



Budget Council

19:30 to 21:50

21 February 2024

Present: Councillors Ackroyd (Deputy Lord Mayor), Calvert, Carrington, Catt, Champion, Davis, Driver, Everett, Fox, Francis, Fulton-McAlister, Galvin, Giles, Hampton, Hoechner, Huntley, Jones, Kendrick, Kidman, Lubbock, Maguire, Oliver, Osborn, Packer, Padda, Peek, Price, Prinsley, Sands (M), Sands (S), Schmierer, Stonard, Stutely, Thomas (Va), Thomas (Vi), Worley and Young.

Apologies: Councillors Wright (Lord Mayor) and Haynes

1. Lord Mayor's Announcements

There were no Lord Mayor's announcements.

2. Declarations of Interest

Councillors Calvert, Driver, Kendrick, Kidman, Peek, Price, Oliver and Stonard declared pecuniary interests in item 6 (below), the council's provisional 2024 -2025 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.

3. Questions from the public / petitions

The Deputy Lord Mayor announced one public question had been received within the provisions of Part 3 of the council's constitution.

Question 1 – Communal heat pumps

Ms Morwenna Hitch, asked the cabinet member for climate change the following question:

“As part of work to decarbonise properties owned and managed by the council, will communal heat pumps be considered for areas where multiple residential properties on the same road are owned by the council?”

Councillor Hampton, the cabinet member for climate change, gave the following response:

“The council is committed to decarbonising the homes that it manages and already has sought to replace failed gas and solid fuel heating appliances with low-carbon alternatives where they are suitable for the property type.

A number of factors influence the type of low-carbon systems that are installed, these include:

- The number, location and tenure of homes.
- The expected remaining life of the home.
- The suitability of the property for installation of larger heat emitters, pipework and a heat interface unit.
- The available space for the communal heating arrangements and the level of resilience required to provide continuous heat.
- The condition and remaining life of existing heating equipment.

Hybrid systems are currently being installed in a number of homes, where the domestic hot water has been decarbonised through the installation of an air source heat pump water heater, with space heating now provided through efficient electric heating. The council will continue to engage with manufacturers and monitor the availability and reliability emerging technologies to ensure we provide affordable, low-carbon heat in the homes that we manage.”

Ms Hitch confirmed that she did not have a supplementary question.

4. Minutes

RESOLVED to approve the minutes of the meeting held on 30 January 2024.

5. Local Council Tax Reduction Scheme 2024-2025

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

Following further debate, it was:

RESOLVED, unanimously,

To:

- 1) retain a maximum 100 per cent Local Council Tax Reduction Scheme (LCTRS) for working age recipients.
- 2) make the following changes to the LCTRS for 2024/25 by continuing with the 2023/24 scheme with the following annual modifications:
 - a) to uprate the relevant applicable amounts for 2024/25 and future years by the preceding September Consumer Price Inflation figure;
 - b) to make changes for working-age customers which align with pensioner prescribed changes annually for 2024/25 and future years;
 - c) to change the scheme annually in accordance with any Prescribed Regulation changes;

- d) to retain the £3 + or - tolerance level for changes in income for 2024/25 and future years;
- e) to uprate the level of income brackets used to decide non-dependant deductions and level of non-dependant deductions by the preceding September CPI figure;
- f) to increase the level of income brackets used to decide entitlement to second adult reduction by the preceding September CPI figure; and
- g) to retain the maximum household capital limit of £16,000 for 2024/25 and future years.

6. The Council's Provisional 2024-2025 Budget and Medium Term Financial Strategy

(Councillors Calvert, Driver, Kendrick, Kidman, Peek, Price, Oliver and Stonard had declared interests in this item.)

