Broadland Overview and Scrutiny Committee

Agenda

Members of the Broadland Overview and Scrutiny Committee

Cllr Martin Murrell (Chair)
Cllr Nigel Brennan
Cllr Peter Bulman
Cllr Sue Catchpole
Stuart Clancy
Cllr Jan Davis
Cllr Natasha Harpley
Cllr Steve Riley (Vice-Chair)
Cllr Susan Holland
Cllr Caroline Karimi-Ghovanlou
Cllr Ken Kelly
Cllr Kenneth Leggett MBE
Cllr Grant Nurden
Cllr Richard Potter

Date & Time:

Tuesday, 14 March 2023 at 10.00 am

Place:

Council Chamber - Thorpe Lodge, 1 Yarmouth Road, Thorpe St Andrew, NR7 0DU

Contact:

James Overy, tel (01603) 430540
Email: committee.bdc@southnorfolkandbroadland.gov.uk
Website: http://www.southnorfolkandbroadland.gov.uk

Public Attendance:

This meeting will be live streamed for public viewing via the following link:
https://www.youtube.com/channel/UCZciRgwo84-iPyRImsTCIng

If a member of the public would like to attend to speak on an agenda item, please email your request to committee.bdc@southnorfolkandbroadland.gov.uk, no later than 5.00pm Thursday, 9 March 2023.

AGENDA

1. Declarations of Interest (Pages 3 - 4)
To receive declarations of Interest from Members (guidance attached)

2. Apologies for absence
To report apologies for absence and to identify substitute members

3. Minutes (Pages 5 - 22)
To confirm the minutes from the meetings of the Overview and Scrutiny Committee held on 24 January and 31 January 2023, and consider any matters arising.

4. Chairman's Announcements

5. Public Speaking
To consider representation from the members of the public who have expressed the wish to convey their views on items on this agenda.

In accordance with the Constitution a period of 3 minutes is allowed per member of the public.

6. Cabinet Reports
To consider the Cabinet reports in respect of the 21 March 2023 meeting.

Members are asked to refer to the Cabinet Agenda, which will be published on the Council's website no later than Friday 10 March 2023.

DECLARATIONS OF INTEREST AT MEETINGS

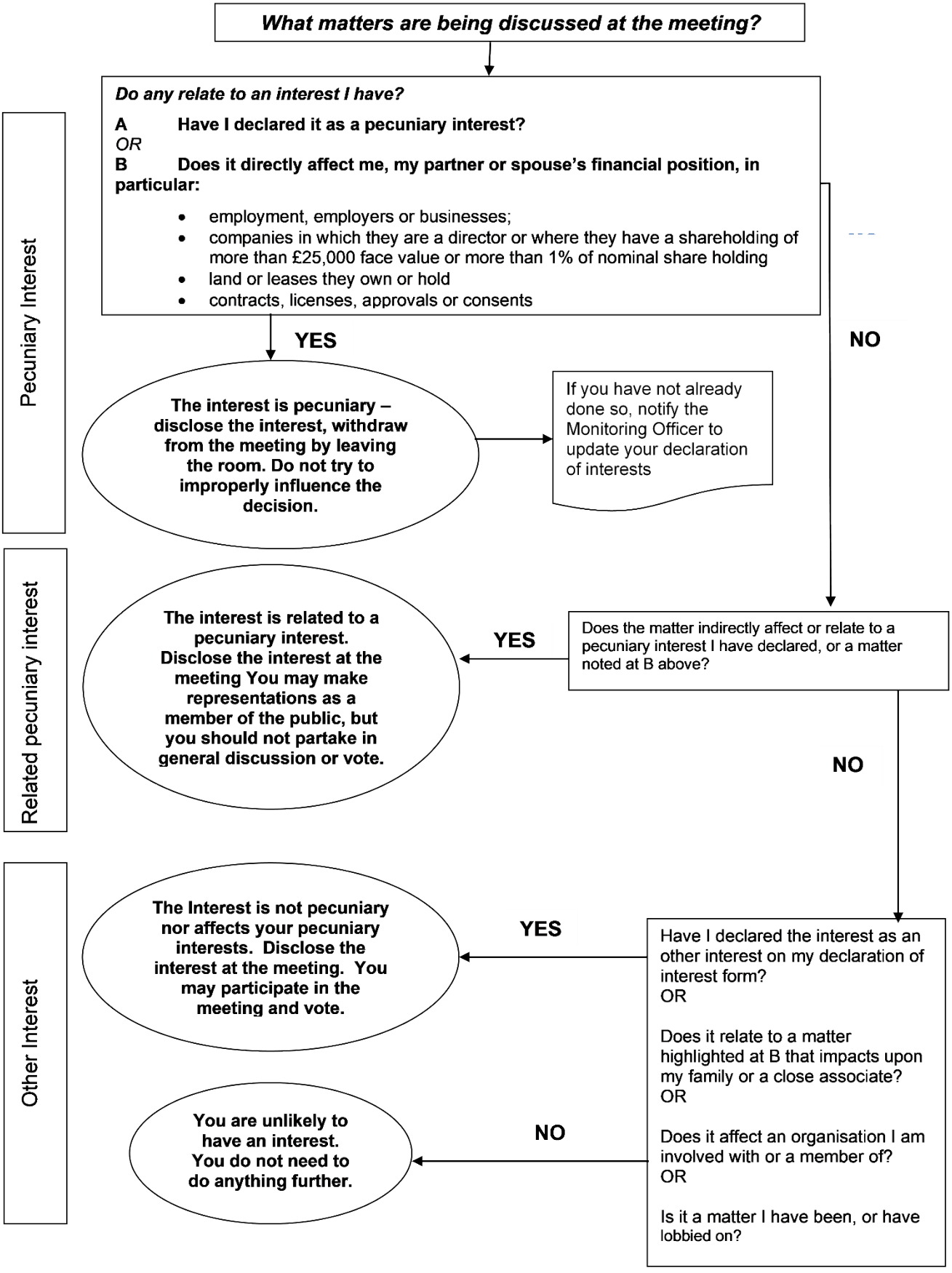
When declaring an interest at a meeting Members are asked to indicate whether their interest in the matter is pecuniary, or if the matter relates to, or affects a pecuniary interest they have, or if it is another type of interest. Members are required to identify the nature of the interest and the agenda item to which it relates. In the case of other interests, the member may speak and vote. If it is a pecuniary interest, the member must withdraw from the meeting when it is discussed. If it affects or relates to a pecuniary interest the member has, they have the right to make representations to the meeting as a member of the public but must then withdraw from the meeting. Members are also requested when appropriate to make any declarations under the Code of Practice on Planning and Judicial matters.

