

Overview & Scrutiny Committee



Please contact: Matthew Stembrowicz
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Tuesday, 19 May 2020

A remote meeting of the **Overview & Scrutiny Committee** of North Norfolk District Council will be held on **Wednesday, 27 May 2020 at 9.30 am.**

At the discretion of the Chairman, a short break will be taken after the meeting has been running for approximately one and a half hours

PUBLIC ATTENDANCE AND PUBLIC SPEAKING – COVID-19

Please note that due to the Covid-19 restrictions, meetings of Overview & Scrutiny 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 matthew.stembrowicz@north-norfolk.gov.uk no later than 5.00 pm on the Monday 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.

Please note that Committee members will be given priority to speak during the debate of agenda items

Emma Denny
Democratic Services Manager

To: Mr N Dixon, Mr T Adams, Mr H Blathwayt, Mrs W Fredericks, Mr P Heinrich, Mr N Housden, Mr G Mancini-Boyle, Mr N Pearce, Miss L Shires, Mrs E Spagnola, Mr J Toye and Mr A Varley

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

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Email districtcouncil@north-norfolk.gov.uk **Web site** www.north-norfolk.gov.uk

A G E N D A

1. TO RECEIVE APOLOGIES FOR ABSENCE

2. SUBSTITUTES

3. PUBLIC QUESTIONS & STATEMENTS

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

4. MINUTES

1 - 12

To approve as a correct record the minutes of the meeting of the Overview and Scrutiny Committee held on 11th March 2020.

5. 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.

6. 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.

7. PETITIONS FROM MEMBERS OF THE PUBLIC

To consider any petitions received from members of the public.

8. CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE BY A MEMBER

To consider any requests made by non-executive Members of the Council, and notified to the Monitoring Officer with seven clear working days' notice, to include an item on the agenda of the Overview and Scrutiny Committee.

9. RESPONSES OF THE COUNCIL OR THE CABINET TO THE COMMITTEE'S REPORTS OR RECOMMENDATIONS

To consider any responses of the Council or the Cabinet to the Committee's reports or recommendations:

10. NORTH NORFOLK DISTRICT COUNCIL RESPONSE TO THE CORONAVIRUS PANDEMIC

13 - 26

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 30th 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.

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, Ward(s) affected:
Leader of the Council All

Contact Officer, telephone number and email:

Steve Blatch, Chief Executive

Email:- steve.blatch@north-norfolk.gov.uk Tel:- 01263 516232

11. COVID-19 FINANCIAL IMPLICATIONS

27 - 60

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 Ward(s) affected
Eric Seward 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)

61 - 68

Summary: This report details the key decisions taken by Senior Officers under delegated powers from 1st March to 1st 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

Cabinet Member(s): Ward(s) affected:
All All

Contact Officer, telephone number and email:
Emma Denny, Democratic Services Manager, 01263 516010,
Emma.Denny@north-norfolk.gov.uk

WORK PROGRAMMES

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|------------|---|---------|
| 13. | THE CABINET WORK PROGRAMME | 69 - 72 |
| | To note the upcoming Cabinet Work Programme. | |
| 14. | OVERVIEW & SCRUTINY WORK PROGRAMME AND UPDATE | 73 - 78 |
| | To receive an update from the Scrutiny Officer on progress made with topics on its agreed work programme, training updates and to receive any further information which Members may have requested at a previous meeting. | |
| 15. | EXCLUSION OF THE PRESS AND PUBLIC | |
| | To pass the following resolution, if necessary: | |
| | “That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph _ of Part I of Schedule 12A (as amended) to the Act.” | |

OVERVIEW & SCRUTINY COMMITTEE

Minutes of the meeting of the Overview & Scrutiny Committee held on Wednesday, 11 March 2020 in the Council Chamber - Council Offices, Holt Road, Cromer, NR27 9EN at 9.30 am

Committee Members Present:	Mr N Dixon (Chairman)	Mr T Adams (Vice-Chairman)
	Mr H Blathwayt	Mrs W Fredericks
	Mr P Heinrich	Mr G Mancini-Boyle
	Mr N Pearce	Miss L Shires
	Mrs E Spagnola	Mr J Toye
	Mr A Varley	
Members also attending:	Mrs S Bütikofer (Observer)	Ms V Gay (Observer)
	Mrs P Grove-Jones (Observer)	Mr J Rest (Observer)
	Mr E Seward (Observer)	Mr A Brown (Observer)
Officers in Attendance:	Democratic Services and Governance Officer (Scrutiny) (DS&GOS), Democratic Services Manager (DSM), Head of Legal & Monitoring Officer (HLS), Head of Finance and Asset Management/Section 151 Officer (HFAM) and Head of Economic and Community Development (HECD)	

Also in attendance:

86 TO RECEIVE APOLOGIES FOR ABSENCE

Apologies were received from Cllr N Housden.

87 SUBSTITUTES

None.

88 PUBLIC QUESTIONS & STATEMENTS

None received.

89 MINUTES

Minutes of the meeting held on 12th February 2019 were agreed as a correct record and signed by the Chairman.

90 ITEMS OF URGENT BUSINESS

None received.

91 DECLARATIONS OF INTEREST

None declared.

92 PETITIONS FROM MEMBERS OF THE PUBLIC

None received.

93 CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE BY A MEMBER

The Chairman informed Members that whilst Cllr N Housden had given his apologies, he had submitted the following request for consideration by the Committee:

'Would the Overview and Scrutiny Committee consider the impact of Norfolk County Council's proposed cuts to the Norfolk Music Service on children in the District? It is suggested that the number of tutors it currently provides are reduced by half and the cost of lessons to parents is increased by almost a fifth. This will have a significant impact on children living within the District, limiting their options to learn music and partake in extra-curricular activities that benefit their health and wellbeing. Although, the responsibility for the provision of music tuition sits with the County Council, the impact on our residents is potentially very significant.'

The Chairman stated that he was mindful of Cllr Housden's absence, and reminded Members that a statement from NCC on the issue had been shared with Committee Members prior to the meeting. Cllr J Toye commented that the statement from NCC suggested that lessons would be cheaper, but it also appeared that there would be an increase to individuals. He added that anything that reduced extra-curricular activity would have an effect, and having previously worked in high schools, he knew that all Councils would be looking at making cuts to these services.

Cllr L Shires stated that the issue was a big difficulty, and that her son had previously taken drum lessons, but had now stopped due to timetable clashes. She added that the loss of 30 minutes of academic study for music lessons was not fully supported by teachers, and students had begun to avoid these lessons as a result. It was suggested that there had been up to a 30% fall in the number of children taking music lessons as a result of timetable clashes. Cllr T Adams agreed with Cllr L Shires' concerns, and noted that music was very important to children's learning and development. In terms of costs, he added that he would be surprised if the rise from £34 to £40 per hour was sustainable. Cllr T Adams then suggested that the reduction from 46 to 21 tutors could undermine the range of instruments available to students, and could also make music tuition more exclusive. He added that whilst music services were not a District Council function, there was potential for £700k of savings, and he expected it would go to Scrutiny at NCC, which could provide NNDC with an opportunity to communicate its concerns.