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

The below amendment had been received from Councillor Osborn which was accepted by the proposer, and circulated before the meeting:

	Description	Additions £000	Reductions £000
1. Affordable warmth and climate emergency (HRA revenue)	<p>The cross party scrutiny review 'Warm, low bills, no carbon: a plan for Norwich's council homes' of 23/11/23 identified 21 proposed actions for the council to consider in order to progress towards its stated policy intention of net zero from its own activities by 2030 and net zero for Norwich by 2050. The actions proposed by the cross-party scrutiny task and finish group are designed to future-proof council housing stock, and to help reduce council tenants' energy bills.</p> <p>We have noted and welcome the additional resources of £160k for climate change, on an on-going basis which was set out in the administration's General Fund budget proposals.</p> <p>We also welcome the oral update given to cabinet in response to the task and finish group recommendations by Cllr. Jones and Cllr. Hampton which set out their broad</p>	160	160

	Description	Additions £000	Reductions £000
	<p>agreement to many of the measures proposed.</p> <p>However, we do not believe that the additional resources in the administration's budget provides sufficient targeted resources to deliver the improvements necessary for the council's own housing stock, which can provide benefits for tenants by reducing their energy bills.</p> <p>We are proposing that a sum of £160k on an ongoing basis is also made available from HRA resources to support the implementation of measures in the same or similar way as envisaged for the General Fund. We would also encourage that for both the General Fund and the HRA resources there is a focus on leveraging additional funding to support these costs. Providing this additional capacity will also mean that the Environmental Strategy team has more capacity to tackle carbon emissions across the city, not just in the council's housing stock.</p> <p>We have confirmed with the Director of Housing and Communities and the Council's Interim CFO that permanent budget provision can be identified within the HRA to support this level of expenditure.</p>		
2. Four yearly elections cycle (General Fund revenue)	<p>The Council currently elects in thirds, meaning that for 3 years, the council will hold an election in each ward for one of three seats. In the fourth year, County Council elections take place. In addition, the Council runs general elections, referenda and the Police and Crime Commissioner Elections on behalf of third parties.</p> <p>An increase in postal votes and venue hire rates has been noted. Postage and printing costs were a particular challenge in 2023 due to increasing size of poll cards and inflationary uplifts in costs - some of these costs can be seen in the budget growth for elections staff and postage within the administration's budget.</p>		

	Description	Additions £000	Reductions £000
	<p>However, the Council can make savings if it were to switch to 4 yearly elections.</p> <p>On the assumption that elections for other bodies would take place in years other than the NCC elections or be fully funded, the estimated cost of an all-out NCC election is £300k and this cost can be spread over a four-year period using the existing elections reserve (i.e. c£75k per annum)</p> <p>The current budget provision for elections, is c£165k. and therefore overall an annual saving in the region of c£90k is possible by maintaining an ongoing budget of £75k per annum which is placed into the reserve; in years when an election occurs 75% of the costs can be drawn from the reserve and combined with that years base budget this will provide a budget of £300k to meet the estimated cost of the election.</p> <p>To the extent that there are unforeseen additional expenditures for example if there were to be a need for by election in any particular year this could be met from within the overall elections reserve or as a call on the council's general contingency.</p> <p>On the advice of the Monitoring Officer, we understand that to move to a 4-yearly election cycle, the Full Council would need to separately resolve to do so outside of the budget setting meeting and then undertake a boundary review which would need to be concluded in sufficient time before the election. The law does not allow the first year of a District moving to a 4 yearly election cycle to take place in the same year as County Council elections, so the first opportunity to do this would be in 2026.</p> <p>We therefore propose that Council agrees to consider the case for moving to four yearly elections at a future meeting convened solely for that purpose in accordance with the Local Government and Public Involvement in Health act 2007 (S33)</p>		

	Description	Additions £000	Reductions £000
3. Community Centres energy efficiency measures (General Fund capital)	<p>Community Centres are owned by the city council but operated and managed by community groups that meet their own energy costs. These centres provide essential community-based services and activities for residents.</p> <p>Recent increases in utility costs have impacted these groups' ability to maintain cost effective services and have potentially put at risk some of those vital services.</p> <p>We believe that the council should assist in reducing the liabilities faced by these groups and, at the same time, contribute to the achievement of the net zero goal for the council's own properties and activities by 2030.</p> <p>This could be achieved by implementing a range of improved insulation measures or the installation of alternative energy sources dependent on the centre's energy efficiency characteristics.</p> <p>We believe that a capital budget of £400k would provide an initial investment to implement both alternative methods of improving energy efficiency but also provide a trial for the use of Community Municipal Investment Bonds (CMIB).</p> <p>In 2023 the Green Finance Institute presented to the Scrutiny Committee and described how a CMIB worked; they advised of other council's that had successfully adopted them and advised that a small trial scheme would be a good place to test the appetite for such a scheme in Norwich.</p> <p>We believe that the community groups utilising the community centres will be strong partners and advocates for measures which ultimately will improve the energy efficiency of the council's assets and at the same time reduce their own running costs to support their on-going viability. This will support diverse populations, diverse activities and ultimately also encourage</p>	400	(200)

