

Budget Council**19:30 to 22:20****21 February 2023**

Present: Councillors Maguire (Lord Mayor), Ackroyd, Bogelein, Carlo, Catt, Champion, Davis, Driver, Everett, Fulton-McAlister (M), Galvin, Giles, Grahame, Hampton, Harris, Huntley, Jones, Kendrick, Kidman, Lubbock, Oliver, Osborn, Padda, Peek, Price, Schmierer, Stonard, Stutely, Thomas (Va), Thomas (Vi), Waters, Wright and Young

Apologies: Councillors Brociek-Coulton, Button, Fulton-McAlister (E), Haynes Sands (M), and Sands (S)

1. Lord Mayor's Announcements

The Lord Mayor said that the winners of the Lord Mayor's poetry competition had been announced and he had been pleased to present prizes to the winners, as well as certificates for highly commended entries.

He had also attended the Kings Lynn Mart which was the oldest fair in the country.

Earlier in the evening, he had attended the opening of the Norfolk and Norwich festival and encouraged everyone to look at the great events that had been planned for the city.

2. Declarations of Interest

Councillors Kendrick, Kidman, Oliver, Peek, Price and Waters declared pecuniary interests in item 6 (below), the Council's 2023-24 Budget and Medium Term Financial Strategy, and had received full dispensations from the monitoring officer to remain in the room for the discussion and vote on the item.

During discussion on item 6 (below), Councillors Fulton-McAlister (M) and Stutely declared other interests as Non-Executive Directors of Norwich City Services Ltd and Councillor Stonard declared an other interest as the council's representative on the Historic Churches Trust.

3. Questions from the public / petitions

No public questions or petitions had been received.

4. Minutes

RESOLVED to approve the minutes of the meeting held on 31 January 2023.

5. Council Tax Reduction Scheme 2022-2023

Councillor Jones moved and Councillor Stutely seconded, the recommendations as set out in the report.

Following further debate, it was:

RESOLVED, unanimously,

- 1) That Council retains a maximum 100 per cent LCTRS for working age recipients.
- 2) That Council make the following changes to the LCTRS for 2023/24 by continuing with the 2022/23 scheme with the following annual modifications:
 - (a) include provision for future central and local government financial support payments (such as energy rebates/council tax support funding) to be disregarded from the scheme;
 - (b) to increase the working age applicable amounts for allowances and premiums by the September 2022 Consumer Price Index (CPI) rate of 10.1 per cent;
 - (c) to increase the level of income brackets used to decide non-dependant deductions and level of non-dependant deductions by the September 2022 Consumer Price Index (CPI) rate of 10.1 per cent;
 - (d) to increase the level of income brackets used to decide entitlement to second adult reduction by the September 2022 Consumer Price Index (CPI) rate of 10.1 per cent;
 - (e) to retain the maximum household capital limit of £16,000;
 - (f) to amend the wording of the LCTRS to use self-employed earnings figures for Universal Credit (UC) claimants as determined by the Secretary of State from 1 April 2023;
 - (g) to amend the wording of the LCTRS to take into account the prescribed regulations as notified by the Department for Levelling Up, Housing and Communities.

(Councillor Waters moved and Councillor Harris seconded the following motion without notice, and it was **RESOLVED** unanimously:

“that under section 72 (e) of the constitution the time limit for speeches for item 6 on the agenda be extended to the following:

Leader of the Council 10 minutes
 Proposer of the budget 10 minutes
 Secunder of the budget 5 minutes
 Group spokespersons 10 minutes each”)

6. The council’s 2023-24 Budget and Medium Term Financial Strategy

(Councillors Driver, Fulton-McAlister (M), Kendrick, Kidman, Oliver, Peek, Price, Stonard, Stutely and Waters had declared interests in this item.)

Councillor Waters introduced the item.