Have you declared the interest in the register of interests as a pecuniary interest? If Yes, you will need to withdraw from the room when it is discussed.
Does the interest directly: 1. affect yours, or your spouse / partner's financial position? 2. relate to the determining of any approval, consent, licence, permission or registration in relation to you or your spouse / partner? 3. Relate to a contract you, or your spouse / partner have with the Council 4. Affect land you or your spouse / partner own 5. Affect a company that you or your partner own, or have a shareholding in If the answer is "yes" to any of the above, it is likely to be pecuniary. Please refer to the guidance given on declaring pecuniary interests in the register of interest forms. If you have a pecuniary interest, you will need to inform the meeting and then withdraw from the room when it is discussed. If it has not been previously declared, you will also need to notify the Monitoring Officer within 28 days.
Does the interest indirectly affect or relate any pecuniary interest you have already declared, or an interest you have identified at 1-5 above? If yes, you need to inform the meeting. When it is discussed, you will have the right to make representations to the meeting as a member of the public, but you should not partake in general discussion or vote.
Is the interest not related to any of the above? If so, it is likely to be an other interest. You will need to declare the interest, but may participate in discussion and voting on the item.
Have you made any statements or undertaken any actions that would indicate that you have a closed mind on a matter under discussion? If so, you may be predetermined on the issue; you will need to inform the meeting, and when it is discussed, you will have the right to make representations to the meeting as a member of the public, but must then withdraw from the meeting.

FOR GUIDANCE REFER TO THE FLOWCHART OVERLEAF.

PLEASE REFER ANY QUERIES TO THE MONITORING OFFICER IN THE FIRST INSTANCE

DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF



OVERVIEW AND SCRUTINY COMMITTEE

Minutes of a meeting of the Overview and Scrutiny Committee of Broadland District Council, held at Thorpe Lodge, 1 Yarmouth Road, Thorpe St Andrew, Norwich on 24 January 2023 at 10.00 am when there were present:

Committee Members Present:	Councillor: M Murrell (Chairman), S Beadle, N Brennan, P Bulman, S Catchpole, J Davis, N Harpley, S Holland, C Karimi-Ghovanlou, K Kelly, K Leggett and G Nurden.
Apology:	Councillor: S Riley
Other Members in Attendance:	Councillors: J Copplestone, J Emsell, J Leggett T Mancini-Boyle and S Vincent.
Officers in Attendance:	The Director for Resources (D Lorimer), the Director for Place (P Courtier), the Governance Manager (L Mockford) and Democratic Services Officer (J Overy)
Also in attendance:	Sallyanne Jeffrey, Finance and Rating Manager – Water Management Alliance Matthew Philpot, Area Manager (East Anglia) – Water Management Alliance

90 DECLARATIONS OF INTEREST

Member/Officer	Minute No & Heading	Nature of Interest
Cllrs: Brennan, Copplestone, Kelly and Nurden	92 - Water Management Alliance – Briefing Paper	Non-pecuniary interests. Members of Internal Drainage Boards.

