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CABINET

Minutes of the meeting of the Cabinet held on Monday, 6 February 2023 at the Council Chamber - Council Offices at 10.00 am

Committee

Members Present:

Cllr W Fredericks
Cllr R Kershaw
Cllr E Seward
Cllr A Brown

Cllr V Gay
Cllr N Lloyd
Cllr T Adams (Chair)

Members also attending:

Cllr Cushing
Cllr N Dixon
Cllr J Rest

Officers in Attendance:

Chief Executive, the Monitoring Officer, the S151 Officer, the Director for Communities and Democratic Services Manager

Apologies for Absence:

Cllr A Fitch-Tillett
Cllr L Shires

105 MINUTES

The minutes of the meeting held on 3rd January were agreed as a correct record and signed by the Chairman.

106 PUBLIC QUESTIONS AND STATEMENTS

None received.

107 ITEMS OF URGENT BUSINESS

108 DECLARATIONS OF INTEREST

None received.

109 MEMBERS' QUESTIONS

The Chairman advised members that they could ask questions as matters arose.

110 RECOMMENDATIONS FROM CABINET WORKING PARTIES

Cllr A Brown, Portfolio Holder for Planning and Chairman of the Working Party introduced this item. He explained that the focus was on site allocations and there was a robust debate concentrating on the development in North Walsham and although the recommendation was accepted, he said he wished to propose the

following amendment (in italics) to Recommendation 2:

‘To delegate minor amendments (*with the exception of the North Walsham Scheme*) in the finalisation of the submission version and schedules and associated documents, to the Planning Policy Manager in conjunction with the Planning Policy Team Leader and the Portfolio Holder’

Cllr Brown said that Members did not agree that the North Walsham scheme could be considered to have any minor amendments. It was a flagship scheme for the District and it was imperative that the infrastructure to support it was carefully considered and was not a minor matter. The amendment was seconded by Cllr E Seward.

It was proposed by Cllr A Brown, seconded by Cllr E Seward and

RESOLVED

Local Plan Submission: Proposed Modifications (Site Allocations)

1. To agree that the appended Schedules of proposed modifications along with the Proposed Submission version of the Local Plan be submitted for independent examination.
2. To delegate minor amendments (with the exception of the North Walsham scheme) in the finalisation of the submission version & Schedules and associated documents to the Planning Policy Manager in conjunction with the Planning Policy Team Leader and the Portfolio Holder.

111 RECOMMENDATIONS FROM OVERVIEW & SCRUTINY COMMITTEE

The Chairman invited Cllr N Dixon, Chairman of the Overview & Scrutiny Committee to speak. Cllr Dixon said that the Committee had made two recommendations to Cabinet at the meeting held on 25th January. Both related to the Medium Term Financial Strategy (MTFS):

1. To recommend to Cabinet that financial modelling of inflationary costs of up to 5% for staff and fees be included in the report to identify potential risks.
2. To recommend to Cabinet that, in recognition of the increasing risks of deficits arising, robust savings and income generation contingency plans need to be developed soonest in FY 23/24 to ensure that financial risks can be adequately mitigated for 2024-25 and onwards

He explained that the Committee had been concerned that the modelling of inflationary costs for staff was too low at 2% and recommended that this should be increased to 5%. Regarding the second recommendation, he said that there had been consensus that the gaps in coming years were concerning and this should be looked at carefully as soon as possible. He added that the Portfolio Holder had already acknowledged his own concerns about this.

Cllr Seward replied that the 5% increase for staff costs was now included in the report. He added that the Director for Resources had already agreed to start work early on addressing the deficit in future years.

112 DELEGATED DECISIONS - SEPTEMBER 2022 ONWARDS

The Democratic Services Manager explained that this was a statutory report to inform Members of any delegated decisions taken by officers. It would go to the next meeting of the Overview & Scrutiny Committee and then go on to the Council's website. She added that there were fewer decisions to report as emergency powers were no longer being used now that the pandemic had effectively ended.

