

OVERVIEW & SCRUTINY COMMITTEE

Minutes of the meeting of the Overview & Scrutiny Committee held on Wednesday, 12 January 2022 in the Council Chamber - Council Offices at 9.30 am

Committee Members Present: Mr N Dixon (Chairman) Mr S Penfold (Vice-Chairman)

Mr H Blathway Mr P Heinrich
Dr V Holliday Mrs E Spagnola
Mr A Varley Mr C Cushing
Mr A Brown Mr P Fisher

Other Members Present: Mr N Lloyd (Observer) Mr J Rest (Observer)

Mr E Seward (Observer) Miss L Shires (Observer)
Mr J Toye (Observer)

Officers in Attendance: Democratic Services and Governance Officer - Scrutiny (DSGOS), Director for Resources/Section 151 Officer (DFR), Director for Place & Climate Change (DPCC), Democratic Services & Governance Officer (DSGO), Chief Technical Accountant (CTA), Project Manager North Walsham Heritage Action Zone (PMNW), Economic Growth Manager (EGM), Climate & Environmental Policy Manager (CEPM) and Assistant Director for Sustainable Growth (ADSG)

121 TO RECEIVE APOLOGIES FOR ABSENCE

Apologies were received from Cllr N Housden and Cllr L Withington.

122 SUBSTITUTES

Cllr T Adams.

123 PUBLIC QUESTIONS & STATEMENTS

None received.

124 MINUTES

Minutes of the meeting held on 8th December 2021 were approved as a correct record and signed by the Chairman.

125 ITEMS OF URGENT BUSINESS

None received.

126 DECLARATIONS OF INTEREST

None declared.

127 PETITIONS FROM MEMBERS OF THE PUBLIC

None received.

128 CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE BY A MEMBER

None received.

129 RESPONSES OF THE COUNCIL OR THE CABINET TO THE COMMITTEE'S REPORTS OR RECOMMENDATIONS

None to report.

130 NORTH WALSHAM HIGH STREET HERITAGE ACTION ZONE PROJECT UPDATE: JANUARY 2022

The AD SG introduced the report and informed Members that the placemaking scheme consultation had concluded in the autumn, with responses now published on the Council's website. The PMNW reported that technical surveys had been undertaken parallel to the consultation, with designs amended and ready to move into the construction stage of the project. She added that restoration of the Cedars had progressed to the procurement stage, and that architects had been appointed for the building improvement scheme.

Questions and Discussion

- i. Cllr S Penfold noted that he had been working with officers and schools to develop the town as an open classroom and learning resource. He added that for this to work, it was necessary to establish a learning base, and asked whether this to be incorporated into the Cedars renovation project. The PMNW replied that the proposals for the Cedars project did include the development of an indoor activity space, and it was suggested that this would be ideally placed to support the proposals.

RESOLVED

To receive and note the update.

131 PRE-SCRUTINY: DRAFT NET ZERO STRATEGY AND ACTION PLAN

Cllr N Lloyd – Portfolio Holder for Environmental Services, Climate Change and Environment introduced the report and informed Members that addressing climate change was crucially important. He added that failure to limit carbon emissions now, would result in higher costs at a later date, and it was therefore key to help reduce carbon emissions now and lead by example. It was stated that reducing the Council's carbon emissions would require an organisation-wide approach to meet the objective of net zero by 2030. Cllr N Lloyd informed Members that the Strategy and Action Plan outlined the process by which this would be achieved, using an evidence based approach. The CEPM referred to the declaration of a climate emergency in April 2019, from which the Net Zero Strategy had arisen, and informed Members that the Council had worked with external consultants to determine the Council's carbon baseline and develop the Strategy. She added that the Strategy would remain an agile document that could be updated as and when necessary to allow a flexible approach. It was noted that actions outlined in the Plan were yet to be costed, and funding would need to be agreed on a case by case basis, with some projects expected to generate modest savings. The CEPM stated that whilst the Strategy would feed into the Government's 2050 target, it was not a legally binding document. She added that the Strategy would be promoted once approved, and any

failure to adhere to the Strategy could result in reputational risk to the Council.

