

## **CABINET**

**Minutes of the meeting of the Cabinet held on Monday 04 February 2019 at the Council Offices, Holt Road, Cromer at 10.00 am**

**Members Present:**

Mrs S Bütikofer	Mr N Lloyd
Mr N Dixon	Mr E Seward
	Ms K Ward

**Also attending:**

Mr D Baker	Mr N Pearce
Dr P Bütikofer	Mr S Penfold
Mr T FitzPatrick	Mrs G Perry-Warnes
Ms V Gay	Mr R Price
Mrs A Green	Mr J Rest
Mr S Hester	Mr R Shepherd
Mr M Knowles	Mr N Smith
Mr J Lee	Mr B Smith
Ms B Palmer	

**Officers in Attendance:**

The Heads of Paid Service, the Monitoring Officer, the Head of Finance and Asset Management and the Democratic Services Manager

**Press:** Present

The Leader opened the meeting by paying tribute to former District councillor, Philip High. She said that he was much loved and respected. He was a thoroughly decent and independent person, and put community and family before politics. She asked members to show their respects by observing a one minute silence.

**95. APOLOGIES FOR ABSENCE**

Cllrs H Cox and A Fitch-Tillett

**96. MINUTES**

The minutes of the meeting held on 03 December 2018 were approved as a correct record and signed by the Chairman.

**97. PUBLIC QUESTIONS**

None.

**98. ITEMS OF URGENT BUSINESS**

None

**99. DECLARATIONS OF INTEREST**

None

**100. MEMBERS QUESTIONS**

None

**101. OVERVIEW & SCRUTINY COMMITTEE MATTERS**

The Chairman of the Overview & Scrutiny Committee provided an update. There were no recommendations to Cabinet.

**102. RECOMMENDATIONS FROM CABINET WORKING PARTIES**

None

**103. 2019/20 BUDGET REPORT**

Cllr E Seward, Portfolio Holder for Finance, introduced this item. He outlined the context for the setting of the Budget. He said that whilst there were significant challenges in future years, there was good news for the forthcoming year including the acceptance onto a countywide business rates pilot, £394k from the New Homes Bonus and a one-off increase of £96k in the Rural Services Delivery Grant. This meant that there was a surplus of £224,253 and a balanced budget for 2019/20.

Cllr Seward then referred members to the projections for future years and reminded them that there was a forecast deficit of £2m for 2021/22. Funding forecasts for future years remained uncertain and the position was unlikely to improve until the outcome from the Fair Funding Review and Business Rates consultation was known.

Cllr Seward then spoke about council tax. He explained that the finance settlement announcement assumed that local authorities would increase council tax annually by either 3% or £5 where the authority was in the lowest quartile. NNDC was currently in the lowest quartile and it was proposed that there was an increase of £4.95 for 2019/20. He added that if council tax was not increased in subsequent years there would be a negative impact on the future years' deficit.

Cllr Seward then referred to improving income streams. He explained that there was a lot more work required to address the deficit and it was important that new opportunities were explored to increase income and increase efficiency. He said that whilst enhancing income streams was a priority, it was important that the Council was helping communities and not just focussing on benefitting itself through income such as car parking charges. He then proposed the following amendments to the Budget:

1. To amend recommendation 2 to transfer the current forecast surplus of £224,253 to the General Reserve to be allocated for 2019/20 as follows;
  - (i) £33,000 to be allocated to the Community Transport Fund;
  - (ii) £130,000 to be allocated to a New Business Development Fund including the creation of a new full time post to support small business start-ups and related initiatives (including allocation of £20,000 to a new local industries hub at Alderman Peel High School, Wells);
  - (iii) £30,000 to fund the opening of all public conveniences throughout the year (excluding the facility located at Mundesley Promenade);

- (iv) £20,000 to be allocated to support Norfolk Constabulary's Operation Moonshot for automatic number plate recognition cameras to protect our communities from criminal activity;
- (v) £4,000 grant funding to Cromer Museum provided matched funding is forthcoming from Cromer Town Council to increase opening hours.

The balance of the surplus, along with any monies not drawn down, will remain within the General Fund reserve.

To agree the following additional recommendations:

- 8. £100,000 to be allocated as match funding to support the bid by Norfolk County Council to the LEP for a new roundabout for Sheringham at the junction of Holway Road and the A148, from the Capital receipts reserve/Asset Management Reserve.
- 9. To transfer £1,000,000 from the Property Investment Fund, £500,000 from the Communities Reserve and £500,000 from the Benefits Reserve to establish a property investment company for the purpose of helping address local housing need and to create a property portfolio to provide a revenue stream for the Council to address the financial deficit in future years.

