Norfolk County Council

Member Brief – potential impact for Norfolk of the invasion of Ukraine

Outline	This brief summarises the potential impact for Norfolk County Council of the invasion of Ukraine. It also outlines some of the support, mitigations and contingencies that the Council already has in place or under way.
Timing	8 March 2022

1. Purpose of brief

Norfolk County Council has evaluated the potential impact of, and our current response to, the humanitarian, economic and reputational effects of the invasion.

This brief sets out our findings across a wide range of potential areas of impact. It outlines some of the support, mitigations and contingency plans that we already have in place, or are under way, to address the potential issues that we have identified.

2. Belarusians, Ukrainians and Russians in Norfolk

Norfolk has small permanent Belarusian, Ukrainian and Russian populations. ONS 2021 census data on place of birth indicates 50 from Belarus, 470 from Russia, 310 from Ukraine.

Area	Belarus	Russia	Ukraine
Breckland	20	60	70
Broadland	-	40	30
Great Yarmouth	-	30	30
King's Lynn and West Norfolk	30	140	70
North Norfolk	-	-	-
Norwich	-	140	80
South Norfolk	-	60	30
Total	**50**	**470**	**310**

3. Risk of community tensions

Some voluntary groups and service users have been in touch to advise that Russian-speaking residents are understandably anxious about community tensions.

There are tensions identified on social media. Nothing more substantive has been reported to date.

4. Possibility of refugee reception

4.1 Support for possible Ukrainian refugees must be put in context of the ongoing support for Afghans and Syrians. Food price inflation and general tensions could well precipitate further conflict in the Middle East and a more-general refugee crisis.

4.2 Ukrainian refugees are expected to be mainly women and children.

The People from Abroad (PfA) team is making contingency plans, including working with corporate property to explore accommodation options and support for multiple groups of women and children.

Unaccompanied asylum-seeking children might arrive. In the first instance the children's services UASC team would support them.

4.3 We may also need to consider our approach to offers of hosting, use of spare rooms.

5. Returning British-Ukrainian families

5.1 British-Ukrainian families are likely to return to this country and Ukrainians who are established here may be joined by family members. Unless government makes an exemption, these people are likely to fail the habitual residence test for benefits and homelessness support.

5.2 Social services may thus need to provide support to these families, probably for a period of about three months.

6. Humanitarian support to people in Ukraine and neighbouring countries

6.1 Aid agencies advise that cash donations are the best way to help, as these minimise logistical, and customs barriers. The Disasters Emergency Committee has set up the Ukraine Humanitarian Appeal donation site.

6.2 The Polish community and others in Norfolk are organising support and funding. Norse has been asked by the Leader to support humanitarian efforts and is setting up a number of donation points.

7. Inflation and cost pressures

7.1 Russia and Ukraine are key commodity producers – in addition to energy, they supply iron and steel, a range of essential metals, and about one third of the world's wheat. Belarus and Russia together account for about two thirds of fertiliser production, which has a significant impact on food availability and costs.

7.2 Inflation might be expected to rise from estimates of 6%, to 8% or more.

7.3 Goods inflation will have a direct effect on the council's costs – particularly for construction – and energy prices will increase social care costs. But the bigger impact will be from wage cost pressures which will feed into both contract costs and staff expectations for salary increases in 2023 and beyond.

8. Hardship fund and community supermarkets

Unless government changes its position, funding for the hardship fund will cease on 31 March 2022. The council is working with the Norfolk Community Foundation to progress opening a network of community supermarkets.

9. Contracts

No significant contracts with Russian entities have been identified. Some councils have suffered some reputational difficulty because they buy their energy from Gazprom. Norfolk does not do so.

10. Supply chains

Our current assessment is that the direct effect on our own supply chains will be low – the bigger issue is inflation.

We are reviewing possible effects on construction supply chains, and there will be an effect on consumer and industrial goods which may affect the council.

11. Energy

11.1 Although the UK is less dependent Russian gas than many other countries, this is a global market. The UK is therefore affected by higher prices.

NCC's gas prices are expected to rise by about 60% from April. Electricity prices are secured until September but can be expected to rise significantly then.

11.2 One effect of high energy prices will be to make investment in energy conservation and in local generation comparatively more attractive. On a wide scale, such investment will also increase energy resilience as well as having obvious climate benefits. Decarbonisation studies are being procured for the NCC estate - but most of the measures we could take are not implementable within a few months.

12. Fuel

12.1 Fuel prices have increased markedly in the past twelve months and are likely to continue to rise.

12.2 Increased fuel prices will affect many of our contractors – notably school and passenger transport but also construction, home care and all contracts with a distribution component. This will increase price pressures.

12.3 Continuing to support working from home in the coming months where this fits with business need will support staff whose wages are being outpaced by inflation, as well as helping to minimise energy consumption.

13. Civil contingencies – panic buying

The risk of panic buying of food and fuel is heightened.

BEIS is yet to produce an updated fuel plan. Locally we have taken a number of steps to keep fuel tanks topped up and to prioritise critical workers.

14. Cyber

Cyber risk is heightened but have not seen any specific incidents. We have implemented all the advice given by the National Cyber Security Centre. The 'loss of IT' business continuity exercises conducted last year were useful and led to an update of business continuity plans.

15. Staff wellbeing

Colleagues who are directly affected by the situation in Ukraine are being supported by line management.

16. Pension fund

The Norfolk Pension Fund is intentionally diversified and invests across a full range of asset classes across the world. A very small percentage of the fund [0.25% of value before the invasion] is exposed to Russia and Belarus. The more significant impact for the fund will come from general market volatility. The Council is currently actively working on disinvesting in such funds.