	Description	Additions £000	Reductions £000
	<p>adoption of low carbon systems, allowing the council to become a leader in this field in communities. Fuel costs look set to rise and the council will have to continue to replace heating systems as they become obsolete, so this also represents a saving.</p> <p>We have initially assumed therefore that half of the cost could be met by investigating and launching a CMIB for Norwich as has been adopted by several other councils. The remaining 50% (£200k) would be met from the council's capital resources. The council's interim CFO has confirmed that there are capital resources available to support this match funding if approved. The exact phasing of that expenditure to be determined and added to the capital programme once the business case has been prepared and the timeframe for issuance of a CMIB determined.</p>		

The following amendment was received from Councillor Lubbock, and had been circulated before the meeting, and had also been accepted by the proposer:

	Description	Additions £000	Reductions £000
1. Provision of visitor and other information (General Fund revenue)	<p>Information technology and the ways in which consumers access visitor information have changed dramatically over the last twenty years - and continue to do so. The customer's decision making 'journey' is becoming more complex, as the ability to access and share detailed content increases.</p> <p>Whilst the Internet is the primary medium for gathering information pre-visit, one size does not fit all - some studies have shown that tourists perceive information coming from other tourists as being more trustworthy, while others have shown that both official channels and user generated content have a similar influence on tourists' decisions.</p> <p>It is also clear that tourists plan their trips less, postpone decisions until they are on the trip and look for more information at destinations. Therefore, the success of destinations will depend on their ability to provide the information that tourists need at any moment by adopting the most appropriate tools.</p> <p>We understand that Visitor Information Centres (VIC) have a number of fixed cost elements and also that there may be opportunities for some supplementary income streams such as in-centre advertising or concessions to offset costs. However, VICs can be a</p>	5 One-off	
		100 Permanent FYE	50 Additional savings 40 Budget growth 10 Income from advertising

	Description	Additions £000	Reductions £000
	<p>source of civic pride and can also deliver significant value to communities.</p> <p>The need to deliver dynamic information in-destination is also something highlighted by residents and others to promote Norwich as a place of cultural interest and excellence; we are proposing that an options appraisal is carried out to inform the most appropriate way of delivering, in conjunction with partners, an efficient and effective information service appealing across a broad range of audiences.</p> <p>In discussion with the council's interim CFO an estimated provision of £5k has been identified from one-off reserves to undertake a business case aimed at understanding the content that is required to appeal to visitors and maximise the benefits gained as well as identifying sources of income from sponsorship or advertising to partly support the on-going costs of this activity.</p> <p>Additional on-going costs will be met through the identification of additional permanent savings and the use of the additional grant received at the final settlement.</p>		

The below amendment was received from Councillor Davis, which had been circulated before the meeting, and had also been accepted by the proposer:

	Description	Additions £000	Reductions £000
1. Reduction in temporary accommodation costs (one-off feasibility study from general fund reserves and then potential capital investment)	<p>The costs of placing people in temporary accommodation continues to rise and put pressure on the council's limited resources. The quality of some temporary accommodation and the impact that poor quality accommodation can have on the quality of life and life chances of those placed there also cannot be underestimated.</p> <p>One of the ways that these issues can be addressed is through the council providing its own accommodation to reduce the costs of private sector temporary accommodation or other expensive placements such as B&B or hotels.</p> <p>There are several approaches that the council could take to acquiring suitable accommodation for temporary accommodation for example through the purchase of modular accommodation which can be obtained to Passivhaus standards and placed on land owned by the council on a meanwhile basis or through the purchase of street properties where they provide value for money.</p> <p>To ensure that the most appropriate approach is adopted it is proposed that an initial feasibility study is commissioned from one-off resources and that this is used to inform a business case for the development of options. The business case should set out a timeline and action plan.</p> <p>It is also felt that this area should be the subject of a scrutiny review who could explore the wider issues associated with temporary accommodation and make recommendations for cost effective solutions considering the feasibility work commissioned including the action plan.</p> <p>The review should consult with and seek the views of councillors, service users and</p>	<p>10</p> <p>One off</p>	