Questions and Discussion

- i. The Chairman noted that the Strategy was a crucial element of the Corporate Plan and suggested that it was important that it was given adequate time and attention for Members to fully understand and be able to promote it. He added that it would be prudent to recommend that Members be provided with an additional briefing on the Strategy in advance approval by Council.
- ii. Cllr S Penfold reiterated the Chairman's comments and asked whether there was any opportunity to better establish Member's role in the development and promotion of the Strategy. The Chairman asked whether this could be considered in advance of the Strategy being reviewed by Council. Cllr N Lloyd agreed that it should be given consideration, and noted that videos documenting the development of the Strategy were still available on YouTube, and further training could be provided, if requested.
- iii. Cllr J Toye stated that he was cautious of the Strategy being too prescriptive with regards to Member involvement, and suggested that training should focus on what Members could do, rather than what they should. The Chairman agreed and noted that flexibility would be crucial for Member involvement as each ward had different requirements.
- iv. Cllr P Heinrich sought assurances that the Strategy would be measured against recognised standards, and that monitoring would take place on at least an annual basis. Cllr N Lloyd replied that whilst carbon reduction strategies were an emerging area, the Council was using internationally recognised methods for converting energy usage into Carbon emissions data. The CEPM added that the Greenhouse Gas Protocol outlined the three scopes of emissions monitoring and calculations that had been used to develop the Strategy. It was noted that the Council had worked with experienced consultants to develop the Strategy to ensure best practice. Cllr P Heinrich asked how progress would be monitored, to which Cllr N Lloyd replied that emissions data would reported on annually. The AD SG added that a standardised system of collecting, monitoring and reporting data against annual targets would help to ensure the Council was on-track to achieve its 2030 target.
- v. Cllr V Holliday said that the strategic aspects of the document were excellent, but asked whether the action plan could be prioritised, and whether a more graphic interpretation of the plan could be provided. She added that the visitor economy had also received little mention, despite being an enormous element of the District's economy. Cllr N Lloyd agreed that prioritisation was an important point, with contracts and assets being the highest contributors to emissions that could be given higher priority. The CEPM added that the document was in draft form and it was expected that visual improvements would be made to the Strategy to make it clearer and easier to understand.
- vi. Cllr A Brown noted the intention to develop a scorecard to see performance at a glance, and suggested that he would also expect performance to be included within quarterly performance reports.
- vii. Cllr C Cushing suggested that it would be helpful to have actions prioritised with a timeframe for each project, to improve performance monitoring. He

added that each project would likely have an associated cost, and asked when these would be known. Cllr N Lloyd replied that costs had not been included at this stage as the Strategy covered a nine year period within which costs could be expected to fluctuate. He added that achieving the net zero target would require capital expenditure, though many projects could also be expected to generate savings. It was suggested that projects could also be defined in terms of emissions reductions, rather than solely by cost, and this information could be prepared on an annual basis. The Chairman suggested that it may be helpful to include estimated costs within the MTFS subject to change, as this would allow for better financial preparation. It was confirmed that consideration would be given to including estimated costs.

- viii. The Chairman reiterated comments regarding an all Member briefing and proposed that this be arranged in advance of the Strategy being considered by Full Council, to ensure that Members have a comprehensive understanding of the Strategy and how to promote it. The proposal was seconded by Cllr H Blathwayt, alongside a request for an evening session to be held for those unable to attend a briefing during work hours.

RESOLVED

- 1. To recommend the adoption of the Draft Net Zero Strategy and Action Plan, subject to amendments suggested by the Committee.**
- 2. To request that an all Member briefing be arranged in advance of Cabinet and Council to ensure that Members have a comprehensive understanding of the Strategy and how to promote it.**

ACTIONS

- 1. Consideration to be given to including estimated costs of the Net Zero Strategy and Action Plan within the MTFS.**

132 MARKET TOWNS INITIATIVE PROCESS REVIEW & MONITORING

The DSGOS introduced the report and informed Members that whilst most projects were complete, the MTI Project had run for much longer than originally anticipated, primarily as a result of delays caused by Covid-19. He added that several notable projects had been picked up by local press, such as public events that had brought hundreds of visitors into town centres, re-occupied empty high street shops and a project that had led to further grant funding success. In terms of process, it was noted that the available resource for the project was limited, which had placed constraints on the time available to monitor projects. The DSGOS noted that the project also sought to allow applicants the freedom to manage and develop their own projects, which had worked well in most cases, though issues were outlined in the report. He added that projects were still active in Stalham and Holt, with monitoring in place and support offered to help bring the projects to completion.