Cllr H Blathwayt commented that playing music aided the overall education of children, and he felt that it would be appropriate for the Committee to communicate its disquiet to NCC.

Cllr V Gay stated that the decision from NCC was very regrettable, and that if the Committee were minded to express its disquiet, it would be a good idea. She added that NNDC did do some work to develop music with young people, but this was a small part of the picture.

Cllr P Grove-Jones stated that it was a shame that when cuts were made, most authorities went straight for the arts, and this was one of the most essential things to teach children. She added that she would also reiterate that NNDC should communicate its disquiet.

Cllr N Pearce stated that NCC risked fracturing a generation, and that cuts to music would meet an angry response. As a result, he agreed that a letter to NCC must be strongly worded. Cllr T Adams suggested that if the Committee were minded to submit a letter to NCC, then it should also be addressed to the Chairman of their Overview & Scrutiny Committee, so that it could be taken into account during their discussion of the cuts.

Cllr J Rest stated that he had been asked to speak on behalf of Cllr N Housden, who had submitted a declaration of interest. The Democratic Services Manager read out Cllr Housden's declaration of interest which stated:

'I am a musical instrument coordinator for the music service and am employed by NCC, simply put I deliver instruments to schools and also collect. It is a term to term contract, which started in November. I was asked to help as the Service was in total chaos in terms of this role. The cuts really do not effect me and I would not expect to be doing the work after August 2020.

Secondly, my wife is a peripatetic music tutor and has worked as such for 12 years, with the music service. She will be directly affected by the proposals, in terms of contract, income and the music sessions provided for the schools.'

Cllr J Rest commented that the proposals suggested that children would go to the tutors as opposed to tutors visiting the schools. He stated that music was a great outlet for some and was a service that must continue to be provided, otherwise there could be an awful effect on children.

Cllr W Fredericks asked whether it would be possible to suggest to NCC that they worked with schools to improve the services available. Cllr J Rest replied that the music tutors worked by contract for NCC and were not directly employed by schools, furthermore they had to cover large areas which required Cllr Housden to deliver the instruments.

The Chairman stated that he had no preconceptions on the proposals, and suggested that the comments should be taken at face value. He added that the Committee had to bear in mind that NNDC were not the deliverers of the service, though it would affect local residents. He continued that the project was at an early stage, and it was not yet clear how it would work in practice. He then suggested that the Committee should write to express its concerns at this stage.

Cllr N Pearce asked whether schools could contact parents to provide feedback in relation to the proposed cuts.

Cllr J Toye suggested that the Committee should write to NCC and copy in the Chair of the O&S Committee to express severe concerns about the potential denial of music services to a generation. Cllr W Fredericks stated that she supported the idea of sending a strongly worded letter, and added that she would like to include the wording, extremely concerned. Cllr A Varley agreed that the letter had to be strongly worded, and suggested that reference should be made to the detrimental impact it would have on children. Cllr N Pearce stated that having worked within the industry for some time, he suggested that the letter should include comment that we 'deplore the thought' to note the Committee's aversion to the proposals.

Cllr L Shires stated that local authorities should be focused on limiting inequality rather than broadening it. She added that cuts appeared to be made continually

without any impact assessments, which often resulted in effects that disproportionately impacted the lives of lower income families.

The Chairman summarised the points made, and suggested that the Scrutiny Officer could draft a letter and share it with Members via email before sending.

It was proposed by Cllr J Toye and seconded by Cllr H Blathwayt that the Scrutiny Officer write to the Head of Music Services at NCC, copying in the Chair of the Overview & Scrutiny Committee, to express the Committee's concerns in reference to the proposed changes.

RESOLVED

That the Scrutiny Officer write to the Head of Music Services at NCC, copying in the Chair of the Overview & Scrutiny Committee, to express the Committee's concerns in reference to the proposed changes.

94 RESPONSES OF THE COUNCIL OR THE CABINET TO THE COMMITTEE'S REPORTS OR RECOMMENDATIONS

The Democratic Services & Governance Officer (Scrutiny) informed Members he had included in the agenda a statement made by the Cabinet Portfolio Holder for Finance in acceptance of the Committee's budget recommendations.

95 BUDGET MONITORING 2019/20 - PERIOD 10

The HFAM introduced the report and informed Members that with the end of the financial year approaching, a very small surplus was predicted and there were no issues to report. He added that of the three recommendations included in the report which had been accepted by Cabinet, the most significant was the acceptance of a new energy contract. The contract would enable 94.5% of the Council's energy to be supplied from renewable sources, at a lower cost that would save approximately 64 tons of Co2 per year.

Questions and Discussion

Cllr P Grove-Jones noted that she had heard that interest rates would now fall to 0.25%, and asked how this might affect the Council. The HFAM replied that the base rate had a low impact on the Council, mainly with regards to overnight funds which had a very low impact on the Council's overall investment income. Cllr P Grove-Jones stated that municipal bonds were an interesting means of raising money, and asked if the Council utilised these. The HFAM replied that the Public Works Loan Board could change its rates, and there were also alternatives in the market that could provide loan functions. He added that these providers would prefer to offer larger loans around the £15m mark. It was noted that the Council would borrow for costs related to Splash and the new waste contract, and these decisions would be made at the appropriate time.

Cllr N Pearce stated that whilst the report covered 43 pages, it did not show the level of work involved and he wished to place on record his thanks to the officers.

The Chairman referred to proposed changes to the Budget Monitoring Report that would bring it in-line with performance monitoring. It was noted that the level of detail from both reports would need to be condensed to focus on high level reporting, and this could be expected around June. The HFAM stated that the Committee's budget

discussion this year had been the best he'd seen, and it was now important that the Committee maintained the same approach of looking at strategic issues and additional pressures. This would reduce the focus of the reports to around 15 key issues, and aim to link more closely with the MTFP and performance reports. The HFAM suggested that the new Inphase system would aid the process of moving to this more joined-up approach, which would allow the Committee to get the best from the reports. The HLS added that she was involved in the work that had brought various teams together to deliver the new style of reporting, and added that the changes would be introduced slowly, with a focus on strategic direction over minor details. The Chairman agreed that it was important for the Committee to place greater focus on strategic issues to look at the bigger picture.

Cllr G Mancini-Boyle asked for an update on the progress of the agreed scrutiny panels that would review the delivery of the Corporate Plan. The DS&GOS replied that the Terms of Reference were being drafted and it was hoped that preparations would be completed in time for May.

