

Minutes of a meeting of the **Overview & Scrutiny Committee – Review of Cabinet Agenda** held by video link on **1 December 2020** at **10.00am** when there were present:

Cllr S Riley – Chairman

Cllr A D Adams
Cllr N J Brennan
Cllr P E Bulman
Cllr S J Catchpole

Cllr C Karimi-Ghovanlou
Cllr K S Kelly
Cllr K E Lawrence
Cllr G K Nurden

Cllr S M Prutton
Cllr N C Shaw

Cllr J Emsell, Cllr J Leggett and Cllr T Mancini-Boyle also attended the meeting.

Also in attendance were the Director Resources, Director People & Communities, Chief of Staff, Assistant Director Finance, Senior Finance Business Partner, Governance Manager, Senior Governance Officer (SW) and the Democratic Services Officers (LA and JH).

204 DECLARATIONS OF INTEREST UNDER PROCEDURAL RULE NO 8

Member	Nature of Interest
Cllr G K Nurden	‘Other’ interest, received a wider economy grant from the local enterprise partnership.

205 APOLOGIES FOR ABSENCE

Apologies were received from Cllr Harpley and Cllr Holland with Cllr Lawrence substituting.

206 MINUTES

Subject to minor typographical errors, the Minutes of the meeting held on 17 November 2020 were confirmed as a correct record.

CABINET REPORTS

207 BUDGET UPDATE – 2ND WAVE COVID FUNDING

The Assistant Director Finance outlined this report, which requested that additional funding be released to support the Council’s response to Covid-19.

In response to a query on Broadland and South Norfolk Council costs, the Assistant Director Finance confirmed to Members that a similar report was

being put to South Norfolk's Cabinet requesting a £350,000 increase in the South Norfolk 21/22 budget for Covid response.

Members raised a concern at the necessity to re-prioritise current ICT projects if it was felt that the technology in the council chamber needed to be improved and asked which projects would likely be postponed to accommodate this. The Director Resources outlined the ICT projects currently in place and advised Members that as plans were at an early stage, no decisions had been made but she reassured Members that the integration of the new Office 365 would not be affected.

Members discussed the future of Council meetings, in terms of holding hybrid meetings (should Government legislation allow for this after May 2021) and recording physical meetings once they were permitted. Emphasis was placed on the importance of having the technology in place to a) be able to record physical meetings which could be uploaded to YouTube in order to continue to ensure transparency and public engagement; and b) to ensure that once legislation allowed for the Council to return to office-based meetings, vulnerable, shielding or self-isolating Members would still be able to attend by video link.

In response to queries regarding the increase in FTE staffing needed (outlined in 1.4 of the report) the Assistant Director Finance advised members that the costs outlined were based on a six-month period, unless stated otherwise on the report, to cover short term requirements. He also confirmed that funding for the posts required on an 18-month basis was included in the additional £350,000 requested for the next financial year.

Members queried the cost effectiveness of allocating £50,000 to the upgrade of technology in the Thorpe Lodge council chamber when work was being undertaken to look at the longer-term accommodation for the Council. The Director Resources advised members that although the Council was looking at the longer-term accommodation requirements, it was unlikely that any changes would be made within the next 2 years, whereas the new technology requirements for during and post Covid were required in the short-term. She also advised members that officers would look to ensure that any new technology placed in the Council Chamber would be portable.

RECOMMENDED TO CABINET

Options (1-3, and 4, as amended)

Cabinet to recommend to Council the following:

- (1) To increase the general 20/21 Covid 19 emergency budgets by £250,000 to provide additional resource to support the Council's response to Covid 19. To be funded by the Government's Covid grant.

- (2) To increase the housing 20/21 Covid 19 emergency budget by £50,000 to meet the ongoing need for homelessness support. To be funded by the Government's Covid grant.
- (3) To agree that £350,000 should be included in the 21/22 budgets to help cover the cost of responding to the Covid 19 pandemic, to be funded from the Council's general reserve.
- (4) To increase the BDC 20/21 Information Technology Capital Budget by £50,000, to improve the technology in the council chamber:
 - a. *Subject to a review, and a review of governance.*
 - b. *Subject to other ICT projects not being delayed by this work.*

The Committee adjourned at 11:27am and reconvened at 11:35am, when all Committee Members listed above were present.

208 BUSINESS RATES POOLING

The Assistant Director Finance gave an overview of the report and outlined the recommendations to cabinet.

He also advised Members on how the Business Rates Pool worked and explained that if one of the Norfolk Councils was to withdraw from the Pool, then the Pool would have to be disbanded.

In response to a query on why Broadland District Council was no longer involved in the Business Rates Pilot, the Assistant Director Finance advised Members that the Pilot was only available to the Council for one year, and that for the upcoming year the Council was required to choose whether to remain within the Business Rates Pool.

Members asked whether the Business Rates Pool was still beneficial to the Council, given the levels of businesses closing and in light of companies such as Arcadia going into administration. The Assistant Director Finance confirmed to Members that, based on the data currently available, the Norfolk Section 151 Officers still believed that there was a significant financial benefit from pooling. He also reminded Members that landlords remained liable for business rates on empty properties, therefore the risk was in relation to companies going into liquidation owing business rates.

In response to a query whether the Council could withdraw from the Pool at any time, the Assistant Director Finance advised Members that the Council had until 28 days after the provisional finance settlement to decide whether they wanted to be part of the Pool, after that date their decision would be fixed for 2021/22.