Questions and Discussion

- i. Cllr S Penfold noted thanks to officers for delivering the project and suggested that if a similar scheme were run again in the future, assurances must be sought that dedicated resource is available to fully resource the project. He added that any future projects could also utilise phased grant payments to ensure that projects were delivered on a more timely basis,

though this would require additional resource.

- ii. Cllr A Brown thanked officers for their work and praised funding of the Holt Chamber of Commerce rebranding, which had allowed Love Holt to work with commercial landlords to offer vacant units to start-up businesses. He then asked whether this initiative had been shared with other towns and whether it had been replicated. The DSGOS replied that he had informed other towns of the initiative, but was yet to see any replication of the scheme.
- iii. Cllr E Seward referred to the North Walsham Project where funding had been used to reinvigorate the precinct area, and noted that whilst it took time to see the benefits of the project, there were signs of increased footfall and trade in the area.
- iv. Cllr L Shires thanked officers for their work and noted that as Chair of the MTI Working Group, allowing applicants flexibility during Covid-19 had been crucial. She added that the Stalham archway was a standout success and asked whether it would be helpful to seek feedback from applicants. The DSGOS agreed that it would be helpful to seek feedback and stated that it was unfortunate that so many projects completed during the Pandemic were unable to be promoted and celebrated in the way they deserved. He added that it could be useful for the Communications Team to prepare a summary news item to cover the successes achieved by the project. The Chairman agreed that this would be worthwhile, especially for residents that were unaware of how the projects had been funded.

RESOLVED

1. **To note the overall success of the MTI Grant Fund, review the process and continue to monitor ongoing projects.**

ACTIONS

1. **To request that the Communications Team prepare a news item covering the outcomes and successes of the MTI Project.**

133 PRE-SCRUTINY: REVIEW OF CAR PARKING CHARGES

The DFR introduced the report an informed Members that it was yet to be discussed by Cabinet, and the Committee were asked to consider the options to make recommendations on a key income source for the Council. It was noted that forecasted budget deficits created pressure to increase funding streams where possible, to strengthen the Council financial position. The DFR stated that there were significant costs required to fund the discretionary services that supported tourism in excess of £2m, whilst parking charges had not been increased since 2016. He added that it was therefore appropriate to consider whether charges could be increased to help address the Council's financial sustainability. It was noted that the Council's inflation also stood at approximately £1m per year, which placed further pressure on the budget. The DFR stated that at present, car parking income amounted to approximately £1.6m, with charges payable from 8.00am to 6.00pm across three tariffs including coastal, resort and standard. He added that the majority of parking income was generated by coastal car parks on a seasonal basis, with limited free parking available in some inland market towns to support businesses. The DFR summarised existing ticket and payment options, and noted that any changes would require a statutory parking order to ratify the changes.