RESOLVED

To note the report.

96 REVIEW OF THE EQUALITY & DIVERSITY POLICY

The DSM introduced the item and informed Members that it had come to the Committee as a result of a motion to Full Council to accept a revised anti-Semitism statement. She added that it was apparent that the Equality and Diversity policy document had not been reviewed since 2006, though a draft of the new associated employment statement was attached for review. It was suggested that it would be up to Members to determine how to review the policy.

Questions and Discussion

Cllr S Bütikofer stated that she was keen to look at a wider inclusion, and suggested that work to review the policy could be picked up as part of the work of the upcoming Scrutiny Panels. She added that after looking at the current policy, that there was a reasonable amount of work to be done, and that the anti-Semitism statement currently sat alongside the policy. The HLS informed Members that the policy formed part of the Council's corporate governance framework, and as a result it must be addressed as a matter of priority, as it exposed the Council to risk. She added that officer resourcing would be required to draft a new policy.

Cllr E Seward stated that it was at the December meeting of Full Council during the anti-Semitism statement discussion that he had noticed when the policy had last been reviewed. He added that the Equality and Human Rights Commission had developed the Equality Act in 2010, and since then the understanding of equality had progressed significantly to become much more inclusive. He added that he had spent 30 years with the Committee for Racial Equality, so it was an issue dear to his heart and he believed the Council's policy needed updating as soon as possible. Cllr S Bütikofer stated that she agreed with the comments of Cllr Seward, and added that whilst the issue was raised in relation to discussion around anti-Semitism, the policy must be updated to cover all communities. She added that big increases in hate crimes such as islamophobia were being seen, and it was important to address these issues.

The Chairman stated that the Committee needed to decide how the issue should be

addressed, and suggested that it could form part of the work of the Scrutiny Panels that were in the process of being established.

Cllr J Toye stated that all Members needed to be involved, and that the Council should be sure not to exclude any groups from this involvement. He then referred to planning policy, and stated that 'access to all' should be a meaningful statement. The Chairman agreed but reminded Members that they needed to agree how to take the work forward, and suggested that everyone could provide input to the process at work-stream level.

The HLS suggested that officers could draft a policy if the Committee were to request resource for this as part of its recommendation.

Cllr G Mancini-Boyle suggested that that this should be the start of a talking point, and the policy would need to be continually reviewed and monitored.

Cllr N Pearce stated that he was supportive of updating the policy via a sub-Committee or Scrutiny Panel approach.

Cllr L Shires stated that there had been a clear response from the HLS, and the important thing was to get moving, which meant that the recommendation should ask for officer resource to begin drafting a new policy.

It was proposed by Cllr G Mancini-Boyle and seconded by Cllr J Toye that SLT allocates the officer resource to draft a new Equality and Diversity Policy, and that the new policy be reviewed by the relevant Scrutiny Panel.

RESOLVED

To request that SLT allocates the officer resource to draft a new Equality and Diversity Policy, and that the new policy be reviewed by the relevant Scrutiny Panel.

97 SHERINGHAM LEISURE CENTRE UPDATE

Cllr V Gay – Portfolio Holder for Culture and Wellbeing introduced the report and informed Members that the swimming pool at the old Splash facility remained closed, as safety was always the first priority. It was hoped that once repairs were complete, that the facility could reopen by Easter. Members were informed that the normal template and a cost summary of the project was included, and that the top risk remained the failure of the existing facility. It was noted that communications issues were often raised, and that a meeting with the new Communications Manager was planned to address these issues. Cllr V Gay stated that overall the project remained on-track, and though there had been some delays caused by weather, it was hoped that this time could be made up in the future.

Questions and Discussion

Cllr H Blathwayt asked in regards to the planned reopening of the existing Splash site, whether the current health emergency would be taken into account. Cllr V Gay replied that it would certainly be taken into consideration. She added that the rest of the facility remained open, and it was just the pool that was closed for the time being. Cllr S Bütikofer stated that the Council would be following the advice of Central Government and Public Health England on all matters relating to health.

The Chairman asked for details on the contingency fund, to which Cllr V Gay replied that £81k of the construction contingency had been spent, and the client contingency remained untouched.

Cllr G Mancini-Boyle questioned whether a health and safety log for the project could be shared with Members. The Chairman noted that the purpose of the project monitoring was to ensure that the project was delivered on time, and on budget. The HECD added that the issues log already included in the update would bring forward any issues of major significance, and reassured Members that the contractors were submitting weekly and monthly updates. It was reported that at present, one of the key health and safety issues was caused by stray golf balls.

The Chairman reminded Members that in addition to noting the report, it was also necessary at this stage, for Members to determine the frequency of reports going forward. He asked if Members would be happy to relax reports to a quarterly basis, with the potential for more frequent updates if any issues were to arise. It was suggested that more detail could be added to the portfolio holder updates at Full Council meetings.

It was proposed by Cllr A Varley and seconded by Cllr W Fredericks to reduce the frequency of the Splash project updates from monthly to quarterly.

RESOLVED

To reduce the frequency of the Splash project updates from monthly to quarterly.

98 THE CABINET WORK PROGRAMME

The DS&GOS informed Members that the Cabinet Work Programme was up to date.

RESOLVED

To note the Cabinet Work Programme.

99 OVERVIEW & SCRUTINY WORK PROGRAMME AND UPDATE

The DS&GOS informed Members that the Work Programme was up to date, though there were several items outstanding that could potentially be added to the Work Programme for the next municipal year.

RESOLVED

To note the Work Programme.

100 EXCLUSION OF THE PRESS AND PUBLIC

It was proposed by Cllr A Varley and seconded by Cllr P Heinrich

RESOLVED

That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as

defined in paragraph 3 of Part I of Schedule 12A (as amended) to the Act.

101 PROPERTY REPORT

The HLS introduced the report and informed Members that the Estates Manager (report author), was unable to attend the meeting. She suggested that it might be useful for new Members to understand some of the context of the property, and reported that the associated Itteringham Shop had been in the village since 1637, and had been community run since 1994. It was stated that the shop had changed hands in 2012 with the sale of Fairmeadow House, as it was considered to be part of the same property. Under new ownership, the HLS reported that the five year lease on the shop was due to be terminated upon its expiration in March 2017, allowing six months for the shop to vacate the premises. She added that the shop was subsequently listed as an asset of community value, as a result of significant public concern regarding potential closure of the shop, bearing in mind its history. It was reported that the owners would not sell the shop separately to the community association (ICA), and as a result the ICA started fundraising to buy both properties. The HLS noted that due to differences between the owners and ICA, the latter approached the Council for assistance, and various options were considered. The HLS reminded Members that the issue was time limited, and that the Council had been involved in the process at a late stage. As a result, the HLS reported that in order to safeguard the shop, Members and officers felt it was right to intervene to give some security to the ICA. The HLS noted that purchasing property in North Norfolk was not deemed to be a high risk investment, and at that point a business case was developed for the neighbouring Fairmeadow House to be converted in a holiday let, and a subsequent report proceeded to Cabinet. She added that following the purchase, the shop had remained in the premises under a lease, with the potential for the ICA to buy the shop in the future.