Members asked whether there would be any recrimination from other Councils if one authority withdrew from the Pool. In response, the Assistant Director Finance confirmed that there would not be any contractual implications and also advised that officers from all of the Norfolk authorities were working closely together and would be likely to make a collaborative decision to disband the Pool if it no longer demonstrated a financial benefit.

In response to a question regarding the worst case scenario, he advised Members that if the Council was not in the Pool then the safety net would restrict the maximum loss to 7.5% of the Councils Business rates baseline. If the Council was to be in the Pool then that 7.5% safety net would be for the Pool as a whole, giving the potential for higher losses. He referred Members to the table at 2.1 of the report which provided further indications of how close each partner was to their safety net level. He also confirmed that the Council has a business rates reserve to cover potential losses.

In response to a Member's query regarding Norfolk County Council's absence from the table of pooling authorities, the Assistant Director Finance advised that the collection of business rates was not a County Council function and that Norfolk County Council shared a proportion of the rates collected by all the District Councils.

RECOMMENDED TO CABINET

Option 1 and 2

Cabinet to agree:

- (1) In principle to continue with Business Rates Pooling for 2021/22.
- (2) That the Assistant Director Finance, in consultation with the Leader and the Portfolio Holder for Finance, is authorised to withdraw BDC from the Norfolk pool, if latest modelling undertaken by the Norfolk authorities no longer demonstrates a financial benefit from pooling.

209 REVIEW OF EARMARKED RESERVES

The Senior Finance Business Partner introduced the report and outlined the recommendations.

In response to Members' queries regarding the refuse services reserve and whether it was in the Council's best interest to purchase vehicles, the Assistant Director Finance advised that a procurement exercise was being undertaken which would help to determine whether it would be more cost-effective for the Council to either purchase its own vehicles or lease them as part of the contract

Members questioned why a reserve was required for Broadland Growth as this had been funded as a loan rather than a capital expenditure. In response, the Assistant Director Finance advised Members that as part of Local Government accounting, the loan was required to be shown as capital expenditure and that upon repayment, the Council would consider a further loan, depending on there being a pipeline of projects for future developments.

In response to a question regarding the ICT Reserve and whether it was more cost-effective to purchase software or lease it on subscription, the Assistant Director Finance informed Members that subscription-based software packages which met the requirements of the Council were not always available, and that Officers would consider the most cost-effective solution for the Council.

Members queried the need for an additional £1.3m for ICT when there was already £305,000 held in the reserve and £50,000 had been requested for ICT work in the council chamber. The Assistant Director Finance advised Members that the funds held in the ICT reserve had been earmarked to fund the infrastructure work that had been agreed, and that additional funds were required to fund future projects which would be detailed in the Capital Programme.

In response to a query regarding the bridge reserve budget and how much was spent each year on bridge repairs and upgrades, the Assistant Director Finance advised that he did not have the figure available but was aware that significant funding was required. Members were concerned that the reserves for bridge maintenance was not sufficient and the Assistant Director Finance confirmed that £20,000 was set aside, for this purpose, each year.

The Committee agreed that work needed to be undertaken to ensure that the Council allocated sufficient funds to cover future liabilities for bridge maintenance, and it was:

AGREED

That officers bring a report to a future meeting of the Overview and Scrutiny Committee providing further information on the Bridge Maintenance Reserves.

In response to Members' queries regarding the Economic Success Fund, the Senior Finance Business Partner advised Members that the balance remaining in the Fund was £284,000. The Assistant Director clarified the types of projects which had been funded which included; business support grants, youth employment support, the Tour of Britain and the Humphrey Repton Celebration.

Members were advised that there were a number of projects that had been agreed on but not yet completed and that the recommendation sought to

allow the Assistant Director Economic Growth, in consultation with the Portfolio Holder for Economic Development to agree additional economic growth projects using the funding not yet allocated to projects.

Members agreed that the Economic Success Panel should be kept informed of any projects supported by the Economic Success Fund.

RECOMMENDED TO CABINET

Options 1-3

Cabinet to recommend to Council:

- (1) To separate the Bridge Maintenance Reserve into two reserves.
 - a. One to be named Marriot's Way with an allocation of £60,000
 - b. One to be named Bure Valley Railway with an allocation of £270,000
- (2) The addition to the following Reserves:
 - a. IT Reserve - £1.3m
 - b. Broadland Growth Reserve - £5m
- (3) The creation of the following Reserves:
 - a. Refuse Services - £3m
 - b. Food Innovation Centre Reserve - £1.86m

Cabinet to confirm that:

The Assistant Director Economic Growth, in consultation with the Portfolio Holder for Economic Development, has the authority to agree additional economic growth projects to be funded from the Economic Success Fund. *The Economic Success Panel should be informed of any upcoming projects funded.*

210 BUDGET QUESTIONS FOR CABINET

The Chairman of the Committee drew Members' attention to the draft questions to Cabinet which had been compiled during the Budget Scrutiny Workshop on 24 November 2020. Members were asked to formally endorse the questions so that Cabinet could prepare a written response. The Chairman advised that, once the written response had been received, an informal meeting would be arranged for the Committee consider the

responses and agree on a format for the 5 January 2020 meeting of the Overview and Scrutiny Committee where Cabinet would be invited to give their formal responses.

Members then unanimously voted to endorse the draft questions for Cabinet.

The meeting closed at 1.01pm.