Questions and Discussion

- i. Cllr P Heinrich noted that it was regrettably clear that prices had to rise to account for the impact of inflation, however he felt that the increases should not exceed the CPI inflation rate, as residents were already suffering from cost of living increases. He added that tourists must contribute to the cost of services, and noted that North Norfolk charges were lower than many neighbouring areas, and it was therefore reasonable to consider increases of 25-30% during peak season. Cllr P Heinrich suggested that he would also like to see parking charges remain low in market towns to help businesses, whilst he was supportive of season tickets increases in-line with CPI inflation, so long as they were only available to residents. He added that evening parking should remain free in market towns, alongside consideration of free Sunday parking to better support hospitality businesses.
- ii. Cllr T Adams stated that he was in favour of reasonable price increases tied to CPI inflation, and suggested that these should be focused on high tourism areas. He added that there had been a notable increase in the use of Council services during the Pandemic, and it was clear that this had created additional cost pressures that had to be covered. Cllr T Adams stated that he was encouraged to see strong usage of free short stay parking in Stalham and North Walsham, with hopes that this would be retained. He added that overall the strategy needed to focus on the customer experience, with technology such as ANPR and app payments to address long wait times for ticket purchases. It was noted that Cllr T Adams was also supportive of residential season tickets, retaining free night-time parking, and improving electronic signage between car parks. In response to a question from Cllr T Adams it was confirmed that other income and rentals related to sections of car parks used as site compounds for developers, with a rent charged based in lost parking revenue. The DFR added that it was a fairly inconsistent income, as it was dependent on local development within close proximity to the Council's car parks.
- iii. It was confirmed in response to a question from Cllr S Penfold that car parking inspectors and wardens were contracted employees from BCKLWN. Cllr S Penfold asked whether this remained cost-effective, or whether this service could be brought in-house. The DFR replied that the contract had been in place for a number of years and BCKLWN were able to provide a an efficient service as their wardens covered a number of districts, as well as the on-street parking enforcement across the County, with back office arrangements to support this. He added that any contract that came up for renewal would be considered alongside alternate options, in which case ANPR could be considered, though legislation precluded local authorities from using this technology, and it would require the establishment of a separate company. In response to a question from the Chairman, it was suggested the contract would be due for renewal in approximately two years, though this would need to be confirmed.
- iv. Cllr T Adams referred Members to the Parking Partnership that met at NCC to discuss on-street parking with a non-voting NNDC representative attending meetings, and suggested he could provide a future update on discussions if desired.
- v. Cllr A Brown stated that he was pleased to see a commercial approach to the

Council's car parking arrangements, and noted that it had taken too long to reach this point. He added that price increases linked to CPI inflation would be approximately five pence per year, which was low given that this was an opportunity to significantly reduce forecasted deficits. Cllr A Brown asked when any proposed changes would come into effect, and whether these would be in place ready for the tourism season. The DFR replied that the project proposal included a timeline, with any proposed changes planned to be in place for the start of July, ready for the peak tourism season.

- vi. Cllr P Fisher stated that the Wells area had been extremely busy during the winter season, and he was not concerned that raising prices would deter tourism in the area.
- vii. Cllr C Cushing expressed disappointment that this was the only commercial proposal available, and noted that the proposals to employ two further officers for car parking management would diminish any additional income gained.
- viii. Cllr V Holliday stated that she was unsupportive of seasonal increases as it was evident that car parks were busy year round in coastal areas. She added that there were also differences between towns, and whilst free Sunday parking might be acceptable in some areas, it would not be financially viable in Holt as this was a particularly busy day. The DFR stated that he would respond via email on EVCP income, to a follow-up question from Cllr V Holliday.
- ix. Cllr J Toye stated that there were many factors that determined how and where people parked, and it was unlikely that increasing charges would have a negative impact on visitor numbers. He added that greater efforts should be placed on directing tourists to the correct car parks with better signage.
- x. Cllr H Blathwayt asked whether any comparison had been made with privately operated car parks that could be used to inform price increases. The DFR replied that there had been no full comparison or dialogue previously, though significant providers such as Holkham Estate were included in the report for review. He added that the market for private parking was reasonably limited in all but a select few areas.
- xi. Cllr L Shires noted that a quick calculation with CPI linked price increase over the last five years would have equated to approximately £1.5m of additional income for the Council, and suggested it was necessary to for price increases to offset the cost of discretionary services related to tourism.
- xii. The Chairman summarised comments and noted that the Committee were generally supportive of option 1B, to recommend seasonal price increases, linked to CPI inflation. He added that the Committee also appeared supportive of option 2, to recommend increases to season ticket prices, again linked to CPI inflation. It was noted that the proposal to establish new posts for car parking management would require a full business case to be properly considered by the Committee.
- xiii. Cllr T Adams suggested that comments were more complex than the options presented in the report, and asked whether firm recommendations should be made on this basis. Cllr P Heinrich added that it would be helpful to receive a further report before making recommendations. It was confirmed following a

request from the Chairman, that any request to bring an additional report to OSC would delay the introduction of any changes beyond the start of the peak tourism season. Cllr P Heinrich suggested that options 1B and 2 should be merged into a recommendation, taking into account the comments of the Committee.