Questions and Discussion

The Chairman thanked the HLS for the introduction, and offered Cllr S Bütikofer the opportunity to speak.

Cllr S Bütikofer stated that she wanted to add some further context for new Members, and noted that the purchase had been brought to Committee by the previous administration at very short notice. As Chair of the Overview & Scrutiny Committee at the time, Cllr K Ward had given her permission for it to be an item of urgent business. As the Leader of the Opposition at the time, Cllr S Bütikofer stated that she had expressed concerns regarding the purchase, and though supportive of saving the community asset, stated that she had reservations about the purchase of Fairmeadow House. She added that she believed that the shop should be separated from Fairmeadow House, and that the house should be sold on.

The HLS stated that occasionally urgent items would come before Cabinet and it was reasonable to make appropriate use of this provision. It was noted that in this case, there had been a need for urgent action as the situation was particularly time sensitive. The HLS stated that it was appropriate for Members to take a different view of the projects of another administration, but suggested that Members needed to ensure that an objective was maintained. She added that extensive discussion had been held on risk appetite, and that nothing the Council did was without risk. It was suggested that the Committee should take a measured approach to the report, to determine how the asset has performed, to review it, and to learn from it.

The Chairman stated that the purpose of the report was to consider what has

happened in respect of the project, and contribute to the options, so that Cabinet can consider any actions.

Cllr P Grove-Jones noted that the risk training provided had been interesting, and suggested that if the asset was not profitable, then sale should be considered.

The HFAM began by referring Members to the report, which noted that the key objective of the purchase was to save the community shop. He added that the property would likely also prove to be a good investment over time, though this could require some patience. One of the initial lessons learnt, was that the Council had to be clear on the key drivers for projects, and had to better understand how to measure project outcomes. The HFAM reported that initial projections had considered how quickly the letting business would build, though this may have been optimistic. He added that income in the second year of operation had more than doubled, but this had come with an associated increase in costs. It was anticipated that income would continue to increase, but it would take time to build a customer base.

In terms of yield, the HFAM stated that the property would need to be run in more business-like manner, by maximising income and decreasing management costs. In relation to this, it would be possible to have a separate profit and loss account for the project.

Feedback on the property was reported to be positive, but the HFAM warned that the Council may be spending too much to achieve this. In terms of the properties facilities, it was noted that it slept eight, but only had two toilets and one shower, which could discourage potential bookings.

On property value, the HFAM reported that three valuations had been received, which ranged from a £170k loss on the original investment, to a £70k gain. There was provision for improvements to the property, such as improvements to the annex, or the installation of additional washing facilities, but these would be subject to a business case. Additional opportunities also included separating the property from the village shop.

A comfort break was taken from 11.15 – 11.25

The Chairman informed Members that the original request for the report had been made by Cllr J Rest, and he would be invited to explain his reasons for the request. Cllr J Rest stated that he believed that the project had been processed without prior review, and that it was now appropriate to consider disposing of the asset at the best market value available.

The Chairman stated that the Committee needed to take an objective look at the project, and use the information included in the report to develop informed recommendations. It was noted that the original business case may have been overly optimistic, and this needed to be taken into account for future commercialisation projects. The HFAM replied that whilst the project hadn't produced some of the financial benefits expected, it had still delivered the key objective of saving the community shop. In terms of a fall-back position, he added that there was always the option to sell the asset, though the outcome could vary depending on the timing of the sale. In reply to the Chairman, the HFAM stated that the business case had been optimistic about the letting market, but there were still constraints on the property that could be limit its potential, such as limited bathing facilities. It was suggested that ideally, the project needed time for the income

develop and to achieve maximum capacity.

The HFAM stated that future projects would still pose potential risk, but lessons had already been learnt from the business case. He added that to Fairmeadow House, income had still almost tripled, and it was now time to reduce management costs. It was suggested that potential options to consider could include greater involvement from the ICA, or a pricing review. The HFAM noted that changes such as allowing dogs had led to substantial increases in lettings, which showed signs of movement in the right direction.

The Chairman asked if it was fully understood at this stage, what had gone right and wrong with the project, to which the HFAM replied there was certainly more to learn, but significant lessons had been learnt. The HFAM added that the national average for return on commercialisation investments was 2.2%, whereas the NNDC target was 4%. As a result, the question should be asked whether the Council could accept a lower rate of return to achieve other outcomes. The Chairman asked whether these considerations would be material in informing the decision that needed to be made, to which the HFAM replied that they not provide significant input at this stage. He added for example, that the Egmore proposal had never been expected to generate significant returns, but was intended to generate economic development within the district. It was suggested that the utopia project would tick off all corporate priorities, but this was not always possible.

The HLS stated that upon revisiting the original report, the key objective had always been to save the community shop, and whilst it had been assumed that the ICA would offer more support to run the house, this was somewhat beyond the remit of the group. Other risks were identified in the report, such as the potential for lower than expected income, and increased maintenance costs, and Members made the decision at the time with these risks in mind. The HLS informed Members that she had personal experience of running a similar property, and suggested that the focus needed to move to yield rather than occupancy, and for this reason it would be worthwhile reviewing the pricing structure. Further options could include reviewing the management and cleaning operations to seek a reduction in costs. The HLS stated that there were three elements that improved the appeal of properties to potential renters, which included hot tubs, log burners and proximity to beaches, of which the first two could be considered.

Cllr N Pearce stated that in hindsight, it was possible that mistakes were made, but efforts should now focus on maximising the profitability of the property. He noted that the project did save the community shop, which was the key objective and should be remembered as such. It was suggested that as it was the wrong time to sell, the property should be given two more years to establish itself, and after that point a decision can be made on its future. At this time, Cllr N Pearce suggested that the shop should be separated and appropriately transferred to community ownership.

Cllr T Adams stated that he had previous experience of the holiday let sector through the running and cleaning of properties. He stated that he did have concerns regarding the timing of the investment, and would like to know whether NNDC employed local individuals for cleaning and maintenance. Cllr T Adams noted that the destination of the property limited its appeal in comparison to coastal properties, and suggested that consideration should be given to selling the property.

Cllr P Grove-Jones stated that under normal circumstances a business would be given three years to make profit, after which time the business would need to make profit or cease trading, and this should be no different.

