

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

CABINET

Minutes from the Meeting of the Cabinet held on Tuesday, 7th February, 2023 at 3.30 pm in the Council Chamber, Town Hall, Saturday Market Place, King's Lynn PE30 5DQ

PRESENT: Councillor S Dark (Chair)
Councillors M de Whalley, A Dickinson, H Humphrey, P Kunes, G Middleton and S Sandell

Apologies for absence were received from Councillor A Lawrence

CAB108 **MINUTES**

RESOLVED: The minutes of the meeting held on 17 January 2023 were approved as a correct record and signed by the Chair.

CAB109 **URGENT BUSINESS**

None

CAB110 **DECLARATIONS OF INTEREST**

None

CAB111 **CHAIR'S CORRESPONDENCE**

None

CAB112 **MEMBERS PRESENT UNDER STANDING ORDER 34**

Councillors D Joyce, J Moriarty, C Morley, T Parish and M de Whalley attended under standing order 34.

CAB113 **CALLED IN MATTERS**

None

CAB114 **FORWARD DECISIONS**

The forward decisions list was noted.

CAB115 **MATTERS REFERRED TO CABINET FROM OTHER BODIES**

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The minutes from the Joint Panels meeting on 2 February 20223 considering the budget and associated papers were submitted and their content noted.

The minute from the Environment and Community Panel on 3 January 2023 considering the UK Shared Prosperity Fund and Rural England Prosperity Fund Update was submitted and their content noted.

The minutes of the meeting of the Business Ratepayers was distributed

CAB116 **WEST NORFOLK INVESTMENT PLAN**

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Cabinet was reminded that at its meeting on 21 July 2022, it approved the 1 August 2022 submission of the West Norfolk Investment Plan to government to secure £1,836,407 allocation for West Norfolk under the Shared Prosperity Fund (SPF). Confirmation of Government approval for this funding was received on 6 December 2022. Following assessment of the West Norfolk Investment Plan the Secretary of State had allocated funding for 2022/23 with indicative allocations for the further two financial years up to and including 2024/25. It was now necessary to agree the proposed spending priorities for the fund in 2022/23 to ensure that this could be expedited and to agree the approach and in principle spending proposed for 2023/24 so that preparatory work could be commenced.

Additionally, in September 2022, an addendum to the West Norfolk Investment Plan was requested by DEFRA to secure an indicative allocation of £1,496,455 Rural England Prosperity Fund (REPF) capital funding to invest across rural West Norfolk over the period April 2023 – March 2025. The indicative amount for West Norfolk was the largest allocation in the county and the deadline for addendum submission was 30 November 2022. The report provided Cabinet with the detail of the addendum submitted, the process by which intervention priorities were determined and to agree in principle the proposed programme spend and delivery arrangements for 2023-25 so that preparatory work could be commenced. The decision on REPF was anticipated to be confirmed by DEFRA in January 2023.

Under standing order 34 Councillor de Whalley expressed concerns about where the control of the finances would lay if the County Deal was agreed. He also drew attention to the fact that parish councils were not specifically included in the list of SPF Partnership Board.

The Assistant Director D Hall responded that if the County Deal transferred the SPF to the County Council the success of the Partnership Board could help the Borough Council maintain influence.

He also confirmed that the engagement of parishes was very relevant and had been taken on board.

Under standing order 34 Councillor Morley commented on the need for clarity over the next 2 years to make sure the next administration could continue seamlessly. He also questioned: how everything fit together for the sparse and rural areas, stressed the importance of the mix of membership of the Panel, and the need to ensure that the money was spent within the timescales set.

The Assistant Director D Hall confirmed that other organisations were involved to ensure the correct expertise was involved.

Under standing order 34 Councillor Parish considered that the documents were too complicated and the process should be simplified. He expressed concerns as to which projects would be supported.

Under standing order 34 Councillor Moriarty asked when the work of the partnership would commence to which it was confirmed it needed to start as soon as possible and updates would be provided through the portfolio holder as it progressed.

Councillor Middleton spoke in support of the report and proposal which would provide economic support for the rural areas, he hoped that it would continue to be supported by the Borough, he confirmed that the membership of the Board should be made up of the right individuals.

Councillor Humphrey spoke in support of parish council rep/s being on the Board.

In summing up Councillor Dark drew attention to the recommendation from the Environment and Community Panel in support of the recommendations. He drew attention to the analytical work undertaken on it to ascertain the priorities of rural businesses. He confirmed that parish council membership should be included in the membership of the Board.

