially a project plan which identifies the Development Plan Documents which when prepared will make up the Development Plan for the area. It must be kept up-to-date and be made publically available. This enables public and stakeholders to find out about planning policies in their area, the status of those policies and the details and timescales for the production of all relevant documents.
- 1.5 The LDS was published in August 2015 and an updated time table last published in March 2018. The revised time line now proposed takes into account the expected schedule of work now envisaged in order to finalise the Plan in relation to the current available resource and members requirement to bring forward a comprehensive development brief for North Walsham ahead of regulation 19 consultation and submission of the Plan.

**2. Local Plan Evidence**

- 2.1 A large part of the new Local Plan evidence has been prepared and published and can be found in the published [Document Library](#) on the Council's web site. There remains however, the requirement to ensure this is kept up to date and produced in a timely and sequential way to inform decisions. As such it will require careful programme management around project procurement, and partnership work in order to avoid delays and overall impacts on the time line. Situations can also arise where there is the requirement for additional supporting evidence. Where this arises it will inevitably impact on the indicative time line.
- 2.2 The following provides an indicative list of current evidence streams:

Evidence Document	Content
Coastal Background paper	Paper examining the land use issues and policy approached around coastal erosion and adaptation
Boundary Review	For both employment designations and small growth villages
Heritage Impact Assessments	Detailed review of heritage in relation

	to site appraisal
Open Space Study	Study that reviews open space requirements and informs on site policy requirements
Employment Study Update	Study that reviews employment requirements
Green Infrastructure & Recreation Avoidance and Mitigation Strategy	Study assessing whether growth, in terms of overall housing requirements and specific site allocations would have any likely effects on Habitats Sites. The Habitat regulation Assessment, HRA has identified potential impacts and such the council is required as a determinant of Soundness to ensure appropriate mitigation is in place.
Green Infrastructure	Updated and consolidated background evidence to inform GI policies and site allocations.
Final Sustainability report	Review and update of the regulation 18 Interim SA in order to inform the final suit of policies
Final HRA	Review and update of the interim HRA at regulation 18 stage in order to reflect the final suit of policies
Final Viability report	Update of Plan wide viability which supports deliverability of the “policy ask” such as the level of affordable housing and mix that can be supported across the district.
Consultation Statement	Report showing how feedback has been taken into account in the finalisation of the policies, in line with legislative requirements
Various background and topic paper updates	Updates and consolidation of site assessments for individual settlements, updates of the various regulation 18 background papers, covering the setting of the Housing Target, Distribution of Growth, approach to employment, Green Infrastructure, site selection, Housing construction standards settlement distribution ,
Infrastructure Delivery Plan	Report outlining the infrastructure requirements & planned investments
North Walsham Highways Evidence Study	Key piece of evidence to the delivery of the Western Extension as it will provide the initial ‘in principle’ signal that the development can function in highway terms.

### 3 Duty to co operate

- 3.1 Working together via a Members Forum the Norfolk Authorities have collectively agreed a Norfolk Strategic Planning Framework. This document contains a county wide vision and objectives for future development and around 30 separate agreements which will inform various aspects of Local Plan preparation. The forum has now commenced work on reviewing the framework and undertaking various other work streams which are best considered at a county wide level. A revised agreement document is expected over the summer of this year. This is likely to be informed by further work agreeing combined approaches in relation to green infrastructure provision and managing visitor pressures on designated wildlife sites and the approach to older person, where work is ongoing to establish the overall need and type of requirements across Norfolk. Work is also expected on a revised and updated Strategic Housing Market assessment, SHMA, though this work will need to be informed by proposed changes in methodology indicated by the Government but yet to be published, as such no timetable has been agreed. Work is also ongoing in relation to improving working relationships with key private and public sector infrastructure providers including water, health and broadband.
- 3.2 Brief High level milestones for the NSPF version 3 are set out below:

NSPF V3	
Review of Economics Section	Complete
Completion of GI RAMS Report	June 2020
Completion of Elderly Study	June 2020
Completion of Climate Change work	August 2020
Completion of Health/Heathy Living work	August 2020
Transport Agreement?	August 2020
Telecoms Review?	August 2020
Drafting complete and Member forum to review NSPF V3	September 2020
Public Consultation?	October/November 2020
RAMS implementation	January 2021
Endorsement	March 2021

### 4 Site Appraisal

- 4.1 Work has commenced on the identification of the final suit of sites to be included in the Local Plan. These sites will be presented to Members over the coming months with a view of identifying sufficient sites in accordance with the settlement hierarchy and distribution to meet identified needs.



## 5 Policy writing

- 5.1 following the site appraisal work resource capacity will be released to focus on reviewing consultation feedback and appropriate evidence to finalise the policy areas, such the suit of policies that cover climate change and the environment, Economy including tourism and to review the housing delivery, phasing and targets. This will be followed by bringing the plan documents together including the final HRA, SA report and consultation statement.

## 6 Legislative Change

- 6.1 The Secretary of State for Housing, Communities and Local Government made a statement in the House of Commons 12 March 2020 on Planning for the Future. It was accompanied by a policy paper giving further detail on the Government's latest proposals. A "bold and ambitious white paper" will be published in the spring giving further details of changes to the planning system. Amongst others indication was given that:

- There carrot-and-stick measures to ensure land for housing is brought forward. **A deadline of December 2023 is introduced for local authorities to have an up to date plan, with intervention powers threatened thereafter.** The housing delivery test threshold will be raised to 75% in November 2020, and the New Homes Bonus is to be reformed to "reward" local authorities who are performing well.
- There is a renewed focus on design. The NPPF will be revised to strengthen policy on "good design and place making.
- Policy on flood risk may be tightened up. The Government will "assess whether current protections in the NPPF are enough", in light of the widespread serious flooding caused by winter storms this year.
- There is further money to be released through Housing Infrastructure Fund as part of the recent budget where £1.1billion was announced to fund specific key infrastructure projects

## 6 Conclusion / Recommendations

- 6.1 **That the revised time line for Local Development Scheme is published. Details Appendix 1.**

## 7 Legal Implications and Risks

- 7.1 Producing a Local Plan document within a set timetable is not without risk. A number of risks to delivery against the milestones have been identified and are set out below. As far as is practicable these risks have been taken into account in producing the timetable. However, it is recognised that there are risks that may present significant challenges to the timely progression of the Local Plan including further significant

changes to the planning system at national level as indicated above or a significant piece of case-law that indicates that a particular approach should be followed or further member steer.

- 1) Staff Resource: in common with many rural planning authorities the planning policy team is relatively small. Staff turnover, the lack of qualified and experienced planning officers and the need for staff to increasingly specialise along with the difficulty in recruiting faced by the authority all pose medium and long term risk to the timetable. The recent loss of staff and long term illness is increasing impacting on staff ability to prioritise Local Plan work ahead of other policy requirements such as annual monitoring, national statistics, policy and appeal consults. Longer term recruitment issues have the potential to impact on workloads. Short term solutions through contract work may help however the nature of the work requires significant local knowledge as well as a high degree of experience.
- 2) Further changes to National Planning Policy could give rise to a need to review or amend the timetable. Particular regard will need to be had to any changes to the planning practice guidance and the forthcoming white paper. In addition there are changes to the methodology in establishing population projects and the government has indicated that it will publish a revised standard methodology for establishing housing need. It is also evident from a number of recent examinations of Local Plans that there are two particular issues impacting upon the progress of plans including:
  - The need to demonstrate a robust approach to Objectively Assessed Need (OAN) for housing and economic development requirements; and
  - Ensuring that the Duty to Co-operate (DTC) is demonstrated in producing the Local Plan.

The Council is working in partnership with neighbouring local authorities (Breckland DC, Broadland DC, Norwich CC, Great Yarmouth BC, Kings Lyne & West Norfolk and South Norfolk DC and the Broads Authority) on a number of joint projects. Work is also about to commence on progressing an updated SHMA and the Council will need to take account of its findings in its draft Local Plan. There will need to be a timely delivery of the final agreed studies amongst the partnership and within the council processes to ensure that Local Plan is delivered to its revised and anticipated timetable.

The approach to Duty to co-operate, DTC in Norfolk has been formulated by way of a countywide officer/member group that considers key strategic issues that may impact on the formulation of local plans produced by the various local authorities. Ensuring the duty to co-operate is discharged through the preparation of the

Local Plan. This officer group is under strain from staff resource with local authority's priorities impacting on the time available to contribute across the Region. As such there is a medium and long term risk to the timetable if work cannot be resourced effectively.

- 3) The Local Plan requires a significant input in terms of evidence to support the policies and proposals that will feature in the document. Whilst careful programme management is in place to deal with the outputs from the various evidence base studies, issues can arise where there are delays in the delivery of key evidence base outputs, or situations arise where there is an additional requirement for supporting evidence, which are outside the control of officers. Where this may impact upon the timetable for the Local Plan, measures will be put in place to minimise the risks. If delays cannot be avoided, this will be discussed with the Planning Manager and Portfolio Holder in the first instance to consider pragmatic solutions to ensure timely delivery of the Local Plan.
- 4) Habitat Regulation Assessment. Planning documents which may affect European sites are required to undergo an assessment to ensure that they do not result in adverse effect on those sites. The proximity of many settlements across North Norfolk to such sites has the potential to limit the available options. A risk in relation to recreational pressure has already been identified and a strategic solution is being developed across Norfolk in conjunction with Natural England. To date the Plan has been informed by an interim HRA, the final Plan however will need to undergo a further HRA. Any risks identified at this late stage may be significant showstoppers. In this scenario, the Council would be required to demonstrate how the plan could avoid or mitigate any adverse effects and would likely require further study and evidence.
- 5) Covid 19. The work program and timetable follows a review prior to the emergency measures introduced following the declaration of the pandemic. The ability to maintain progress not only depends on the working arrangements introduced by the council but on timely decisions and the continued prioritisation of the planning service.

## 8 Financial Implications and Risks

- 8.1 Failure to undertake plan preparation in accordance with the regulations and NPPF is likely to render the plan 'unsound' at examination and result in the need to return to earlier stages. Substantial additional costs would be incurred.

**Appendix 1** Revised Timetable: LDS timeline v3.1

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### North Norfolk Local Development Scheme Timetable revision V3.1 March 2020

Document	2018												2019												2020												2021												2022																																																																		
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O																																																									
Local Plan - Strategic Policies & DM Policies																																																																																																																			
Local Plan - Site Allocation																																																																																																																			
North Walsham Development Brief																																																																																																																			
Landscape Character Assessment & Landscape Sensitivity SPD's																																																																																																																			
Design Guide, SPD																																																																																																																			
Policies Map																																																																																																																			

Legend	
	Preparation of Document/ Evidence gathering / assessment of reg 18 representations
	Regulation 18 (or Equivalent SPD) Consultation
	preparation regulation 19 sites / policies
	Publication of Plan ( Reg 19)
	Submission of Plan
	Examination
	Inspectors report
	Adoption
	Update of Policies map

Neighbourhood Development Plans: These are not Local Plan documents but do on adoption form part of the overarching Development Plan for the District

Document	Geographical Area	Area Designation	Pre submission Consultation	Formal Publication	Adoption
Holt	Parished area	Dec-13	Jan-18	NA	NA
Corpusty & Saxthorpe	Parished area	Dec-13	Jun-17	Jan-18	01/04/2019
Happisburgh	Parished area	Feb-16	N/A	N/A	NA
Overstrand	Parished area	Oct-16	N/A	N/A	NA
Ryburgh	Parished area	Apr-17	Aug-19	submitted March 2020	NA
Blakeney	Parished area	Nov-17	Nov-19	N/A	NA

In accordance with section 15 of the Planning and Compulsory Purchase Act (as amended), this LDS has updated the previous timeline (August 2015 5 2018 ) as milestones were out of date.

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## North Norfolk District Council Response to the Coronavirus Pandemic

Summary: This report details North Norfolk District Council's response to the Coronavirus Pandemic at a strategic, local and organisational level. This includes:-

- establishing a dedicated COVID helpline and email address operated over extended Customer Service hours including weekends and Bank Holidays since 30<sup>th</sup> March;
- making contact with over 2000 local residents who are "shielding" under Government advice and providing support to over 1200 other people who are self-isolating and who have requested support from the Council with shopping and prescription deliveries;
- operation of 10 Local Co-ordination Centres through which support has been provided to vulnerable people through voluntary community networks and Council staff
- is administering the distribution of the Council Tax Hardship fund to 3424 households
- administered £26million of Small Business Rate Reliefs and £45million of Small Business Grants on behalf of the Government.

The report also outlines preparations being made by the Council for the Recovery phase of this global incident.

Options considered: The report details the Council's actions in responding to the Coronavirus pandemic during the Response phase and the preparations being made for the Recovery phase. Options considered are outlined in the report.

Conclusions: The report details the actions taken by the District Council in response to the Coronavirus Pandemic and of the preparations being made to support local communities and businesses "recover" from this unprecedented global event.

Recommendations: **Cabinet is asked to note and comment on the Council's response to the Coronavirus Pandemic; and**

**note and comment upon the preparations being made for Recovery – to include:-**

- **the short-term actions proposed in respect of:-**
  - **opening up the Council's services and facilities;**

- transition for the stepping down of the Community Support Programme;
  - planning the return of staff to their main roles from working at home and redeployment into other roles;
  - re-establishing formal meetings of the Council and
  - critically considering the implications of lockdown and phased lifting of social distancing restrictions, possibly over a number of months, on local businesses, particularly tourism businesses which face having a severely curtailed summer season.
- the longer term need to review the Council's Medium-Term Financial strategy in light of the changing financial situation of the Council and as a result undertake a review of the Council's proposed programme of activity as previously detailed in the Corporate Plan and Delivery Plan.

Reasons for Recommendations:

To inform corporate learning from experience gained through the Response phase and inform decisions moving forward through the Recovery phase

Cabinet Member(s)	Ward(s) affected
Cllr Sarah Butikofer, Leader of the Council	All
Contact Officer, telephone number and email:	
Steve Blatch, Chief Executive Email:- <a href="mailto:steve.blatch@north-norfolk.gov.uk">steve.blatch@north-norfolk.gov.uk</a> Tel:- 01263 516232	

## 1. Introduction

- 1.1 The Coronavirus is a global pandemic event which has been widely reported in national media since the beginning of 2020. Originating in the Wuhan province of central China, the virus has spread across the world over the past four months. Over 3 million people are now believed to have contracted the virus with cases recorded in almost all nations around the world; with global deaths now exceeding 200,000 individuals (John Hopkins University, BBC News website 28<sup>th</sup> April 2020). The virus is highly contagious and has spread quickly around the world through international travel, with many national governments adopting strict social distancing and lockdown policies to try and halt the spread of the virus, protect health services from being overwhelmed and save lives. The virus, which infects the respiratory system, appears to have particularly serious, if not fatal, outcomes for older people and people with underlying health conditions.