Cllr P Heinrich stated that his gut reaction would be to sell the property, but doing so at this time could lead to a loss. Therefore, he suggested that this should be revisited in the future, and in the meantime, consideration should be given to reviewing management and cleaning costs, and making significant improvements to the bathroom facilities, as this could improve the saleability of the property in the future.

In reply to comments regarding conversion of the property's annex, the HLS replied that this would be difficult, as it had poor access and would be unlikely to gain the necessary planning approval for conversion into a separate dwelling. Cllr P Heinrich asked whether it would be possible to develop a business case for the conversion of the annex. Cllr E Spagnola suggested that two beds with a ceiling hoist would enable the annex to be put to greater use. Cllr W Fredericks added that the annex could help the property appeal to a niche market. She then asked if the property could be offered for long term rental, and if sold, whether the money would be returned as capital. It was confirmed that it would be capital if sold. Cllr L Shires replied that there was likely a very limited market for five bedrooms houses within North Norfolk rental market. She added that the project had been a valuable learning experience for the Council, and agreed that whilst now was not the time to sell, the property should be given a chance to develop.

The HFAM informed Members that the property was currently managed by English Country Cottages, and the cleaning was carried out by Norfolk Cleaning. He added that there had been two significant elements of capital expenditure on the property, which included the installation of a bunded oil tank, and a new septic tank at a cost of £28k. It was reported that this initial expenditure had frontloaded the property with significant costs, though these were one-off and would not be incurred again. The Chairman suggested that this showed that some issues may have been overlooked during the property survey. He then asked if these costs were outlined in the report, to which the HFAM replied that they were included, but not specifically mentioned. He added that surveys of the property had been undertaken, though septic tanks were often overlooked. The tank was reported to have sprung a fundamental leak one and half years into ownership, and new regulations required certain investment. It was noted that property surveys were a requirement of purchase, but they did occasionally miss things.

Cllr H Blathwayt stated that he agreed that the business should focus on yield rather than occupancy, and as a result, the pricing structure should be reviewed. He added in terms of tenancy, that if a future sale was possible, then the property should remain as a holiday let enable an easier sale. It was noted that losing money on property in North Norfolk would be very difficult. Cllr H Blathwayt suggested that the property business should be allowed a five year run to establish itself, subject to a pricing review, and added that if the annex could be used as an accessible holiday let, this would be a positive step.

Cllr J Toye stated as local Member that he had to reinforce the importance of saving the community shop, and added that he agreed that the property needed two more years to reach its full potential.

Cllr A Brown stated that he agreed that a business case should be considered for the conversion of the annex into an accessible holiday let, but noted that this could be compromised by its limitations. The HLS noted that these issues would only be relevant if the intention were to let the annex separately from the man property, but if the property were to be let as one, then this would not be an issue.

The Chairman noted that a majority of Committee Members appeared to agree with the officers recommendations of continuing to run the property as a holiday let for a further two years. In addition it had been suggested that a review of the lessons learnt should be undertaken, alongside a review of property management, cleaning, and pricing. Finally, it was suggested that improvements such as additional bathroom facilities or the conversion of the annex into an accessible holiday let should also be consideration. Cllr L Shires proposed the recommendations and by Cllr P Heinrich seconded.

RESOLVED

To recommend to Cabinet:

- 1. That the Council continues with the current holiday letting of the property for a 5 year period, starting from the date of purchase, to allow the business to prove itself as either economically viable, or to reach a point at which sale of the property would be financially advantageous.**
- 2. That action be taken to identify lessons to be learnt from the underperforming holiday letting aspect of the venture, so that they may be recognised and used to inform decision making on future commercial projects**
- 3. That interventions be made to improve the arrangements for managing and running of the property to minimise costs, maximise occupancy and improve efficiency.**
- 4. That consideration is given to making a range of potential improvements to the property to increase its market appeal, which could include making it fully or in-part (i.e. the Annex) DDA compliant, and/or installing additional bathing facilities, to improve financial viability.**
- 5. That a review of the pricing structure is undertaken by the Assets Team to improve occupation and yield during peak, mid-season and off-peak periods, to improve financial viability.**

The meeting ended at 12.22 pm.

Chairman

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 30th 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:- steve.blatch@north-norfolk.gov.uk 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 28th 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 5th 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 11th March and then again on 18th 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 20th 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 23rd 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 26th 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 10th 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 23rd 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 10th and 17th 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 18th 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 16th 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 16th 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 16th 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 19th March, under delegated authority of the Head of Paid Service.
- On 20th 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 21st and 22nd March, the Council closed its coastal car parks from Monday 23rd March, again under delegated authority of the Head of Paid Service.
- Following the Prime Minister's statement on the evening of the 23rd 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 24th 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 26th 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 23rd 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 30th 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 30th 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 7th 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 28th and 29th March, local police colleagues asked the Council on 30th 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 30th 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 4th April and first payments being made on 8th April.
- Over the Easter weekend Friday 10th – Monday 13th 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 16th 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 25th 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 (28th April) that it would receive £1,045,316 through this announcement.
- On 2nd 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 (5th 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 provided locally.
- On 4th and 5th 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 (5th 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 6th, 13th, 20th and 27th 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 28th 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 7th 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 28th 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 16th and 23rd 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 30th 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 4th April and first payments being made on 8th 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 5th 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 4th May, we were the 33rd highest authority in terms of numbers of grants paid and the 41st 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 14th 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.**

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.

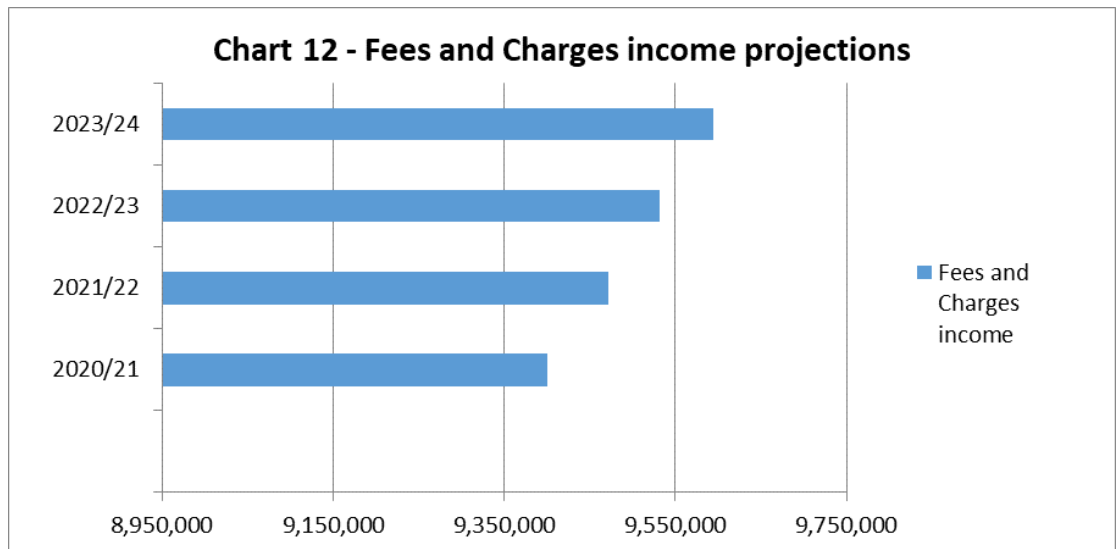
- 5.7. A number of services are seeing a profound impact from the pandemic, affecting service delivery, demand and ways of working across all parts of the Council. It is unclear how services and demand will need to operate beyond the immediate emergency period, particularly for vulnerable groups and 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