	Description	Additions £000	Reductions £000
	<p>organisations within Pathways and the Financial Inclusion Consortium to the scrutiny review of temporary accommodation.</p> <p>The council's interim CFO has confirmed that one-off resources for a feasibility study can be met from reserves and any future capital investment would be subject to the approval of a full business case which would identify funding options.</p>		
2. Licensing services (General Fund revenue)	<p>Licensing and enforcement activities maintain the safety of consumers including those who use bars, restaurants live in HMO's or use taxis to name a few.</p> <p>We would like to explore ways in which licensing and enforcement activity can be increased to improve the safety of and reassure consumers.</p> <p>However, we do understand that the digitalisation of regulatory services, which is currently being undertaken, is expected to identify opportunities for efficiencies and that further work will be necessary to identify actions which could also improve the performance and capacity of those services.</p> <p>We are therefore proposing that one-off resources of £150,000 are made available to take forward some immediate work in this area and to understand the impact of the actions already in train.</p> <p>We also believe that when this work has concluded this could be an area where a scrutiny review could add further insight.</p> <p>As part of the scrutiny review councillors, private hire operators, Hackney drivers and licensed premises managers/staff should be consulted and asked to input on any licensing or other policy changes that might be helpful.</p>	150 One-off	

	Description	Additions £000	Reductions £000
3. Income generation from wedding venue hire (General Fund revenue)	<p>We are aware that the council is exploring the best way to maximise the benefits from all its assets.</p> <p>We believe that there are income generating opportunities that can be obtained from further hiring of spaces and providing supporting services across a range of city council assets; such opportunities could for example include wedding services.</p> <p>We would propose that a small sum is made available to specifically explore the opportunities for commercial activities as a strand of the asset reviews being undertaken and to gauge the interest in those services to give them the best chance of success.</p> <p>The council's interim CFO has confirmed that one-off resources for a feasibility study can be met from reserves and that activities which generate sufficient income to recover costs and deliver additional revenue can be taken forward on a case-by-case basis.</p>	5 One off	

Following debate, it was:

RESOLVED, with all 37 members present voting in favour (Councillors Ackroyd, Calvert, Carrington, Catt, Champion, Davis, Driver, Everett, Fox, Francis, Fulton-McAlister, Galvin, Hampton, Hoechner, Huntley, Jones, Kendrick, Kidman, Lubbock, Maguire, Oliver, Osborn, Packer, Padda, Peek, Price, Prinsley, Sands (M), Sands (S), Schmierer, Stonard, Stutely, Thomas (Va), Thomas (Vi), Worley and Young) to:

A) To approve Cabinet's recommendations of 7 February 2024 for the 2024/25 financial year:

General Fund

- 1) The council's net revenue budget requirement as £24.232m for the financial year 2024/25 including the budget allocations to services shown in and the growth proposals set out in Section 2.
- 2) 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 £297.22 (Section 2, paragraph 2.15) with the impact of the increase for all bands shown in Section 2,

Appendix 2 (D).

- 3) The prudent minimum level of reserves for the council as £5.4 million (Section 2, paragraph 2.35).
- 4) The following additional Council Tax premiums be applied as soon as practicable (Section 2, paragraphs 2.21-2.25) in line with the Levelling Up and Regeneration Act 2023:
 - 100% premium for second homes with effect from 1 April 2025,
 - 100% premium for properties which have been empty and unfurnished for a period of between 1 and 5 years from 1 April 2024.
- 5) Delegation to the chief finance officer (S151 Officer) in consultation with the portfolio holder for resources inclusion of any minor changes consequent on the final local government settlement or additional grant allocations.
- 6) 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.

