

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

CABINET

**Minutes from the Meeting of the Cabinet held on Tuesday,
5th February, 2019 at 5.30 pm in the Council Chamber, Town Hall,
Saturday Market Place, King's Lynn PE30 5DQ**

PRESENT: Councillor B Long (Chairman)
Councillors A Beales, R Blunt, I Devereux, P Hodson, A Lawrence,
Mrs K Mellish and Mrs E Nockolds

CAB112 **MINUTES**

RESOLVED: The Minutes of the meeting held on 8 January 2019 were approved as a correct record and signed by the Chairman.

CAB113 **URGENT BUSINESS**

None

CAB114 **DECLARATIONS OF INTEREST**

Councillor I Devereux declared a non pecuniary interest in the Leisure Trust item as a member of the Alive Trust.

CAB115 **CHAIRMAN'S CORRESPONDENCE**

None

CAB116 **MEMBERS PRESENT UNDER STANDING ORDER 34**

The following Councillors attended under Standing Order 34:

Councillors J Moriarty and T Tilbrook - agenda items 11,12 and 13
Councillor T Parish – agenda item 11
Councillor C Joyce – All items

CAB117 **CALLED IN MATTERS**

None

CAB118 **FORWARD DECISIONS**

The forward decisions list was noted.

The Chairman confirmed to Councillor Joyce that his Notice of Motion was not featuring on this agenda or the Forward decision list at this stage as the agenda had been printed prior to the Council agreeing to refer it to Cabinet.

CAB119 MATTERS REFERRED TO CABINET FROM OTHER BODIES

The Regeneration and Development Panel had supported the Custom Build Task Group report and Action Plan.

The Local Plan Task Group made a recommendation to the Local Plan Review Draft consultation document to change the wording to 4.1.16 the specific wording of which had been sent to all members of the Task Group for confirmation. All those present had agreed the wording with the exception of Councillor Parish.

CAB120 CUSTOM AND SELF BUILD ACTION PLAN

Cabinet considered the report which provided information on the Councils first comprehensive Action Plan on Custom and Self-build housing. The Plan set out the Council's proposed actions to directly meet its own responsibilities to help deliver quality self and custom build homes in the Borough to meet local demand. As well as meeting obligations, there were wider benefits to enabling this route of delivery as it provided opportunities to increase housing delivery, fostered creative design providing homes that meet people's needs and provided opportunities for smaller house builders.

The Action Plan had been produced by the Councils Custom Build and Self Build Policy Development Task Group. The final draft had been approved by the Group. The purpose of the report was to inform Cabinet of the Councils responsibilities in relation to Custom and Self Build Housing and seek approval from Cabinet to implement the actions in the plan. The Regeneration and Development Panel had also seen the final version of the Plan and agreed it.

RESOLVED: That the Custom and Self Build Action Plan be approved.

Reason for Decision

The recommendation will ensure that the Council fulfils its statutory obligations surrounding Custom and Self Build and provides a clear steer on the Councils position surrounding the delivery of Custom and Self Build housing in the Borough.

CAB121 LOCAL PLAN REVIEW DRAFT FOR CONSULTATION

Councillor Blunt presented the report which explained that the current Local Plan consisted of two separate documents, the Core Strategy (adopted in 2011) and the Site Allocations and Development Management Policies plan ('SADMP' adopted in 2016).

The Planning Policy Manager explained that when the Inspector agreed the SADMP document and modifications he inserted a policy which proposed an early review of the Plan. The document presented was a draft plan which combined and updated the Core Strategy and SADMP taking the end date to 2036.

This was the first stage in the preparation of a new plan, relating to the information gathering and early consultation.

The Local Plan Task Group had proposed an addition to wording in 4.1.16 of the report set out below which the Task Group had been invited to confirm. All except Councillor Parish had agreed the amendment:

New text at the end of paragraph 4.1.16:

"All the allocation policies include the words 'at least' before the proposed number of dwellings. This reflects the need for the Local Plan to be positively prepared.

Should it be found that an allocated site could not accommodate the proposed level of development because of local issues, it is important that the Local Plan incorporates sufficient flexibility to address such a situation. To this end it is important to ensure that the wording of each allocation policy incorporates sufficient flexibility.

It is also important that the best use of land is achieved but that this **should not** be at the expense of other considerations such as the provision of open space, and local amenity considerations. If a proposal came forward for a planning application in excess of the specified figure, it would have to demonstrate carefully how it meets design, amenity and other safeguards (with explicit reference to relevant policies, including; LP16, LP17, LP18 and LP19) and clearly state how the additional units could be accommodated without detriment to the locality."