- 1.2 In the UK, cases of Coronavirus first began to be recorded in relatively small numbers during February, with the first death recorded on 5<sup>th</sup> March. At this time, the impact of the virus at a global level was beginning to be understood and the UK Government began to make formal preparatory arrangements to manage and contain the spread of the virus across the UK. Initially this was through contact tracing and then the adoption of public health and economic policies, including standing up Local Resilience Forum structures and proposing to increase capacity within NHS hospitals to manage any peak infection through suspension of elective procedures, moving some patients from acute hospital into community hospital or convalescent settings and establishing some temporary Nightingale Hospitals in London and key regional centres.
- 1.3 At the same time the Government made a number of announcements in support of businesses and the economy through the Budget on the 11<sup>th</sup> March and then again on 18<sup>th</sup> March – including Rate Relief for Small Businesses, a Small Business Grant Scheme, a Coronavirus Business Interruption Loan Scheme and an employee furlough scheme where the Government meets 80% of costs of employees temporarily unable to work because of Government guidance that people should stay at home with most businesses unable to operate.
- 1.4 The Government also announced on 20<sup>th</sup> March significant additional funding (£1.6billion) for the local government sector to assist in the national response to Coronavirus – including support for people with serious underlying health conditions to “shield” themselves by staying at home and indoors for twelve weeks and for people over the age of 70 and with a range of other underlying health conditions to “self-isolate” so as to protect themselves from the possibility of contracting the virus; provision of accommodation for rough sleepers and homeless people and in the administration of business rate relief and grant programmes.
- 1.5 Then, on the evening of the 23<sup>rd</sup> March, the Prime Minister announced that in order to try and halt the spread of the virus, manage increasing demand on acute NHS services and capacity and save lives, the UK would follow the policies of many countries around the world through requiring people to Stay at Home – ie a lockdown, initially for a period of three weeks; with emergency legislation being enacted on the 26<sup>th</sup> March putting statutory powers in place in respect of non-essential travel, public gatherings, remote council meetings etc.
- 1.6 At a Norfolk level, Local Resilience Forum arrangements were put in place from 10<sup>th</sup> March; based on adopted and rehearsed civil contingency plans – most recently developed for a pandemic flu incident. These arrangements see a multi-agency taskforce established across the local authority, health, emergency services, utilities and government bodies to manage the local response to emergency situations with Steve Blatch representing the Council on the Strategic Co-ordination Group (SCG) which has been meeting three times a week; and Steve Hems and Alison Sayer representing North Norfolk on the Tactical Co-ordination Group (TCG), which has been meeting daily between five and seven days a week over the past six weeks.
- 1.7 North Norfolk District Council has then put in place its own civil contingency / business continuity plans through a Gold and Silver structure operating since 23<sup>rd</sup> March; with Gold meeting daily (Monday to Friday) made up of Steve Blatch, Steve Hems, Sean Kelly, Alison Sayer and Cllr Sarah Butikofer to manage the Council’s strategic response and resource allocation to the incident taking reference from the County SCG and TCG structures; and Silver meeting daily (Monday to Friday) essentially being the Operational

Management Team, chaired by Sarah Ashurst to oversee business continuity, staff allocation / redeployment etc.

## **2. North Norfolk District Council's response – as a timeline**

2.1 As the potential impact of Coronavirus in the UK became increasingly understood during March; the District Council took the following decisions and actions:-

- SLT discussed our possible response to and preparations for Coronavirus at its meetings of the 10<sup>th</sup> and 17<sup>th</sup> March
- Following the Chancellor's Budget on 11th March announcing Small Business Rate Reliefs for 2020/21 the Business Rates Team wrote to 2,000 customers issuing new bills to reflect the new reliefs, all of which was completed by the 18<sup>th</sup> March, 7 days after the additional reliefs were announced. In total, business rate reliefs in excess of £26m were provided to 6,000 customers.
- During the week of 16<sup>th</sup> March, the Council's Benefit Team began receiving large numbers of calls about entitlement to benefits from people who were fearful of their job security and income during any social distancing / anticipated lockdown period and began applying Hardship Fund monies to people in receipt of Council Tax Support.
- During the week of 16<sup>th</sup> March, in response to Government advice on social-distancing, the Council made preparations for large numbers of staff to work from home.
- As Government guidance on social-distancing increased during the week of the 16<sup>th</sup> March and there was some evidence of panic buying of hand sanitiser, soap and toilet rolls, the authority saw some vandalism and theft from its public toilets and a decision was taken to close 17 facilities on 19<sup>th</sup> March, under delegated authority of the Head of Paid Service.
- On 20<sup>th</sup> March the Government announced significant additional funding (£1.6billion) for the local government sector to assist in the national response to Coronavirus. Much of this funding was allocated to upper tier and unitary authorities which have social care responsibilities. North Norfolk District Council received £56,802 from this announcement towards its response to Coronavirus.
- Following large numbers of people visiting coastal areas in the good weather of the weekend of 21<sup>st</sup> and 22<sup>nd</sup> March, the Council closed its coastal car parks from Monday 23<sup>rd</sup> March, again under delegated authority of the Head of Paid Service.
- Following the Prime Minister's statement on the evening of the 23<sup>rd</sup> March, the Council closed Cromer Pier, all public toilets and children's playgrounds in support of Government advice that everyone should Stay at Home to Protect the NHS and Save Lives except for four stated purposes – food shopping, to access medical services and provide care support to relatives / neighbours, daily exercise and work as a key worker where it was not possible to work from home. These closures were approved under delegated authority of Head of Paid Service and Property Services Manager.
- From 24<sup>th</sup> March, the majority of staff were advised to work from home, with pressure on the Council's IT systems managed through staff being asked to work over a two-shift arrangement 08:00 – 14:00 and 14:00 – 20:00.
- Following further Government guidance issued on 26<sup>th</sup> March, the Council closed its leisure centres and its leisure contractor furloughed its staff in accordance with the Government's programme with the Council agreeing to provide financial support under delegated

authority of Head of Economic and Community Development.

- During the week of the 23<sup>rd</sup> March arrangements were developed to operate a Community Support model establishing 10 Local Co-ordination Centres supported by a “back-office” tasking team to receive requests for support with shopping, prescriptions and other non-emergency requests by people shielding or self-isolating in accordance with Government advice, with requests being fulfilled through local community volunteer networks and District Council staff. A delegated authority form was completed in respect of these arrangements by the Head of Paid Service.
- On 30<sup>th</sup> March the Community Support programme went “live” with the 10 Local Co-ordination Centres being staffed on weekdays between 10:00 – 16:00.
- During the week of the 30<sup>th</sup> March, the SCG agreed that letters would be sent to all households in Norfolk providing advice and guidance of local support available to people during the Coronavirus lockdown period. This was at a cost of £27,500, agreed under delegated authority by the Head of Paid Service, with delivery of the letters taking place on Tuesday 7<sup>th</sup> April. This letter detailed a dedicated North Norfolk COVID helpline number and email address staffed 08:00 – 20:00 Monday to Friday excluding Bank Holidays and 10:00-16:00 on Saturdays and Sundays and Bank Holidays.
- In response to large numbers of people again not complying with the Government advice about non-essential travel to access coastal and countryside locations for exercise and dog-walking over the weekend of the 28<sup>th</sup> and 29<sup>th</sup> March, local police colleagues asked the Council on 30<sup>th</sup> March to close car parks at Holt Country Park, Pretty Corner Woods at Sheringham and the Vale Road beach access at Mundesley – all these locations remained open to local people accessing the sites on foot. These closures were agreed under delegated authority by the Head of Paid Service.
- From 30<sup>th</sup> March, the Business Rates, Economic Growth, IT and Communications Teams developed the systems required to support the process of administering the distribution of £65million of Small Business Grant Funds to 5000 potentially eligible businesses, with registration for applications going live from 4<sup>th</sup> April and first payments being made on 8<sup>th</sup> April.
- Over the Easter weekend Friday 10<sup>th</sup> – Monday 13<sup>th</sup> April, the COVID helpline and email address were staffed between 10:00 – 16:00 for requests for assistance from people shielding / self-isolating and the Business Rates Team worked across the weekend processing business grant applications.
- On 16<sup>th</sup> April the Government advised that lockdown restrictions would remain in place for a further three weeks and new delegated authority forms were completed by the Head of Paid Service extending the closure of coastal and country park car parks, public toilets and Cromer Pier.
- On 25<sup>th</sup> April the Secretary of State for Housing, Communities and Local Government announced that the Government was to provide a further £1.6bn to the local government sector. Subsequently the Council was advised (28<sup>th</sup> April) that it would receive £1,045,316 through this announcement.
- On 2<sup>nd</sup> May, the Government announced an extension of the Small Business Grant Scheme to provide support to businesses which fall outside the criteria of the current scheme. Whilst at the time of writing this report (5<sup>th</sup> May) the amount of funds which will be paid to North Norfolk District Council is not known, consideration is being given to how this money might be allocated locally.
- On 4<sup>th</sup> and 5<sup>th</sup> May, the District Council accommodated the provision

of mobile testing facilities provided by the Army at The Meadow Car Park in Cromer and Highfield Road Car Park in Fakenham. Further test visits are anticipated in future weeks and will be managed through the Localities and Property Services Teams.

- As of the date of writing this report (5<sup>th</sup> May) the SCG / TCG arrangements at a County level and our internal civil contingency arrangements are considered to be operating well, with thought beginning to be given to possible Recovery arrangements which for the District Council will involve stepping down the Community Support arrangements, opening up of car parks, toilets etc; seeing staff return to their main roles from working at home and redeployment into other roles and considering the implications of lockdown and phased lifting of social distancing restriction, possibly over a number of months, on local businesses, particularly tourism businesses which may face having a severely curtailed summer season.
- A verbal update on the lifting of any lockdown / social distancing restrictions and the response of the Council and transition to Recovery will be made at the Cabinet meeting.

### **3. Detailed actions / response by North Norfolk District Council**

#### **3.1 Community Support, Shielded and Vulnerable People, Food Hubs**

3.1.1 Early in the national planning process to protect the most vulnerable in our communities from contracting Coronavirus the Government advised that it would be writing to some 1.5 million people across the UK with serious underlying health conditions advising them that they should “shield” themselves by staying at home and indoors for 12 weeks from mid-March. The Government also advised that people aged Over 70 and with a list of underlying health conditions should also seek to protect themselves by “self-isolating” by staying at home. In order that these groups could stay at home, the Government asked local councils and voluntary community arrangements to put in place arrangements to support people with shopping, prescription delivery and other non-emergency support.

3.1.2 The Council therefore developed a Community Support model establishing 10 Local Co-ordination Centres supported by a “back-office” tasking team to receive requests for support with shopping, prescriptions and other non-emergency requests by people shielding or self-isolating in accordance with Government advice, with requests being fulfilled through local community volunteer networks and District Council staff. This support was outlined in a letter sent to all households in North Norfolk providing advice and guidance of local support available to people during the Coronavirus lockdown period. The letter detailed a dedicated North Norfolk COVID helpline number and email address staffed 08:00 – 20:00 Monday to Friday excluding Bank Holidays and 10:00-16:00 on Saturdays and Sundays and Bank Holidays.

3.1.3 In the weeks of the 6<sup>th</sup>, 13<sup>th</sup>, 20<sup>th</sup> and 27<sup>th</sup> April the Council was advised of 2000 people in North Norfolk registering through the Government’s Shielded Programme and Council staff contacted each of these people by phone to ask how they were and if they had support to live independently during the 12-week period they were advised to stay at home. The majority of these people did have family or neighbour support, but some 250 advised they would need help with shopping, support to access online deliveries through national supermarkets or local shops, or with assistance collecting prescriptions or with befriending calls.

3.1.4 Further, in addition to the outbound calls to these 2000 shielded individuals, at 28<sup>th</sup> April the Council had responded to 1012 requests for assistance to the

Council's dedicated helpline by other Vulnerable People – ie older people or people with underlying health conditions since 7<sup>th</sup> April, through the Local Co-ordination Centres; as well as having delivered over 2000 prescriptions on behalf of local GP surgeries and pharmacies.

3.1.5 Whilst much support with shopping has been fulfilled by national supermarkets and arrangements made with local stores which have responded to the needs of shielding and vulnerable people by taking orders and payments over the phone and then making local deliveries; the Council has established a Food Hub operation at the Cromer and Fakenham Local Co-ordination Centres to provide food parcels and basic provisions for people in need. This operation has been supported with donations from Morrisons, Roys of Wroxham, Kinnerton Confectionery at Fakenham, the Holkham Estate and Norwich City Football Club Community Sports Foundation for which the Council is hugely grateful and over the three weeks to 28<sup>th</sup> April the Council had distributed over 250 food parcels.

3.1.6 Much of this support has been very gratefully received by recipients many of whom have commented very positively to the Council about the support they have received. Examples include:-

- An elderly lady living on her own has been helped four times in getting food from Stalham Shopper and prescriptions to her front door. She has said she takes back anything bad she's ever said about the council because NNDC have been fantastic. She has said she has seen lots of horror stories in the press about people who are unable to get help, yet in North Norfolk we have done a brilliant job. She cannot thank us all enough. She has also said after this is over she will be swapping her normal weekly taxi journey to her main supermarket in favour of the Stalham Shopper who have been so helpful and accommodating.
  - A couple, with the wife suffering from two intolerances and husband self-isolating, have been full of praise and thanks to NNDC who have managed to obtain and deliver gluten free items, including bread and jelly babies which help her manage her diabetes, all possible thanks to petty cash provision.
  - A family who were all self-isolating due to severe medical conditions within the family home, were thankful to NNDC for sourcing, buying and delivering some emergency Cow and Gate baby milk. This was really helpful to them and they couldn't believe how quickly we provided help.
  - Shielded mother and her 12-year-old son with autism needed urgent help with food. The mother also needed assistance with her son. The Council delivered food parcels in the short term along with various local support information and provided details relating to services Norfolk County Council provide to assist her son. Very thankful and appreciative of our response.
  - Shielding lady, living on her own, was very thankful for us delivering dog food after she ran out and didn't know how to get hold of any. With use of petty cash the food was purchased and delivered on the same day.
  - Elected member from a council on the south Coast who has two elderly parents living in North Norfolk was full of praise and thanks after we arranged for food parcel delivery as an emergency, and arranged for a click and collect order to be collected from Asda and made plans for medication delivery. Very impressed with our response and the information provided in the form of a support information leaflet from the Local Co-ordination Centre. Very pleasing to hear that there are extensive volunteer groups operating alongside NNDC also.
- One person commented "Since we spoke yesterday I have been in contact with Morrisons - no joy there but then I contacted Tesco and they have given me a priority slot for doorstep delivery food shopping. Not there yet but it sounds hopeful. So, no need to ask Jemma or

another to shop for us right now. Please thank them for their offer of help. Will let you know if the situation changes. Thanks so much for all your help and your concern. I will never moan about my council tax again!”

### **3.2 Homeless Support**

3.2.1 In response to Government advice that local authorities should seek to accommodate rough-sleepers and homeless people through the period of the Coronavirus lockdown to protect these people, many of whom have underlying health conditions, from contracting the virus; the Council’s Housing Options Team has secured accommodation for 13 individuals at a cost to date of £14,625.00

### **3.3 Hardship Fund**

3.3.1 The District Council was awarded £724,000 to operate a Council Tax Hardship Fund for people in receipt of Council Tax Support. Initial estimates are that 3424 households should receive discounts of up to £150 on their Council tax bill, with a total of £366,213.75 being awarded based on current caseloads.

3.3.2 In the six weeks since 16th March, the Benefits Team has handled over 5100 enquiries for support, an increase of 85% in caseload over the six-week period.

### **3.4 Business Rate Reliefs and Support Grants**

3.4.1 In the weeks of 16<sup>th</sup> and 23<sup>rd</sup> March, the Business Rates Team awarded business rate reliefs for the 2020/21 financial to 6000 account holders applying reliefs announced by the Government through issuing new bills amounting to £26million.

3.4.2 From 30<sup>th</sup> March, the Business Rates, Economic Growth, IT and Communications Teams developed the systems required to support the process of administering the distribution of £65million of Small Business Grant Funds to 5000 potentially eligible businesses, with registration for applications going live from 4<sup>th</sup> April and first payments being made on 8<sup>th</sup> April.

