



**Budget Council**

**19:30 to 21:35**

20 February 2018

Present: Councillor Fullman (Lord Mayor), Ackroyd, Bogelëin, Bradford, Bremner, Brociek-Coulton, Button, Carlo, Coleshill, Davis, Driver, Grahame, Harris, Haynes, Herries, Jackson, Jones (B), Kendrick, Lubbock, Maguire, Malik, Manning, Maxwell, Packer, Peek, Raby, Ryan, Sands (M), Sands (S), Schmierer, Stonard, Thomas (Va), Thomas (Vi), Waters and Wright

Apologies: David Walker (Sheriff) and Councillors Henderson, Jones (T), Price and Woollard

**1. Lord Mayor's Announcements**

The Lord Mayor announced that earlier this month he had attended a visit to Novi Sad, accompanied by Councillor Waters, leader of the council. Friendship links had been established between the two cities in the 1960s. In 1989, as Lord Mayor, he had previously visited Novi Sad and signed the twinning agreement and the opportunity to revisit Novi Sad had been particularly important to him. The relationship with our twinned cities was very important. At the lunch to celebrate the 270<sup>th</sup> anniversary of Novi Sad being granted its freedom from the Austro-Hungarian Empire by Empress Maria Theresa, he had been presented with a commemorative plaque. The plaque was the number 1 of a limited edition and demonstrated the esteem given to the friendship between our two cities. The plaque would be available for members to view in the Lord Mayor's parlour.

**2. Declarations of Interest**

Councillors Ackroyd, Bradford, Bremner, Brociek-Coulton, Button, Carlo, Davis, Driver, Harris, Kendrick, Lubbock, Packer, Peek, Ryan, Thomas (Va), Thomas (Vi), Stonard, Waters and Wright declared pecuniary interests in item 6 (below), 2018-19 Budgets, Medium Term Financial Strategy and HRA Business Plan and had received full dispensations from the monitoring officer.

Councillors Fullman and Maxwell had declared a pecuniary interest in item 6 (below) in that they rented garages from the council and had received a dispensation from the monitoring officer and would be required to leave the room during the determination of that element of the budget.

Councillors Grahame and Herries had declared a pecuniary interest in item 6 (below) in that they rented allotments from the council and had received a dispensation from the monitoring officer and would be required to leave the room during the determination of that element of the budget.

Councillors Button and Driver declared a pecuniary interest in item 8 (below), Council Tax Reduction Scheme and would be required to vacate the room during the determination of that item.

### **3. Questions from the public**

No public questions had been received.

### **4. Minutes**

**RESOLVED**, unanimously, to approve the minutes of the meeting held on 23 January 2018.

### **5. Corporate Plan Updates**

Councillor Waters moved and Councillor Stonard seconded the proposals as set out in the report.

**RESOLVED**, with 27 voting in favour and 7 members abstaining from voting, to approve the updates to the corporate plan 2015-20 for the year 2018-19.

### **6. 2018-19 Budgets, Medium Term Financial Strategy and HRA Business Plan**

(Councillors Fullman, Grahame, Herries and Maxwell had declared pecuniary interests in this item.)

Councillor Kendrick moved and Councillor Harris seconded the recommendations as set out in the report.

Councillor Wright moved and Councillor Lubbock seconded the following amendment:

“To reduce the spend to save budget by £5,000 and to allocate this to the customer contact budget to undertake a feasibility study to scope the establishment of a post office counter in the Norwich City Council customer contact centre”.

On being put to the vote with 10 members voting in favour (Councillors Ackroyd, Bogelëin, Carlo, Grahame, Haynes, Jackson, Lubbock, Raby, Schmierer and Wright) and 25 members voting against (Councillors Bradford, Bremner, Brociek-Coulton, Button, Coleshill, Davis, Driver, Fullman, Harris, Herries, Jones (B), Kendrick, Maguire, Malik, Manning, Maxwell, Packer, Peek, Ryan, Sands (M), Sands (S), Stonard, Thomas (Va), Thomas (Vi) and Waters), the amendment was lost.

Councillor Wright moved and Councillor Lubbock seconded the following amendment:

“To reduce the level of general fund reserves by £31,500 to fund a one year budget for ward members to use in support of projects in their ward – through either Crowdfund Norwich or other community projects”.

