



Cabinet
Monday, 15th January, 2024 at 6.00 pm
in the Council Chamber, Town Hall, Saturday Market
Place, King's Lynn PE30 5DQ

Reports marked to follow on the Agenda and/or Supplementary Documents

1. **MATTERS REFERRED TO CABINET FROM OTHER BODIES** (Pages 2 - 11)

To receive any comments and recommendations from other Council bodies which meet after the dispatch of this agenda.

Contact

Democratic Services
Borough Council of King's Lynn and West Norfolk
King's Court
Chapel Street
King's Lynn
Norfolk
PE30 1EX
Tel: 01553 616394
Email: democratic.services@west-norfolk.gov.uk

**RECOMMENDATIONS FROM THE CORPORATE PERFORMANCE PANEL
HELD ON 4 JANUARY 2024 TO CABINET 15 JANUARY 2024**

CP95 **CABINET REPORT: CHANGES TO COUNCIL TAX PREMIUMS FOR
SECOND AND LONG TERM EMPTY PROPERTIES**

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The Environment and Community Panel and Regeneration and Development Panel was also present for this item.

The Chair explained that the report would be split into two sections: Long Term Empty Homes and Second Homes to allow all Councillors to contribute to the Long Terms Empty Homes.

Long Term Empty Homes

The Revenues and Benefits Manager presented the report and explained that the Levelling Up and Regeneration Act 2023 introduced powers for billing authorities to charge the existing 100% premium for long term empty properties after one year, rather than the current period of two years, and to charge an additional council tax premium of up to 100% for second homes.

The Panel was advised that for council tax purpose an empty property was defined as one which was unfurnished and no-one's main home. A long-term empty property was one which had been empty for more than six months after any property exemptions had ended.

It was explained that the Council currently charged a 100% premium once a long-term property had been empty for two years. Section 79 of the Act now allowed the Council to charge the premium after one year from 1 April 2024. This would mean a further 555 properties becoming liable for the 100% premium. Further details were set out at section 3.

The Revenues and Benefits Manager advised that a resolution was required from Full Council by 31 March 2024 to implement the Act from 1 April.

The Portfolio Holder for Finance commented that it was self-evident that this was an incentive to release homes for occupation and commended the report to the Panel to go forward to Cabinet and Full Council.

The Chair invited Councillors under Standing Order 34 to address the Panel.

There were no questions from Councillors attending under Standing Order 34.

The Chair invited questions and comments from the Panels, a summary of which is set out below.

Councillor Dickinson referred to section 3.2 of the report and commented that it would have been useful for the Panel to receive the information by each parish area which would give more of an indication where the issues were and if there was movement in an area.

Councillor Dickinson asked for a definition of when an empty property commenced. In response, the Revenues and Benefits Manager explained that there were a number of exemptions which did not count against the timescale for working out the empty property start date, the main being waiting probate where the owner had passed away.

Councillor Long asked how many homes had been brought back into use previously. The Revenues and Benefits Manager explained that there was movement in properties being brought back in use but it was difficult to determine when a property had become occupied.

The Chair referred to the Equality Impact Assessment (EIA) and one line which stated there were no equality issues and added that there was a reasonable timescale if the report was accepted and went forward to complete a full assessment to include the number of residents affected. In response, the Revenues and Benefits Manager explained there was a full EIA attached to the Cabinet Report and undertook in future to ensure reference was made to this.

Following comments from Councillor Bearshaw, the Chair stated that it would be useful if Councillors could be provided with a list of exceptions for reference purposes.

The Chair commented that the Panel could request an update in 12 months' time.

The Chair made a plea to Cabinet to use this tool to liaise with Freebridge Community Housing to raise the issue of the length of time taken to deal with void properties and bring them back into use.

Second Homes

Councillor Dickinson declared a pecuniary interest and left the meeting during consideration of the second homes element of the report.

The Revenues and Benefits Manager explained that there was an Equality Impact Assessment in the Cabinet Report and undertook to cross reference it.

The Revenues and Benefits Manager presented the report and explained that for council tax purposes a second home was defined as a one which is furnished but which was no one's main home. Section 80 of the Act now allowed the Council to charge a premium of up to

100% for second homes from 1 April 2025, meaning that taxpayers will pay double the standard council tax charge for a second homes. It was reported that there were 3,200 second homes in the borough and charging an additional 100% premium on those properties will raise an extra £6.5m a year in council tax. Further details were set out at section 4 of the report.