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

Councillor Osborn moved and Councillor Galvin seconded the following amendment:

Proposals to increase the following revenue budget items:-

	2023/24 £000	
Investigating both the immediate commercialisation opportunities of retrofitting insulation and renewable energy in homes, and a medium-term strategy to similarly retrofit the council’s housing stock ¹	60	This £0.06m would come from the invest to save reserve and would support development of the business case to demonstrate the costs and benefits from the proposed approach. We would seek to establish the principle that some of the benefits of such measures would generate commercialisation opportunities which would initially replenish the invest to save reserve and then provide a future income source for the council.
Scoping an investigation to extend the collective bidding scheme currently applied to Solar Together to other decarbonisation investments such as insulation, heat pumps and private electric vehicle charging points ²	30	The scoping investigation would be funded by £0.03m from the business change reserve and would also provide procurement activity in support of collective bidding schemes.
Capital Strategy Manager ²	80	This £0.08m would come from the business change reserve. It will provide a resource to establish a better strategic overview of capital spending

Grant to Norfolk Citizens' Advice to provide face to face advice ³	30	£0.03m would be funded from general reserves. As this would be funded from reserves this would be a one-off grant to meet the immediate additional need created by the cost-of-living crisis. Any on-going support would need to be considered as part of future years' budgets.
Ongoing tree maintenance ⁴	20	This proposal should be considered alongside the additional capital investment set out in our capital programme proposals. This £0.02m would ensure that the on-going cost of additional tree planting was included in the revenue budget on an on-going basis. It would be funded through the proposed £0.1m permanent decrease from the environmental services contract for grass cutting (See Table 4).
Total revenue budget increase	220	

The additional one-off revenue costs of the above can be met as follows

Table 1

One off items	2023/24 £000
Invest to save reserve ¹	60
Business change reserve ²	110
General reserves ³	30
Total	200

The additional on-going revenue costs of the above can be met as follows

Table 2

On-going items	2023/24 £000
Permanent budget reductions ⁴ (see Table 4)	20
Total	20

Proposals to add the following items into the capital programme:-

	2023/24 £000	2024/25 £000	
<p>Developing a pilot project for enhanced retrofitting of social housing for 20 homes. ^{1,5,6,7}</p> <p>[HRA and General fund capital programme]</p>	250	750	<p>£0.5m would come from government Wave 2 funding. A further £0.325m would be funded by a newly-created municipal bond scheme and £0.150m would be a contribution from the invest to save reserve in recognising the opportunities for commercially retro-fitting private housing which would be unlocked. The sum drawn from the invest to save reserve would be replenished from the additional incomes generated from private sector housing. The remaining £0.025m would be saved by not having to replace so many domestic boilers. Fewer domestic boilers would need replacement as opportunities were taken to retrofit alternatives such as air source heat pumps.</p>
<p>Capital project to plant new trees on council-owned land and on-going from permanent reduction to grass cutting provision.</p> <p>[General Fund capital programme]</p>	80	80	<p>This £0.08m spend would be funded as a revenue contribution to capital in both 2023/24 and 2024/25 following the proposed £0.1m decrease in the environmental services contract for grass cutting on an ongoing basis. Grass cutting would be reduced in areas where biodiversity would be improved as a result and grass would continue to be cut where reducing this service would have a detrimental impact on the appearance of an area.</p>
Total capital budget increase	330	830	

The additional capital costs of the above can be met as follows

Table 3

	2023/24 £000	2024/25 £000
Invest to save reserve ¹	150	
Wave 2 social housing funding ⁵		500
A newly-created municipal bond scheme ⁶	75	250
Permanent budget reductions ⁴ (see Table 4)	80	80
Reallocation of existing capital items ⁷	25	
Total	330	830

The capital proposals would be met by the following reallocation of items in the existing capital programme

	2023/24 £000	
HRA upgrades Heating / Boilers Domestic ⁷	(25)	Fewer domestic boilers would need to be replaced as opportunities were taken to retrofit alternatives such as air source heat pumps.
Total	(25)	

To decrease the following revenue budget items on an on-going basis:-

Table 4

	2023/24 £000	
NCSL contract for grass cutting ⁴	(100)	This sum would be used to pay for additional trees to be planted and maintained on an ongoing basis. Grass cutting would be reduced in areas where biodiversity would be improved as a result and grass would continue to be cut where reducing this service would have a detrimental impact on the appearance of an area.
Total	(100)	

On being put to the vote with 13 members voting in favour (Councillors Ackroyd, Bogelein, Carlo, Catt, Champion, Galvin, Grahame, Lubbock, Osborn, Price, Schmierer, Wright and Young) and 20 members voting against (Councillors Davis, Driver, Everett, Fulton-McAlister (M), Giles, Hampton, Harris, Huntley, Jones, Kendrick, Kidman, Maguire, Oliver, Padda, Peek, Stonard, Stutely, Thomas (Va), Thomas (Vi) and Waters) voting against, the amendment was lost.