Members did not wish to debate anything in Exempt session

RESOLVED:

- 1) That the projects for allocation of UKSPF funding for 2022/23 and 2023/24 against the agreed interventions contained in the West Norfolk Investment Plan (WNIP) as set out in section 4 of the report be approved.
- 2) That delegated authority be granted to the Assistant Director for Regeneration, Housing & Place to finalise the financial allocations to the identified projects in section 4 of the report, in consultation with the Portfolio Holder for Business Culture and Heritage.
- 3) That the priorities for allocation of REPF funding for 2023-25 as set out in section 5 of the report be approved.
- 4) That the governance arrangements to support the delivery of UKSPF & REPF as set out in section 8 of the report be approved, to include reference to Parish Councils in the Membership list.

- 5) That the third-party delivery options for the REPF as set out in sections 6, 7 and 8 in this report with delegated authority to the Assistant Director for Regeneration, Housing & Place in consultation with the Portfolio Holder for Business Culture and Heritage to agree any changes be approved.
- 6) That a further report be brought back to cabinet no later than December 2023 to agree the priorities for UKSPF funding in 2024-25.

Reason for Decision

To ensure timely delivery of two complementary government grant funding streams in line with the government guidance, West Norfolk Investment Plan and Corporate Business Plan objectives. The UKSPF will support residents and business to; build pride in place, high quality skills training, supporting pay, employment, productivity growth and increasing life chances. REPF will support investment in micro and small enterprises in rural areas and in the development and promotion of the rural visitor economy, enhancing active travel provision in rural areas, investing in capacity building and infrastructure support for local rural groups and supporting volunteering and social action groups in rural communities.

CAB117 THE BUDGET 2022-27

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Councillor Dickinson presented the budget confirming that the Council could present a funded budget for three years of the medium-term financial plan. However, the General Fund Balance would be depleted to the minimum reserve level in 2025/2026 and the budget was reliant on earmarked reserves being released to the value of £2,887,680 and there remained an estimated budget gap of £5,260,580, in 2026/2027 year four of the Plan, which would need to be addressed. Alongside this, there was also significant uncertainty from 2023/2024 onwards. This was due to a combination of financial impact of inflation on the local business and individuals and on service provision costs and the decision by Government to add further delay to the implementation of the reforms to the business rates retention scheme and the Fair Funding Review. The council was placed in a difficult position in being unable to determine with any certainty the future funding position beyond 2024/2025, which was a considerable downside risk.

Assistant Director and S151 Officer, M Drewery explained that the budget had a suite of papers which were on the agenda. She explained each section of the budget report and reported that the final settlement had been received the previous day with some increases to both the Rural Services Delivery Grant and Services Grant but these were offset by the reduction in the Funding Guarantee Grant which meant there was no increase overall to the Borough. The figures would be updated in the report to Council. The Assistant Director drew attention to the fact that the Council's element of the Council Tax collected was 7% of the total figure, of which 3% went to the IDBs,

leaving 4% for the Borough to deliver its services. The Borough's proposed Council Tax increase for the year was £5 per annum, which was £4.50 and 50p for special expenses. She confirmed that in her position of S151 Officer she had set out her view on the robustness of the budget.

Under standing order 34 Councillor de Whalley stated that the fact that officer time was spent chasing pots of money whilst the council was struggling to provide basic services which he felt had to change.

Under standing order 34 Councillor Morley congratulated the Assistant Director and her team on the budget report and briefings given. He made the following points:

- He wished to know whether the Borough would be disadvantaged regard to the Business rates income with the County Deal;
- He suggested that the County Council and Police Commissioner be pre warned that in future years the Council Tax Support figure may be increased to 100%.
- He wanted to see more lobbying on the cost of IDBs, drawing attention to the fact that people living on higher ground were supplementing the flood risk areas.
- He felt that the charges for the brown bin should have increased
- He considered direct overheads were not factored into service charges
- He wanted to see priority based budgeting, but acknowledged that the council didn't have the resources to do so.

Under standing order 34 Councillor Parish thanked the Assistant Director for her report and the presentations. He acknowledged that life would be easier if adequate funds were provided by the Government, and the Government needed to be bold on the funding of IDBs.

Under standing order 34 Councillor Joyce considered it an electioneering budget. He commented that he hadn't received assistance from the finance department, and would be putting forward amendments at Council. He drew attention to the gradual diminishment of the Government funding for IDBs which needed to be lobbied about. He questioned why energy prices would now be fixed when oil and gas prices were reducing, and where investments were made.

Councillor Dark reminded Members that there was a briefing and a Joint Panels meeting held the previous week which allowed for questions and interaction, but which had not been attended by many of Councillor Joyce's group.

Councillor Middleton spoke in support of the budget and the growing economy and aspirations for the area with the large amount of grant funding which had been received; he responded to points which had been made by other Councillors.

Councillor Sandell confirmed she felt it was a prudent budget, Councillor Blunt congratulated Councillor Dickinson and the Assistant Director on the budget, confirming there were challenges ahead, and confirmed his concern about the funding of the IDBs.

