

Overview & Scrutiny Committee – 14th February 2018 – responses to queries raised under Agenda Item 12: Budget report 2018/19

Issue Raised	Response
<p>Digital Transformation Programme – additional information requested on historic savings</p>	<p>Included at page 63 of the Council Agenda (appended to the DTP report)</p>
<p>Benefits Earmarked Reserves – request to see payments over the last 10 years</p>	<p>Included in the Council Agenda – section 3.33 of the Budget report (pages 100-101)</p>
<p>NCC Second Homes Council Tax meeting</p>	<p><i>Response provided by Steve Blatch:</i></p> <p>In November 2017 BCKLWN arranged a meeting between our two authorities and the County Council to discuss issues around the retention / return of a proportion of the Second Homes Council Tax collected by our authorities. This was arranged for the afternoon of the 1st February 2018.</p> <p>A video conference took place between the two district authorities in the week before Christmas to agree a joint position - which was that we would agree a list of County Council service and function responsibilities where we would seek to negotiate some commitment by County to spend in our two districts recognising the significant additional monies collected in our two districts from Second Homes and changes to discounts. This recognised that funding would not be returned to our areas as previously but would hopefully see additional County monies spent in our areas rather than “disappearing” into County budgets generally. A statement of our position is attached.</p> <p>We were then advised during the week of the 22nd January, that the BCKLWN had met with Cliff Jordan to discuss the Second Homes Council Tax issue.</p> <p>We became aware of the meeting when we received an email cancelling the meeting arranged for 1st Feb, following which Duncan discussed our position directly with Harvey Bullen.</p>

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	<p>I understand that Tom Fitzpatrick and John Lee have both separately discussed our position with Cliff Jordan although the meeting on 1st February did not take place as Cllr Cliff Jordan was ill with flu.</p> <p>With the County Council budget now set with no guarantee of any funding being returned to either North Norfolk or BCKLWN it is understood that both authorities have been told we would be able to apply to the County for “grant” assistance in respect of proposals important to our areas as impacted upon by large numbers of second homes.</p> <p>The projects listed below are those put forward to the County Council where additional income from second homes council tax could usefully be spent across North Norfolk and BCKLWN on local priorities</p> <ul style="list-style-type: none">• Additional funding for highways feasibility works to assist in bringing forward key schemes such as West Winch relief road, A148 Fakenham bypass and A148/A1082 Holway Road roundabout Sheringham• Support for rural bus services• Funding to enhance school performance outturns in locations where current performance falls below County and East of England levels• Funding to enhance/extend social isolation/social prescribing work/supported by adult social services• Funding to enhance/extend/bring forward housing within care schemes to relieve pressure on adult social service budgets• Swimming and water safety is a compulsory part of the national curriculum and schools should provide instruction in either KS1 or KS2 to enable pupils to swim competently over a distance of 25 metres. However schools within the North Norfolk area are increasingly closing their own facilities due to funding reductions, examples being Fakenham, Cromer and most recently at Mundesley. Due to the coastal nature of the area and proximity to the Broads this is a concern and this additional funding could be used to help support the re-provision of swimming facilities in Sheringham.
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<p>Salary Budget – outline of current status of national negotiations & spinal point review</p>	<p>Report went to JSCC on 6th February providing detail on the national negotiations (attached)</p>
<p>Clarification regarding 4-6% increase in salary budget</p>	<p>Summary of the Pay Offer below:</p> <p>The Pay Offer 1 April 2018 ('Year One'): <i>Bottom-Loading on SCPs 6-19 incl</i> The Employers considered it was necessary for higher increases on the lower pay points in order to continue to close the significant gap with the National Living Wage (NLW). Therefore this part of the offer would result in a new bottom rate of £8.50 per hour on SCP6</p> <p><i>Increase on SCPs 20 and above</i> A flat-rate increase of 2.0% This first year of the pay offer would increase the national paybill by 2.707%</p> <p>1 April 2019 ('Year Two'): The Employers agreed that the bottom rate of the new pay spine should not be pegged to the NLW rate but should allow for some 'headroom'. Therefore the offer is for a bottom rate of £9.00 per hour In order to deal with the compacting of differentials at the lower end of the spine it is proposed that the existing bottom twelve pay points are 'paired off' into six new pay points, ie. current SCPs 6 & 7 become the new SCP1; current SCPs 8 & 9 become the new SCP2 etc until you reach current SCPs 16 & 17 which become the new SCP6 Page 2 of 9</p> <p>To further dilute the impact of compacting the lower pay points, the offer includes 'ironing out' the current random gaps between pay points and having even increments of 2.0% between new SCPs 1 to 22 incl (equivalent to SCPs 6 to 28 on the current spine). This portion of the pay spine covers approximately 60% of NJC employees From new SCP23 onwards, a flat-rate increase of 2.0% and retention of the current random differentials This second year of the pay offer would increase the national paybill by 2.802%</p>

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	<p>The total increase to the national paybill over the two-year period would be 5.584%</p> <p><i>Comment from Lucy Hume (Chief Accountant): As you can see from the last line, it is assumed that the average pay bill increase would be 5%, hence the 4-6% parameters used in the modelling of the £450,000 estimated extra cost to NNDC.</i></p>
Itteringham Shop / Fairmeadow House	<i>Response to follow</i>
Environmental Health Public Protection Budget	In 2018/19 we are anticipating an increase in general licence and taxi licence fee income (20k and 7k respectively) due to an increase in volume of requests. This has reduced the net budget by 27k.
Vale Road, Mundesley / Storm Surge Budget	There remains a budget of £3,485 against the Vale Road Beach Access project which is now complete. It is suggested that this is reallocated to fund the Storm Surge project; this covers a length of the North Norfolk coast (and not just Mundesley) but is currently overspent and will require funding before year-end.
Location of the properties listed at sections 8.6.1 – 8.6.3 of the budget report	<p>Collector's Cabin – Adjacent to the top of the Gangway, Cromer</p> <p>Former Ice Cream Kiosk and Life Guard hut- both in Sheringham</p>

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<p>Valuation Office Agency</p>	<p><i>Response from Lucy Hume (Chief Accountant):</i></p> <p>We currently have 7,234 accounts on our Business rates system. Against the 2010 list, we have 2850 appeals. That does not mean that 2850 businesses have appealed, as many properties have more than one appeal in against the same list. There can be a few reasons for appealing which is why this sometimes happens, and some businesses re-appeal their new rateable values after their original appeal. On the outstanding appeals, it is impossible to tell what effect this will have on the future rateable value of the district (and hence our business rate income) as when an appeal is lodged we have no idea what the outcome will be or what the new rateable value of the property will be. This is why we have a provision within the Collection Fund, as well as the Business Rates Reserve in the General Fund, to smooth the effect of any changes in our business rates income. We are not alone in our position on appeals on either the 2010 list or the 2017 list, many other Councils are experiencing the same issues. We will continue to lobby Government where appropriate to request that the Valuation Office Agency, who are in charge of dealing with the Appeals, are appropriately supported to settle the outstanding appeals as soon as possible.</p>
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