3.4.3 With staff in the Business Rates Team and support functions working over three consecutive weekends (including the four-day Easter weekend) and extended hours on weekdays, by 5<sup>th</sup> May the Council had paid out £45.875m of Small Business Grants to 4,169 customers which is 84% of our identified total by value and 84% of our customers by number.

3.4.4 This is a huge achievement as North Norfolk was the largest recipient of this funding in Norfolk, with 24% of the total £276million paid to Norfolk authorities; with the next nearest authority receiving 17% of the budget. In the MHCLG return submitted to Government on 4<sup>th</sup> May, we were the 33<sup>rd</sup> highest authority in terms of numbers of grants paid and the 41<sup>st</sup> highest authority in terms of amount of funding paid out to business by value, which is a significant achievement given the size of our team and nature of our business base.

### **3.5 Virtual meetings**

- 3.5.1 In response to Government guidance issued on the conduct of Council business through virtual meetings, the Democratic Services Team has developed systems and processes to allow formal meetings of the Council to be conducted over Zoom and Youtube. By the time of this Cabinet meeting, Cabinet has previously met once using this technology and the Development Committee would have met twice; with a series of online member training / briefing sessions also held on issues relating to our Coronavirus response including Benefits, Business Grants and Homeless Support.

### **3.6 Communications**

- 3.6.1 Throughout the past six weeks, the Council has adopted a variety of communications techniques to deliver messages to residents, business customers, staff and members on how the Council is responding to the Coronavirus emergency.
- 3.6.2 The Council's new Communications and PR Manager has participated in the daily Norfolk Comms Officers briefings to ensure that, at a North Norfolk level, through our website and social media channels, we deliver co-ordinated messages with County partners. This has included messaging on Social Distancing; Staying at Home, Community Support and PPE.
- 3.6.3 At a North Norfolk level we have issued our own messages and press statements on a range of issues including facilities closures, asking tourist visitors and owners of second homes not to travel to North Norfolk at the present time, community support programme and business grants through radio interviews by the Leader, news releases to Archant EDP and North Norfolk News and through our website and social media platforms.
- 3.6.4 In addition the Leader of the Council has recorded a number of video messages to residents shared on the Council's website and we have prepared a number of short videos with staff working at the Local Co-ordination Centres and Food Hub and on the operation of the Community Support Programme. There have also been regular emails to all staff and members through the Leader of the Council and Head of Paid Service / Chief Executive.

### **3.7 Other issues**

- 3.7.1 At various times over the past five weeks, the Head of Paid Service and Leader of the Council have been briefed by County partners of strategic decisions made which could impact on North Norfolk such as the temporary mortuary facility at the Scottow Enterprise Park; use of accommodation at the former Officers Mess (in the Broadland District) at Badersfield for temporary accommodation for local people in housing need and the use of facilities at the Walsingham Shrine as step-down accommodation by people medically fit to leave an acute hospital setting but who cannot immediately return home. In each of these cases prior notice of these developments has been shared with local ward members before such information is placed in the wider public domain / media.

- 3.7.1.1 North Norfolk District Council was not, however, advised in advance by the Home Office of its proposals to accommodate on a temporary basis asylum-seekers at the former Officers Mess at Badersfield and learnt of these proposals through colleagues at Broadland Council and Norfolk Constabulary, who themselves were given very limited advance notice of the use of rooms at the former Officers Mess building for this purpose. Since this use has been established, the District Council has been represented in a multi-agency meeting with partners to understand how this group of asylum-seekers will be supported during their accommodation at Badersfield, which has been helpful in responding to the concerns of local residents.
- 3.7.2 Recognising the potentially significant impact of the Coronavirus restrictions on the local tourism economy at the beginning of the main visitor season and with no clear understanding on the phasing of the lifting of social distancing restrictions, and emerging studies on the impact of Coronavirus on local economies, the Council has commissioned a detailed piece of work on the potential impact on local tourism businesses and proposes drafting a submission to the DCMS Select Committee Inquiry on tourism businesses during May. The Council, through its partner VistNorthNorfolk has also encouraged local tourism businesses to participate in a survey undertaken by Visit East of England, which has achieved good level of return by North Norfolk businesses.
- 3.7.3 The Economic Growth team are also making telephone calls to the District's largest employers to understand the impact of Coronavirus on their operations in the short, medium and longer terms, so that the authority is in a strong position to support the local economy as we move beyond the current Response phase of the pandemic into Recovery.
- 3.7.4 This local economic intelligence is considered critical as two research recent studies have suggested the North Norfolk economy will face significant impact and challenge as a result of the pandemic moving forward, to which the Council and a range of partners will need to respond. The surveys are:-

Centre for Progressive Policy –

<https://www.progressive-policy.net/publications/which-local-authorities-face-biggest-immediate-economic-hit> – which predicts that the North Norfolk economy might see a 39% decline in economic output as a result of Coronavirus.

Royal Society of the Arts, Manufacturing and Commerce - <https://www.thersa.org/about-us/media/2020/one-in-three-jobs-in-parts-of-britain-at-risk-due-to-covid-19-local-data-reveals>, which identifies the North Norfolk District as the 14<sup>th</sup> highest local authority area at risk of job losses due to Coronavirus with 31% of jobs at risk due to the area's dependence on the tourism and hospitality sector.

#### **4. Preparation for Recovery**

- 4.1 As evidence has increased over recent days (end of April) that the UK might have reached the peak of infection, the Council needs to now give thought and detailed planning to leading the local Recovery – for our communities, businesses and as an organisation. This consideration will include the



Council's partnership role within the Norfolk NRF arrangements as well as developing our Recovery response at a district level.

- 4.2 Officers have begun to give thought to how the Council should prepare and lead this Recovery phase of activity including – the opening up of car parks, public toilets, playgrounds etc; the stepping down of the Community Support arrangements, planning the return of staff to their main roles from working at home and redeployment into other roles; re-establishing formal meetings of the Council and critically considering the implications of lockdown and phased lifting of social distancing restrictions, possibly over a number of months, on local businesses, particularly tourism businesses which face having a severely curtailed summer season.
- 4.3 The Council will also need to review its financial position moving forward against its stated aims and ambitions outlined in its Corporate Plan. The context for these considerations, to be progressed over the next three months, is provided in a separate report on this agenda on the financial impact and funding implications of Coronavirus as prepared by the Head of Finance and Assets.

## **5. Alignment with Corporate Plan objectives**

- 5.1 The Coronavirus Pandemic is an unprecedented event of global scale, which has required a significant and co-ordinated response by North Norfolk District Council in seeking to provide support to our communities and businesses at a very challenging time.
- 5.2 It is believed that our staff and members have risen to the challenge of supporting our communities well at this time – representing the very best in public service, supporting our colleagues in the NHS, social care and emergency services in meeting the needs of individuals and communities across North Norfolk. Our Community Support Programme, Food Hub operations, payment of business grants and Hardship Funds and the way we have maintained strong communications messages across a range of channels has been a huge team effort with many staff colleagues deployed into roles which have been new and unfamiliar, whilst other colleagues have worked at home maintaining our normal range of services to our customers and preparing to resume business as usual as the Council moves into the Recovery stage.
- 5.3 Clearly, at this time, as a corporate body, it has not been able to progress with our objectives as laid out in our recently agreed Corporate Plan and it will therefore be necessary to revisit some of these aspirations in the short and longer terms as the Council adapts to the new situation it finds itself in in needing to support businesses recover from this unexpected economic shock, particularly the tourism sector and town centres and high streets. The Council will therefore take stock and refocus its efforts within the six principal objectives of the Corporate Plan and bring back further reports in the coming weeks around our re-shaped priority actions.

## **6. Medium Term Financial Strategy**

- 6.1 The Council's Head of Finance and Assets has prepared a separate report on the funding and financial issues raised by the Council's response to the Coronavirus pandemic elsewhere on this agenda, so there are no detailed financial comments made in this report detailing the Council's response to this event.

## **7. Financial and Resource Implications**

- 7.1 See comments made at 5 above.

## **8. Legal Implications**

- 8.1 Decisions taken under emergency provisions through delegated powers / authority are detailed at Section 2 of the report.

## **9. Risks**

- 9.1 This report details the Council's response to the global Coronavirus pandemic. Decisions taken have been informed with reference to Government advice and guidance and decisions taken through the Norfolk Local Resilience Forum arrangements in the interests of the North Norfolk community. Options have been considered in the agreement of specific actions, including relevant and associated risks with decisions taken under emergency provisions discussed, agreed and recorded at meetings of the Council's Gold Civil Contingency arrangements with the overriding objectives of protecting public health and life of North Norfolk residents and managing pressure / demands on local NHS capacity, resources and infrastructure.

## **10. Sustainability**

- 10.1 None as a direct result of this report.

## **11. Equality and Diversity**

- 11.1 None as a direct result of this report – many of the actions taken by the Council have however sought to protect and support some of the most vulnerable people in our communities by virtue of their age, frailty, underlying health conditions or housing situation.

## **12. Section 17 Crime and Disorder considerations**

12.1 None as a direct result of this report.

### **13. Conclusion and Recommendations**

**Cabinet is asked to:-**

**note and comment on the Council's response to the Coronavirus Pandemic; and**

**note and comment upon the preparations being made for Recovery – to include:-**

- **the short-term actions proposed in respect of:-**
  - **opening up the Council's services and facilities;**
  - **transition for the stepping down of the Community Support Programme;**
  - **planning the return of staff to their main roles from working at home and redeployment into other roles;**
  - **re-establishing formal meetings of the Council and**
  - **critically considering the implications of lockdown and phased lifting of social distancing restrictions, possibly over a number of months, on local businesses, particularly tourism businesses which face having a severely curtailed summer season.**
- **the longer term need to review the Council's Medium-Term Financial strategy in light of the changing financial situation of the Council and as a result undertake a review of the Council's proposed programme of activity as previously detailed in the Corporate Plan and Delivery Plan.**

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## COVID-19 FINANCIAL IMPLICATIONS

**Summary:** The coronavirus COVID-19 pandemic represents a monumental challenge for the District Council which will inevitably have a significant impact on the Council's resources and budget during 2020-21 and future years.

This report provides an overview of the current assessment of the emerging financial impact of COVID-19 which will have a profound impact on the organisation's ability to achieve planned budget savings and income for 2020-21 onwards. It also considers the COVID-19 funding provided to date from government and the extent to which this will support the current financial pressures.

An update is also provided in relation to the support provided to local businesses through the Small Business Grant scheme and the various additional business rate reliefs announced.

The Council is proactively responding to the challenge of the COVID-19 pandemic to maintain the delivery of vital front line services whilst at the same time freeing up capacity to help, support and protect vulnerable people, supporting businesses and ensuring the safety of all of our staff whilst delivering this vital work.

**Options considered:** This report sets out the initial high level forecasts relating to the COVID-19 pandemic but at this stage there are no specific alternative options considered.

**Conclusions:** This report provides an overview of the current assessment of the emerging financial impact which will have a profound impact on our ability to achieve savings and income for 2020/21. In addition, it helps to set the context for the Council's MTFS and budget planning process for 2021/22, which will be reported to Cabinet later in the year.

The Council faces an unprecedented financial and public health crisis. It will be essential to continue to engage with Government, MPs and other stakeholders to campaign for adequate and sustainable funding for the District so that we can continue to deliver vital services to residents, businesses and visitors.

The current pandemic demands very different ways of working and will require review and consideration of current and future priorities. Looking beyond the immediate impacts, the overall level of uncertainty means the financial environment remains extremely

challenging for the foreseeable future. The assumptions upon which both the Medium Term Financial Strategy (MTFS) and the 2020/21 budget are based have now been significantly undermined by the current crisis and will necessitate a fundamental review of the budget position given the current funding pressures.

The current projected budget position (c£1m deficit 2020/21) is constantly changing and therefore the high level projections contained within this report must be seen in this context and could be subject to significant change depending on further announcements over the coming months.

Recommendations:

**It is recommended that Cabinet note:**

- 1. The current package of financial support being provided to the Council by the government to support its response to COVID-19;**
- 2. Continues to lobby central government for further additional financial support;**
- 3. The forecast cost and income pressures being faced by the Council and the extent to which they exceed the available government funding and therefore the requirement for any deficit to be funded from other Council resources;**
- 4. The various caveats and risks associated with the current forecasts;**
- 5. The proposals in respect of updating the Medium Term Financial Strategy (MTFS) and the financial planning framework for the 2021/22 budget;**
- 6. The proposals for a fundamental review of the capital programme to ensure that the schemes still reflect the Council's changing priorities and to ensure that the Council can still afford them given the rapidly changing financial landscape;**
- 7. The proposal for a further financial update to come forward to Cabinet in July, by which time there will hopefully be more clarity regarding any continuing restrictions to include;**
  - Opportunities for re-prioritising and re-focusing currently approved 2020/21**

- budgets;
- Opportunities for savings, efficiencies and income generation this year;
- A review of the current reserves position with recommendations for re-allocation where appropriate and;

8. The progress to date in respect of the application of the various new business rates reliefs announced along with progress towards the government funded Small Business Grant programme which local authorities are being asked to administer (Appendix D).

Reasons for Recommendations:

To make Members aware of the current COVID-19 position in respect of the Council's budget and resource position for 2020/21 and indeed future years.

Cabinet Member(s) Cllr Eric Seward	Ward(s) affected All
Contact Officer, telephone number and email: Duncan Ellis (Head of Finance & Assets), ext 6330, Duncan.ellis@north-norfolk.gov.uk	

## Executive Summary

This report provides an overview of the current assessment of the emerging financial impact which will have a profound impact on our ability to achieve savings and income for 2020-21 onwards. A summary of the government funding announcements for individuals and business can be found within **Appendix A**. The government announced 2 tranches of funding (£1.6bn each) to support local authority finances. On 18 March we received **£0.057m** from the first tranche and a further **£1.045m** on 28 April, bringing our **overall funding level to £1.1m**. The current pandemic demands very different ways of working and will require review and consideration of the current and future priorities. Looking beyond the immediate impacts, the overall level of uncertainty means the financial environment remains extremely challenging for the foreseeable future. The assumptions upon which both the Medium Term Financial Strategy (MTFS) and the 2020/21 budget are based have now been significantly undermined by the current crisis will necessitate a fundamental review of the budget position given the current funding pressures.

The report considers the following fundamental elements comprising the 2020/21 budget and MTFS, and the challenges and pressures facing each of these identified areas (see **Appendix B/C**);

**Costs** - service cost pressures from increasing demand such as housing benefit and business support. Exceptional costs from things such as Community Hubs, resident communications and staff overtime costs/sickness/re-deployment. **INCREASING COST PRESSURES £0.429m**

**Income** – significant reductions being seen from fees and charges (parking, planning and building control fees, commercial waste, licensing etc). Reduction in recycling credits/profit share arrangements, rent holidays/waivers being requested. **INCREASING INCOME PRESSURES £1.098m**

**Savings** - savings plans at risk as focus has been diverted from delivery of savings to managing the crisis. The medium term is also impacted as many savings initiatives take place over the medium term, so steps not taken today will have a medium term impact. **PRESSURE ON SAVINGS**

**Investments** – loss of investment income from cash balances due to changes in markets and prioritisation of short-term holdings to maximise liquidity. Potential additional borrowing costs to support cash flow. **REDUCING INVESTMENT RETURNS AND INCREASED BORROWING £0.250m**

**Funding streams** - a fall in the council tax and business rates collection rate could have a significant impact in terms of both funding and cash flow risk. **PRESSURE ON FUNDING STREAMS £0.223m**

**Reserves** – reserves are already forecast to reduce from **£17.6m down to £9.3m over the next 4 years which is a reduction of 47%**. Of the remaining balances many are contingency amounts/grants ie GF, benefits and business rates reserves. Once removed the funding available for supporting the budget over the coming years is **less than £3m** meaning difficult funding decisions to be taken over the short to medium term regarding prioritisation. **REDUCING RESERVE BALANCES/OPPORTUNITY**

**Capital programme** - Postponed income from asset sales creates cash flow issues and impacts on the funding and delivery of the capital programme while Force Majeure clauses may impact on live projects. The current programme is in excess of £40m and requires fundamental review. **OPPORTUNITY**

At the current time the combined impact of all of the above cost/income pressures is resulting in a **high level budget deficit for the 2020/21 budget of c£2m, the funding provided of £1.1m will help to address this and reduce it to c£1m which the Council will need to address by looking to make savings and reallocate resources** within the current budget as the reserves are already under pressure and only represent a one-off source of funding which is not sustainable in the medium term.