91 MINUTES

The minutes of the meeting held on 3 January 2023 were agreed as a correct record.

92 WATER MANAGEMENT ALLIANCE – BRIEFING PAPER

The Chairman welcomed Sallyanne Jeffrey the Finance and Rating Manager and Matthew Philpot, Area Manager (East Anglia) from the Water Management Alliance to the meeting.

The Committee was informed that the Water Management Alliance was proposing to increase its special levies by 10.01 percent for the Broads Internal Drainage Board and Norfolk Rivers Internal Drainage Board by 6.06 percent. This would equate to the following:

- Broads Internal Drainage Board £186,118 to £204,731 increase £18,613
- Norfolk Rivers Internal Drainage Board - £83,170 to £88,188 increase £5,018

This increase was due to the economic climate that the Water Management Alliance was currently operating in.

The Broads Internal Drainage Board had 37 pumping stations, all of which were powered by electricity to ensure that people, property and land were not flooded during periods of high rainfall. Electricity prices had significantly increased over the last 12 months, and diesel, which fuelled the plant has doubled in price. Moreover, inflation for materials was between 10-25 percent on average. These, along with other contributing factors, made it necessary to recommend this increase.

The increase would still not be enough to balance the budget (a rise of 23 percent would be required to do this) but it was intended that the increased levy would allow a balanced budget to be produced by 2026/27. Members were asked to note that the average increase over the last ten years had been 2.5 percent annually.

The Board's had a management team that constantly reviewed all processes and operations for any efficiencies and cost savings that could be made to minimise the net funding requirement from Drainage Rates and Special Levies. These included:

- Continuing to minimise administration and technical support staff costs.
- Working in partnership with other Risk Management Authorities and other third parties to deliver water level management services in the most cost-effective and integrated manner.

In response to a query, it was confirmed that if these inflationary pressures eased the size of the levy could be reduced accordingly.

The Committee was informed that the Water Management Alliance was also involved with a number of other agencies to facilitate initiatives such as the Felixstowe Hydro cycle, which would bring drainage water (which was currently pumped to sea) inland for irrigation and potentially for public water supply.

In answer to a query about the clearance of ditches and drains the Committee was informed that the maintenance programme was available online and if members had any concerns about work that required attention they should get in touch directly with the Water Management Alliance.

The Chairman thanks Sallyanne and Matthew for their presentation and attendance at the meeting.

93 BUDGET QUESTIONS FOR CABINET

The Committee went through the following budget questions and responses from Cabinet and received further clarification from Portfolio Holders to their supplementary questions.

1. **What budget assumptions had been made regarding the disposal of Thorpe Lodge? And what would be the impact on the budget if the disposal was delayed, or the value achieved was less than anticipated, or if it was not sold?**

The draft 23/24 budget assumed that Thorpe Lodge was sold at the end of Sept 23. If the disposal was delayed then extra revenue costs would be incurred to look after this asset, and the capital receipt would be delayed.

As the Council had a healthy level of reserves, the Council would be able to cover any additional costs. However, it was in the Council's best interests to dispose of this asset as quickly as possible, commensurate with obtaining a fair value for this asset.

The Leader advised the meeting that Thorpe Lodge had being marketed for sale with its existing use for the last six months and would do so until July 2023. After this if it was not sold planning permission could be sought for a change of use. If it remained unsold after September 2023 extra revenue costs would be incurred, but similarly savings would be made if the property was sold before that date.

It was confirmed that there had been considerable interest in Thorpe Lodge which was in a desirable location in being close to the city, but still in Broadland.

Members were advised that Thorpe St Andrew Town Council had informally discussed Thorpe Lodge but would only be interested in the older part of the

building and had made no offer for the site.
It was also confirmed that Broadland Growth Ltd were considering options for the development of the site but were subject to the same planning constraints as other interested parties.

The Leader emphasised that the market would set the value of Thorpe Lodge and that there was no fixed differential between the value when it was being marketed for existing use and the value when it could be redeveloped.

It was also confirmed that the cost to Broadland for purchasing the Horizon Building was £3.35m (50 percent of the total cost, split with South Norfolk) and that Thorpe Lodge was being marketed for existing use at £3.9m.

2. **What were the costs, risks and opportunities arising from the Council decision, on 13 October 22, to adopt an organisational 2030 target for achieving net zero carbon emissions? And how had these been factored into the 23/24 budgets?**

The Council had already made significant strides towards net zero and had one of the lowest local authority carbon footprint in the country.

The Council had recently appointed a Clean Growth and Sustainability Manager to help deliver net zero, and the Cabinet had already set aside funding in a Net Zero Reserve to fund projects to move further towards net zero. Major projects were outlined in the recently adopted Environmental Delivery Plan matching resources with the ambition.