The Leader invited members to speak:

- a) Cllr J Lee began by paying tribute to former councillor Philip High. He said that they had got on very well and he had always held him in the highest regard. Referring to the proposed amendments, Cllr Lee said that it had been agreed at a recent Leaders meeting that it would be appropriate to try and find private funding for the new local industries hub at Wells High School. If not, a precedent could be set for providing funding to local schools. He went on to ask whether the £30k allocated for keeping public toilets open covered the cost of repairing damage caused by vandalism. Moving on to the £20k allocated towards Operation Moonshot, Cllr Lee commented that the Police were already looking to raise their precept by the full amount and he queried whether the Council should be funding a scheme like this. He added that Cromer Town Council was already raising their precept and he wondered how they would raise additional funding to match the £4k proposed for Cromer museum. Finally, Cllr Lee referred to the proposal to establish a property investment company. He said that more detail was needed on this as a substantial amount of money was involved. Cllr Seward thanked him for his comments. He said that it was simply a question of the movement of reserves to the property investment fund which was already established.
- b) Cllr R Price said that museums were very important but they were largely funded by Norfolk County Council and he wondered why the Council was getting involved. He was concerned that other museums would also seek additional funding. The Leader replied that the County Council had advised that they would not be funding the same opening hours going forward. The Council would only provide the funding if it was matched by the Town Council.
- c) Cllr V Gay said that she supported the proposed amendments, particularly the additional funding for the Community Transport Fund. She added that the service had been able to extend considerably in recent months with very little additional support. Referring to Cromer Museum, Cllr Gay said that the Council once provided a grant of £40k a year. This had been reduced considerably and given that there was cross-party support for boosting the tourist industry in the District it should be supported.
- d) Cllr S Hester said that he thought there were some good ideas being put forward. The Police & Crime Commissioner had attended the last meeting of the Overview

& Scrutiny Committee and spoken about Operation Moonshoot. He said that he was supportive of the proposal to provide funding for the scheme. He was also supportive of a roundabout at the Sheringham junction, however, it should be noted that a roundabout was also required on the Fakenham bypass at the Wells turn.

- e) Cllr D Baker began by speaking about Cllr Philip High. He said that he had been a huge inspiration to him and they had worked together on many projects including the Owl Trail in Holt. He would be greatly missed. He then commented on the budget proposals. He said that he was disappointed to see proposals to increase council tax and there was no mention of how to grow income streams or improve efficiency savings. Regarding the waste contract savings, he said that there were no figures included. He concluded by saying that it was not up to the District Council to solve the Police force's problems.
- f) Cllr J Rest referred to the property investment company. He said that it was already set up it just needed updating.
- g) Cllr K Ward said that she supported Operation Moonshot, a project providing automatic number plate recognition. She had been asked by several of her parishes to support this. Marine crime was a particular problem and coastal areas were being targeted by criminal gangs. There had been three prosecutions recently and all were due to number plate recognition.
- h) Cllr N Dixon said that in respect of the budgetary framework, he felt comfortable. However, with regards to the amendments proposed to recommendation 2, he said that it was in the nature of such proposals not to have all the details available. He was also not yet aware if his own Group was planning to put forward any amendments and would therefore be abstaining.
- i) Cllr N Lloyd, Portfolio Holder for Environment and Property, said that with regard to the earlier comments on waste contract savings, there was a cross-party group of members which had been meeting for the last 18 months to consider the new waste contract. It was not yet possible to identify savings but it was anticipated that it would bring benefits to the Council due to economies of scale.
- j) Cllr Seward said that he was not supportive of council tax increases. He felt that taxation should be related to income levels rather than property values. He added that residents could expect to see a rise in council tax of between £60-70, with £55 of that coming from the County Council and the Police. He said that the Council had a responsibility to be prudent and balance the books.

It was proposed by Cllr E Seward, seconded by Cllr S Bütikofer and

## **RESOLVED**

To agree and recommend to Full Council:

- 1) The 2019/20 revenue budget as outlined at Appendix A;
- 2) The surplus of £224,253 is allocated to the Invest to Save reserve to be allocated for 2019/20 as follows;
  - (i) £33,000 to be allocated to the Community Transport Fund;
  - (ii) £130,000 to be allocated to a New Business Development Fund including the creation of a new full time post to support small business start-ups and related initiatives (including allocation of £20,000 to a new local industries hub at Alderman Peel High School, Wells);
  - (iii) £30,000 to fund the opening of all public conveniences throughout the year (excluding the facility located at Mundesley Promenade);
  - (iv) £20,000 to be allocated to support Norfolk Constabulary's Operation Moonshot for automatic number plate recognition cameras to protect our communities from criminal activity;

- (v) £4,000 grant funding to Cromer Museum provided matched funding is forthcoming from Cromer Town Council to increase opening hours.

The balance of the surplus, along with any monies not drawn down, will remain within the General Fund reserve.