Under Standing Order 34 Councillor Moriarty attended and expressed concern that the minutes of the Task Group had been published prior to members agreeing the wording. In referring to the Local Plan document he considered that it was being rushed to this point, and that the inclusion of the additional policy points within the documentation were not required. He was not happy with the inclusion of "at least" in the documentation and asked that as it was such a huge document the matter be deferred to give Councillors the opportunity to read it fully.

Under Standing Order 34 Councillor Parish attended. He drew attention to his dislike of the words “at least” being included in the documents as he considered it doubled the number of properties developed on sites. He acknowledged that the amendment to the wording put forward softened the implication but still left it in. He considered that the electorate would not be happy with the inclusion.

Under Standing Order 34, Councillor Joyce drew attention to Councillor Blunt’s comments that the term “at least” should not be in the policy, so assumed it would be taken out. He commented that the policy was not protecting the rural villages for the future as most of the development was in specific areas. He preferred to see growth in villages to encourage families to move there and to keep the local services and schools going.

Under Standing Order 34, Councillor Tilbrook addressed Cabinet. He stated that in his view due to the size of the document many people would not have read it. He commented on a number of typos etc in the document. He also commented that the content would not be welcome to many people, he asked that consideration be given to it being delayed for a few months to enable a better debate on it.

In response the Chairman drew Members attention to the fact that the document was the draft for consultation, not the final document and so typos or any inaccuracies would be picked up in the process. He reminded members that the bottom line was that if the Council didn’t have an agreed Plan and 5 year land supply there would be a free for all where there would be little control over what was approved.

Councillor Blunt reminded Members of the hours put in by officers and members to reach this point. He acknowledged that at the Task Group it had been agreed that the additional clause would be sent to the Group for agreement prior to consideration by Cabinet. He confirmed this had occurred and all members of the Task Group present, except Councillor Parish had agreed the wording.

With regard to the term “at least” he acknowledged that he didn’t want it present, but had been convinced by officers that any flexibility would be lost and the Inspector would declare the Plan not sound and reject it. Any incremental number of homes had to be justified correctly and in accordance with the Plan and policies and didn’t undermine the rest of the numbers. He drew attention to the fact that the term was now clearly defined in the documentation.

In referring to the issue of houses in rural areas, Councillor Blunt commented that very few parishes ever wanted more houses, so the Plan had tried to funnel the area of development along the A10 corridor, but that under the NPPF there was the opportunity to develop on the edges of boundaries and infill.

Councillor Blunt drew attention to the new interactive tool which would be available for the consultation process permitting people to drill down and look at allocations etc. When it was available it was planned to hold a workshop on its use for councillors.

In response to a question on what the development adjacent to development boundaries was led by the Planning Policy Manager explained that the NPPF had more relaxed attitude to development in the countryside and had been useful in delivering development numbers.

Councillor Beales commented that the points raised were useful, and the fact that when it came to development numbers on a site it was constrained by planning law, he acknowledged that there were mixed views on the subject but not about a free for all for development. He drew attention to the fact that the document was one for the public to comment on.

Councillor Devereux drew attention to the influence parishes could have on the process through their Neighbourhood Plans.

It was agreed that the consultation exercise should not commence until the new interactive mapping system was available.

Cabinet gave consideration to the additional wording proposed by the Local Plan Task Group. This wording was agreed by Cabinet, which then became part of the substantive motion. The substantive motion was agreed.

The Chairman thanked the Planning Policy Manager and his team and the Local Plan Task Group for all the work put into the production of the document.

RESOLVED: 1) That the draft Local Plan Review be endorsed for consultation subject to the addition of the wording to section 4.1.16 submitted by the Task Group.

2) That the final consultation version of the document and methods of public consultation be agreed by the Executive Director Planning and Environment in consultation with the Portfolio Holder for Planning and Development.

3) That the consultation period runs for not less than 6 weeks, but not to commence until such a time as the interactive mapping tool is available for public use..

Reason for Decision

To consult on a draft Local Plan Review, and ensure an efficient process is used to gauge public opinion.

CAB122 THE FINANCIAL PLAN 2018/2023

The Deputy Chief Executive presented the budget report which explained that as part of the council tax setting process the Council updated its longer term Financial Plan to take account of any changes in financial settlements, inflation on service costs and revised priorities of the administration.

In February 2018 the Council set out a Financial Plan for 2017/2022. The Plan reflected the continued significant financial challenges faced by the Council.

Changes to the local government finance system were expected to include the phasing out of Revenue Support Grant (RSG) and changes to the distribution of New Homes Bonus. There would be a full reset of the business rates system in 2020/2021 which would allow full implementation of reforms to the Business Rates Retention Scheme and the outcome of the review into relative needs and resources, the Fair Funding Review.