The Finance Portfolio Holder explained that the Department of Levelling up listen to recording increase in Regeneration in some areas but added that the people who lived in the borough on a permanent basis should be penalised as they contributed to the community and the financial income of the area by spending. The Portfolio Holder explained that if the Council retained second homes money that this should be invested in borough and commended the report to the Panels to go forward to Cabinet and Full Council.

The Leader addressed the Panel and explained that discussions were ongoing with North Norfolk District Council who had second homes but added that there were other districts who had few second homes. The Panel was advised that negotiations would take place with Norfolk County Council in the near future as it would affect budgets going forward in 2025.

The Chair invited Councillors attending under Standing Order 34 to address the Panel.

Councillor Colwell commented that the report set out a sensible way forward and highlighted the importance of bringing back properties into occupation for the local community. Councillor Colwell asked if it was possible to consider ringfencing the income to build homes. In response, the Leader advised that this would be a decision of Cabinet and Full Council.

The Revenues and Benefits Manager responded to questions from Councillor Bearshaw on information being available to understand the trends of second homes.

Councillor Long provided background information as to previous arrangements and outlined how the income from second homes could help to alleviate the housing pressures by providing affordable homes in a variety of ways for local people.

The Revenues and Benefits Manager responded to questions from Councillor Ryves on individual homes potentially being use for business purpose and subject to business rates.

The Revenues and Benefits Manager responded to comments and questions from Councillor Ryves on individual homes which might be considered either business or income earning not attracting business rates and what controls were in place to address this and effect on the Council. The Revenues and Benefits Manager undertook to circulate

the list of properties subject to business rates. It was explained that the Valuation Office controlled whether a property was business rates or council tax and advised that the Valuation Office was currently undertaking a review and were part of HMRC.

In response to questions from Councillor Sayers in relation to foreign nationals in the UK who were resident elsewhere and how the Council enforced this situation.

Councillor Osborne commented that there had been a useful discussion and agreed with the policy and was something that should be a real benefit to West Norfolk. Councillor Osborne provided an overview of the practice adopted in Wales, together with trends experienced. In conclusion, Councillor Osborne stated that he supported the proposal.

The Revenues and Benefits Manager responded to questions from Councillor Nash on how the Council determined if a foreign national's home was a second home.

Councillor Ring outlined his experience of providing advice on second homes over a number of years and added that from a tax point of view, if a person changed their main residence to London, upon sale of that property would expose themselves to Capital Gains Tax.

Under Standing Order 34, Councillor Bubb commented the second home owners who were well additional tax would not be an issue, but those who were not so well off it was easy to change it to a small business and get rate relief, etc. In response, the Revenues and Benefits Manager explained that the Valuation Office was currently working through a list and the Council was monitoring the movement between council tax and business rates.

Councillor Parish commented that a principal residence could be determined by where the occupants were registered with a doctor.

The Chair summarised the debate of the Panels and highlighted the importance of striking a balance and added that there had been a lot of talk around people with big properties in the Borough coming up from London. The Chair added that there were also a number of second homes where people lived on one area of the Borough and had a bolthole on the coast. Some people had a holiday home for over 20 years, visited on an annual basis, contributed to the economy and seen to be helpful and useful neighbours with an aim to retire in the borough. The Chair added that care should be taken with the narrative, encourage investment and look at the opportunity to strike a balance.

The Chair expressed concern that if the Council looked to do this quickly within a year, the council tax bandings were not included in the report and there were also other variables to consider. The Chair

concurred with the comments made by Councillors Long and Colwell in that the additional money received should be make good use of.

The Chair thanked the Revenues and Benefits Manager for the report.

RESOLVED: The Panel noted the options available for the premiums and agrees to recommend to Cabinet to recommend to Council that:

- The long-term empty premium is charged once a long-term property has been empty for one year rather than two years.
- The second home premium is introduced from 1 April 2025 at the maximum level of 100% to generate the most additional income.
- We work with other Norfolk authorities and Norfolk County Council to ensure the maximum possible amount of the additional second homes income is returned to those boroughs most affected by second home ownership.
- Authority is delegated to the Revenues and Benefits Manager, in consultation with the s151 Officer and Council Leader, to agree the technical guidelines for any exceptions to the premiums imposed by central government.