**The current position (c£1m deficit 2020/21) is constantly changing and therefore the high level projections contained within this report must be seen in this context and could be subject to significant change depending on further announcements over the coming months.**



## 1. Introduction

1.1. This report sets out details of the government's announcements made as part of the 2020 Spring Budget and subsequently in response to the COVID-19 pandemic. In addition, it:

- provides a summary of the various support packages and announcements contained within the budget and subsequent central government communications (**Appendix A**);
- considers the significant uncertainties facing local government finances as a result of COVID-19;
- considers the impact on both the current budget and Medium Term Financial Strategy (MTFS) and also the updating the MTFS and the financial planning framework for the 2021/22 budget;
- outlines the Council's current forecast cost and income pressures emerging from the response to COVID-19 and the risks associated with the projections (**Appendix B and C**) and;
- provides a progress update in respect of the government funded Small Business Grant programme which local authorities are being asked to administer (**Appendix D**).

1.2. The content of the report is based on circumstances that are rapidly changing, often on a daily basis and as such some areas may quickly become outdated as new information emerges. The report should be read in conjunction with the separate paper *NNDC COVID-19 Response*, elsewhere on the agenda and considered in the light of the MTFS 2020/21 to 2023/24 and the 2020/21 budget report.

1.3. There were a range of support packages included within the March 2020 Budget announced by the Chancellor of the Exchequer and contained within subsequent central government communications for both individuals and businesses. These are summarised below within **Appendix A**.

## 2. COVID-19 funding support

2.1. On 19 March, the Government provided £1.6bn nationally to support the local government response to the coronavirus COVID-19 pandemic. This initial tranche of funding was understandably targeted towards adult social care and so the district share for NNDC was fairly insignificant at just £56k (Norfolk County Council's share of this original grant was £26.9m just for context).

2.2. The currently identified pressures in terms of additional expenditure but, more significantly for us, pressure on income budgets, significantly exceed the grant funding currently available. It is currently forecast that the council will incur cost and income pressures of around £2m by the end of the current financial year as set out in Table 1 below.

2.3. There is a however a high degree of uncertainty about these forecasts and they will continue to be refined as the situation develops and national and local responses are delivered.

2.4. On 18 April, the Government announced a further £1.6bn of support to local authorities, our allocation of £1.045m was announced on 28 April and brings our overall funding level to £1.1m.

### **3. Reporting of financial pressures to central government**

- 3.1. On 15 April the Council submitted a return to the Ministry of Housing, Communities and Local Government (MHCLG) to provide details of COVID-19 local authority financial management information. **It is important to note that this return and the analysis of responses set out in this section, reflect the position prior to the announcement of additional funding for local government on 18 April.**
- 3.2. The data collection exercise aimed to provide government with up-to-date information on how existing funding is being used and any changes in income and expenditure. There is an intention to repeat this exercise on a monthly basis in future, in particular to understand emerging pressures. There will therefore be an opportunity to refine and update the Council's submission. The initial return reflected the cost and income pressures as identified in Table 1 (i.e. total pressures of £2m).
- 3.3. On 24 April the Leader wrote to the two local MPs to highlight the challenges currently being faced by District Councils, particularly in respect of reductions in income, seeking their support to lobby central government for an increased share of the second tranche of £1.6bn local authority support package.
- 3.4. There were a number of concerns and caveats around the MHCLG data gathering exercise. In particular, there is a high likelihood of inconsistency in the responses by different authorities due to the short timescale for the return (7 April to 15 April which included two Bank Holidays) and the limited accompanying guidance.
- 3.5. It is likely that future iterations will seek to achieve more consistent, comparable responses. Commentary on the data collection exercise by the Society of District Treasurers was that *"it was structured in a way that did not enable MHCLG to have full visibility of the projected impact of COVID-19 on the finances of local authorities. It is therefore likely that further work may need to be conducted to better aggregate the true cost pressures of the COVID-19 pandemic on local authorities and particularly SCT members."*
- 3.6. Countywide discussions have further highlighted these inconsistencies in approach. The Council does however subscribe to the Pixel Financial Advisory Service who provide a number of forecasting models. On 24/04 Pixel issued a forecasting model to help support authorities with this process, two other local district authorities also subscribe and joint training sessions have been arranged to explore how the model could be used to improve the consistency of this information.

### **4. Corporate Plan and Delivery Plan**

- 4.1. The budget is fundamentally linked to the Corporate Plan, a summary of which can be found on the Council's website [here](#). The Delivery Plan, which can be accessed [here](#), supports the delivery of the vision and aspirations contained within the Corporate Plan.
- 4.2. As part of the Council Tax and Budget setting report approved by Full Council in February of this year a new 'Delivery Plan' reserve was established of nearly £2.4m which was funded through one-off provision adjustments

through the Collection Fund.

- 4.3. The Corporate Plan and associated Delivery Plan were however both established and agreed prior to the COVID-19 outbreak and the 'new normal' which emerges at the other end of this crises may well necessitate a fundamental review of both of these documents and the extent to which they are achievable given the current economic and financial uncertainty.
- 4.4. There may well be a new or renewed focus and priority given to certain aspects and new areas may well emerge, all of which will need to be considered against a backdrop of diminishing income levels and uncertain central government funding and this report is the start of some of these considerations.

## **5. Medium Term Financial Strategy (MTFS)**

- 5.1. The Medium Term Financial Strategy (MTFS) is a strategic document that supports the delivery of the Corporate Plan outcomes. It helps to ensure that the Council is 'doing the right thing' while taking account of internal strengths/weaknesses and external threats/opportunities. It should also provide a link between the Council's long-term service objectives and its financial capacity, which effectively asks the question 'can the strategic objectives be achieved within the available financial envelope?'
- 5.2. The MTFS covering the period 2020/21 to 2023/24 was approved by Full Council in December 2019. This was in the context of national pressures, local pressures, inflation, funding changes, income streams and savings. A full copy of the final MTFS can be found within the Full Council agenda papers [here](#) from page 85. This was however developed prior to the significant escalation in the severity of the COVID-19 pandemic.
- 5.3. The impact of this outbreak in Norfolk is having far-reaching consequences, and has already required a rapid and radical adjustment in both organisational priorities and ways of working. Inevitably, the MTFS could not foresee the adjustments which would be needed to respond to COVID-19 and as a result, changes in budget assumptions will need to be taken into account as part of 2021-22 Budget planning activity.
- 5.4. Although there are profound short-term impacts being experienced from the response to COVID-19, it remains to be seen precisely what the medium and longer-term impact will be, and as such the full implications for the Council's Budget in 2020-21 and beyond remain to be confirmed.
- 5.5. However, the pandemic will unquestionably change the long term shape of some of our services, in relation to joint working, public expectation, demand and digital access. In addition, it is highly likely that key income sources including council tax (through both the Collection Fund and tax base growth) and business rates will be under pressure in 2021-22, requiring a revision to budget planning assumptions.
- 5.6. Nationally, the Government has provided additional funding to Local Authorities to support them in responding to coronavirus, in the expectation that Councils will play a key role in maintaining critical frontline services, assisting vulnerable people and supporting businesses and individuals

suffering hardship. However, it is unclear to what extent this commitment to fund the COVID-19 response will extend to ongoing pressures for 2021-22 onwards and as such the Budget for next year will be developed in a climate of extreme uncertainty. It is therefore essential that the Council continues to lobby for increased financial support to help with ongoing budget pressures.

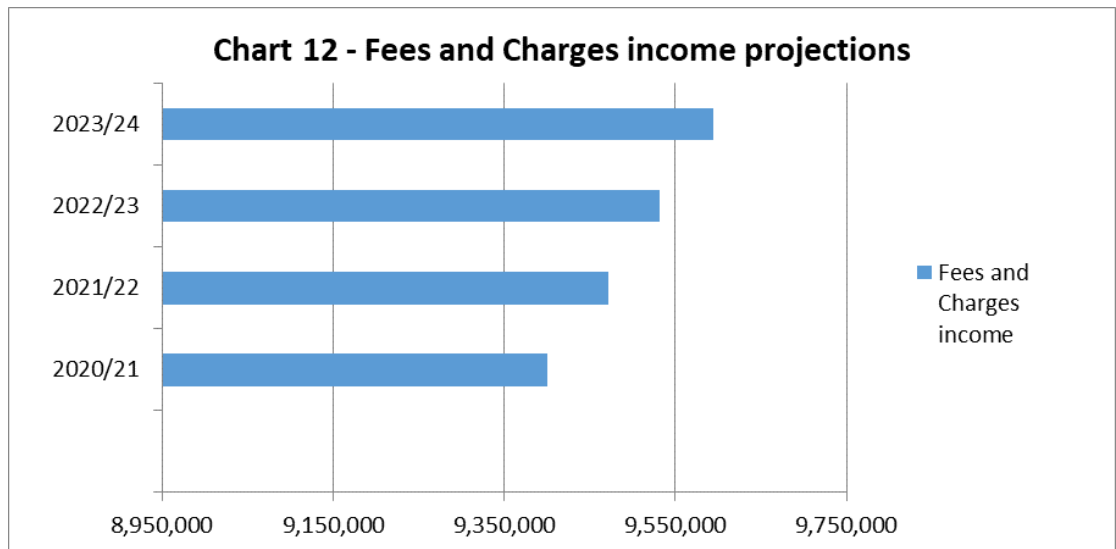
- 5.7. A number of services are seeing a profound impact from the pandemic, affecting service delivery, demand and ways of working across all parts of the Council. It is unclear how services and demand will need to operate beyond the immediate emergency period, particularly for vulnerable groups and businesses who may be affected for longer.
- 5.8. Legislation, policies and practices have all seen changes in the previous few weeks and these will undoubtedly represent opportunities for new ways of working, communicating and connecting both internally but more importantly externally with our customers and wider stakeholders. The crisis has demonstrated that we are able to move at speed and with flexibility to address challenging issues, such as the establishment of the Community Hubs and administration of the Small Business Grants programme, both of which have required significant cross-departmental working and a different focus for a number of staff.
- 5.9. Looking beyond the immediate impacts of coronavirus, the overall level of uncertainty means that the financial environment for local government remains extremely challenging for the foreseeable future. Local authorities continue to face a growing gap between funding and service pressures, driven in part by demographic changes, unfunded burdens such as the National Living Wage and limited opportunities to raise income locally through council tax referendum restrictions, all of which places increasing pressure on discretionary services.
- 5.10. The Council is still evaluating how the likely 2021-22 gap will be funded, but it is clear that there is a need for a new, different relationship with Government to rectify some of the long term problems surrounding local government funding. Without an increased level of Government assistance, there are likely to be significant savings to be found to deliver a balanced Budget in 2021-22 for which we were already forecasting a deficit of some £1.8m.
- 5.11. However, in view of the very substantial level of uncertainty about the medium term impacts of COVID-19, and the rapidly changing landscape of Government announcements, it is proposed that an updated financial impact paper, which considers the latest resource pressures, proposals for work on the MTFs and the budget setting process for 2021-22, is brought to the July Cabinet meeting, when there may be some further clarity to inform forecasts. This will provide a 'route map' to support the Council's financial recovery during this time and include consideration of the following officer proposals;
  - Opportunities for re-prioritising and re-focusing currently approved 2020/21 budgets;
  - Opportunities for savings, efficiencies and income generation this year;
  - A review of the current reserves position with recommendations for re-allocation where appropriate.

## 6. Budget 2020/21 onwards

- 6.1. The council's 2020-21 Budget was agreed by Full Council in February 2020, but the developing COVID-19 pandemic requires us to fundamentally question a number of the assumptions upon which the budget is now based.
- 6.2. The budget was informed by the 2019/20 Base Budget, the 2018/19 Outturn Report, the 2019/20 budget monitoring reports, the Medium Term Financial Strategy 2020/21 – 2023/24 and the 2020/21 draft budget review presented to Overview and Scrutiny. Apart from the MTFS all of these documents consider past performance and events and do not consider the potential impacts of the situation we currently find ourselves in.
- 6.3. When approved the 2020/21 budget was forecasting a surplus of £2.4m, largely due to one-off provision adjustments through the Collection Fund. However, the 2021/22 – 2023/24 projections were already forecasting deficits of £1.8m to £2.2m prior to the added pressures that the pandemic is going to place on the Council's resources.
- 6.4. The following provides a high level indication of some of the current cost and income pressures facing the Council in terms of the 2020/21 budget due to the projected impact of COVID-19. More details can be found within **Appendices B** along with an update to the risk areas identified within the 2020/21 budget report and MTFS (**Appendix C**).

### *General Fund – net cost of services*

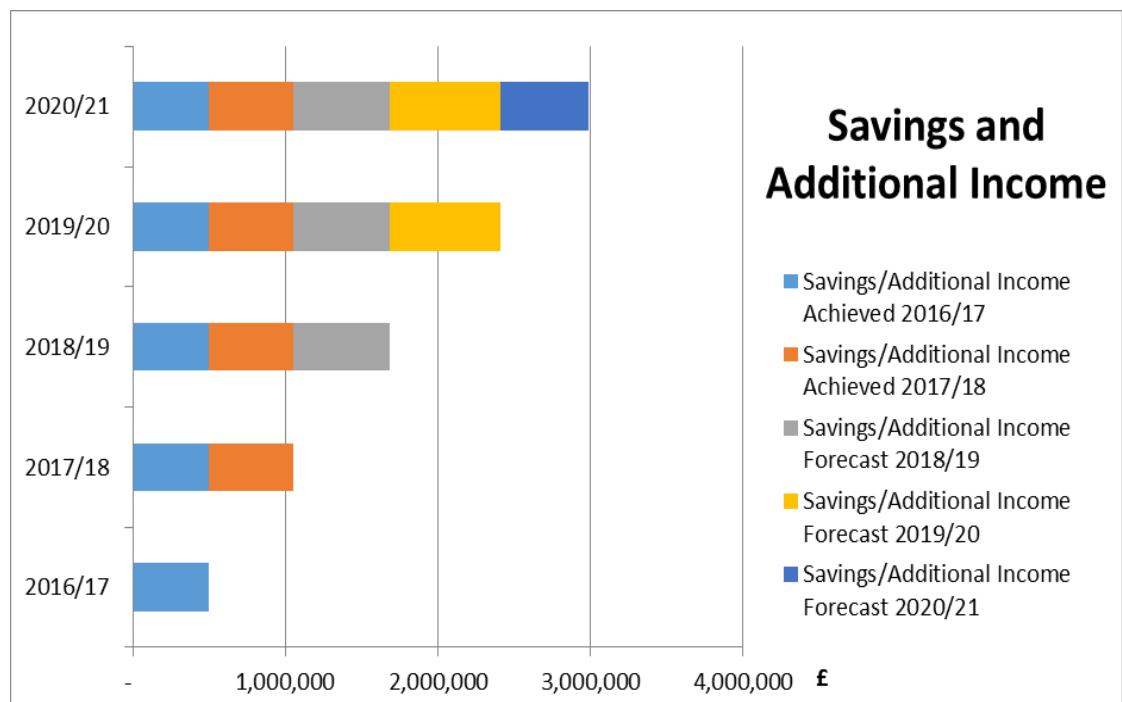
- 6.5. **Costs** - service cost pressures from increasing demand such as housing benefit demand. Exceptional costs from things such as provision of Community Hubs, resident communications and staff overtime costs/sickness/re-deployment. **INCREASING COST PRESSURES £0.429m**
- 6.6. **Income** – significant reductions being seen from fees and charges (parking, planning and building control, commercial waste, licensing etc). Reduction in recycling credits/profit share arrangements, rent holidays/waivers being requested.
- 6.7. Of the £9.4m gross income forecast for 2020/21, the most significant areas include waste and recycling (£3.4m) which includes things such as garden bins and commercial waste collection, car parking income (£2.7m) and planning income (£0.8m). The chart below shows the current budget projections although at present we are forecasting significant reductions this year. **INCREASING INCOME PRESSURES £1.098m**



6.8. **Savings** - savings plans are at risk as the focus has been diverted from the delivery of savings to managing the COVID-19 crisis. The medium term is also impacted as many savings initiatives take place over the medium term, so steps not taken today will have a medium term impact on future budgets.