- xiv. An informal vote was taken on the options outlined in the report with a majority of the Committee in favour of options 1B and 2.
- xv. Options 1B and 2 with price increases linked to CPI inflation were proposed as a recommendation by Cllr P Heinrich and seconded by Cllr E Spagnola.

RESOLVED

1. To recommend to Cabinet that consideration is given to increasing car parking charges in-line with the following options:

- **Option 1 (b) – consideration of seasonal price increases for coastal car parks with prices tied to CPI inflation from date of previous increases.**
- **Option 2 – consideration of season ticket price increase with prices tied to CPI inflation from date of previous increases.**

ACTIONS

1. If considered appropriate to progress proposals for additional staff to support car park management and development of new income streams, then a detailed business case be prepared showing net financial and service delivery benefits.

134 PRE-SCRUTINY: DRAFT MEDIUM TERM FINANCIAL STRATEGY 2023-26 INCORPORATING DRAFT BASE BUDGET 2022-23

Cllr E Seward – Portfolio Holder for Finance and Assets introduced the report and informed Members that efforts to produce the draft budget were constrained by restrictive timescales, as the provisional financial settlement had only been received on 16th December. He added that with the report required by 4th January, preparation time was particularly restricted by the Christmas period, which meant that many aspects of the budget were based on predictions at this stage. Cllr E Seward referred to the general fund summary and noted that whilst net operating expenditure was not expected to change, many funding streams could be lost that would result in significant deficits. It was noted that funding reviews could be delayed for several years, in which case, forecasted deficits would not be applicable in the immediate future. Cllr E Seward stated that the administration would have been supportive of increased commercialisation, however changes in legislation meant that this was no longer possible.

Questions and Discussion

- i. The Chairman sought clarification on whether Council's could use their existing funds to support commercialisation projects, if they didn't need to borrow money to fund them. Cllr E Seward replied that this was correct, however it was noted that borrowing of any kind would be difficult if the Council had self-funded a commercial venture. The CTA confirmed that the Public Works Load Board (PWLB) would effectively ban any Council from borrowing that had recently undertaken a commercial project, even if self-funded. She added that this would present an issue as the PWLB were the

Council's key source for borrowing.

- ii. Cllr C Cushing referred to the Zero Based Budgeting (ZBB) exercise and asked whether this had revealed anything significant. Cllr E Seward replied that it had given Cabinet and officers a better understanding of the financial pressures and demands faced by all departments of the Council. He added that it had also highlighted other issues, such as capitalising the coastal scheme to provide additional security, and ensuring that growth related to the key objectives of the Corporate Plan. The CTA noted that as this was the first time the Council had undertaken ZBB, the key aim was determine the costs required to deliver the Corporate Plan, which had now been included with the draft budget.
- iii. Cllr A Brown asked when officers would receive final confirmation of income, in advance of Council agreeing the budget in February. The CTA replied that there were different areas of uncertainty around income generation, though this primarily related to grants from Central Government, that were expected in the first week of February. She added that business rates projections were also expected to be complete by the end of January, alongside Council Tax projections, with an assumed increase to be confirmed by Council in February.

RESOLVED

To note the report.

135 THE CABINET WORK PROGRAMME

The DSGOS informed Members that recommendations on car parking charges would go to the January 31st Cabinet meeting, and a key decision on renewal of the leisure contract was also expected in the months ahead.

RESOLVED

To note the Cabinet Work Programme.

136 OVERVIEW & SCRUTINY WORK PROGRAMME AND UPDATE

- i. The DSGOS informed Members that February was expected to be a busy meeting, though the Reef Project Review would be delayed until either March or April to allow more operational time prior to preparing the report. He added that arrangements had also been made for the Police and Crime Commissioner to attend the March meeting, to provide a briefing on the Police, Crime and Community Safety Plan, alongside an update on the Safer Norfolk Plan reviewed previously.
- ii. Members were informed that no response had been received from EEAST on the RRV letter.

RESOLVED

To note the Overview & Scrutiny Work Programme.

137 EXCLUSION OF THE PRESS AND PUBLIC

The meeting ended at 12.11 pm.

Chairman