The Panel adjourned at 6.19 pm and reconvened at 6.30 pm.

CP96 **CABINET REPORT: COUNCIL COMPANIES FUNDING**

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The Environment and Community Panel and Regeneration and Development Panel was also present for this item.

The Chair explained that the report would be considered in open session but the appendices would be discussed in exempt session when a resolution would be required to exclude the press and public.

The Panel received a presentation from the Executive Director, Place (copy attached to the minutes).

The Chair thanked the Executive Director for the presentation and invited questions and comments from the Panels, a summary of which is set out below.

The Portfolio Holder for Business addressed the Panel and outlined the broad political objectives.

The Monitoring Officer explained that reasons why the appendices to be discussed in exempt session were placed at the end of the agenda.

Councillor Long outlined the decision of companies to provide affordable homes/private rented homes. Councillor Long commented

that this was a good report to support the decision of the new Administration to deliver homes.

Councillor Kemp supported the report but commented on the proposed maximum loan of £50m, the Council's optimum level of £65m and this leaving the Council with too little flexibility for borrowing for other projects. In response, the Assistant Director, Resources explained that in relation to the prudential borrowing limit, the Council looked at the Treasury Management Strategy and this would be taken into account. The Assistant Director explained that the capital programme in the medium term required up to £200m, the £50m was based on flexibility and not the capital programme for the longer term and was subject to review going forward.

The Monitoring Officer explained that checks and balances would be the role of the new Shareholder Committee and there would be a report to decide the creation of a facility to draw down if required.

Councillor Ryves asked a number of questions and made comments, a summary of which is set out below:

- Were the correct questions asked of the consultants.
- £50m debt leaving little flexibility for other borrowing.
- Subsidy PWLB – 2022 Act.
- Difference in figures reported by the two consultants.
- Borrowing by the Companies – if Council provided guarantee loan could be obtained.
- Legacy companies.
- Cost centres – management fees, etc.
- Experience of other Councils.
- Level of risk.
- Increase in interest rates/impact.

In response to the comments and questions from Councillor Ryves, the Monitoring Officer responded to the comments and questions raised by Councillor Ryves.

The Portfolio Holder for Business explained that there was significant risk but advice had received from consultants, The Portfolio Holder disagreed with the questions and comments from Councillor Ryves and undertook to provide a response in exempt session.

The Leader explained that the objective was to provide homes for local people and the Council would therefore continue to build homes with a caveat that they would be for local people.

Councillor Long commented on West Norfolk Housing Company who had developed a housing scheme on an old nightclub site in King's Lynn to meet an immediate local housing need.

With regard to West Norfolk Property investment had been made to provide private rented sector housing to meet the market need.

Councillor Ring added that the private rented sector was failing and there had been discussion in Cabinet regarding the Borough Council's role to fulfil the market need.

The Assistant Director, Resources responded to questions and comments from Councillor Ryves regarding interest rates.

Following questions from Councillor Sayers on the loan arrangement, the Assistant Director Resources outlined the process to be following for loan agreements to companies.

The Executive Director, Place responded to questions from Councillor Kemp on the companies being eligible to bring back empty homes into occupation.

The Portfolio Holder for Business outlined the constraints faced by the companies, but added that these could be reviewed and test the viability with officers.

Councillor Ratcliffe declared an interest as a ward councillor of companies and added that her personal view was that this had been a steep learning curve for new Councillors to look at the risk issues and other Councils financial problems. Councillor Ratcliffe stated that a lot of work and scrutiny had gone into the companies to encourage investment in West Norfolk to benefit residents.

Councillor Ware concurred with the comments made by Councillor Ratcliffe and added that as a lawyer and Director of the companies she would ensure that full independent advice was received to underpin the legal and financial documents to go forward.

Councillor Long commented that he was pleased to hear the Director's views and willingness to take the companies forward.

The Chair summarised the debate and highlighted the importance of looking at the building blocks to provide the output of affordable housing for local people.

The Chair clarified his comments made at a previous meeting with regard to consultants.