On being put to the vote with 10 members voting in favour (Councillors Ackroyd, Bogelëin, Carlo, Grahame, Haynes, Jackson, Lubbock, Raby, Schmierer and Wright) and 25 members voting against (Councillors Bradford, Bremner, Brociek-Coulton, Button, Coleshill, Davis, Driver, Fullman, Harris, Herries, Jones (B), Kendrick, Maguire, Malik, Manning, Maxwell, Packer, Peek, Ryan, Sands (M), Sands (S), Stonard, Thomas (Va), Thomas (Vi) and Waters), the amendment was lost.

Members then continued to debate the public section of the item, with the section of the report that was exempt from publication being taken as read.

The Lord Mayor explained that because four members had declared pecuniary interests in this item the vote would be taken in three parts.

He then moved to the vote on the cabinet recommendations of 7 February 2018 for the 2018-General Fund and Housing Revenue Account (a) to (j) and (l) to (m) but excluding point 8 in appendix 1, and recommendation (2), as set out in the report, and it was:

**RESOLVED**, with 28 members voting in favour (Councillors Ackroyd, Bradford, Bremner, Brociek-Coulton, Button, Coleshill, Davis, Driver, Fullman, Harris, Herries, Jones (B), Kendrick, Lubbock, Maguire, Malik, Manning, Maxwell, Packer, Peek, Ryan, Sands (M), Sands (S), Stonard, Thomas (Va), Thomas (Vi), Waters and Wright) and 7 members voting against (Councillors Bogelëin, Carlo, Grahame, Haynes, Jackson, Raby and Schmierer) and to approve:

- (1) recommendations (a) to (j) and (l) to (m) but excluding point 8 in appendix 1, as follows:

**General Fund** (all references refer to Annex A)

- (a) The council's net revenue budget requirement as £15.696m for the financial year 2018/19 (Table 3) including the budget allocations to services shown in appendix 2 and the growth and savings proposals set out in appendix 1 of the report;
- (b) An increase to Norwich City Council's element of the council tax of 2.99%, meaning that that the Band D council tax will be set at £256.46 (para 83), with the impact of the increase for all bands shown in table 6;
- (c) The planned use of £1.504m of General Fund reserves to finance the budget requirement in 2018/19 (shown in table 9);

- (d) The prudent minimum level of reserves for the council as £4.232m para 155);
- (e) The general fund capital programme 2018-19 to 2022-23 (para 118):
- (f) The creation of earmarked reserves in relation to commercial property, and income received from on-lending to Norwich Regeneration Limited, and the transfer of additional income generated from these sources above the MTFS savings targets to the relevant earmarked reserve (para 15).

**Housing Revenue Account** (all references refer to Annex A)

- (g) The implementation of the minimum 1% rent reduction in accordance with legislation set down in the Welfare Reform and Work Act 2016. (para 98).
  - (h) The proposed Housing Revenue Account budgets (para 95).
  - (i) The prudent minimum level of housing reserves as £5.844m (para 110).
  - (j) The proposed housing capital programme 2017/18 to 2021-22 (para 132).
  - (l) The creation of an HRA spend-to-save earmarked reserve to fund the HRA's share of costs required to deliver relevant savings and efficiencies through the transformation programme (para 93).
  - (m) The transfer of £500k of underspend forecast to be achieved in 2017-18 to the HRA's spend to save earmarked reserve (para 93).
- (2) that the total of all the precepts of the collection fund is calculated in accordance with Sections 32-36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011 (as shown in Annex B) taking into account precepts notified by Norfolk County Council and the Office of the Police and Crime Commissioner for Norfolk.

(The Lord Mayor then having declared an interest in recommendation 1(k) relating to garage rents invited Councillor Schmierer, deputy Lord Mayor, to take the chair. The Lord Mayor (Councillor Fullman) and Councillor Maxwell then left the meeting.)