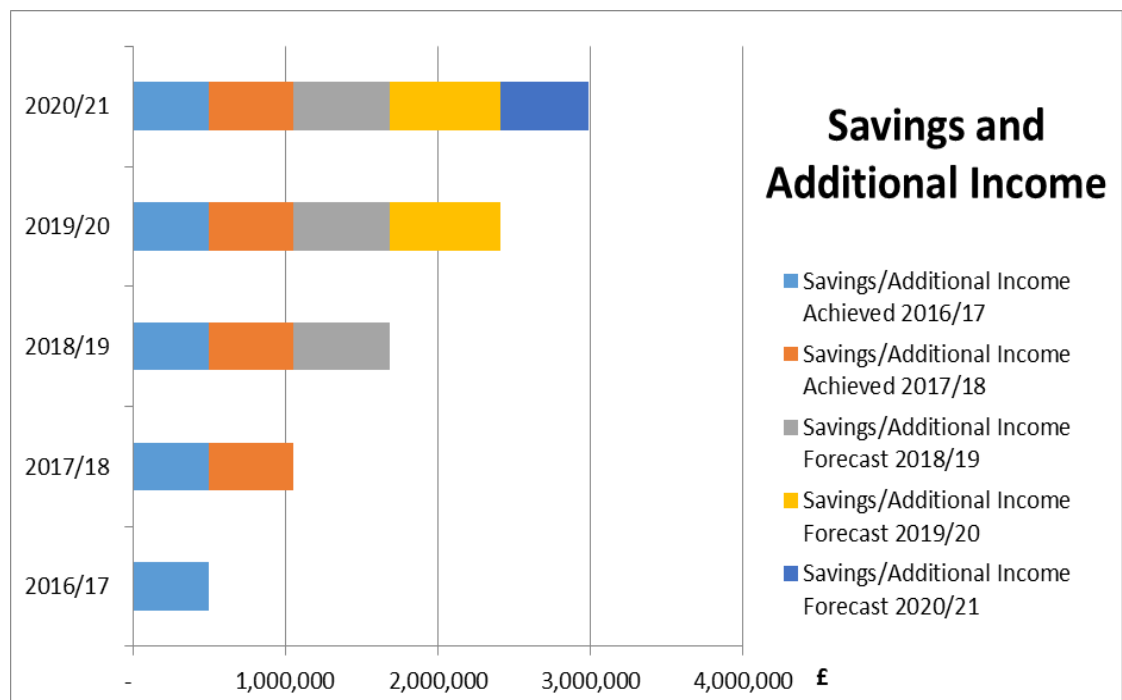
- 6.5. **Costs** - service cost pressures from increasing demand such as housing benefit demand. Exceptional costs from things such as provision of Community Hubs, resident communications and staff overtime costs/sickness/re-deployment. **INCREASING COST PRESSURES £0.429m**
- 6.6. **Income** – significant 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

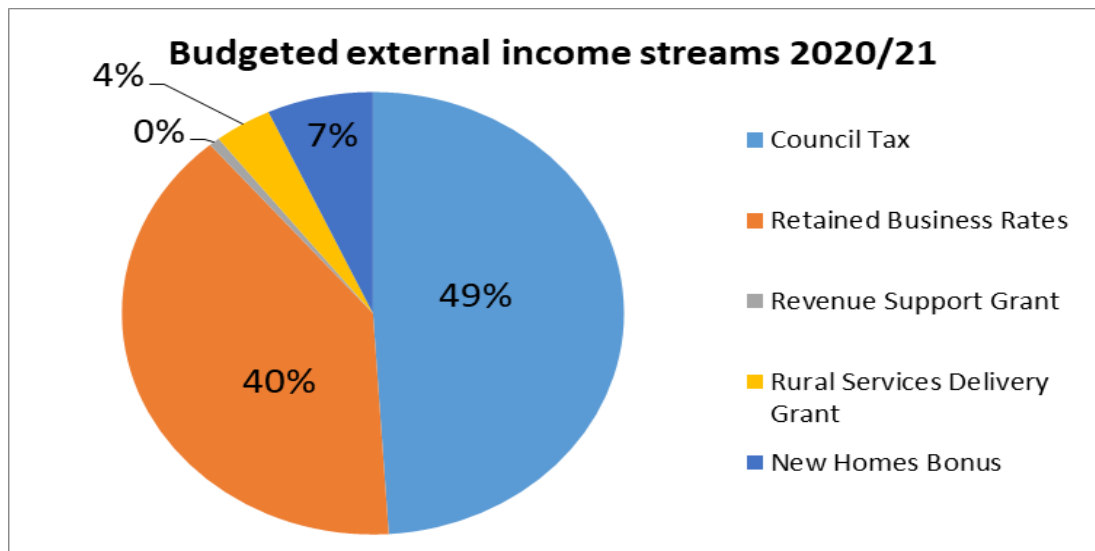
6.11. Loss of investment income is forecast due to reduced cash balances as a