- 3) The demand on the Collection Fund for 2019/20, subject to any amendments as a result of final precepts still to be received be:
  - a. £6,240,604 for District purposes
  - b. £2,321,490 (subject to confirmation of the final precepts) for Parish/Town Precepts;
- 4) The statement of and movement on the reserves as detailed at Appendix E;
- 5) The updated Capital Programme and financing for 2019/20 to 2021/22 as detailed at Appendix F;
- 6) That £58k is allocated from the Communities reserve to extend the Sports Development team for a further year until the end of March 2020;
- 7) That Members note the current financial projections for the period 2019/20 to 2021/22;
- 8) £100K to be allocated as match funding to support the bid by Norfolk County Council to the LEP for a new roundabout for Sheringham at the junction of Holway Road and the A148, from the capital receipts reserve/ Asset Management reserve
- 9) To transfer £1,000,000 from the Property Investment Fund, £500,000 from the Communities Reserve and £500,000 from the Benefits Reserve to establish a property investment company for the purpose of helping address local housing need and to create a property portfolio to provide a revenue stream for the Council to address the financial deficit in future years

**Reasons for the decision:**

To recommend a balanced budget for 2019/20 for approval by Full Council.

Cllr N Dixon abstained.

**104. TREASURY MANAGEMENT STRATEGY 2019/20**

Cllr E Seward, Portfolio Holder for Finance, introduced this item. He explained that the report set out the treasury management activities and presented a strategy for the prudent investment of the Council's surplus funds as well as external borrowing.

It was proposed by Cllr Seward, seconded by Cllr N Dixon and

**RESOLVED to recommend to Council**

That the Treasury Management Strategy Statement 2019/20 is approved.

**Reasons for the decision:**

To provide the Council with a flexible treasury strategy enabling it to respond to changing market conditions and ensure the security of its funds, as well as secure borrowing at the best value.

**105. CAPITAL STRATEGY 2019/20**

Cllr E Seward, Portfolio Holder for Finance, introduced this item. He explained that the report set out the Council's capital Strategy for 2019/20. It set out the Council's

approach to the deployment of capital resources in meeting the Council's overall aims and objectives while providing the strategic framework for the effective management and monitoring of the capital programme.

It was proposed by Cllr Seward, seconded by Cllr K Ward and

**RESOLVED to recommend to Council**

That the Capital Strategy and Prudential Indicators for 2019-20 are approved.

**Reasons for the decision:**

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

Cllr N Dixon abstained.

**106. INVESTMENT STRATEGY 2019/20**

Cllr E Seward, Portfolio Holder for Finance, introduced this item. He explained that the purpose of the report was set out the Council's approach to investing its money along three broad themes; treasury management investments, service investments and commercial investments. He added that the report had to be prepared to meet the requirements of statutory guidance issued by the Government in January 2018.

It was proposed by Cllr E Seward, seconded by Cllr N Dixon and

**RESOLVED to recommend to Council**

To approve the Investment Strategy 2019/20

**Reasons for the decision:**

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

**107. RATE RELIEF POLICY**

Cllr E Seward, Portfolio Holder for Revenues, introduced this item. He explained that the Council's Discretionary Rate Relief Policy had been revised to reflect the extended schemes announced by the Government in recent years. The policy also included guidelines as to how the schemes were to be implemented and the financial implications for the authority. Cllr Seward concluded by saying that many businesses were benefitting from these reliefs

Cllr V Gay referred to relief for charity shops and queried how donated goods were measured as this was listed as one of the criteria for eligibility. She also queried whether the granting of 80% mandatory relief was a requirement or down to local choice. The Head of Finance said that a written response would be provided.

Cllr J Lee referred to point 5 of the report summary and queried whether the year was correct.

It was proposed by Cllr E Seward, seconded by Cllr N Lloyd and

**RESOLVED to recommend to Council:**

That the Rate Relief Policy is revised as indicated in Appendix A and C of the report

**Reasons for the decision:**

The new policy effective from April 2019 will enable the Retail Discount, the scheme for local newspaper discount, the local revaluation relief scheme, Supporting Small Business Relief and the Rural Rate Relief to be awarded discretionary reliefs in 2019-20 onwards.

**108. ENFORCEMENT UPDATE**

Cllr N Lloyd, Portfolio Holder for Environment and Property introduced this item. He thanked officers for the huge amount of work that went into dealing with difficult and long-standing properties.

It was proposed by Cllr N Lloyd, seconded by Cllr E Seward and

**RESOLVED**

1. That Cabinet notes the continued progress of the Enforcement Board.
2. That Cabinet note the data collection work supporting the reduction in long term empty properties.
3. That Cabinet notes the continued progress of the Combined Enforcement Team

**Reasons for the decision:**

- To ensure appropriate governance of the Board's activities
- To highlight the data quality improvements required to sustain empty homes works.
- To show the progress of Combined Enforcement Team cases and contribution to the work of the Enforcement Board

**109. EXCLUSION OF PRESS AND PUBLIC**

That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following item of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 3 of Part I of Schedule 12A (as amended) to the Act.

**110. PRIVATE BUSINESS**

None

The meeting ended at 10.25 am.

Chairman