6.9. There was no separate savings exercise has undertaken as part of the 2020/21 budget process. However, the Council has had a number of work streams in place since 2016/17 which have been designed and implemented to create sustainable cashable savings and to help achieve a balanced budget. The chart below shows the savings achieved since 2016/17.

6.10. Total savings and additional income of £577k have been factored into the budget for 2020/21 (£728k 2019/20). **PRESSURE ON SAVINGS**



*General Fund – investments and borrowing*

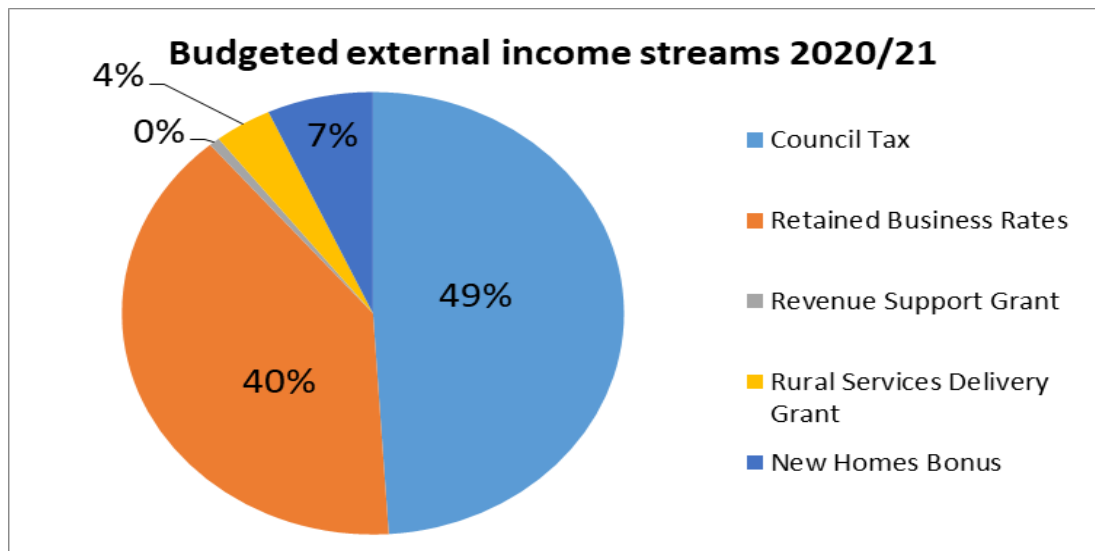
6.11. Loss of investment income is forecast due to reduced cash balances as a

result of changes in market conditions and prioritisation of short-term cash holdings to maximise liquidity. There is a real chance of potential additional borrowing costs over the coming months to support cash flow requirements as income levels continue to reduce. **REDUCING INVESTMENT RETURNS AND INCREASED BORROWING £0.25m**

*General Fund – funding streams*

6.12. A fall in the council tax collection rate could have a significant impact in terms of both funding and cash flow risk. There’s a risk of businesses defaulting on their business rates, expecting higher levels of default/businesses that simply stop trading. Previous growth assumptions also in doubt. New Homes Bonus may continue for a further year but with reduced building the income derived from this will be significantly reduced.

6.13. The chart below shows the relevant proportions of the various funding streams and highlights the significance of council tax and business rates in terms of the Council’s overall funding. Business rates represents the highest value (£7.5m), followed by Council Tax (£6.3m), with the New Homes Bonus, Rural Services Delivery Grant and Revenue Support Grants totalling £1.4m. **PRESSURE ON FUNDING STREAMS £0.223m**



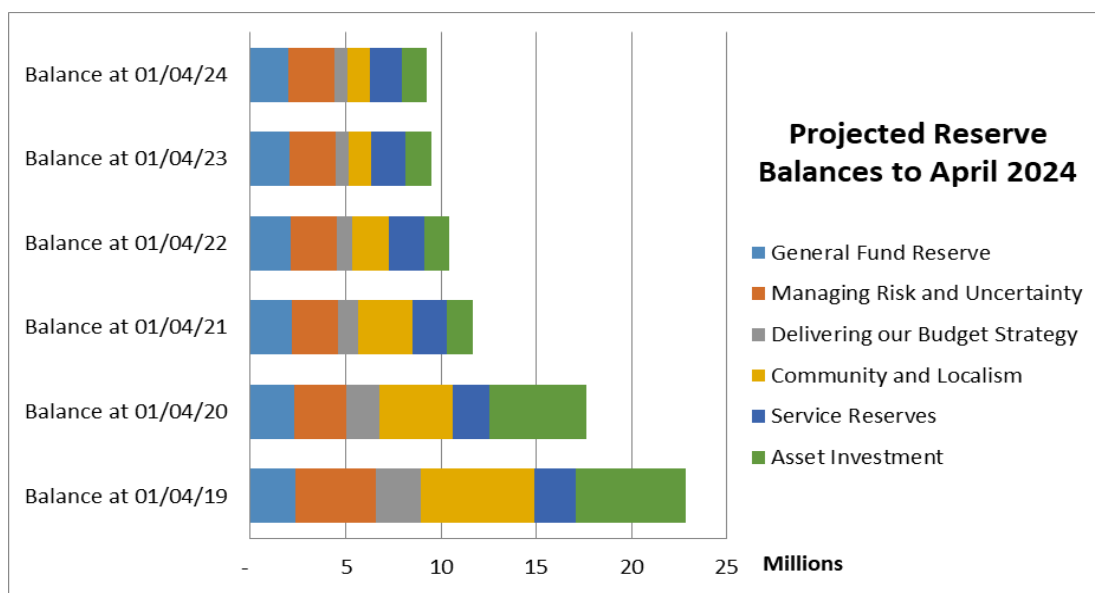
*Reserves*

6.14. There are three main reasons for holding reserves:

- as a contingency to cushion the impact of unexpected events or emergencies;
- to cushion against the impact of uneven cash flows and to avoid temporary borrowing; and
- as a means of building up funds to meet known or predicted liabilities (earmarked reserves).

6.15. Based on current spending and funding projections reserves are already forecast to **reduce from £17.6m as at 01/04/20 down to £9.3m by 01/04/24 over the next 4 years which is a reduction of 47%**. Of the remaining balances a significant majority are ‘contingency amounts’, such as the

General Fund reserve which would stand at £2.0m (current minimum level recommended at £1.9m), the benefits and business rates reserves whilst others represent ring-fenced grant allocations for which the use is restricted. If these are removed the funding available for supporting the budget over the coming years is **less than £3m**. This will mean that there are some difficult decisions to be taken over the short to medium term regarding prioritisation for funding services. **REDUCING RESERVE BALANCES/OPPORTUNITY**



### Capital programme

6.16. Postponed income from asset sales creates cash flow issues and has an impact on the funding and delivery of the capital programme while Force Majeure clauses may impact on live projects. The current programme is in excess of £40m and requires fundamental review to ensure that the schemes still reflect the Council’s changing priorities and to ensure that the Council can still afford them given the rapidly changing financial landscape. **OPPORTUNITY COST**

6.17. A key element of the new Corporate Plan revolves around the Council achieving financial sustainability in terms of future budgets. There are a number of potential work streams which will help us to deliver this, most if not all of which will now be impacted in some way by the COVID-19 epidemic and these are summarised within **Appendix E**.

## 7. Forecast financial pressures

7.1. The table below sets out the high level summary of the current forecast cost and income pressures currently anticipated. In the event that response measures continue, additional costs are likely to be incurred along with further reductions in income.

7.2. Some of the identified costs for the Council reflect risks against existing budgets – for example arising from the non-delivery of savings or the loss of budgeted income due to service closures. These have been broadly estimated on the basis of a two-month period, but have been projected for the full year where appropriate.



- 7.3. In some cases, likely areas where costs will arise have been identified, but actual estimates are not yet available and so remain to be confirmed. As a result, all estimates will continue to be refined as further information emerges. One particular area of risk relates to Business Rates and Council Tax income for 2020-21, which will need to be taken into account when the MTFS is updated and as part of 2021-22 Budget setting.

**Table 1 – Financial impact forecasts for COVID-19 on the 2020/21 budget**

Service Area	March 2020 £m	April 2020 £m	Remainder of year £m	Total estimated impact 2020-21 £m
<b>Additional cost pressures</b>				
Housing	0.012	0.012	0.012	0.036
Finance/Corporate	0.011	0.015	0.000	0.026
Other Services	0.102	0.163	0.102	0.368
<b>Estimated Total Spending pressure</b>	<b>0.125</b>	<b>0.190</b>	<b>0.114</b>	<b>0.429</b>
<b>Income Source</b>				
Retained Business rates	0.044	0.044	0.044	0.132
Council Tax	0.030	0.030	0.030	0.091
Sales, fees and Charges	0.086	0.308	0.310	0.704
Commercial Income	0.004	0.161	0.158	0.323
Other	0.115	0.120	0.085	0.320
<b>Estimated Total reduction in Income</b>	<b>0.280</b>	<b>0.663</b>	<b>0.627</b>	<b>1.570</b>
<b>Summary</b>				
Additional expenditure	0.125	0.190	0.114	0.429
Loss of income	0.280	0.663	0.627	1.570
<b>Total</b>	<b>0.405</b>	<b>0.853</b>	<b>0.742</b>	<b>1.999</b>

- 7.4. In summary the position as at the end of April is a forecast cost/income reduction of nearly £1.3m, largely as a result of the Council's more significant income streams including parking, commercial waste and planning.

- 7.5. At the current time the combined impact of all of the above cost/income pressures is resulting in a **high level budget deficit for the 2020/21 budget of c£2m. While the newly announced central government funding provided of £1.1m will help to address this it still leaves a significant deficit of c£1m** which the Council will need to address by looking to make savings and reallocate resources within the current budget as the reserves are already under pressure and only represent a one-off source of funding which is not sustainable in the medium term.

- 7.6. **The current position is constantly changing and therefore the high level**

**projections contained within this report must be seen in this context and could be subject to significant change depending on further announcements over the coming months.**

## **8. Financial and resource implications**

- 8.1. Financial implications are discussed throughout the report. The response to COVID-19 is likely to result in significant cost and income pressures in 2020/21, as well as impacting on the scope to achieve planned savings and the capacity to develop new proposals for the 2021-22 Budget. The Government's response and decisions about Council funding in 2021/22 will be hugely significant. Government has an opportunity as part of the COVID-19 response to deliver a permanent step change in the recognition of the importance of adequate funding for local authorities to continue to provide a key contribution as part of the national recovery.
- 8.2. Government's initiatives to reform local authority funding (including the Fair Funding Review), as well as pressures linked to COVID-19 have the potential to materially impact on the Council's budget planning assumptions for 2020/21 and future years. It is therefore recommended that a further financial update to come forward to Cabinet in July, by which time there will hopefully be more clarity regarding any continuing restrictions.

## **9. Legal implications**

- 9.1. There are legal implications as a result of this report.

## **10. Communications issues**

- 10.1. This report has been shared with the communications team and a web article and press release has already been made regarding the current budget pressures. The communications team will continue to be engaged as the financial picture becomes clearer over the coming months.

## **11. Risks**

- 11.1. The figures set out in the table above reflect initial estimates; these will be further refined as more information becomes available. The ultimate impact and financial cost of the response to the COVID-19 outbreak will be highly dependent on a wide range of factors including the length of time that the pandemic continues, the severity of the impact (both nationally and in the District), and the wider actions taken in response.
- 11.2. The emerging coronavirus/Covid-19 situation may impact on the Council's budget setting process in a number of ways, most significantly:
  - The Council's available resources and capacity to plan robust future year savings while responding to a rapidly changing operating environment;
  - The availability of both Members and Officers and the ability to adhere to the proposed process and timetable;
  - The need to provide for any immediate cost pressures emerging for the Council; and

- The medium to long term financial implications including the impact on the wider economy and business rates base and income

11.3. The table below provides a summary of the risks which were highlighted as part of the 2020/21 budget report. There are update comments in red highlighting any COVID-19 related issues as appropriate.

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Management</b>
1. Future available resources less than assumed.	Possible Likely	High	Annual review of reserves and reserves policy to identify future resources. Assumptions on funding for 2020/21 and beyond are based on best estimates at this time. A prudent approach has been adopted based on previous years' experience as well as using regional network contacts to inform modelling. Previous assumptions significantly undermined as a result on the ongoing lockdown and future economic certainty. To be considered over the coming months as part of the update of the MTFS and the 2021/22 budget process.
2. Volatility of business rates funding given uncertainty around impact of appeals	Likely	High	Volatility of funding stream outside of council control but impact mitigated by establishment of specific earmarked reserve and financial monitoring framework. Modelling of potential impacts is used to inform internal financial planning. Positive initial outcome in respect of NHS case. Unknown impacts of proposed additional reliefs for 2020/21. Additional uncertainty highlighted as a result of potential default in payments and failure of businesses due to current economic climate.
3. Pay Awards, fee increases and price inflation higher than assumed	Possible	Medium	Impact of potential increases mitigated by central contingency budget for pay, price increases and care fees. Where pay awards have been agreed these will be factored into the future estimates.
4. Future spending plans underestimated	Possible Likely	Medium High	Service planning process identifies future budget pressures and these will inform the indicative budget forecasts. An effective budget monitoring framework is in place to identify in year and potential future cost pressures. We have already identified significant additional

			service costs due to both increasing demand and the exceptional costs of the COVID-19 outbreak.
5. Anticipated savings/ efficiencies not achieved	Possible	High	Regular monitoring and reporting takes place but the size of the funding cuts increase the likelihood of this risk. Non-achievement of savings would require compensating reductions in planned spending within services. Greater scrutiny of savings has taken place since 2016/17 through the revenue monitoring process. History of delivery savings. While there is a risk that some of the current 2020/21 savings may not be achieved the greater pressure is on future savings at a time when resources are re-deployed and focused elsewhere.
6. Revenue implications of capital programmes not fully anticipated	Unlikely	Low	Capital bid approval framework identifies revenue implications and links to Council priorities. Full analysis of revenue implications assessed and considered in scenario planning. Capital programme to be fundamentally reviewed.
7. Income targets not achieved	Possible Likely	Medium High	Current economic climate likely to impact. Regular monitoring and reporting takes place. Full review of fees and charges scheduled for 2021/22 along with an annual review process. Levels of income from fees and charges are already seeing significant reductions with the current forecast reductions being around £1.1m.
8. Budget monitoring not effective	Unlikely	Medium	Regular monitoring and reporting in line with corporate framework. Action plans developed to address problem areas. Regular reports to Cabinet and to O&S. Track record of delivering budget and savings.
9. Exit strategies for external funding leasing/tapering not met	Possible	Medium	Regular monitoring and reporting. Government policy to remove ring fencing provides greater flexibility.
10. Loss of principal deposit	Unlikely	Medium	Limited by the controls in the Treasury Management Strategy which balance security of deposit over returns. Impact limited due to