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**



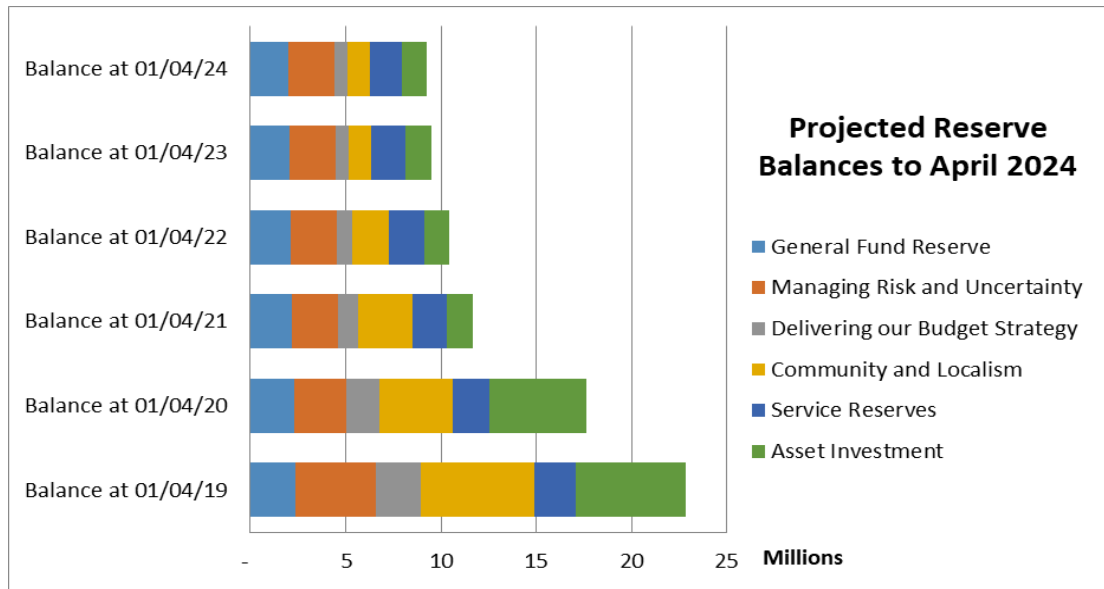
Reserves

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
Additional cost pressures				
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
Estimated Total Spending pressure	0.125	0.190	0.114	0.429
Income Source				
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
Estimated Total reduction in Income	0.280	0.663	0.627	1.570
Summary				
Additional expenditure	0.125	0.190	0.114	0.429
Loss of income	0.280	0.663	0.627	1.570
Total	0.405	0.853	0.742	1.999

- 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.

Risk	Likelihood	Impact	Risk Management
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. 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.
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. 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.
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. 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.
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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. MTF5 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.

Budget risk area	Additional COVID-19 considerations
<p>Planned Savings and Additional Income – 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>Council Tax Support – 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>Future Funding – 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>Spending Review (SR) - 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>Business Rates Retention – 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>New Homes Bonus (NHB) – 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>Investment Returns – 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>Waste contract – 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>Employee budgets – 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>Brexit/world politics – 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
Total Number of businesses awarded Grant		3,431
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
Total Value of businesses awarded Grant		£37,955,000

- 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 43rd (out of 314) in terms of value of grant paid and 37th 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 1st March to 1st 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

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 27th 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 26th 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 st and 22 nd 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 & 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 th and 29 th 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 rd , 24 th and 31 st 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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North Norfolk District Council
Cabinet Work Programme
For the Period 30 April to 30 June 2020

Decision Maker(s)	Meeting Date	Subject & Summary	Cabinet Member(s) Lead Officer	Corporate Plan Theme	Status / additional comments
May 2020					
Cabinet	04 May 2020	NNDC Covid 19 Response	Sarah Butikofer Steve Blatch Chief Executive	Quality of Life Customer Focus Boosting Business Growth	
Cabinet	04 May 2020	Budget 2020/21 Covid impact	Eric Seward Duncan Ellis Head of Finance	Financial Sustainability	
Cabinet	04 May 2020	North Walsham Heritage Action Zone - Update	Richard Kershaw Rob Young Head of Economic & Community Development	Quality of Life Boosting Business Growth	
June 2020					
Please note that programme from June to September is subject to change due to the impact of Covid 19					
Cabinet	01 Jun 2020	Community Governance Reviews	Sarah Butikofer Steve Blatch Chief Executive	Quality of Life	
Cabinet Scrutiny	01 June 2020 10 June 2020	Big Society Fund – Annual report	Virginia Gay Sonia Shuter Health & Communities Manager	Quality of Life	
Cabinet Scrutiny	01 June 2020 10 June 2020	Establishment of Property Company	Greg Hayman Eric Seward Renata Garfoot Emma Duncan	Financial Sustainability Local Homes for Local Need	



Key Decision – a decision which is likely to incur expenditure or savings of £100,000 or more, or affect two or more wards. (NNDC Constitution, p9 s12.2b)

* Schedule 12A of the Local Government Act 1972 (As amended by the Local Authorities (Access to Information) (Exempt Information) (England) Order 2006)

North Norfolk District Council
Cabinet Work Programme
For the Period 30 April to 30 June 2020

Decision Maker(s)	Meeting Date	Subject & Summary	Cabinet Member(s) Lead Officer	Corporate Plan Theme	Status / additional comments
Cabinet Scrutiny	01 June 2020 10 June 2020	Digital Transformation Update	Sarah Butikofer Sean Kelly Head of IT & Digital Transformation	Customer Focus	
Cabinet	01 June 2020	Housing with care scheme	Andrew Brown Nicky Debbage	Local Homes for Local Need Quality of Life	
Cabinet	01 Jun 2020 10 Jun 2020 24 Jun 2020	Out-turn report	Eric Seward Duncan Ellis Head of Finance & Assets	Financial Sustainability	
Cabinet	03 Jun 2019 10 Jun 2020 24 Jun 2020	Treasury Management Annual Report	Eric Seward Lucy Hume Chief Technical Accountant	Financial Sustainability	
Upcoming					
Cabinet		Broads Authority Visitor Centre, Hoveton			



Key Decision – a decision which is likely to incur expenditure or savings of £100,000 or more, or affect two or more wards. (NNDC Constitution, p9 s12.2b)

* Schedule 12A of the Local Government Act 1972 (As amended by the Local Authorities (Access to Information) (Exempt Information) (England) Order 2006)

North Norfolk District Council
Cabinet Work Programme
For the Period 30 April to 30 June 2020

Cabinet		North Walsham Hub			
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Key Decision – a decision which is likely to incur expenditure or savings of £100,000 or more, or affect two or more wards. (NNDC Constitution, p9 s12.2b)

* *Schedule 12A of the Local Government Act 1972 (As amended by the Local Authorities (Access to Information) (Exempt Information) (England) Order 2006)*

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OVERVIEW AND SCRUTINY COMMITTEE – ANNUAL WORK PROGRAMME 2020/21

Meeting	Topic	Lead Officer / Member	Objectives & desired outcomes	Time cycle
May 2020				
Cabinet Scrutiny	NNDC Covid-19 Response	Sarah Butikofer Steve Blatch	To review the NNDC response to the Covid-19 pandemic	
Cabinet Scrutiny	Covid-19 2020/21 Budget Impact Report	Eric Seward Duncan Ellis	To review the impact of the Covid-19 pandemic on the Council's 2020/21 budget	
Scrutiny	Review of delegated decisions		To review any delegated decisions that have been made as a result the Covid-19 Pandemic	
June				
Cabinet Scrutiny	Budget Monitoring P2	Eric Seward Duncan Ellis		TBC
July				
Cabinet Scrutiny Council	Debt Management Annual Report	Eric Seward Sean Knight	To review the Report and make any necessary recommendations to Council	Annual
Cabinet Scrutiny Council	Out-turn report	Eric Seward Duncan Ellis	To make any recommendations to Council	Annual
Cabinet Scrutiny Council	Treasury Management Annual Report	Eric Seward Duncan Ellis	To make recommendations to Council	Annual
September				
Cabinet Scrutiny	Budget Monitoring P4	Eric Seward Duncan Ellis	To review the budget monitoring position	