The report explained that the Council could present a funded budget for all years of the medium term financial plan to 2023. There was significant uncertainty from 2020/2021. The impact of the implementation of the reform of the Business Rates Retention scheme and the Fair Funding Review from 2020/2021 were still unknown, but there was considerable downside risk.

The provisional local government finance settlement announced by Government on 13 December 2018 confirmed the fourth and final year of the 4 year offer. It was noted that the 4 year offer only included RSG and Rural Services Delivery Grant (RSDG). The ending of RSG had been clearly signaled and it was assumed that the Council would receive no RSG from 2020/2021. As with RSG it had also been assumed that the Council would receive no RSDG from 2020/2021. This was a cautious approach.

As part of the provisional settlement for 2019/2020 the Government announced an additional £16m in RSDG to ensure that the grant remained at its 2018/2019 level.

It was noted that the Government focus was on Councils' 'core spending power' inclusive of locally generated resources. The core spending power analysis tables published by the Government for each Council assumed that Councils in the lowest quartile of Council Tax levels (which included the Borough Council) would introduce the full £5 per annum per Band D dwelling Council Tax increase now permitted under the Council Tax Referendum Principles.

In the provisional local government finance settlement announced on 13 December 2018 the Government approved 15 additional Business Rates Pilots for 2019/2020 including a Norfolk Pilot. Under the pilot

arrangements the amount of RSG and RSDG received is zero. The value of the RSG and RSDG foregone will be taken into account in setting revised tariffs and top-ups.

The implementation of reforms to the Business Rates Retention Scheme meant existing grants would be incorporated into business rate retention including the RSG and RSDG. The revised arrangements for business rates retention would not provide this Council with funding to replace the reductions announced in RSG. The review into relative needs and resources, the Fair Funding Review, would redistribute business rates. It could be anticipated that there would be winners and losers as a result of the funding review.

In preparing the Financial Plan 2018/2023 assumptions had been made on continued growth in business rates for 2019/2020. There could however be no guarantee that business growth would materialise as developers/businesses would respond to changing market conditions, and the added uncertainty as the Brexit arrangements unfold. There was therefore a significant level of risk with this approach. If the anticipated projects did not progress as planned or were cancelled the growth would not be achieved.

The report set out that the Council over recent years had adopted a policy of seeking efficiencies and different ways of delivering services producing significant levels of savings. A robust process to identify proposals to address the continuing budget deficit had been underway since the autumn 2015. In taking up the offer of a four year funding settlement the Council was required to publish an efficiency plan and monitor progress on delivery of savings. As at the end of November 2018 the Council had achieved actual ongoing annual savings of £1.4m. Where savings were achieved in advance of 2020/2021 these would be transferred to reserves to fund investment in major capital projects which will provide future revenue income.

Work had been underway during the current financial year on securing the cost reduction/income generating targets identified as part of the budget setting process in February 2018. The actual annual savings achieved of £1.4m were included in the Financial Plan 2018/2023 from 2020/2021 and by the end of this medium term plan there was still a budget gap of £2.7m. The budget gap may be even higher depending on the impact of the reforms to the Business Rates Retention scheme and the Fair Funding Review. The delivery of the major corporate capital projects to generate additional/new income is vital in achieving the required budget savings.

The costs of services of the Council had been updated. In terms of containing spending a number of service budgets had been held at 2018/2019 levels and increased had been made only where known price increases have occurred. Growth items had only been included where there was a statutory requirement including minimum pay pledges.

It remained difficult in the current economic climate to estimate levels of income in certain services including planning, car parks and industrial estates and a cautious approach had been taken in projecting forward into 2019/2023.

Under Standing Order 34 Councillor Moriarty asked whether the NWES loan would be covered in the budget, and if caution would be used in the lending of money to other councils. He also queried the savings allocated in the parish council elections in the report and the Deputy Chief Executive undertook to look into the figures quoted.

The Chairman reminded members that the NWES loan would be the subject of an Internal Audit report to be considered at the next Audit Committee and once seen there would be a clearer picture. He confirmed the building was in the Council's control and was delivering what the building was constructed for with all its space rented and yielding a rental. With regard to other councils they also had the tax raising mandate and should one fail its residual body would take on any liabilities however when it occurred it was dealt with prudently. He confirmed that if anything was remiss with the NWES case then he would ask for an impartial investigation.

Under Standing Order 34 Councillor Joyce reminded Members that Northamptonshire Council would not exist after May 2020. He drew attention to comments made by Councillor Pope at the time of the NWES loan warning against a further loan. He asked when the £3m would be coming back to the Council.