			the strategy of a diverse portfolio with top rated institutions. <b>Principle of pooled investments has reduced but risk of losses mitigated through liquid cash reserves and medium term strategy of not disposing of investments during unfavourable market conditions.</b>
11. Interest rates lower than expected	Unlikely Likely	Low Medium	Regular review, monitoring and reporting on interest rates. Prudent assumptions on likely interest rates for 2020/21 are incorporated into the budget.
12. Collection rates for retained business rates and council tax lower than anticipated	Possible Likely	High	Impact mitigated by the review of bad debt provisions and availability of reserves. Monitoring of Collection Fund is formally incorporated into the revenue monitoring process. <b>In the current environment there is an increased risk of bad debts and delayed payments from both council tax and business rates which could significantly impact on cash flow (leading to increased borrowing costs), increased collection costs and reduced levels of income overall.</b>
13. Financial budget impacts of UK's vote to leave the European Union (Brexit)	Likely	Medium /High	Continue to work collaboratively with treasury advisors and central government departments to assess potential budget impacts whilst the Government attempts to ensure an effective transition to a new economic relationship between the U.K. and the EU, including clarifying the procedures and broad objectives that will guide the process.
14.Devolution/Unitary status –	Possible	Medium	As the devolution deal has been rejected locally no further work is ongoing in respect of this and no changes have been factored in to the budget or future year projections as a result. The Unitary issue will undoubtedly be discussed further again in the future following the recent General Election. Officers and Members will keep a watching brief in respect of this but again at present no budgetary impact is being assumed.
15. All MTFS/budget	Unlikely	Low	Council's Risk Management

risks not adequately identified	Likely	High	Framework ensures all operational and strategic risks are identified as part of the annual service planning process. <b>An ongoing world-wide pandemic was not one of the scenarios considered as part of the MTFS/budget process although the actual impacts are generally covered individually above.</b>
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## 12. Conclusions and Recommendations

- 12.1. This report provides an overview of the current assessment of the emerging financial impact which will have a profound impact on our ability to achieve savings and income for 2020-21 onwards.
- 12.2. It provides details of the central government funding received to date, which will need to be kept under review as the response to COVID-19 continues to evolve. In particular, in respect of the impact of COVID-19 on underlying local authority costs and income sources, and further funding announcements and responsibilities from Government. In addition, it helps to set the context for the Council's MTFS and budget planning process for 2021/22, which will be reported to Cabinet later in the year.
- 12.3. The Council faces an unprecedented financial and public health crisis which will have significant implications both during 2020/21 and for future budget setting. It will be essential to continue to engage with Government, MPs and other stakeholders to campaign for adequate and sustainable funding for the District so that we can continue to deliver vital services to residents, businesses and visitors. It is also important that Government issues guidance on financial planning assumptions for any future data collection exercise relating to the cost/income pressures currently being experience and forecast. Otherwise there is a significant risk that the Council will need to reduce service levels.
- 12.4. The current pandemic demands very different ways of working and will require review and consideration of the current and future priorities. Looking beyond the immediate impacts, the overall level of uncertainty means the financial environment remains extremely challenging for the foreseeable future. The assumptions upon which both the Medium Term Financial Strategy (MTFS) and the 2020/21 budget are based have now been significantly undermined by the current crisis will necessitate a fundamental review of the budget position given the current funding pressures.
- 12.5. At the current time the combined impact of all of the above cost/income pressures is resulting in a **high level budget deficit for the 2020/21 budget of c£2m, the funding provided of £1.1m will help to address this and reduce it to c£1m** which the Council will need to address by looking to make savings and reallocate resources within the current budget as the reserves are already under pressure and only represent a one-off source of funding which is not sustainable in the medium term.
- 12.6. **The current position (c£1m deficit 20/21) is constantly changing and**

**therefore the high level projections contained within this report must be seen in this context and could be subject to significant change depending on further announcements over the coming months.**

**It is recommended that Cabinet note:**

- **The current package of financial support being provided to the Council by the government to support its response to COVID-19;**
- **Continues to lobby central government for further additional financial support;**
- **The forecast cost and income pressures being faced by the Council and the extent to which they exceed the available government funding and therefore the requirement for any deficit to be funded from other Council resources;**
- **The various caveats and risks associated with the current forecasts;**
- **The proposals in respect of updating the Medium Term Financial Strategy (MTFS) and the financial planning framework for the 2021/22 budget;**
- **The proposals for a fundamental review of the capital programme to ensure that the schemes still reflect the Council's changing priorities and to ensure that the Council can still afford them given the rapidly changing financial landscape;**
- **The proposal for a further financial update to come forward to Cabinet in July, by which time there will hopefully be more clarity regarding any continuing restrictions to include;**
  - **Opportunities for re-prioritising and re-focusing currently approved 2020/21 budgets;**
  - **Opportunities for savings, efficiencies and income generation this year;**
  - **A review of the current reserves position with recommendations for re-allocation where appropriate and;**
- **The progress to date in respect of the application of the various new business rates reliefs announced along with progress towards the government funded Small Business Grant programme which local authorities are being asked to administer (Appendix D).**

## **11. Sustainability**

11.1 There are no sustainability implications as a result of this paper.

## **12. Equality and Diversity**

12.1 There are no equality and diversity implications as a result of this paper.

## Appendix A – Summary of March 2020 Budget announcements and subsequent central government communications

### 13. Section 17 Crime and Disorder considerations

- 13.1 There are no Section 17 crime and disorder implications as a result of this paper.

#### *March 2020 Budget announcements*

- 1.1 As part of his budget speech on 11 March 2020 the Chancellor of the Exchequer Rishi Sunak MP announced a number of interventions to help support with the coronavirus outbreak.
- 1.2 The virus was identified as the key short-term challenge facing the economy, with the impact expected to include significant economic disruption both in terms of reduced productive capacity (supply side) and reduced consumer spending (demand side).
- 1.3 The government's response at the Budget included a package of measures (summarised [here](#)) designed to provide security and support for those who fall ill, support for businesses to ensure there is no permanent impact on productive capacity, and coordinated action with the Bank of England. This three-point plan was based on:
1. Support for the public sector: Providing additional resources for the NHS with an initial £5 billion fund for pressures in the NHS, and to support local authorities to manage pressures on social care.
  2. Support for individuals: Changes to Statutory Sick Pay (SSP) and access to benefits, including for those required to self-isolate. This included a new £500m hardship fund provided to local authorities to allocate to support economically vulnerable people, which the Government expects to mainly be distributed as council tax relief.
  3. Support for businesses: Support for small and medium sized businesses with the costs of SSP associated with coronavirus. Other measures included a range of temporary extensions to Business Rates reliefs, a short term grants scheme to provide £3,000 to small businesses (to be administered by councils), and relaxation of tax payment terms.
- 1.4 The total impact of these measures was estimated as £30bn, made up of £7bn of support for the self-employed, businesses and vulnerable people, £5bn for emergency response funds and £18bn to support the wider economy. Since the Budget announcements, the support offer has been substantially expanded, with full details available online [here](#). The specific financial support currently available to local authorities is detailed in the following section.
- 1.5 A significant proportion of this focussed on additional business rates reliefs and grant funding which local authorities had to administer. This presented a number of challenges to the authority in relation to processing the various reliefs in a timely manner for our customers given the current position.



- 1.6 These were temporary measures announced for the 2020/21 financial year and included additional Retail relief, an extension to Pub relief a new grant scheme for those in receipt of Small Business Rate Relief (SBRR) & Rural Rate Relief and a Hardship fund to support for vulnerable people.
- 1.7 Although it has since been substantially overshadowed by the ongoing response to COVID-19, the Budget also included various announcements with implications for local authority funding. However, with COVID-19 dominating government business, the status of key reforms to local government funding including the Fair Funding Review (FFR) and increased local retention of Business Rates remains extremely unclear.
- 1.8 At the present time it appears highly likely that the timetable for the Comprehensive Spending Review (CSR) will be delayed, expectations are for a one-year announcement for 2021-22 with the longer-term CSR pushed back. These issues could have a significant impact on the new MTFs and the budget projections for 2021/22 onwards.

*Further COVID-19 Support for businesses and customers*

- 1.9 The Chancellor made further announcements on 17 March covering an enhanced support package worth £330bn nationally. The Chancellor confirmed that the government would also be removing the £51,000 rateable value threshold for the expanded retail discount, increasing the 100% discount for all businesses within the Retail, Hospitality and Leisure industry.
- 1.10 At the same time an extended package of Small Business Grants was also announced to provide eligible businesses with grants to support their ongoing costs and lost revenue and this scheme is discussed in more detail below.
- 1.11 On 18 March the government announced that many childcare providers would pay no business rates in 2020/21 and on 25 March a further expansion to the Retail Discount to remove some of the previous exclusions was declared.
- 1.12 In summary, the core financial support package to local authorities includes:
  - £1.6bn of grant funding to enable local authorities to respond to coronavirus (COVID-19) pressures across all services, of which NNDC £56k (new funding);
  - Business Rates Relief Section 31 grants in respect of 2020-21 brought forward and paid in full 27 March 2020 to support cash flow (£3.0m – cash flow only, not additional funding);
  - Small Business Grants funding paid in full on 1 April 2020 to support cash flow (£65m - cash flow only, not additional funding);
  - While it was announced that £2.6bn in Business Rates payments (from District Councils to Government) would be delayed or are still required to make the payments to NCC and therefore do not receive any direct benefit from this delay (NCC receive the cash flow only benefit, not additional funding).
  - A further £1.6bn nationally of un-ringfenced grant to deliver the COVID-19 response, with individual allocations **TBC** (new funding).

## Appendix B – Summary of potential financial challenges facing NNDC Exceptional costs of dealing with COVID-19

### *Service costs*

- setting up and co-ordination of support hubs for vulnerable people asked to undergo sheltering (10 local co-ordination centres, outbound contacts with over 1,900 Shielded People; and support for over 800 other Vulnerable People)
- community safety measures and closure of assets
- rebilling business rates payers as and when new support is provided
- potential additional costs from contractors due to facilities closures (such as the leisure contract)
- additional PPE and cleansing costs
- support with the countywide mailshot with residents

*Own staffing* - sickness and absence cover, re-deployment, overtime and building capacity

*ICT and facilities* - infrastructure for widespread home working, network expansion, virtual meeting hosting, setting up new call centre provision for extended hours, costs associated with closure and reopening of sites

### **Increased service demand, both in the short term and long term**

*Waste collection services* - potential higher waste disposal and collection costs, staff shortage impact on service also possible

*Homelessness* - including support for those who need to self-isolate and a potential longer term increase in homelessness

*Housing benefit* - the announcement of the increased Local Housing Allowance (LHA) rate will lead to more HB payments which has a cash flow impact. The service has also seen a 147% increase in new claims for Council Tax Support, a 20% increase in the number of cases being handled overall and an 88% increase in telephone calls during March alone.

### **Impact on local taxation income (council tax and business rates)**

- A fall in the council tax collection rate could have a significant impact in terms of both funding and cashflow risk
- There's a risk of businesses defaulting on their business rates, additional support to businesses will help off-set this to an extent but councils are expecting higher levels of default/businesses that simply stop trading to impact this. Levels could be less significant than council tax, but it could be an issue if the magnitude spikes. Previous growth assumptions also in doubt.

### **Loss of income, including rental and commercial income**

- Impact on fees and charges from a number of council services including car parking, planning and building control fees, commercial waste, licensing etc
- Reduction in recycling credits and NEWS profit share
- A potential need to grant rental holidays for tenants (cash flow impact but increased risk of tenants defaulting/going in to liquidation)
- Feedback suggesting small businesses reporting loan support being provided by government is not sufficient. Often looking for rent waivers rather than holidays (pressure around this area will increase the longer the current lockdown restrictions continue. Some businesses without a rateable value are also not eligible to receive the BEIS grant.
- Pier annual 15% profit share (outturn position for the 2019/20 financial year was £30k profit share (although budgeted at £20k) based on the accounts up to 31/12/18)
- There are currently indications that the New Homes Bonus may continue for a further year but with significantly reduced building the income derived from this will be significantly reduced

### **Impact on savings and capital programmes**

- 2020/21 savings plan at significant risk as focus has been diverted from delivery of savings to managing the crisis. The medium term is also impacted as many savings initiatives take place over a medium term, so steps not taken today will have a medium term impact. MTFs was already forecasting a potential budget deficit of c£2m for 2021/22
- There might be issues related to funding from developers, staff availability and the delays to projects also adding to costs
- Deferral of maintenance: reduced expenditure due to shortage of labour and materials - but leading to higher long-term costs and increased risk of insurance claims.
- Delivery of major contracts: Valid claims (compensation events) under the Force Majeure clauses in live construction contracts. Compensation events may be inevitable and the financial consequences could escalate as productivity declines. There may be circumstances where contracts need to be terminated if contractors cannot comply with their obligations
- Postponed income from sale of assets creates cash flow impacts and has an impact on the delivery of the capital programme

### **Treasury management and cash flow issues**

- Reduced capacity for internal borrowing
- Loss of investment income from cash balances due to changes in the market and prioritisation of short-term holdings to maximise liquidity
- Potential additional borrowing costs to support cash flow requirements
- Risk of long-term increase to employer pension contributions during the economic downturn
- Changes to payment to suppliers to move to more immediate and advance payments (as recommended by current government guidance) has a cash flow impact

- 1.1 There are a number of financial risk areas facing the authority which are relevant at both service and corporate levels. In order that these risks are managed, a number of key areas within the budget need to be closely monitored in the coming financial year. The table below highlights any additional considerations as a result of the COVID-19 outbreak.

