



Budget Council

19:30 to 22:20

22 February 2022

Present: Councillors Maguire (Lord Mayor), Ackroyd, Bogelein, Brociek-Coulton, Button, Carlo, Champion, Driver, Fulton-McAlister (E), Fulton-McAlister (M), Galvin, Giles, Grahame, Harris, Hampton, Haynes, Huntley, Jones, Kendrick, Lubbock, Maguire, Manning, Maxwell, Oliver, Osborn, Packer, Peek, Price, Sands (M), Sands (S), Schmierer, Stonard, Stutely, Waters, Wright and Youssef.

Apologies: Councillors Davis, Everett, Lubbock, Manning, and Thomas (Va) and Thomas (Vi),

1. Lord Mayor's Announcements

The Lord Mayor invited Councillor Waters, leader of the council, to say a few words in memory of former councillor and Lord Mayor Bernard Smith, who had sadly passed away. Following this, a minute's silence was held.

2. Declarations of Interest

Councillors Brociek-Coulton, Button, Harris, Kendrick, Oliver, Peek, Price and Waters declared pecuniary interests in item 7 (below), the Council's 2021-22 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.

Councillor Schmierer declared a non pecuniary interest in item 7 (below) as he worked for Voluntary Norfolk.

3. Questions from the public / petitions

The Lord Mayor said that no questions or petitions had been received.

4. Minutes

RESOLVED to approve the minutes of the meetings held on 25 and 26 January 2022.

5. Corporate Plan 2020-2021

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

Councillor Galvin proposed and Councillor Osborn seconded the following amendment:

Inserting the following words “**and provide energy efficiency**” at the end of the following priority in Aim 3, Norwich has the infrastructure and housing it needs to be a successful city; “**Actively manage and invest in our Housing Revenue Account homes so they are safe, well maintained, and provide modern facilities.**”

So that the revised aim becomes:-

Aim 3 – Norwich has the infrastructure and housing it needs to be a successful city
To deliver this we will:

- Refine and deliver the strategic framework for city development.
- Develop and regenerate areas such as East Norwich and Anglia Square.
- Provide and encourage others to provide new homes, open spaces and infrastructure for residents.
- Secure and manage funds from a range of sources to invest in the city.
- Make the best use of our Housing Revenue Account assets and resources, maximizing our income and spending wisely to provide easy to access, high quality services and support for our tenants and leaseholders.
- Actively manage and invest in our Housing Revenue Account homes so they are safe, well maintained, and provide modern facilities, and provide energy efficiency.

It was **RESOLVED**, unanimously to accept the amendment to the Corporate Plan 2022-26.

Following further debate, it was **RESOLVED** with 23 in favour and 10 abstentions to:

- 1) agree the corporate plan as recommended by cabinet which incorporates the amended resolutions from the meeting of scrutiny committee held on 3 February 2022.
- 2) agree to move reporting of progress against the Covid-19 Recovery Plan to an annual occurrence alongside the Corporate Plan annual progress report (as detailed on page 9 of the draft Corporate Plan under ‘Annual review’).

6. Council Tax Reduction Scheme 2022-2023

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

Following further debate, it was:

RESOLVED, unanimously,

- 1) To retain a maximum 100 per cent entitlement for working age CTRS recipients for the Council Tax Reduction Scheme for 2022/23.
- 2) To make the following changes to the council tax reduction scheme (CTRS) for 2022/23 by continuing with the 2021/22 scheme with the following annual modifications:
 - a) To increase the working age applicable amounts for allowances and premiums by the September 2021 Consumer Price Index (CPI) rate of 3.1 per cent;
 - b) To increase the level of income brackets used to decide non-dependent deductions and level of non-dependent deductions by the September 2021 Consumer Price Index (CPI) rate of 3.1 per cent;
 - c) To increase the level of income brackets used to decide entitlement to second adult reduction by the September 2021 Consumer Price Index (CPI) rate of 3.1 per cent;
 - d) To retain the maximum household capital limit of £16,000;
 - e) To add the option to recalculate entitlement when the council investigate fraud where the DWP have not revised DWP passported benefit entitlement.