The move to the Horizon Centre would deliver an 84 percent reduction when compared to the carbon emissions resulting from the two existing headquarters of both Broadland and South Norfolk Councils, and the recently agreed (Cabinet 29 Nov 22) improvements to the depot included £400,000 to fund enhanced renewables that would make the depot a carbon neutral site.

The Council had taken the opportunity to jointly bid for funding through the Public Decarbonisation Fund 3b to replace the gas boilers within the Horizon Centre with two air source heat pumps. If successful, this funding would significantly reduce costs in replacing these heating systems with the grant covering the vast majority of the cost. The match funding element which would come from the Environmental Reserve and the project would further contribute towards the Net Zero 2030 target and result in an incredibly low emissions building with a minimal carbon footprint.

Not only do our carbon reduction plans reduce our footprint, but they also provide an effective way of mitigating recent energy price rises.

Although we had very low emissions achieving net-zero may require some offsetting. This can be carried out via nature-based solutions such as tree planting or increasing scrub areas and grassland which help in sequestering

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carbon. We had received some funding from the LGA to work alongside the Tyndall Centre for Climate Change to identify how best to use Council owned greenspaces to sequester carbon. This would identify how to achieve net-zero without the need to rely on costly carbon offsetting schemes.

The Committee was informed that there was no timetable at this stage for the work with the Tyndall Centre for Climate Change. However, it was emphasised the Council was a leader amongst local authorities in reducing carbon emissions and that it was the intention to extend this model to others in the future.

3. **The Council had seen a significant increase in homeless presentations and associated temporary accommodation costs. What assumptions were included in the 23/24 budget regarding these pressures? And what actions were being taken to mitigate these pressures?**

The 'Best in Class – Temporary Accommodation' paper considered by Cabinet on 29 November 22, sets out in detail the current temporary accommodation issues, and the actions being taken to mitigate these pressures.

4. **The Capital Programme includes £7m for investment in Broadland Growth.**

   How likely was this spend?
   Would nutrient neutrality affect this investment?
   Would the current economic climate affect this investment?
   What return was anticipated on this spend?

   If an investment was made in Broadland Growth how would the investment be overseen by Members?

   If the return on this investment was intended to help fill the £1m funding gap in the Medium Term Financial Plan, what if it failed to do so?

A Broadland Growth Development Officer (funded by Broadland Growth) had just been appointed to drive forward delivery as the company did not currently have any sites in progress or in the pipeline.

Members would be aware that the current economic climate is challenging both in terms of inflation and the resulting cost of living crisis, which has started to impact housing prices as mortgage costs increased. In addition, nutrient neutrality was currently restricting the approval of planning permission for new residential developments. However, given the length of time involved in acquiring a site(s) and bringing forward a scheme for planning permission, it is likely that a solution to offset nutrient neutrality would be in place. With an

average 26 week build time, the first properties coming to the market could coincide with an improvement in the economic climate too, as inflation was anticipated to peak in the spring of 2023 and then reduce.

The Council would only invest up to the £7m in Broadland Growth if a sound business case could be demonstrated with an acceptable return, and until then no assumptions had been made regarding the potential level of return but in order to demonstrate to HMRC that there is no state aid, the level of interest charged to Broadland Growth should be in line with commercial rates at the time of lending.

Any lending to Broadland Growth was an investment and as such would be reported through the usual Treasury Management reporting mechanism. It would be the Directors of Broadland Growth Limited, of which two are Broadland Council Members together with the Managing Director of the One Team, to oversee the progress of any developments. As a joint venture the results and information on the company were reflected in the Council's annual accounts. Should the Council not invest all or part of the £7m in Broadland Growth then the funds would remain with the Council and be invested as part of its normal Treasury Management processes. However, the return would be less than the commercial rate that would be charged to Broadland Growth Limited, which will impact closing the Medium Term Financial Plan gap.

The Portfolio Holder for Finance confirmed that the £7m in the Capital Programme would remain in the Council's reserves until it was required for a project. Any individual schemes would be brought to Cabinet, with a business case for approval.

The Board of Broadland Growth Ltd would be meeting later today to consider two possible sites for development.

It was emphasised that Broadland Growth sought to build more affordable homes than were required by planning policy and could, therefore, generate less profit than commercial developers but would also provide an increased social value by using local contractors, whilst also protecting the public purse.

Any loan by the Council to Broadland Growth Ltd would be on a commercial basis. This had led to significant income for the Council on previous developments. The return on this investment was set out in the regular Treasury Management reports to Cabinet. The £7m set aside in the Capital Programme was being invested by the Council until it was required, and interest was being received on this sum.

It was reiterated that the Broadland Growth Development Officer post was being funded by Broadland Growth Ltd.

In respect of the Food Innovation Centre the Committee was informed that there had been significant interest and an announcement on what units had

been let was expected soon.