<b>Budget risk area</b>	<b>Additional COVID-19 considerations</b>
<p><b>Planned Savings and Additional Income</b> – The Council is continuing to deliver against a number of work streams that are continuing to deliver service improvements and cashable savings over the short to medium term. Achievement of the savings are monitored during the year as part of the budget monitoring process. Savings and additional income of £577k have been included in the budget for 2020/21 onwards.</p>	<p>Negative impact - Additional pressure to achieve savings targets and to consider savings targets for future years.</p>
<p><b>Council Tax Support</b> – The Local Council Tax Support Scheme (LCTSS) was implemented from April 2013; whilst there have been no changes to the Council's scheme for 2020/21, there still remains a risk of increases in the number of those eligible for Council Tax Support and the ability to collect Council Tax.</p>	<p>Negative impact – potential increasing workload for staff and negative impact on council tax collection.</p>
<p><b>Future Funding</b> – There is a continued shift from central government support from Revenue Support Grant to local funding from retained business rate (Baseline Funding), and Council Tax. Revenue Support Grant was anticipated to be completely removed from 2020/21, however due to the ongoing Brexit negotiations a one-year settlement was announced which saw this, along with a number of other funding streams, inflated and rolled forward for a further year which was good news in terms of achieving a balanced budget position for the next financial year but still provides no certainty about future</p>	<p>Negative impact – uncertainty continues as central government focus on current epidemic.</p>

<p>year's resource allocations. Due to this delay the outcome of the Fair Funding Review and Localisation of Business Rates are as yet still unknown and will undoubtedly have a significant impact on future funding, the full extent of which is not clear at the present time. Further consultation regarding these areas is expected early this year.</p>	
<p><b>Spending Review (SR)</b> - The Spending Review is undertaken by HM Treasury to set Government department expenditure limits. Spending reviews ensure that departmental plans fit within the total spending limits that Government can afford while also setting out the vision for the country and the policies which will support it. The review represents the choices available between the different priorities and helps to allocate resources in the most appropriate way. Spending Reviews normally cover a four-year period, however as mentioned above, the impact of Brexit has resulted in a one-year settlement announcement and the review covering the 2021/22 financial year is now expected to be undertaken later this year and should cover the period through until 2024/25. This process will impact on the amount of funding available to the local government sector and it turn to the Council.</p>	<p>Negative impact – SR looking likely to slip a further year which prolongs the uncertainty around future funding allocations and does not help with medium term planning, especially when we are facing these current financial pressures.</p>
<p><b>Business Rates Retention</b> – The implications of this system of funding are that the income from the Council's share of the business rates will fluctuate in-year and between years. The budget has been informed by the shares of the income as specified in the National Non Domestic Rate 1 (NNDR) return submitted for 2020/21. The actuals for 2020/21 will not be confirmed until the annual NNDR3 return is completed by the end of April 2020. The extension and increase of</p>	<p>Negative impact – potential issues with reductions in growth forecasts, bad debts and inability to pay. Cost of collection also anticipated to rise.</p>

<p>the small business rate relief and reintroduction of pub relief continues to be funded by a section 31 grant for the amount of income foregone by providing the reliefs; the actual income will fluctuate in the year as changes in eligibility change. In terms of appeals against the previous 2010 list and also the new 2017 list, the Valuation Office Agency (VOA) have undertaken a revaluation exercise to review the previous 2010 ratings list. The new rateable values were introduced from April 2017 but unfortunately there are still outstanding appeals against the 2010 list and there will now be a new set of appeals against the new 2017 list. The VOA have introduced a new appeals system from 2017 and due to this and a back log of work the Council still has very little information about the level of appeals against the new list which represents a financial risk to the Council. The initial ruling in respect of the NHS case has been found in favour of Local Government which is extremely good news, the claimants have until 24 February 2020 to appeal the decision but at present things are looking positive.</p>	
<p><b>New Homes Bonus (NHB)</b> – The one-year settlement confirmed the continuing allocation of the 2020/21 New Homes Bonus grant at £892k. This is very positive news as the 2019/20 budget projections had assumed that we would lose all of this funding. The current projections also assume that we will still receive legacy payments for NHB whereas we'd previously been working on the assumption that the payments would all cease at the end of 2019/20. The payments are now forecast to end in 2022/23 which means nearly £2m of funding which we weren't expecting.</p> <p>A part of the settlement announcement this month central government have confirmed that consultation on a replacement for the NHB funding will commence later this Spring.</p>	<p>Negative impact – rumours that NHB might be extended in its current form for a further year but lack of house building at the present time will severely limit this income stream.</p>
<p><b>Investment Returns</b> – In recent</p>	<p>Negative impact – markets reacting</p>

<p>years' investment income has been significantly reduced as a consequence of the prolonged period of low interest rates which look likely to continue well into 2020 and beyond. The Treasury Management Strategy for 2020/21, as reported to Cabinet in February 2020, anticipates a return of 3.3% will be achieved in 2020/21. The investment income budget includes interest on loans made to housing associations, investments in various pooled funds (including the Local Authorities Mutual Investment Trust (LAMIT) pooled property fund), covered bonds and term deposits.</p>	<p>negatively to the current crisis, money being held short-term to support with cash flow. Severe impact on income streams means additional borrowing may be required.</p>
<p><b>Waste contract</b> – The new waste contract has been successfully procured and will commence from April 2020. The budget has therefore been updated to reflect the new contract prices for all waste, cleansing and grounds maintenance services.</p>	<p>Neutral at present – the new waste contract started successfully as plans, there are concerns that if the virus takes hold in the District that recycling will reduce and landfill costs will therefore increase (and recycling credits drop) but the position is currently being monitored.</p>
<p><b>Employee budgets</b> – The budget has been updated to take account of the national pay review and annual increments and assumes a 2% pay award. As a guide a 0.5% sensitivity to the pay award equates to approximately £54k per annum. An allowance has been made to reflect vacancy savings of 2% as in previous years.</p>	<p>Negative impact – we are seeing significantly increased levels of overtime from staff trying to support various front-line functions and new initiatives.</p>
<p><b>Brexit/world politics</b> – It is impossible to predict what impact factors such as Brexit and wider world politics and decisions might have on the national and local economy in terms of things such as investment returns, inflation, work force costs etc. Officers will continue to monitor the position but the potential impact of any unexpected changes could potentially be covered through the use of reserves.</p>	<p>Negative impact – Brexit per se is having a significantly reduced impact at the current time but COVID-19 has brought about all of the uncertainties in global markets that Brexit could have done.</p>

- 1.2 Looking beyond 2020/21, the financial projections included within the budget report indicated that further savings would have to be made to achieve a balanced budget; this is based on the assumptions about the future level of funding as included in the finance settlement, which are now far from certain.

At the time the financial projections showed a budget deficit of around £2m in future years but this was before the impact of COVID-19.

- 1.3 The capital programme continues to be funded from a number of external and internal resources, for example, capital receipts from the sale of assets, preserved right to buy receipts, the VAT shelter arrangements and where applicable future capital schemes from borrowing although there will be no new VAT sharing income from April 2020 as this agreement has now ended. In both cases prudent estimates are made of the timing of such receipts and the expenditure profiles within the overall capital programme but again there is now significant uncertainty around these areas and hence the reason for a fundamental review of the programme discussed elsewhere in the main paper.
- 1.4 Continued budget monitoring throughout the financial year will be even more critical to monitoring the robustness of the estimates and maintaining a sound financial position than it normally is. It is through the ability to manage and control the spending within the approved budgets and, where appropriate, identify and recommend appropriate actions, which serves to mitigate the Council's level of financial risk but given the unprecedented financial impacts COVID-19 is having on Council resources this position is going to be increasing difficult to manage.



## Appendix D – Small Business Grant and business rate relief update

### *Additional rate reliefs*

- 1.1 An extended package of business support was announced in the Budget, with further updates and extensions provided over the following weeks.
- 1.2 Prior to the additional business rate relief announcements our revenues team had already sent out the business rates bills for the 2020/21 financial year. This therefore meant that any applicable changes all of these bills to be re-calculated and re-issued which was a significant piece of work in its own right.
- 1.3 This required the team to re-bill nearly 2,000 customers and provided in excess of £26m or relief to 6,000 customers. This re-billing exercise was completed by 18/03/20, only 7 days after the additional reliefs were announced and represents a significant achievement by the team.

### *Small Business Grants*

- 1.4 The Small Business Grants scheme was announced on 17 March. This was to provide eligible businesses (this excluded things like beach huts and private stables as these are designated for 'personal use') with grants to support their ongoing costs and lost revenue.
- 1.5 These are not loans and there is no requirement to pay them back. The £10,000 grant was available for business with RV's under £15,001 while the £25,000 grants were available for businesses with RV's between £15,001 but under £51,000.
- 1.6 An eligibility date of 11 March 2020 (unless in liquidation/dissolved) was established by central government, this is the retrospective date on which the business needed to be registered with the local authority (or be in the process of being registered).
- 1.7 In terms of context, we received 24% of the total allocation for the whole of Norfolk for this scheme (three of our neighbouring authorities received less than half our allocation), which will cover around 5,000 eligible customers with an estimated grant value of around £55m, which we need to distribute.

### *Challenges*

- 1.8 The requirement for the Council to administer this scheme brought rise to a number of challenges, although the concerns regarding cash flow were addressed very early on by the government and saw the upfront payment of the estimates cost of this scheme in at the start of April.
- 1.9 Around 97% of our customers who receive Small Business Rates Relief

(SBRR) have rateable values of under £12,000. That means that they receive 100% relief, so whilst they receive a bill each year, it just confirms that they have no liability to pay. What this means however though is that we don't hold the bank details for the majority of these customers as they don't make any payments to us. We therefore had to work out the best way of obtaining this data from customers in order to pay the business grants.

1.10 Having identified from our system that there were around 5,000 potentially eligible customers we then had to work out the best way of contacting them and considering what information we'd need to collect on top of the bank details, to help us assess their eligibility whilst protecting against fraud wherever possible to ensure value for money for the ratepayer. There was therefore a balance required between speed of payment and assessing eligibility and protecting the public purse. Making 10 incorrect grant payments for example for £25,000 would amount to an error of a quarter of a million pounds.

*Progress to date*

1.11 The design and execution of this scheme has involved significant cross-departmental working across a number of departments including Revenues, IT, Finance, Customer Services, Communications, Economic Development and others. Work to date by the various teams includes;

- Writing to 5,000 eligible customers and emailing 75% (3,700) of these to speed the process;
- Various social media campaigns, use of local press and the website to publicise the scheme;
- Providing a host of guidance and customer support on the Council's website;
- Designing an online 'Eligibility Calculator' to help customers check eligibility and;
- Designing an online data capture form to help customers provide their details which can then automatically be used to assess eligibility without the need for re-keying information into other systems.

1.12 Performance to date (as at 10:00 27/04/20) is summarised within the table below, with 3,431 customers supported and £38m paid out which represents 69% of the estimated eligible grant value.

Volume of grants awarded by grant type to date	Small Business Rate Relief £10k	2,546
	Retail, Hospitality and Leisure £10k Grants	642
	Retail, Hospitality and Leisure £25k Grants	243
<b>Total Number of businesses awarded Grant</b>		<b>3,431</b>
Value of grants awarded by grant type to date	Small Business Rate Relief £10k	£25,460,000
	Retail, Hospitality and Leisure £10k Grants	£6,420,000
	Retail, Hospitality and Leisure £25k Grants	£6,075,000
<b>Total Value of businesses awarded Grant</b>		<b>£37,955,000</b>

1.13 Central government undertake a data collection exercise at 10:00 every

## Appendix E - Financial sustainability

Monday morning to collate the national position in respect of these grant payments. The week commencing 27/04 saw the publication of the second set of results and we ranked 43<sup>rd</sup> (out of 314) in terms of value of grant paid and 37<sup>th</sup> in terms of grant numbers issued. This also places us in a strong position locally and represents a significant achievement for all the teams involved in administering this grant scheme, providing funding to local businesses at a time when it is desperately needed.

- 1.1 A key element of the new Corporate Plan revolves around the Council achieving financial sustainability in terms of future budgets. There are a number of potential work streams which will help us to deliver this, most if not all of which will now be impacted in some way by the COVID-19 epidemic and these are summarised below.
- 1.2 *Financial sustainability* - some of the initiatives previously discussed included reviews of the way we currently budget and giving consideration to zero based budgeting whilst also undertaking a fundamental review of our fees and charges structure. The aspiration is to have a balanced medium term budget which does not rely on reserves to balance the position. *The current working arrangements, including the re-deployment of staff and considerable home working (c95% of staff) are going to place additional challenges undertaking these initiatives due to the significantly increased staff resources required to actually undertake them.*
- 1.3 *Our investment approach* - there is therefore an ever increasing need for Councils to take a more commercial and business-like approach to all elements of their business. Our 'Investing Approach' is currently under development, the successful delivery and implementation of this strategy will ultimately require a step change in the way that the Council thinks, acts and works in the future. *Some of the new income generating ideas which have been discussed previously might be considerably harder to deliver as we come through the lock down period, with additional pressures on local businesses and the tourism economy on which the district so heavily relies. Having said that, there will also be opportunities to help generate revenue to support the budget position and protect services.*
- 1.4 *Property Investment* - Opportunities for investment in property, whether direct or indirect, continue to be considered to achieve either a direct income stream from the asset or improved returns on investment and this is fundamentally linked to the Council's Asset Management Plan (AMP) and the MTFs. A programme of asset valuations and condition surveys are currently underway. This will help us better understand the challenges faced in terms of maintaining and improving our asset base over the medium to long term to ensure that it remains fit for purpose, delivering income for the Council where appropriate. *While a number of the asset surveys have been completed in the current climate it has proven difficult to get the works undertaken. There are also increasing demands on current resources which means previously agreed programmes are needing to be re-assessed and re-prioritised.*
- 1.5 *Digital Transformation* - Building upon the previous Business Transformation project savings continue to be identified from changes to service delivery from the implementation of new technology and changes to business processes. The overall programme will be delivered over a number of years and as projects have been rolled out there have been changes to working practices

which have helped to deliver efficiencies. The key to this work in the future should really be refocussed on 'putting our customers at the heart of everything we do'. This will undoubtedly still lead to further efficiencies and potential cashable savings but the direction of travel should be to improve our services for our customers first and foremost because that's the right thing to do. It will also mean that staff can spend longer prioritising 'added value activities' rather than getting bogged down with inefficient paper based processes. *This is an area that the Council has actually managed to make significant progress with during the current restrictions. We have been forced to make changes quickly and flexibly to both meet internal needs, such as the requirement for enhanced remotes working and communication, the requirement to continue to host publicly accessible meetings remotely and to continue to provide front line services to customers when they are not able to access the building. A number of new online forms have been designed and implemented to support with these process with one significant example being the new administration process for the award of Small Business Grants.*

- 1.6 *Shared Services, collaboration and selling services* - Creating efficiencies through shared services continues to be a priority for central government. Identifying such opportunities must therefore continue at a local level, ensuring that realistic and deliverable benefits can be achieved. This could include joint procurement opportunities such as the new waste contract, shared service delivery where appropriate and selling services via arrangements such as East Law. *There should hopefully be continued opportunities to realise additional income and efficiencies from this area, including the One Public Estate agenda and the highly successful Coastal Partnership East.*
- 1.7 *Growing Business Rates and NHB* - Under the previous allocation method of New Homes Bonus (NHB) there was a direct financial benefit to the Council from growth in homes through the NHB funding and through increasing the council tax base and additional income generated from council tax. *If the NHB continues additional income from this source is going to be significantly impacted due to the reduction in house building at the present time. Similarly, growth in business rates is likely to be reduced due to the current economic climate and the uncertainties around when the various lockdown restrictions will be lifted.*
- 1.8 *Council Tax* - The increased flexibilities around council tax discounts and increases following the removal of the tax freeze grant in 2016/17 provides a further potential income stream. Further review of the current level of discounts can also provide additional income, recommendations on the level of council tax discounts will be reported for approval as part of the budget reports for 2020/21. *There may be additional pressure to introduce new discounts and support but this will further undermine the Council's budget position.*
- 1.9 *New opportunities* - Given the current uncertainties around issues such as Brexit and changes to the Local Government funding mechanisms it will be essential to identify new opportunities to either increase income, increase efficiency through the redesign of services, explore new partnership models for service delivery etc and this will be one of the main challenges over the medium term. The Council's commercialisation approach and the projects stemming from this will be key to this. *The local government funding position*

*still needs to be resolved by central government but it is appreciated that the current focus is on working through the current crisis. The Council's commercialisation agenda is also going to be impacted due to the COVID crisis.*

- 1.10 *Lobbying and consultation* - The Council will continue to lobby central government in terms of increased funding allocations and relaxation/increased flexibility in terms of the council tax referendum principles which will be one of the things required if income raising and decision making is ever to be truly local. We will also continue to respond to all relevant consultations, in particular at the present time on relation to the Business Rates and Fair Funding Reviews. *The Leader has recently lobbied local MPs in respect of an increased share for Districts from the latest tranche of support funding for local authorities. The Council continues to lobby through various different channels (LGA, CIPFA, MHCLG, DCN etc) to ensure the financial challenges faced by district authorities are properly understood.*

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## Officer Delegated Decisions (March to May 2020)

Summary: This report details the key decisions taken by Senior Officers under delegated powers from 1<sup>st</sup> March to 1<sup>st</sup> May 2020.