The deputy Lord Mayor then moved to the vote on recommendation 1(k) relating to garage rents and it was:

**RESOLVED**, with 31 members voting in favour (Councillors Ackroyd, Bradford, Bremner, Brociek-Coulton, Button, Carlo, Coleshill, Davis, Driver, Harris, Haynes, Herries, Jackson, Jones (B), Kendrick, Lubbock, Maguire, Malik, Manning, Packer, Peek, Raby, Ryan, Sands (M), Sands (S), Schmierer, Stonard, Thomas (Va), Thomas (Vi), Waters and Wright) and 2 members abstaining (Councillors Bogelëin

and Grahame) to approve recommendation 1(k), Housing Revenue Account, A 4% increase in garage rents (para 100).

(Councillors Fullman and Maxwell were readmitted to the meeting at this point. The Lord Mayor resumed the chair.)

(Councillors Grahame and Herries having declared a pecuniary interest left the meeting at this point.)

The Lord Mayor then moved to the vote on the budget item contained in Appendix 1, of the report, point 8 relating to allotment subsidy and it was:

**RESOLVED**, with 32 members voting in favour (Councillors Ackroyd, Bogelëin, Bremner, Brociek-Coulton, Button, Carlo, Coleshill, Davis, Driver, Fullman, Harris, Haynes, Jackson, Jones (B), Kendrick, Lubbock, Maguire, Malik, Manning, Maxwell, Packer, Peek, Raby, Ryan, Sands (M), Sands (S), Schmierer, Stonard, Thomas (Va), Thomas (Vi), Waters and Wright) and 1 member voting against (Councillor Bradford) to approve the proposals set out in Appendix 1, 8, Review of allotment subsidy.

(Councillors Grahame and Herries were readmitted to the meeting.)

(Two hours having passed the Lord Mayor asked whether any items could be taken as unopposed business, and it was resolved that item 7 (below) Treasury Management Strategy 2018-19 be taken as unopposed business.

The Lord Mayor then asked Councillors Driver and Button who had declared a pecuniary interest in item 8 (below), Council Tax Reduction Scheme 2018-19 to leave the room whilst members considered whether to take this item as unopposed business. It was resolved that item 8 (below) Council Tax Reduction Scheme 2018-19 could be taken as unopposed business. Councillors Button and Driver were then readmitted to the room.)

## **7. Treasury Management Strategy 2018-19**

(This item was taken as unopposed business.)

**RESOLVED** to approve:

- (1) the Capital Prudential Indicators and Limits for 2018-19 through to 2020-21 contained within paragraphs 16-43 of this report and Appendix 1;
- (2) the Borrowing Strategy 2018-19 through to 2020-21 (paragraphs 26-30);
- (3) the Treasury Prudential Indicators (paragraphs 31-38), including the Authorised Limit (paragraph 36);
- (4) the Minimum Revenue Provision (MRP) policy statement contained in paragraphs 60-65 and Appendix 1;

- (5) the Investment Strategy 2018-19 (paragraphs 66-90) and the detailed criteria included in paragraph 74 of the report.

## **8. Council Tax Reduction Scheme (CTRS) 2018-19**

(This item was taken as unopposed business.)

**RESOLVED** to approve the following changes to the council tax reduction scheme (CTRS) for 2018-19 by continuing with the 2017-18 scheme with the following modifications:

- (1) increase the applicable amounts of CTRS 2018-19 should have reference to the composite rate of council tax increase, excluding social care.
- (2) increase the non-dependant deduction income brackets and level of non-dependant deductions by the composite rate of council tax increase, excluding social care; and that this should be based on level of income rather than the hours worked.
- (3) include Universal Credit applicants where it has been awarded without earned income as a non-dependant status in the group where no deduction is made.
- (4) the level of income brackets used to decide entitlement to 'second adult reduction' should be increased by the 2018-2019 composite rate of council tax, excluding social care.
- (5) align treatment of Bereavement Support Payments (BSP) with housing benefits and fully disregard BSP payments for working-age applicants.
- (6) amend the CTRS to mirror minor regulation changes to the new Employment and Support Allowance (ESA) for working-age applicants placed in work-related activity groups resulting in positive outcomes for working-age applicants in receipt of CTR or housing benefit.
- (7) allow automatic notification by the Department of Work and Pensions to the city council of UC awards, therefore removing the requirement for the customer to make a separate CTRS application.

LORD MAYOR