In summing up the Leader advised the meeting that there were a whole range of activities that the Council was putting its resources into, such as social prescribing, the Help Hub, Temporary Accommodation as well as the Council's work with refugees from Ukraine and Afghanistan. He added that the One Team were especially good at accessing external funding and were at the forefront of rolling out additional services for residents, such as the collection of food waste.

The Committee adjourned at 11.19am and reconvened at 11.26am, when all the Committee members listed above were present.

5. **The capital budgets tend to be fixed amounts for each year i.e., £220,000 a year for the server and PC replacement programme. Should future years' budgets be increased to take account of future inflationary pressures?**

Although inflation was currently high, Government still had an inflation target of 2%. We had, therefore, not assumed a need to increase future years' capital budgets, but instead would review these each year when the budgets were formally approved and inflate the costs for the impact of inflation that had occurred and the predicted inflation for the forthcoming year, if appropriate.

It was confirmed that the capital budget was considered to be robust enough for the year ahead and had taken account of inflationary pressures. The revenue budget had been stress tested by the Assistant Director for Finance in line with the recommendations of the Peer Review Team. As S151 officer he would also be issuing a narrative summary of the financial position of the Council, as part of the Revenue Budget 2023/24 budget papers.

6. **First Class Customer Service was a key Council priority. What changes were being made to the 23/24 budgets to help improve our customer service?**

A key priority for the Council was to provide first class customer service, and this was a key focus of all Portfolio Holders. To help drive this agenda the following two key customer services initiatives had recently been agreed:

- *Cabinet on 20 Sep 22 agreed to establish a Business Intelligence Service to use data and intelligence to drive delivery of the ambitions in our Strategic Plan 2020 – 2024, and ultimately deliver a first-class customer service for our communities and businesses.*

- *Cabinet on 1 Nov 22 agreed to invest £49,500 to initiate a discovery phase to accurately inform what first-class customer service meant for the One Team and to deliver a fully costed business case for the*

technology solution(s) that underpins the vision for first class customer service.

In response to a query about the live streaming of Council meetings, the Leader advised members that due to resource issues, we may not be able to livestream all of the meetings that we currently manage to livestream.

A member wished to record his disagreement with this decision.

7. **The Capital Budget included a provisional allowance for investment in a Taverham Hub. Would this amount be sufficient? And if successful, was there provision for expansion of this model to other locations?**

The project was currently in its design phase after which officers and partners would explore commercial arrangements, which would allow the creation of a final business case. Until the business case was fully developed it was not possible to predict with absolute certainty what the required capital budget would be for the Taverham Hub. However, £1.5m was considered to be a reasonable estimate. If successful there would be the opportunity to consider expansion of the model and officers were exploring these as a part of the Norfolk One Public Estate programme.

The Leader informed the meeting that this was a very exciting project for the delivery of local services and a scheme that could be replicated in other areas of the District in the future.

8. **It was understood that we were still in discussion with the waste contractor on the 'true up' provisions in contract. What assumptions were being made regarding the Waste Contract cost in the budget? And what risks were there if agreement was not reached prior to the budget being agreed?**

As we are currently in detailed negotiations with the waste contractor over the 'true up' provisions, it is not appropriate to disclose in public session our current budgetary estimates. However, it was hoped that these negotiations would have concluded in time for the annual budgets to be set in Feb 23, and thus an accurate budget assumption would be able to be made.

If agreement was not reached by Feb 23, then the Council would need to include a prudent 'true up' assumption and this would come with a risk that this could be either too high or too low.

The Leader confirmed that the Council had been prudent by making the Waste Contract assumptions in the budget reflect a 'worst case scenario' to avoid any negative impact on the budget.

9. **The Council was looking to upgrade the Frettenham Depot. This was likely to include energy efficiency measures which would benefit the contractor as they would benefit from lower running costs. How would the Council ensure that it received the benefit from the lower running costs?**

It was proposed to amend the contract to ensure that the Council obtained the benefit from lower running costs. This was likely to be done by reducing the contract fee by the amount saved by Veolia on all running costs.

The Portfolio Holder for Finance informed the meeting that the money saved by these efficiency measures would go into the Environmental Reserve to fund further environmental measures.

10. **How would nutrient neutrality effect planning income? And what assumptions had been made in the 23/24 budget relating to this?**

There were two major impacts of nutrient neutrality on planning income. Firstly, developers might hold off submitting planning applications, due to the current level of uncertainty. Secondly income could only be accounted for when the associated work had taken place. So, if only a proportion of the associated work could be carried out, then only a proportion of the fee could be recognised.

We were intending to establish a joint venture with other local authorities in Norfolk and Anglian Water to secure significant mitigation for nutrient neutrality. It was expected that this would enable planning permissions to start being issued again in spring 2023 and therefore we were currently assuming that planning income for 23/24 would remain at current levels. However, this was an assumption that we would continue to review in the coming months.