Options considered: Not applicable.

Recommendations: **To receive and note the report and the register of officer decisions taken under delegated powers.**

Reasons for Recommendations: The Constitution: Chapter 6, Part 5, sections 5.1 and 5.2. details the exercise of any power or function of the Council where waiting until a meeting of Council or a committee would disadvantage the Council. The Constitution requires that any exercise of such powers should be reported to the next meeting of Council, Cabinet or working party (as appropriate)

### LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

*(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)*

Delegated decision forms – as completed by the relevant officer
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Cabinet Member(s) All	Ward(s) affected All
Contact Officer, telephone number and email: Emma Denny, Democratic Services Manager, 01263 516010	

## 1. Introduction

### 1.1 Officer delegated decision making process.

The officer delegated decision making process has been refreshed in light of the Covid-19 pandemic so that decisions that need to be made quickly can be. The reporting of decisions taken in this way has been strengthened, so it is clear that it is an officer decision that is being made, and the consultation requirements around those decisions. These decisions are available to the public through the website and are reported to Members through a weekly information bulletin. Key decisions are reported to Cabinet. The process for reporting and consulting in these decisions is contained in the Constitution at Chapter 6, 5.1 and 5.2 and the publication of these decisions is a legal

requirement.

## **2. The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020**

- 2.1 Immediately following the outbreak of the Covid 19 pandemic, the Council had to realign its resources and the committee meeting cycle was reduced to the regulatory committees and Cabinet, with all other committees and sub-committees being kept under review. There was a period of time until the new regulations were enacted, when committees were run on a hybrid basis – with Members meeting and then agreeing to request that officers use their delegated powers to implement decisions. The decisions taken during this period were recorded and are available to view on the website: <https://www.north-norfolk.gov.uk/tasks/democratic-services/officer-delegated-decisions/> Any other non-key decisions taken by officers will be added to this list and it will be updated regularly to reflect this.
- 2.2 Due to the extra demand placed on the Council during the pandemic, several key decisions needed to be taken urgently. These could not wait until the next meeting of Cabinet and senior officers used their delegated powers (outlined within Chapter 6, section 5.2 of the Constitution). A key decision is a decision which results in expenditure or savings of £100k or more or which is significant in terms of its effect on communities living or working in an area comprising two or more wards.

## **3. Consultation**

- 3.1 The Constitution requires that for the exercise of any power or function of the Council in routine matters falling within established policies and existing budgets, where waiting until a meeting of the Council, a committee or working party would disadvantage the Council, an elector or a visitor to the District, then the officer exercising the power must consult with the Leader, the relevant portfolio holder and if it relates to a particular part of the District, the local member.
- 3.2 For the exercise of any power or function of the Council, which in law is capable of delegation, in an emergency threatening life, limb or substantial damage to property within the District, the senior officer shall consult with the Leader or the Deputy Leader. The Covid 19 pandemic was considered to fall within this category.
- 3.3 Overview and Scrutiny Committee will be meeting on 27<sup>th</sup> May and the Chairman has requested that committee reviews the delegated decisions so they can fully understand why they were taken and assess the impact on the Council.

## **4. Financial and Resource Implications**

As many of the decisions taken by officers under delegated powers were key decisions there is a financial impact. All of the decisions reported to Cabinet on 18 May were related to Covid 19 and had not been included in the Budget set by Full Council on 26<sup>th</sup> February 2020.



## **5. Legal Implications**

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 require that all decisions, including those taken by officers, must state:

- The decision taken and the date it was made
- The reasons for the decision
- Details of options considered and rejected and the reasons why they were rejected
- Declarations of interest and any dispensations granted in respect of interests

Officers taking a decision under delegation are required to complete a form. An example of this is attached at Appendix A.

## **6. Conclusion and Recommendations**

Several key decisions have been taken by senior officers under delegated authority during the Covid 19 pandemic. Each decision has been recorded and a summary is provided at Appendix B

### **Recommendation:**

**Cabinet is asked to receive and note the register of officer decisions taken under delegation.**

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## Record of Decisions taken under Delegated Authority

Delegated Power being exercised;	Key Decision y/n	Officer exercising Delegation	Details of decision made	Consultations undertaken	Date of decision	Date Reported to Council/Cabinet
<p><i>Chapter 6; Full delegation to Chief Officers</i></p> <p><i>Section 5.1: routine matters</i></p> <p><i>Section 5.2 Emergency powers</i></p>				<p><i>Section 5.1 : Leader or Portfolio Holder/Local Member</i></p> <p><i>Section 5.2: Leader or Deputy Leader</i></p>		
Section 5.2	Yes	S. Blatch <i>Chief Executive</i>	To close a number of public conveniences which had seen vandalism and theft / removal of toilet rolls and liquid soap in response to panic buying as people prepared for anticipated Government statement on Coronavirus lockdown. The decision was taken to close 17 of the Council's 39 public conveniences in response to incidences of theft and vandalism over the past week and to allow redirection of cleansing staff to other activities.	S.5.2 – Leader of the Council	19.03.20	18 May 2020

## Record of Decisions taken under Delegated Authority

Section 5.2	Yes	S. Blatch <i>Chief Executive</i>	Decision taken to close Coastal Car Parks operated by the District Council in light of large numbers of people visiting the coast over the weekend of 21 <sup>st</sup> and 22 <sup>nd</sup> March against Government guidance on social distancing and non-essential travel to try and limit the spread of Coronavirus	S.5.2 – Leader of the Council	23.03.20	18 May 2020
Section 5.2	Yes	S. Blatch <i>Chief Executive</i>	To close all public conveniences operated by the District Council on a temporary basis.	S.5.2 – Leader of the Council	24.03.20	18 May 2020
Section 5.2	Yes	S. Blatch <i>Chief Executive</i>	To close Cromer Pier for public access in light of Government guidance on social distancing and non-essential travel during the Coronavirus situation (extended on 16 April 2020)	S.5.2 – Leader of the Council	24.03.20	18 May 2020
Section 5.2	Yes	S. Blatch <i>Chief Executive</i>	To establish 10 Local Co-ordination Centres to support delivery of frontline community support to Shielding and Vulnerable People in the community in response to the Coronavirus national lockdown.	S.5.2 – Leader of the Council	26.03.20	18 May 2020

## Record of Decisions taken under Delegated Authority

Section 5.2	Yes	S. Blatch <i>Chief Executive</i>	To send letter to all households in North Norfolk detailing contact details and community support arrangements in response to national Coronavirus lockdown – providing information on dedicated helpline and email address, Hardship Fund and Benefits advice, business advice, community volunteering etc. This was a Norfolk wide initiative – the costs of which district authorities agreed to meet at a district level	S.5.2 – Leader of the Council	26.03.20	18 May 2020
Section 5.2	Yes	R. Young <i>Head of Economic &amp; Community Growth</i>	To support the Council's leisure contractor with its immediate and longer term cashflow issues as a result of the Government's response to the Covid 19 emergency, which has statutorily required the closure of all leisure centres for use by members of the public for their intended use.	S.5.2 – Leader of the Council	26.03.20	18 May 2020
Section 5.2	Yes	S. Blatch <i>Chief Executive</i>	Decision taken to close Car Parks at Holt Country Park, Pretty Corner Woods and Vale Road Beach Access at Trimmingham in response to a request from local police due to large numbers of people undertaking non-essential travel to these sites for walking and exercise over weekend of 28 <sup>th</sup> and 29 <sup>th</sup> March against Government advice to limit the spread of Coronavirus	S.5.2 – Leader of the Council	31.03.20	18 May 2020

## Record of Decisions taken under Delegated Authority

Section 5.2	Yes	S. Blatch <i>Chief Executive</i>	To re-confirm previous decisions made on 23 <sup>rd</sup> , 24 <sup>th</sup> and 31 <sup>st</sup> March to close coastal car parks and car parks at Holt Country Park, Pretty Corner Woods and Vale Road Beach access, Trimmingham; as well as all District Council public conveniences in support of the Government extension of the Coronavirus lockdown.	S.5.2 – Leader of the Council	16.04.20	18 May 2020
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## **PURCHASE OF FURTHER PROPERTY FOR USE AS TEMPORARY ACCOMMODATION FOR HOMELESS HOUSEHOLDS**

Summary: This report identifies a further suitable property to be purchased by NNDC for use as temporary accommodation for homeless households.

Options considered: Do not purchase this unit but instead invest the budget.

Conclusions: The Council has a duty to provide temporary accommodation for homeless households. The Council purchases much of this accommodation from the private sector with a significant net cost to the Council. Purchase of this property will provide a quality, flexible home for temporary accommodation and there is budget provision available to purchase such homes.

Recommendations: That Cabinet agrees to the purchase of the identified property (subject to an independent valuation and survey) using the budget provision.

Reasons for Recommendations: To provide authority for expenditure over £100,000.

## **LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW**

Budget report to Full Council - 22 February 2017  
Purchase of two properties for use as Temporary Accommodation for homeless households – Cabinet 2 March 2020

Cabinet Member(s): Cllr Andrew Brown  
Ward(s) affected: North Walsham West

Contact Officer: Nicky Debbage, Housing Strategy & Delivery Manager, Tel: 01263 516027, email [nicky.debbage@north-norfolk.gov.uk](mailto:nicky.debbage@north-norfolk.gov.uk)

### **1. Introduction**

- 1.1 The council has a duty to provide emergency/temporary accommodation (TA) for homeless households whilst assessing their case and/or ahead of securing more permanent accommodation. The council uses a range of accommodation to meet this duty and, whilst some of the costs of this accommodation are covered by housing benefit, this is only payable up to 90% of Local Housing Allowance (the amount set by government that can be covered by housing benefit). This level is low – e.g. £373.50 per month for a 1 bed and £468.08 per month for a two bed home.
- 1.2 The cost of temporary accommodation used varies greatly. Costs can be in excess of £100 per night, with the typical cost of bed and breakfast type accommodation used at £280 per week – making it a very expensive

accommodation option. The difference between actual costs and the element of costs eligible for housing benefit is borne by the council and has risen in recent years with the forecast cost for this year in excess of £200k.

- 1.3 As well as the financial cost of TA, there are clearly quality issues with bed and breakfast style temporary accommodation. Whilst the council tries where possible to use self-contained accommodation with at least basic cooking facilities, that is not always possible. Providing self-contained properties for use as TA will give homeless households a period of relative stability and an opportunity for households to lead a relatively normal life and to demonstrate their capability to hold a tenancy. For those households that need it, this form of TA will also mean a period of time to learn, with support, some basic skills such as budgeting.
- 1.4 The council already owns two units which it has purchased to use for TA (and let at 90% of LHA meaning rent can be fully covered by housing benefit). The council had agreed in principal to purchase four further flats to be used for TA on the Laundry Loke site in North Walsham from Flagship Housing. Full Council approved a capital budget for £610,000 to purchase properties to be used for TA; however, it was considered that the purchase of properties from the market would represent better value for money and this allow the flats at Laundry Loke to be retained by be Flagship and let as affordable housing.

## **2. Property purchase**

- 2.1. Over recent months, officers from the Housing Options and Property Services teams have undertaken extensive property searches to identify suitable potential properties to be purchased for TA. The criteria for this search included:
  - Location – properties need to have good proximity to services (schools, shops, doctors, etc.) and transport links, preferably located in or around one of the towns;
  - Property type – the predominant need is for 1 or 2 bed houses or self-contained flats, and if possible for these to be accessible for disabled households;
  - Condition – homes need to be in good condition with no major refurbishment needs, enabling quick letting;
  - Price – all homes would be subject to an independent valuation to ensure they represent a good investment. However, in line with the rudimentary viability modelling undertaken, ideally the total cost (including any repairs and legal costs) should be no more than £175k. A lower cost would be preferable to allow the purchase of four properties for the £610k earmarked budget.
- 2.2 Using these criteria viewings have been carried out on 20+ properties, with conditional offers made on five. One offer has been refused, one is pending and three have been provisionally accepted.
- 2.3 Cabinet at their meeting on 2 March 2020 agreed (subject to an independent valuation and survey) to the purchase of two properties for use as TA – a 2 bedroom bungalow in North Walsham and a 1 bed house in Hempton.
- 2.4 It is now recommended that a further property be purchased, details of the financial aspect of this potential purchase can be found in Appendix 1, but in summary it is a two-bed first floor flat in North Walsham. The Flat is available for immediate occupation (no chain), in a good central location with easy access to facilities, in good condition (currently having some refurbishment



completed by the current owner) with a modern heating system (ready to let with the usual safety checks).

- 2.4 The combined purchase costs of properties 1 and 2 (previously agreed at Cabinet 2 March 2020) and this third property are £418,435 - giving an average of just under £140k. This means there is still £191,565 potentially remaining from the £610k earmarked budget to purchase a fourth property.

#### **4. Conclusion**

This proposal helps deliver the Corporate Plan objective “Local Homes for Local Need” and also helps deliver the council’s statutory duty to provide accommodation for homeless households.

There is a need for good quality TA units and there is budget provision available to purchase such homes. This property will provide a quality, flexible home for TA or for other future uses. It is therefore recommended to purchase this home – subject to an independent valuation and full survey.

#### **5. Implications and Risks**

The key risks and mitigations associated with this purchase are:

- The property is a poor investment – mitigated by purchase being subject to an independent valuation
- The property has unforeseen major investment needs – mitigated by purchase being subject to a full survey
- The property is not required for TA in the future – mitigated by either sale of the asset or use as market rented home (if a housing company is in place to allow this)

Risk will be further mitigated as the home will be insured by NNDC (and the costs of this are included in management costs assumed below).

#### **6. Financial Implications and Risks**

Use of this home for TA, instead of a more costly (and poorer quality) alternative such as bed and breakfast, will help reduce the net spend on TA (which is forecast to be over £200k this year). Charging a rent at 90% of Local Housing Allowance on this home - which is a rent of £468 per calendar month (£5,617 per annum) - will mean all the rent can be covered by government funding.

Instead of purchasing homes for use as TA the council could chose to invest this capital. An investment of £117,735 at 3.3% gives an annual return of £3,885.

However, against this return on investment, one household would continue to require other forms of TA at a cost of £14,560 (based on 52 x typical weekly B&B cost of £280). We would receive 90% LHA against these costs of £5,617 p.a. Therefore there would still be a net cost to the council of £8,943 p.a.

However, using this property for TA would produce a potential rent of £5,617 p.a., there would be costs for managing and maintaining the home of £2,300 (£800 management, £700 maintenance, £800 capital works) resulting in a net income of £3,317.

So comparing the return from investing £117,735 (income £3,885.) but continuing to pay bed & breakfast for a household in TA (cost £8,943) gives a net cost from investing rather than purchasing of £5,058 pa. This compares to the net income generated from using the funds to buy this property for TA of £3,317. Therefore the net gain to NNDC of this approach is £8,375 – so the recommended purchase is a better investment approach.

Option	Income		Expenditure		Net Cost/ Income to Council
	Interest	90% of LHA	B&B Cost	Manage- ment and maintenance	
Invest money	£3,885	£5,617	£14,560	£0	-£5,058
Buy property and let for TA	£0	£5,617	£0	£2,300	£3,317

**7. Sustainability**

The purchased homes will achieve good energy standards and improvements to heating and insulation will be undertaken to ensure this where required.

**8. Equality and Diversity**

No direct implications in this report

**9. Section 17 Crime and Disorder considerations**

No direct implications in this report

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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