RESOLVED

To receive and note the report and the register of officer decisions taken under delegated powers.

113 CAPITAL STRATEGY 2023 - 2024

The Portfolio Holder for Finance & Assets, Cllr Seward, informed members that this report had been considered by the Overview & Scrutiny Committee.

It was proposed by Cllr E Seward, seconded by Cllr T Adams and

RESOLVED

To recommend to Full Council:
That the Capital Strategy and Prudential Indicators for 2023 – 2024 are approved

Reason for the recommendation:
Approval by Council demonstrates compliance with the Codes and provides a framework within which to consider capital investment decisions.

114 INVESTMENT STRATEGY 2023 - 2024

The Portfolio Holder for Finance & Assets, Cllr Seward, informed members that this report had been considered by the Overview & Scrutiny Committee.

It was proposed by Cllr E Seward, seconded by Cllr T Adams and

RESOLVED

To recommend to Full Council that the Investment Strategy 2023 – 2024 is approved

Reason for the recommendation:

The Strategy provides the Council with a flexible investment strategy enabling it to respond to changing market conditions.

115 TREASURY MANAGEMENT STRATEGY STATEMENT 2023 - 2024

The Portfolio Holder for Finance & Assets, Cllr Seward, informed members that this report had been considered by the Overview & Scrutiny Committee. He added that with interest rates rising, there was no intention to engage with any borrowing, including short term borrowing in the next year.

RESOLVED

To recommend to Full Council that the Treasury Management Strategy Statement

2023 – 2024 is approved.

Reason for the decision:

The Strategy provides the Council with a flexible investment strategy enabling it to respond to changing market conditions and ensures the Council complies with CIPFA guidance.

116 FEES & CHARGES 2023 - 2024

The Portfolio Holder for Finance & Assets, Cllr Seward, introduced this item. He explained that this report was coming back to Cabinet, following a decision to withdraw it at the Full Council meeting on 20th December, to allow additional time to explore any possible increases to fees and charges to maximise income. He said that the revised report included an increase to garden bin charges.

The Leader then spoke about an amendment to enable the provision of the Holt Market fees to be more in line with the emerging Street Trading Policy. As it currently stood, each individual stall holder had to pay a fee and this was not facilitating the holding of the market in a cost-effective way. He therefore proposed that a temporary change was made to the fees for Holt, until the Street Trading Policy was in place.

Cllr Cushing asked for more detail. The Chairman replied that an appropriate charging framework was not in place yet for specialist local markets such as the one in Holt. It was proposed that there was a single fee for the whole event rather than a charge to individual stall holders.

Cllr J Rest referred to Fakenham market, which was run by the Town Council under a charter. The Chairman replied that this was the case and attempts had been made to see if Holt was a charter town but so far no evidence for this had been found. It was proposed by Cllr E Seward, seconded by Cllr T Adams and

RESOLVED

To agree and recommend to Full Council:

- a. The fees and charges from 1 April 2023 as included in Appendix A.
- b. That Delegated Authority be given to the Section 151 Officer, in consultation with the Portfolio Holder for Finance and relevant Heads of Service, to agree those fees and charges not included within Appendix A as required, as outlined within the report
- c. That there be added to Appendix A, a provision to permit the Holt Market to operate with a single Street Market fee at such amount delegated to the Director for Communities until such time as the Street Trading Policy is approved.

Reasons for the recommendations

To approve the fees and charges as set out in the report that will have been used to support the 2023/24 budget process.

117 DRAFT MEDIUM TERM FINANCIAL STRATEGY 2023/2024 - 2026/2027 INCLUDING BASE BUDGET PROJECTIONS 2023/ 2024

The Portfolio Holder for Finance & Assets, Cllr Seward, introduced this item. It had been considered by the Overview & Scrutiny Committee and he thanked them for their comments and recommendations.