Councillor Wright moved, and Councillor Lubbock seconded the following amendment:

Proposals to increase the following revenue budget items:-

	2023/24 £000	2024/25 £000	Comments
Car parking in parks	85	10	This proposal would write back and eliminate fully the income targets associated with the parking in parks proposals which were implemented in the 2021/22 budget (£0.05m) and the 2022/23 budget (£0.025) and the proposed 2023/24 budget (£0.01m). It also proposes the removal of the 2024/25 income target (£0.01m) included in the council's MTFS.
Total	85	10	

Proposals to re-profile the following revenue budget items:-

	2023/24 £000	2024/25 £000	Comments
Advertising on vacant land income target	50	(50)	This proposes that the £0.05m income target set out in the council's MTFS for advertising on vacant land is brought forward into the 2023/24 budget.
Review of car parking charges	35	(35)	This proposes that £0.035m of the 2024/25 car parking income target of £0.480m is brought forward into 2023/24 budget.
	85	(85)	

On being put to the vote with 3 members voting in favour (Councillors Ackroyd, Lubbock and Wright), 21 members voting against (Councillors Davis, Driver, Everett, Fulton-McAlister (M), Giles, Hampton, Harris, Huntley, Jones, Kendrick, Kidman, Maguire, Oliver, Osborn, Padda, Peek, Stonard, Stutely, Thomas (Va), Thomas (Vi) and Waters) and 9 abstentions (Councillors Bogelein, Carlo, Catt, Champion, Galvin, Grahame, Price, Schmierer and Young) the amendment was lost.

Debate followed.

It was:

RESOLVED, with 20 members voting in favour (Councillors Davis, Driver, Everett, Fulton-McAlister (M), Giles, Hampton, Harris, Huntley, Jones, Kendrick, Kidman, Maguire, Oliver, Padda, Peek, Stonard, Stutely, Thomas (Va), Thomas (Vi) and Waters), 2 members voting against (Councillors Carlo and Catt) and 11 abstentions (Councillors Ackroyd, Bogelein, Champion, Galvin, Grahame, Lubbock, Osborn, Price, Schmierer, Wright and Young) to:

A) To approve Cabinet's recommendations of 8 February 2023 for the 2023/24 financial year:

General Fund

- i. The council's net revenue budget requirement as £19.041m for the financial year 2023/24 including the budget allocations to services shown in Section 2, Appendix 2 (C) and the savings and growth proposals set out in Section 2, appendices 2 (F) and 2 (G).
- ii. An increase to Norwich City Council's element of the council tax of 2.99%, meaning that the Band D council tax will be set at £288.59 (Section 2, paragraph 2.17) with the impact of the increase for all bands shown in Section 2, Appendix 2 (E).
- iii. The prudent minimum level of reserves for the council as £5.400m (Section 2, paragraph 2.38).
- iv. Delegation to the chief finance officer (S151 Officer), in consultation with the portfolio holder for resources and the portfolio holder for safe, strong and inclusive neighbourhoods, the award of any new business rates reliefs announced by government using discretionary relief powers.
- v. The following additional Council Tax premiums be determined from 1 April 2024 (Section 2, paragraphs 22-26), or as soon as possible thereafter, subject to the required legislation being in place:
 - 100% premium for second homes;
 - 100% premium for properties which have been empty and unfurnished for a period of between 1 and 5 years.
- vi. Delegation to the chief finance officer (S151 Officer) in consultation with the portfolio holder for resources the inclusion of any minor changes consequent on additional grant allocations or other minor amendments required.
- vii. Delegate to the chief finance officer (S151 Officer) the approval of technical virements for general fund, housing revenue account and capital budgets, to make budget transfers where there is no underlying change in the budget intention.
- viii. Delegate to the chief finance officer (S151 Officer) the approval of adjustments to the 2023/24 revenue and capital budgets to reflect the inclusion of expenditure in line with the UK Shared Prosperity Fund grant.