The Leader informed the Committee that the Council was being pro-active in front funding the joint venture company and this funding would be paid back with interest.

The Director for Place added that the joint venture should be self-financing once it was established, so it should have no impact on the Council's finances.

The Portfolio Holder for Finance informed the meeting that the seed funding loan being made by the Council for the joint venture would also be repaid back to the Environmental Reserve.

The Leader confirmed that the details of the seed funding and repayment mechanism had been delegated to the S151 Officer, in consultation with the Portfolio Holder for Finance.

11. What safeguards had been put in place to address the Council's financial position in the event that the financial settlement was less than anticipated?

The Cabinet as part of setting the 2023/24 budget was considering options to deliver savings and increase income, in order to be in the best possible position to respond to the impact of the financial settlement. Some of these options would be able to be delivered for 2023/24 and other options would require longer term transformational projects to deliver savings.

Furthermore, the Council had a healthy level of reserves and would therefore, if necessary, be able to use reserves in the short term to balance the budget if the financial settlement resulted in a significant cut in Government funding.

Update: The provisional finance settlement was announced on 19 December 2022, and all councils would have an increase of three percent in core spending power before any changes in Council Tax levels were taken into account. This was therefore slightly better than we were originally estimating.

In answer to a query the Portfolio Holder for Finance confirmed that the Council had made repeated representations to Government over a number of years requesting that the financial settlement be made for longer than one year but had been unsuccessful. The Local Government Association had also requested longer financial settlement periods for local authorities to enable more certainty over financial planning, with a similar lack of success. However, the Council had set a prudent and balanced budget that took account of ongoing inflationary pressures. Moreover, the Council had substantial reserves that could be called on if ever needed.

The Chairman thanked the Cabinet members for their attendance at the meeting.

94 COMMITTEE WORK PROGRAMME

The Governance Manager advised the Committee that at the meeting on 4 April 2023 members would receive a presentation on Better Broadband for Norfolk and the Police and Crime Commissioner would also be in attendance to answer the Committee's questions. Members would also be asked to approve the Overview and Scrutiny Committee's Annual Report at that meeting and would consider the Council's Partnership Register.

In June/July 2023 the Committee would review the Council's Housing Allocations Policy. Dates for a review of the move to the Horizon Building and the Peer Review Action Plan would be confirmed.

The agreement of budget questions for Cabinet would be added to the November 2023 meeting of the Committee.

In response to two suggestions for inclusion in the Work Programme (Customer Services and the Waste Collection Contract), the Governance Manager requested that the respective members complete a topic review form, to assess if they met the criteria for inclusion.

95 EXCLUSION OF PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the meeting for the remaining items of business because otherwise, information which is exempt information by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by The Local Government (Access to Information) (Variation) Order 2006, would be disclosed to them.

96 EXEMPT MINUTES

The exempt minutes of the meeting held on 3 January 2023 were confirmed as a correct record.

97 MATTERS ARISING

It was confirmed that the Committee Officer would request a written response from the Assistant Director for Economic Growth regarding the loss of income to the Council if the housing development that would be unlocked by the highway works for a priority T Junction at Plumstead Road East if it did not go ahead.

(The meeting concluded at 12.10pm)

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Chairman

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BROADLAND OVERVIEW AND SCRUTINY COMMITTEE

Minutes of a meeting of the Broadland Overview and Scrutiny Committee of Broadland District Council, held on Tuesday, 31 January 2023 at 10.00 am.

Committee Members Present:	Councillors: M Murrell (Chair), N Brennan, P Bulman, S Catchpole, J Davis, N Harpley, Holland and C Karimi-Ghovanlou
Apologies for Absence:	Councillors: S Riley (Vice-Chair), K Kelly, K Leggett and G Nurden
Substitute:	Councillors: T Adams (In place of K Kelly)
Cabinet Member in Attendance:	Councillor: J Emsell, J Leggett, T Mancini-Boyle and F Whymark
Officers in Attendance:	D Lorimer (Director of Resources), E Hodds (Chief of Staff (Monitoring Officer)), R Fincham (Assistant Director of Finance), M Pursehouse (Assistant Director of Individuals and Families), R Dunsire (Housing and Wellbeing Senior Manager), D Slowther (Capital and Treasury Accountant) and Langley (Health and Wellbeing Partnership Officer), J Overy (Democratic Services Officer)

CABINET REPORTS

98. COUNCIL TAX ASSISTANCE SCHEME 2023/24

The Housing and Wellbeing Senior Manager introduced the proposed Council Tax Assistance Scheme 2023/24, which would reduce Council Tax bills to more affordable levels for low-income households. The Council was required by the Government to review the scheme on an annual basis.

He advised the meeting that there were no changes proposed for 2023/24, as a comprehensive review had been undertaken last year to increase the efficiency of the assessment and to ensure that those in most need were targeted for assistance.