The Chairman reminded Councillor Joyce that Councillor Pope had been on the Cabinet at the time of the NWES decisions were made. He reminded Members that the Council was still in negotiation with NWES. Councillor Beales referred to meetings past and present with the NWES Board when appropriate Council officers attended, and confirmed that when the information was available it would be reported.

Under Standing Order 34 Councillor Tilbrook expressed support for raising revenue, and asked why the major housing work could not be brought forward to bring in income sooner. The Chairman confirmed that he was keen to start the private rentals but to bring things forward it would impact on other plans.

Councillor Beales drew attention to the progress made on the provision of rental homes, but a huge amount of infrastructure had been installed early in the planned and current schemes, sometimes with a large amount of clean up of a site required. The progress for the schemes was structured in a manageable way, with the capital costs having to be resourced. The sales prices of the properties were being regularly reviewed and West Norfolk Property would rent out the properties.

Councillor Devereux drew attention to the fact that 47% of a Band D

Council Tax went to the Internal Drainage Boards (IDBs), the majority of which was not currently refunded by the Government, however this was now under review.

The Deputy Chief Executive explained that during the course of the fair funding review officers had attended consultation events with Ministry representatives who originally did not understand the impact of and costs IDB levies on the Borough, however they were now including flood defence and coastal protection in their review.

In summing up the Chairman expressed the desire to show the levies on the Council tax bill so the consumer was aware of the costs involved. He drew attention to the fact that taking out the IDB levy, the Borough's Council Tax was one of the lowest in the country, but that also without the IDBs the area would be under water so much valuable farmland and properties would be unusable.

The Deputy Chief Executive explained that the Norfolk Business Rates Pool Pilot for 2019/2020 would provide additional income for the Borough, although it was not known at this stage what other areas would be reduced and by how much in future once the business rates retention scheme was implemented.

RECOMMENDED:

Recommendation 1

That Council approve the revision to the budget for 2018/2019 as set out in the report.

Recommendation 2

That Council reaffirm the Policy on Earmarked Reserves and General Fund Working Balance and the maximum balances set for the reserves as noted in the report.

Recommendation 3

That Council :

- 1) Approves the budget of £19,033,410 for 2019/2020 and notes the projections for 2020/2021, 2021/2022 and 2022/2023.
- 2) Approves the level of Special Expenses for the Town/Parish Councils as detailed in the report.
- 3) Approves the Fees and Charges 2019/2020 detailed in Appendix 5.
- 4) Approves a Band D council tax of £125.87 for 2019/2020

Recommendation 4

That Council approves a minimum requirement of the General Fund balance for 2019/2020 of £951,671.

Reason for Decision

The Council is obliged to set a Budget Requirement and level of council tax before the beginning of a financial year commencing on 1 April.

CAB123 **CAPITAL PROGRAMME AND RESOURCES 2018-23**

The Deputy Chief Executive presented a report which:

- revised the 2018/2019 projections for spending on the capital programme
- set out an estimate of capital resources that would be available for 2018-2023
- detailed new capital bids that were recommended to be included in the capital programme for the period 2019-2023
- outlined provisional figures for capital expenditure for the period 2018-2023

The report contained an exempt section detailed proposed future corporate capital projects.

The Chairman thanked the Deputy Chief Executive and her team for all the work put into bringing the Financial Plan and the Capital report.

RECOMMENDED: 1) That the amendments to capital schemes and resources for the 2018-2023 capital programme as detailed in the report be approved.

2) That new capital bids be funded from available capital resources and included in the capital programme 2019-2023 as detailed in the report.

Reason for Decision

To report amendments, rephrasing and resources to the 2018-2023 Capital Programme

CAB124 **EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED: That under Section 100(A)(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 it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

CAB125 LEISURE SERVICES TRANSFER

Councillor Mrs Nockolds presented a report which explained that the Council and Alive Leisure Trust (ALT) had negotiated a provisional agreement with regard to the transfer of the Leisure Services operation from ALT to the Council. The basis of this agreement was that both organisations would work together to achieve a smooth and seamless transfer of the current service operation aiming for an early transfer of the service from 30 June 2019.

The Executive Director explained that the Environment and Community Panel had received a presentation on the proposal now put forward and had supported it unanimously.

The Cabinet expressed its satisfaction that the negotiations were progressing well and that the two organisations would work together to deliver the transfer smoothly.

RECOMMENDED: That the arrangements for transfer of Leisure as detailed in the report be approved.

Reason for Decision

To facilitate an early and cost effective transfer of the Leisure Service from Alive Leisure Trust to a Council Not for Profit Company.

The meeting closed at 7.11 pm