Housing Revenue Account

- ix. The proposed Housing Revenue Account gross expenditure budget of £71.540m and gross income budgets of £77.070m for 2023/24 (Section 3, paragraph 3.25).
- x. The use of the estimated surplus of £5.530m along with a further £1.210m of HRA general reserves to make a revenue budget contribution of £6.740m towards funding the 2023/24 HRA capital programme (Section 3, paragraph 3.25).
- xi. A 7.0% increase in dwelling rents for 2023/24, in accordance with the government cap. This will result in an average weekly rent increase of £5.85 for Norwich social housing tenants (Section 3, paragraphs 3.30 to 3.36).
- xii. That garage rents increase by 10.1%, based on CPI in September 2022 (Section 3, paragraph 3.37).
- xiii. That the setting of tenants' service charges is delegated to the executive director of community services in consultation with the portfolio holder for Social Housing after engagement with tenant representatives (Section 3, paragraph 3.38)
- xiv. The prudent minimum level of Housing Revenue Account reserves as £5.848m (Section 3, paragraph 3.55 and table 3.4).
- xv. The use of £0.500m of the HRA underspend in 2022/23, to increase an existing earmarked reserve formed to fund costs associated with HRA service transformation linked to a programme of review and improvement, with the release of funds being approved in accordance with paragraph 26 of the Council's Financial Regulations.

Capital and Commercial Strategy

- xvi. The proposed general fund capital programme 2023/24 to 2027/28 (2023/24: £28.545m; 5 years: £48.543m) and its method of funding as set out in Section 4, table 4.2, table 4.4 and Appendix 4 (B).
- xvii. The proposed HRA capital programme 2023/24 to 2027/28 (2023/24: £35.606m; 5 years: £182.181m) and its method of funding as set out in Section 4, table 4.2, table 4.5 and Appendix 4 (B).
- xviii. The capital strategy, as required by CIPFA's Prudential Code.
- xix. Delegating to Cabinet, approval to include in the capital programme, additional capital schemes funded wholly by grant where it meets the Council's aims.
- xx. Delegating to the chief finance officer (S151 officer) in consultation with the executive director of development and city services and executive director of community services, approval of adjustments to the 2023/24 and future capital programmes to reflect the funding requirements of projects funded from the Towns' Deal and UK Shared Prosperity Fund (UKSPF).

Treasury Management Strategy

- xxi. The borrowing strategy 2023/24 through to 2027/28 (Section 5, paragraphs 5.25 to 5.29).

- xxii. The capital and treasury prudential indicators and limits for 2023/24 through to 2027/28 contained within Section 5, paragraphs 5.29 to 5.59 and table 5.3, including the Authorised Borrowing Limit for the council.
- xxiii. The Minimum Revenue Provision (MRP) policy statement described in paragraphs 5.38 to 5.42 and contained in Appendix 5 (Section 5)
- xxiv. The (financial) Investment Strategy 2023/24 including changes to counterparty limits (Section 5, paragraphs 5.69 to 5.104).

Summary of key financial indicators

- xxv. The indicators for 2023/24 through to 2027/28 as contained in section 6.

B) To approve the Cabinet's recommendations arising from the Budget Scrutiny meeting on 2 February 2023:

- xxvi. Pilot a whole house approach to decarbonisation of our council homes. Use data, information and practice gathered from the pilot, alongside stock condition data and thermography surveys to support the development of the Housing Revenue Account Decarbonisation Plan

C) To approve an amendment recommended by Cabinet at the meeting on 8 February 2023:

- xxvii. Increase the general fund and HRA capital programmes to create a "Love Norwich" fund of £0.100m in order to support key local ward priorities and respond to those priorities effectively; funded through a £0.050m contribution from HRA capital receipts and £0.050m from general fund capital receipts.

D) To approve 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 & Crime Commissioner for Norfolk.

LORD MAYOR