In answer to a query, it was confirmed that there had been no negative feedback in respect of the scheme. Members were advised that the Council also had a discretionary fund which it could use to help people in financial hardship and that this pot was proposed to be increased for 2023/24.

Following a show of hands, it was unanimously

RECOMMENDED TO CABINET

That Cabinet **Recommends to Council** the proposal and approves the Council Tax Assistance scheme for 2023/24**.**

99. REVENUE BUDGET AND COUNCIL TAX 2023/24

The Assistant Director for Finance introduced the report, which set out the proposed Revenue Budget and Council Tax for 2023/24.

The Committee was reminded that the Council faced a number of inflationary pressures in areas such as staffing costs, waste collection, energy prices and temporary accommodation, which had seen a significant increase.

However, the Government settlement had been slightly better than expected with all councils receiving an increase of at least three percent in their core spending power (provided they increased Council Tax). Even so, this would not be enough to keep up with inflation at its current level.

Despite these pressures the efficiencies being implemented by the Council would ensure that no draw on general fund reserves was required for a balanced budget and Council Tax could be kept at the current level of £129.91. It was also proposed that there be no change in special expenses for street lighting for 2023/24.

In an update to the report the Committee was advised that the Police were proposing to increase their precept by £15. This would be subject to ratification by the Police and Crime Commissioner.

In answer to a question about the savings from joint working with South Norfolk, it was confirmed that these were included in the quarterly Strategic Performance and Finance reports and were monitored as part of the Council's Transformation Programme, which had identified that savings were necessary to ensure that the Council continued to deliver balanced budgets going forward.

A member highlighted paragraph 8.8 in the report, which stated the strong argument for Council Tax increases to protect the taxbase and address the future predicted funding gap in the Medium-Term Financial Plan (MTFP). She noted that although there was no predicted draw on reserves for 2023/24, there would be in future years without an increase in Council Tax. She, therefore, asked the Assistant Director for Finance if he was confident that the Council could afford a Council Tax freeze for 2023/24?

In response the Assistant Director for Finance confirmed that it was affordable in the short-term not to increase Council Tax, although for every year that it was not increased £0.25m was lost in Council income. Savings, therefore, needed to be delivered and it was considered that they could be found as part of the transformation process. He added that any increase in Council Tax remained a political decision, but at this stage he did not as the S151 Officer consider it

imprudent not to increase Council Tax. It was confirmed that the recommended minimum level of reserves was £1.2m.

A member noted that there were a number of areas of concern, such as the failure to sell Thorpe Lodge by September 2023, income lost through nutrient neutrality and a reduction in the New Homes Bonus. He asked if these issues had been stress-tested.

In response, the Assistant Director for Finance directed members to paragraph 6.5 in the report, which illustrated some scenarios that could increase and decrease the funding gap in the MTFP. This stress-testing exercise would be developed over future years to quantify the financial risks being faced by the Council in the short to medium term.

A member noted that overall, the budget was sound, with no draw on reserves or increase in Council Tax and although further savings would be needed the Council had had a funding gap in the MTFP for a long time but had always managed to address this issue in the past. He commended the budget to members.

A member noted the increase in investment income that had resulted from the increase in interest rates, which had helped the Council's finances significantly and that this was for the benefit of all residents in the District.

In respect of staff pay, members were advised that each one percent increase was equivalent to £75,000 in the budget. Negotiations with UNISON on staff pay would be commencing later today.

The Committee was informed that a £1 increase in Council Tax would equate to an additional £50,000 in the budget.

The Chairman congratulated Portfolio Holders and the Assistant Director for Finance and his Team for an excellent budget.

Following a show of hands, it was unanimously

RECOMMENDED TO CABINET

That Cabinet **recommends to Council**:

1. The approval of the 2023/24 base budget; subject to confirmation of the finalised Local Government Finance Settlement figures which may necessitate an adjustment through the General Revenue Reserve to maintain a balanced budget. Authority to make any such change to be delegated to the Assistant Director of Finance.

2. That the Council's demand on the Collection Fund for 2023/24 for General Expenditure shall be £6,252,179, and for Special Expenditure shall be £121,962.

3. That the Band D level of Council Tax be £129.91 for General Expenditure, and £2.53 for Special Expenditure.

4. Changes to the proposed fees and charges as set out in section 5.

That Cabinet notes:

1. The advice of the Section 151 Officer with regard to section 25 of the Local Government Act 2003, contained in section 10 of this report.

2. The Medium Term Financial Strategy projections.

100. CAPITAL STRATEGY AND CAPITAL PROGRAMME 2023/24 TO 2027/28

The Capital and Treasury Accountant introduced the report, which detailed the Council's proposed Capital Budget for 2023/24 and the Capital Programme 2027/28.