OVERVIEW AND SCRUTINY COMMITTEE – ANNUAL WORK PROGRAMME 2020/21

Meeting	Topic	Lead Officer / Member	Objectives & desired outcomes	Time cycle
October				
Cabinet Scrutiny Council	Council Tax Discount Determinations	Lucy Hume/Eric Seward	To determine the Council Tax discounts for 2020/21	Annual
November				
Cabinet Scrutiny	Budget Monitoring P6	Eric Seward Duncan Ellis	To review the budget monitoring position	Periodical
Scrutiny	Crime & Disorder Briefing	Nigel Dixon Matt Stembrowicz	PCC and district Superintendent to provide a briefing on TBC	Annual
December				
Cabinet Scrutiny Council	Treasury Management Half-Yearly Report	Eric Seward Lucy Hume	To consider the treasury management activities	Six Monthly
Cabinet Scrutiny Council	Medium Term Financial Strategy	Eric Seward Duncan Ellis	To review the Medium Term Financial Strategy	Annual – before 2021/22 Budget
January 2021				
Cabinet Scrutiny Council	2021/22 Base Budget and Projections for 2022/23 to 2023/24	Eric Seward Duncan Ellis	To review the proposed budget and projections	Annual
February 2021				

OVERVIEW AND SCRUTINY COMMITTEE – ANNUAL WORK PROGRAMME 2020/21

Meeting	Topic	Lead Officer / Member	Objectives & Desired Outcomes	Time cycle
February				
Cabinet Scrutiny Council	Treasury Strategy 2020/21	Eric Seward Lucy Hume	To review the treasury management activities and strategy for the investment of surplus funds	Annual
Cabinet Scrutiny Council	Capital Strategy	Eric Seward Lucy Hume	To review the deployment of capital resources to meet Council objectives & framework for management of the capital programme	Annual
Cabinet Scrutiny Council	Investment Strategy	Eric Seward Lucy Hume	To review the Council's Investment Strategy for the year 2020-21	Annual
March				
Cabinet Scrutiny	Budget Monitoring P10	Eric Seward Duncan Ellis	To review the budget monitoring position	
April				
Cabinet Scrutiny	Enforcement Board Update	Nigel Lloyd	To receive an update Enforcement Board cases – inc how to raise concerns, resourcing of team and overview of properties	Six-monthly

OVERVIEW AND SCRUTINY COMMITTEE – ANNUAL WORK PROGRAMME 2020/21

Meeting	Topic	Lead Officer / Member	Objectives & Desired Outcomes	Time cycle
Outstanding/To be Confirmed				
Cabinet Scrutiny Council	Affordable Housing Strategy		Pre-Scrutiny of the affordable housing strategy	
Scrutiny	Waste Contract Monitoring	Nigel Lloyd Steve Hems	To review the performance of the new waste contractor	Six Monthly
Scrutiny	Monitor resource implications for Homelessness Strategy		To monitor the	Requested by Committee
Scrutiny	Website design/functionality		To review the functionality of the Council's website	Requested by the Committee
Cabinet Scrutiny	Performance Management TBC	Helen Thomas	To monitor the performance of the Council and consider any resulting recommendations	Quarterly
Cabinet Scrutiny Council	Annual Action Plan TBC	Sarah Bütikofer Helen Thomas		Annual
Scrutiny Council	Overview & Scrutiny Committee Annual Report 2018/19	Matt Stembrowicz	Committee to approve and recommend to Council	Annual
Scrutiny	Market Towns Initiative Monitoring/Process Review	Matt Stembrowicz Richard Kershaw	To monitor the implementation of successful MTI applicants and review the funding process	Requested by the Committee
Scrutiny	Beach Huts & Chalets Monitoring	Maxine Collis Greg Hayman	To monitor performance of Beach Huts & Chalets	Requested by the Committee
Scrutiny	Ambulance Response Times/First Responders Briefing			Requested by the Committee

**Overview & Scrutiny March 2020
Outcomes & Action List**

	ACTION BY <i>(Additional comments in italics)</i>	PROGRESS / COMPLETION
<p><u>ITEM 93: CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE BY A MEMBER</u></p> <p>RESOLVED</p> <p>1. That the Scrutiny Officer write to the Head of Music Services at NCC, copying in the Chair of the Overview & Scrutiny Committee, to express the Committee's concerns in reference to the proposed changes.</p>	Scrutiny Officer	Letter on hold until an appropriate time in relation to Covid-19 school closures
<p><u>ITEM 95: BUDGET MONITORING 2019/20 - PERIOD 10</u></p> <p>RESOLVED</p> <p>1. To note the report.</p>	O&S Committee	N/A
<p><u>ITEM 96: REVIEW OF THE EQUALITY & DIVERSITY POLICY</u></p> <p>RESOLVED</p> <p>1. To request that SLT allocates the officer resource to draft a new Equality and Diversity Policy, and that the new policy be reviewed by the relevant Scrutiny Panel.</p>	SLT	March SLT Meetings
<p><u>ITEM 97: SHERINGHAM LEISURE CENTRE UPDATE</u></p> <p>RESOLVED</p> <p>1. To reduce the frequency of the Splash project updates from monthly to quarterly.</p>	Scrutiny Officer	June O&S Meeting

<p>ITEM 101: PROPERTY REPORT</p> <p>RESOLVED</p> <p>To recommend to Cabinet:</p> <ol style="list-style-type: none"> 1. That the Council continues with the current holiday letting of the property for a 5 year period, starting from the date of purchase, to allow the business to prove itself as either economically viable, or to reach a point at which sale of the property would be financially advantageous. 2. That action be taken to identify lessons to be learnt from the underperforming holiday letting aspect of the venture, so that they may be recognised and used to inform decision making on future commercial projects 3. That interventions be made to improve the arrangements for managing and running of the property to minimise costs, maximise occupancy and improve efficiency. 4. That consideration is given to making a range of potential improvements to the property to increase its market appeal, which could include making it fully or in-part (i.e. the Annex) DDA compliant, and/or installing additional bathing facilities, to improve financial viability. 5. That a review of the pricing structure is undertaken by the Assets Team to improve occupation and yield during peak, mid-season and off-peak periods, to improve financial viability. 	<p>Cabinet</p>	<p>Cabinet Meeting 30.04.20</p>
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