(Councillors Matthew and Erin Fulton-McAlister left the meeting at this point)

7. The council's 2022-23 Budgets and Medium Term Financial Strategy

(Councillors Brociek-Coulton, Button, Driver, Harris, Kendrick, Oliver, Peek, Price and Waters had declared interests in this item.)

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

Councillor Bogelein moved and Councillor Osborn seconded the following amendment:

“In addition to the below amendments, the council should make a commitment to supporting its company NCSL in improving terms and conditions for NCSL workers. The council should commit to funding increases in pay for workers, should NCSL not be able to fund these increases initially. It was not possible to phrase this commitment as an allowable budget amendment due to the fact that the pay award is a company decision.”

To increase the following budget items:-

Revenue

* (HRA) - Create a new role of Housing Efficiency Manager 2022/23 only The post is proposed to be funded from the invest to save reserve on the basis that additional grant funding can be secured in future years to fund either revenue or capital expenditure from 2023/24 onwards. The role can only continue once ongoing funding is secured for later years. This will save money as it will mean the council can take a holistic and long-term-planning approach to retrofitting housing rather than having to return to properties to do works on them several times over as standards rise. It will be crucial for dealing with the cost of living crisis.	60 000
** Reinstate waste amnesty collections in areas with high numbers of fly-tipping incidents. Impact on costs of fly tipping to be assessed throughout 2022/23 prior to any ongoing commitment being incorporated into the MTFS	50 000
** Carry out a review of electrical charging and solar energy creation in car parks	20 000
*** Install outdoor gym equipment in Chapelfield Park Example provided in the link below: Mini Fitness Package (sunshinegym.co.uk)	5 000
*** Install two new litter bins in areas that need them, such as Gertrude Road The request for bins in this location is that walkers come off Mousehold Heath and put dog faeces into residents' wheelie bins. It is assumed that the marginal costs of collection can be absorbed within the current contract arrangements.	2 000
*** Scope a new vision for Prince of Wales Road, to encourage new daytime businesses to locate to the area, to provide new storage areas for commercial bins and to develop a commercial food waste collection scheme, and for Gentleman's Walk to encourage family-friendly early evening activity.	20 000
*** Develop a community air quality sensor scheme: where individual members of communities or organisations such as schools or community centres can apply for funding to host air quality sensors in their communities and the council has access to the results	5 000

Revenue Funding:

* contribution from invest to save reserve	60 000
** contribution from business change reserve	70 000
*** contribution from General Reserves	32 000

Capital

Repayable grant for community centres Energy improvements/retrofitting	100 000
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Capital Funding:

Contribution from capital receipts reserve	100 000
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On being put to the vote with 10 members voting in favour (Councillors Bogelein, Carlo, Champion, Galvin, Grahame, Haynes, Osborn, Price, Schmierer and Youssef) 19 members voting against (Councillors Brociek-Coulton, Button, Driver, Giles, Hampton, Harris, Huntley, Jones, Kendrick, Maguire, Maxwell, Oliver, Packer, Peek, Sands (M), Sands (S), Stonard, Stutely, and Waters) voting against and 2 abstentions (Councillors Ackroyd and Wright) the amendment was lost.

Debate followed.

It was:

RESOLVED, with 21 members voting in favour (Councillors Ackroyd, Brociek-Coulton, Button, Driver, Giles, Hampton, Harris, Huntley, Jones, Kendrick, Maguire, Maxwell, Oliver, Packer, Peek, Sands (M), Sands (S), Stonard, Stutely, Waters and Wright) 7 members voting against (Councillors Bogelein, Galvin, Haynes, Osborn, Price, Schmierer and Youssef) and 3 abstentions (Councillors Carlo, Champion and Grahame) to:

A. To approve Cabinet's recommendations of 9 February 2022 for the 2022/23 financial year:

General Fund

- i. The council's net revenue budget requirement as £17.713m for the financial year 2022/23 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 1.99%, meaning that that the Band D council tax will be set at £280.21 (Section 2, paragraph 2.26) 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 £5.100m (Section 2, paragraph 2.53).
- iv. Setting aside the council's distribution of £0.675m from the Norfolk business Rates Pool into a new earmarked reserve to support future spend in line with the economic development objectives of the fund (Section 2, paragraph 2.6).
- v. Setting aside any 2021/22 underspend more than £0.426m into the business change earmarked reserve (Section 2, paragraph 2.5).