The Capital Programme totalled £25.3m over the next five years. Expenditure for the programme would be funded from reserves, grant funding and capital receipts. There would be no requirement to borrow to fund the programme.

Budgets included works to the waste depot, the purchase of properties for temporary accommodation and £7m for loans to Broadland Growth Ltd to fund developments.

It was confirmed that the funds for Broadland Growth Ltd would be retained by the Council until projects were approved.

Following a show of hands, it was unanimously

RECOMMENDED TO CABINET

Cabinet is asked to **recommend to Council** the Capital Strategy (***Appendix A***) and the Capital Programme for 2023/24-2027/28 (***Appendix B***).

101. TREASURY MANAGEMENT STRATEGY STATEMENT 2023/24

The Capital and Treasury Accountant introduced the report, which set out the Capital and Treasury Accountant introduced the report, which set out the Council's approach to the management of its borrowings, investments and cash flows.

The Strategic Statement was required to be approved annually by Council. There had been no major changes for 2023/24, but revised Treasury Management and Prudential codes published by the Chartered Institution of Public Finance and Accountancy had been incorporated for the first time.

The new codes emphasised that any authority borrowing should be for local projects, rather than for purely commercial ventures. This was not an issue for the Council currently, as no borrowing would be required to fund the Capital

Programme.

Members were advised that the three key treasury management principles remained security, liquidity and yield.

Following a show of hands, it was unanimously

RECOMMENDED TO CABINET

Cabinet is recommended to approve the following and **recommend these to Council**:

1. This Treasury Management Strategy Statement 2023/24
2. The Treasury Management Policy Statement 2023/24 (***Appendix 1***)
3. The Annual Investment Strategy 2023/24 (***Appendix 2)***
4. The Treasury Management Practice (TMP1) (***Appendix 3***)
5. The Treasury Management Scheme of Delegation (***Appendix 4***)
6. The Prudential Indicators (***Appendix 5***)
7. The Minimum Revenue Provision (MRP) Statement (***Appendix 6***).

102. HEALTH AND WELLBEING PARTNERSHIPS FUNDING DELEGATIONS

The Health and Wellbeing Partnership Officer introduced the report, which proposed approval of delegations to accept and distribute funding for the Broadland Health and Wellbeing Partnership.

The Broadland Health and Wellbeing Partnership was part of the structure of the Integrated Care System that had been established in 2022. The Partnership was chaired by the Portfolio Holder for Communities, Housing and Planning and brought together colleagues from local government, health services, voluntary, community and social enterprise organisations and other partners, to focus on improving the health and wellbeing of residents in the District.

Norfolk County Council had provided £300,950 in Covid Recovery Funding for the Partnership. Delegation of this funding had already been given to the Director of People and Communities and the relevant Portfolio Holder, under existing COVID delegations and this money had been allocated to a number of wellbeing initiatives by the Partnership.

In addition, Adult Social Care had now allocated £82,000 of recurring funding from the Better Care Fund to further its wellbeing objectives. However, before this money could be released delegated authority was required for the Director of People and Communities, in consultation with the relevant Portfolio Holder, to spend and allocate the funding, as intended.

A further finding stream of £204,750 across two years from Norfolk Public Health was expected for the Partnership in April 2023.

It was emphasised that the Council was only the holder of this funding pot, which was allocated by the Partnership.

In answer to a query about how many people were being helped by the Partnership, the Committee was informed that tracking data was still being collated and a report would be brought to members on the initiatives in the near future. One example of this was a women's accommodation project that had helped 11 women so far.

In response to a question about the Mindful Towns and Villages project and if the cost of hiring rooms and refreshments etc. was covered by this initiative, the Health and Wellbeing Partnership Officer confirmed that she would consult with a colleague who was dealing with the matter and provide a response following the meeting.

Another member suggested that the Committee should receive reports on the Partnership, as there were issues regarding the effective use of the funding and how well isolated rural areas would be helped.

The Chairman suggested that an item be placed on the Work Programme for the Committee to receive an update.

Members generally concurred with this view and the following additional recommendation to Cabinet was proposed seconded and agreed:

> 3. Subject to regular reports on the activities and spending of the Health and Wellbeing Partnership being reported back to the Overview and Scrutiny Committee.

Following a show of hands, it was unanimously

RECOMMENDED TO CABINET

1. To delegate authority to accept moneys offered to Broadland District Council by the Health and Wellbeing Partnerships to the Director of People and Communities in consultation with the Portfolio Holder for Finance.

2. To delegate the spend of any Health and Wellbeing Partnership money allocated to Broadland District Council to the Director of People and Communities in consultation with the Portfolio Holder for Communities, Housing and Planning.

3. *Subject to regular reports on the activities and spending of the Health and Wellbeing Partnership being reported back to the Council.*

(The meeting concluded at 10.43 am)

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Chairman