Housing Revenue Account

- 7) The proposed Housing Revenue Account gross expenditure budget of £72.867m and gross income budgets of £82.969m for 2024/25 (Section 3, paragraph 43).
- 8) The use of £10.045m of the £10.102m estimated surplus HRA general reserves to make a revenue budget contribution towards funding the 2024/25 HRA capital programme (Section 3, paragraph 43).
- 9) A 7.7% increase in dwelling rents for 2024/25, in accordance with the government's Rent Standard. This will result in an average weekly rent increase of £6.91 for Norwich social housing tenants (Section 3, paragraphs 48 to 55).
- 10) That garage rents increase by 7.7%, based on CPI in September 2023 plus 1% (Section 3, paragraph 53).
- 11) That the setting of tenants' service charges is delegated to the Executive Director of Housing & Community Safety in consultation with the portfolio holder for Housing after engagement with tenant representatives (Section 3, paragraph 54)
- 12) The prudent minimum level of Housing Revenue Account reserves as £5.8m (Section 3, paragraph 70 and table 3.4).

Capital and Commercial Strategy

- 13) The proposed general fund capital programme 2024/25 to 2028/29 (2024/25: £31.139m; 5 years: £47.108m) and its method of funding as set out in Section 4,

table 4.2, table 4.4 and Appendix 4 (B).

- 14) The proposed HRA capital programme 2024/25 to 2028/29 (2024/25: £41.107m; 5 years: £180.500m) and its method of funding as set out in Section 4, table 4.2, table 4.5 and Appendix 4 (B).
- 15) The capital strategy, as required by CIPFA's Prudential Code.
- 16) Delegating to Cabinet, approval to include in the capital programme, additional capital schemes funded wholly by grant where it meets the Council's aims.
- 17) Delegating to the chief finance officer in consultation with the executive director of development and city services, approval of adjustments to the 2024/25 and future capital programmes to reflect the funding requirements of projects funded from the Towns' Deal.

Treasury Management Strategy

- 18) The borrowing strategy 2024/25 through to 2028/29 (Section 5, paragraphs 5.25 to 5.29).
- 19) The capital and treasury prudential indicators and limits for 2024/25 through to 2028/29 contained within Section 5 including the Authorised Borrowing Limit for the council.
- 20) The Minimum Revenue Provision (MRP) policy statement contained in Appendix 5 (Section 5)
- 21) The (financial) Investment Strategy 2024/25 including changes to counterparty limits.

Summary of key financial indicators

- 22) Indicators for 2024/25 through to 2028/29 as contained in section 5
- B)** To approve amendments recommended by Cabinet at the meeting on 7 February 2024:
- 23) Increase the funding for the play area improvement programme by £1.1m over the period 2024/25 to 2026/27.
 - 24) Increase the funding in 2024/25 for the improvement of the changing pavilions at Eaton Park by £0.3m.
 - 25) Increase the funding for Sloughbottom park by £0.85m.
- 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.

D) To approve the budget amendments:

- 26) The addition of £160,000 to the 2024/25 HRA revenue budget on an on-going basis to address climate change needs within the HRA.
- 27) The Council agrees to consider an option to move to four yearly elections at a future council meeting convened solely for that purpose.
- 28) The inclusion of £400,000 to the council's general fund capital programme (2024 – 2029) to support investment in energy efficiency measures in the council's community centres. Funding for half of the cost to be generated through the issuance of Community Municipal Investment Bonds.
- 29) The development of a visitor information business case to inform future provision. The business case to be funded from £5,000 of one-off resources with on-going provision of £100,000 being added to the 2024/25 general fund revenue budget to support and implement the outcomes from the business case.
- 30) The use of £10,000 of one-off resources for a feasibility study to inform future capital investment in measures to reduce the on-going costs of temporary accommodation. Measures would be subject to the approval of a full business case including the identification of funding options.
- 31) The use of £150,000 of one-off resources are made available to support increased licensing and enforcement activity.
- 32) The use of £5,000 of one-off resources for a feasibility study to inform opportunities for income generation opportunities from the use of city hall or other suitable venues including in particular the provision of wedding services.
- 33) To ask the Scrutiny Committee to include a review of Temporary Accommodation in their work programme.

(The Lord Mayor closed the meeting

LORD MAYOR