He went onto say that when he spoke at the Overview & Scrutiny Committee meeting, he reminded members of his prediction a year ago about 'gathering storm clouds', adding that there had been a huge change in the financial situation between the setting of the Budget last February and now. At the time of setting the Budget last year, inflation was predicted to be between 2-3%. It was currently above 10%. This had led to an increase in capital costs, with most materials now costing more than double than a year ago. Consequently, there was often only one expression of interest when the Council went out to tender for projects.

Cllr Seward referred members to section 3.10 of the report which set out in more detail the impact of inflationary pressures on certain areas of expenditure, totalling £2.947m (13.7%)

He said that the Council had limited options to raise income. In terms of council tax, any increase was limited to 1.99%. In addition, there had been no increase in the amount of business rates retention and in fact, due to the way that grants had been provided during Covid, the Council was having to take money from reserves in order just to maintain income. Regarding Government support, although the Council welcomed the 3% guarantee for inflation but legacy payments on the New Homes Bonus had been lost, so the result was an overall increase £135k. Consequently, the rate of inflation and the impact on the Council's costs were not being compensated for. This meant that the Council had to start making some savings and these were set out at sections 3.8 and 3.9 of the report. There was some additional income that could be generated on commercial waste charges and on planning advice fees. There was also anticipated growth in car parking income.

Cllr Seward said in spite of all the financial challenges, the Council was able to maintain its services and there were currently no proposed cuts.

Regarding any increase to council tax, Cllr Seward made reference to the request made at Full Council in October, to consider a freeze. He said that regardless of the approach taken by NNDC, the County Council was proposing an increase of 4.99% (between £50 and £150 depending in the band) and the Police Authority had already agreed an increase of £14.94 for Band D council tax payers. He explained that the maximum increase that NNDC could make was £5, making it one of the lowest council tax precepts amongst District Councils in the country. Almost 70% of properties in North Norfolk were below Band D, so it would be less than £5.00.

Cllr Seward then spoke about the Medium Term Financial Strategy and forecasts for future years. He said that the Council had a balance budget for 2023/2024 and reserves of over £15m which was higher than the minimum required. In addition, there were a number of financial property investments which were not at risk. However, as stated earlier, it was imperative that the Council began to make contingency plans in terms of further savings to address future gaps. He said that the general fund summary (Appendix A) sets out the presumption that the level of Government support remained at the current level. In terms of the wider economy, whilst it was expected that inflation would fall in the next year, it was difficult to forecast what would happen. He referenced any possible increase in staff salaries which could equate to £450k. Regarding Business Rates, under the current formula, they were forecast to go back to £7.2m but could then reduce again. He said all of this was important as it highlighted the uncertainty and the considerations that

needed to be factored in when looking at council tax increases. He concluded by reminding members that the Council had still not received the final local government financial settlement, although it was anticipated that it would not change.

Cllr Seward said that he wanted to propose recommendations 1 – 4 and 6 – 7 but that recommendation 5, which related to capital bids, still needed additional work to ascertain the most appropriate means of funding. He therefore proposed that this was amended to state:

‘To note the capital bids contained within Appendix C’

RESOLVED

To agree and where necessary recommend to Full Council:

- 1) The 2023/24 revenue budget as outlined at appendix A;
- 2) The demand on the Collection Fund for 2023/24, subject to any amendments as a result of final precepts still to be received be:
 - a. £6,879,503 for District purposes
 - b. £2,800,000 (exact figure not yet available and subject to confirmation of the final precepts) for Parish/Town Precepts;
- 3) The statement of and movement on the reserves as detailed at appendix D;
- 4) The updated Capital Programme and financing for 2022/23 to 2026/27 as detailed at Appendix C;
- 5) To note the Capital Bids contained within Appendix C1.
- 6) That Members note the current financial projections for the period to 2026/27 as shown in Appendix A;
- 7) That Members note the results of the consultation as shown in Appendix F.

Reason for the recommendation:

To recommend a balanced budget for 2023/24 for approval by Full Council.

118 EXCLUSION OF PRESS AND PUBLIC

119 PRIVATE BUSINESS

The meeting ended at 10.32 am.

Chairman