- vi. Delegation to the chief finance officer (S.151 Officer), in consultation with the portfolio holder for resources and the portfolio holder for social inclusion, the award of any new business rates reliefs announced by government using discretionary relief powers. The full cost of granting this relief will be compensated through a section 31 grant from Government.
- vii. Delegation to the chief financial officer in consultation with the portfolio holder for resources inclusion of any minor changes consequent on the publication of the final local government settlement or subsequent additional grant allocations.

Housing Revenue Account

- viii. The proposed Housing Revenue Account gross expenditure budget of £70.364m and gross income budgets of £70.610m for 2022/23 (Section 3, paragraph 3.24).
- ix. The use of the estimated surplus of £0.246m along with a further £6.096m of HRA general reserves to make a revenue budget contribution of £6.342m towards funding the 2022/23 HRA capital programme (Section 3, paragraph 3.24).
- x. A 4.1% increase in dwelling rents for 2022/23, in accordance with the Secretary of State issued Direction on the Rent Standard 2019. This enables authorities to increase rent annually by up to CPI (Consumer Price Index) as at the preceding September plus 1%. This will result in an average weekly rent increase of £3.30 for Norwich tenants (Section 3, paragraphs 3.30 to 3.35).
- xi. That garage rents increase by 3.1%, based on CPI in September 2021 (Section 3, paragraph 3.36).
- xii. 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 3.37)
- xiii. The prudent minimum level of Housing Revenue Account reserves as £5.848m (Section 3, paragraph 3.56 and Table 3.4).
- xiv. The creation of an earmarked reserve to fund the costs associated with HRA service transformation linked to a programme of review and improvement detailed in Section 3, paragraphs 3.3 to 3.18. This reserve will be used to fund costs linked to the programme which are not delivering specific savings, for example project management and benchmarking with the release of funds being approved in accordance with paragraph 26 of the Council's Financial Regulations.

Capital and Commercial Strategy

- xv. The proposed general fund capital programme 2022/23 to 2026/27 (2022/23: £29.347m; 5 years: £45.766m) and its method of funding as set out in Section 4, table 4.2, table 4.4 and Appendix 4 (B).

- xvi. Delegating to Cabinet, approval to include in the capital programme additional capital schemes funded wholly by grant where it meets the Council's aims (Cover report, paragraph 27).
- xvii. The proposed HRA capital programme 2022/23 to 2026/27 (2022/23: £38.860m; 5 years: £171.579m) 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.

Treasury Management Strategy

- xix. The borrowing strategy 2022/23 through to 2026/27 (Section 5, paragraphs 5.27 to 5.29).
- xx. The capital and treasury prudential indicators and limits for 2022/23 through to 2026/27 contained within Section 5, paragraphs 5.18 to 5.25 and table 5.3, including the Authorised Borrowing Limit for the council.
- xxi. The Minimum Revenue Provision (MRP) policy statement described in paragraphs 5.37 to 5.41 and contained in Appendix 5 (Section 5)
- xxii. The (financial) Investment Strategy 2022/23 including changes to counterparty limits (Section 5, paragraphs 5.42 to 5.88).

Summary of key financial indicators

- xxiii. The indicators for 2022/23 through to 2025/26 contained in section 6.

B. To approve the Cabinet's recommendations arising from the Budget Scrutiny meeting on 3 February 2022:

- xxiv. Ensure there is continued political commitment to investing in renewable or green energy projects.
- xxv. Where financially and legally viable, in conjunction with a fabric first approach, where the property type allows for upgrade of the thermal performance of the fabric, fit the lowest carbon emitting heating systems in council properties. Where fabric upgrade isn't possible and low carbon heat sources aren't feasible (or will make operation unaffordable for residents), then gas boilers will be fitted, but pipework and radiators (or other emitters) will be upgraded to allow for future transition to low carbon alternatives.
- xxvi. Any recommendations considered by the scrutiny fly tipping task and finish group will give consideration to costs and funding options available. If funding cannot be identified within existing budgets, officers will facilitate the appropriate decision pathway to identifying alternative funding sources and approvals required.

C. 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