The Chair drew attention to Recommendation 3 and added that in his view the delegation was open ended and should not be committed to 3 people and commented that the recommendation could be better worded.

Councillor Long commented that he could understand the view of the Chair but it was a recommendation to Full Council. Any

recommendations from the Panel would feed into Cabinet and Full Council so there would be an opportunity for any Councillor to attend and ask questions. Monitoring would be undertaken by the Shareholder Committee and that forward plan appeared on every Corporate Performance Panel meeting so there would again be an opportunity to request an item to be placed on the Panel's work programme.

The Portfolio Holder for Finance reminded the Panel why the Shareholder Committee was set up.

The Chair added that reference to the Shareholder Committee could be added to Recommendation 3.

The Monitoring Officer referred to Recommendation 3 and explained that any Grant Agreement would be considered by the Shareholder Committee and all decisions made by that committee were subject to the call-in process.

The Chair advised that the recommendations would be considered in exempt session.

CP97 **CABINET REPORT: POLLING DISTRICT REVIEW**

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The Chief Executive explained that the report presented to Council a revised Polling District and Polling Place Review Schedule. The Panel was informed that to ensure that the Council met its statutory obligations a Polling District Review had to be carried out once every five years.

The Chief Executive advised that there were a small number of changes set out in the report.

The Electoral Services Manager was present via Zoom to answer any questions.

The Chair thanked the Chief Executive for the report and invited questions and comments from the Panel, a summary of which is set out below.

Councillor Long commented that he was pleased to note that Fairstead PD2 was to be re-integrated into the wider PD1 (Fairstead) polling district.

Councillor Jones stated that a way to introduce digitised voting was the way to go forward. The Chief Executive explained that this was not subject to the report.

RESOLVED: The Panel supported the recommendations to Full Council as set out below:

The attached (APPENDIX) Polling District and Polling Place Review Schedule is adopted.

Due to the size of the document – this only includes polling districts where either public comments were received or where any changes were recommended by the Acting Returning Officer. All remaining Polling Districts will remain unchanged.

CP98 **CABINET REPORT: APPOINTMENT OF HONORARY ALDERMEN**

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The Chair advised that due to the length of the meeting, following consultation with officers and the Leader, the item would be removed from the agenda but the Leader would permit Councillors to attend Cabinet on 15 January to ask any questions.

CP99 **CABINET REPORT WHISTLEBLOWING POLICY**

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The Chair advised that due to the length of the meeting, following consultation with officers and the Leader, the item would be removed from the agenda but the Leader would permit Councillors to attend Cabinet on 15 January to ask any questions.

CP107 **EXEMPT ITEM: CABINET REPORT: COUNCIL COMPANIES FUNDING - APPENDICES**

The Panel considered the exempt Appendices.

Officers and Portfolio Holders responded to questions and comments from the Panels.

The Chair drew the Panel's attention to the recommendations set out in the report.

The Chair proposed an amended to Recommendation to insert **Shareholder Committee** (after the word Monitoring Officer) which was seconded by Councillor Jones and agreed by the Panels.

Councillors Ratcliffe, Ryves and Ware abstained against the amendment to Recommendation 3.

RESOLVED: The Panel supported the recommendation to Cabinet and Full Council as set out below, subject to an amendment to Recommendation 3 highlighted in bold:

Cabinet resolves

1. To note the contents of the Report setting out (i) the advice of Grant Thornton, PS Tax, Link Group Treasury Services and Ensor Accountants relating to the structure options for financial support to WNPL and WNHC (the Companies), and (ii) the Council's current analysis as regards the best options.
2. To offer a Drawdown facility to the Companies (comprising a mix of loan facilities and repayable grant agreements, and which may include debt-equity arrangements and/or the extension of current lease arrangements), with an overall lending cap of £50 million.
3. To give delegated authority to the Executive Director (Place), in consultation with Portfolio Holder for Business, the Section 151 Officer, the Monitoring Officer **and the Shareholder Committee**, to agree the final terms of the Drawdown facility with the Companies.

Recommendations to Full Council

4. To give delegated authority to the Section 151 Officer in consultation with the Portfolio Holder for Business to amend the Capital Strategy for 2023-2024 to reflect the approved Drawdown facility to the Companies.