Councillor Humphrey also congratulated on the budget, drew attention to the opportunities to ask questions etc at the joint panels meeting and hoped the situation with the IDBs would be resolved.

In summing up Councillor Dark commented on the challenges of the last 4 years, and the work with Government, MPs and the County Council to secure funding for west Norfolk. He commended the balanced budget for 3 years with work to do for the fourth year. In commenting on the funding situation for the IDBs and commended the work of the IDBs but called on them to be funded fairly. He also drew attention to the fees and charges which he felt residents would not be happy to increase. He drew attention to the Joint Panels support of the budget and the minutes from the Business Rates and Voluntary sector meeting.

RECOMMENDED: 1) That Council note the revision to the Forecast for 2022/2023 as set out in the report.

2) That Council approves the Policy on Earmarked Reserves and General Fund Balance and the maximum balances set for the reserves as noted in the report and at Appendix 7 to the report.

3) That Council :

- 1) Approves the budget requirement of £22,287,700 for 2023/2024 and notes the projections for 2024/2025, 2025/2026 and 2026/2027.
- 2) Approves that the pension lump sum payments are paid in advance for three years at a value of £5.430m.
- 3) Approves the level of Special Expenses for the Town/Parish Councils as detailed in the report.
- 4) Approves the Fees and Charges 2023/2024 detailed in Appendix 4.
- 5) Approves a Band D council tax of £143.87 for 2023/2024.

4) That Council approves a minimum requirement of the General Fund balance for 2023/24 of £1,114,390.

5) That pursuant to Section 25 of the Local Government Act, Council is asked to have due regard to this statement at Section 9 of this report when considering and approving the budget and the level of council tax for 2023/2024.

Reason for decision

In order to set a budget for 2023-27.

CAB118 **TREASURY MANAGEMENT POLICY UPDATE**

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Assistant Director Resources and S151 Officer presented and summarised the report which Council was required to receive and approve a Treasury Management Strategy Statement; Annual Investment Strategy; and Minimum Revenue Provision Policy Statement which covered:

- The Treasury Management Strategy
- Capital plans, including prudential indicators
- A Minimum Revenue Provision (MRP) Policy
- An Investment Strategy

The report covered the requirements of the Local Government Act 2003, the Chartered Institute of Public Finance Accountants (CIPFA) Prudential Code, The Department of Levelling Up, Housing and Communities (DLUHC) and Local Government (MHCLG)), MRP Guidance, the CIPFA Treasury Management Code and the DLUHC Investment Guidance.

The Council's Treasury Advisor, Link Asset Services, provided a template document for the Treasury Management Strategy Statement, which was fully compliant with CIPFA's code and DLUHC's guidance. The Council had used this template in preparing the report which looked at the period 2023-2027, fitting with the Council's Financial Plan and Capital Programme. Officers of the council had prepared the report based on their views of forecasts for interest rates, and had used information provided by the council's Treasury Management Advisor, Link Asset Services

Under standing order 34 Councillor Morley asked that the Treasury Management information be presented as part of the induction process for members. It was confirmed that this was in the plan, and that training had been provided previously.

Councillor Dickinson commented on the creditworthiness within the policies and the security of the money and investments made.

Councillor Dark summed up.

RECOMMENDED: That Council approve:

- 1) The Treasury Management Strategy Statement 2023/2024, including treasury indicators for 2023-2027.
- 2) The Minimum Revenue Provision Policy 2023/2024
- 3) The Investment Strategy 2023/2024

Reason for the Decision

The Council must have approved a Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2023/2024 by 31 March 2023.

CAB119 **CAPITAL STRATEGY**

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The Assistant Director Resources and S151 Officer presented the Capital Strategy which outlined the principles and framework that shaped the Council's capital decisions. The principal aim was to deliver a programme of capital investment that contributed to the achievement of the Council's priorities and objectives as set out in the Corporate Plan. The Capital Strategy would be updated annually and would be put before Cabinet alongside the Treasury Management Strategy so that it could be approved before the year to which it related began.

The Strategy defined at the highest level how the capital programme was to be formulated; it identified the issues and options that influenced capital spending and set out how the resources and capital programme would be managed.

Under standing order 34, Councillor Morley drew attention to the projected and actual spend levels in the capital programme and suggested that the project team should re-assess their projections. Councillor Blunt confirmed that this was happening and changes would be seen.

RECOMMENDED: That the Capital Strategy 2023/2024 as attached to the report be approved.

Reason for Decision

Not to approve these policies would contravene the requirements of both legislation and good practice. In addition, the external auditors may comment in their report to those charged with governance (ISA260).

CAB120 **CAPITAL PROGRAMME 2023-24**

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The Assistant Director Resources and S151 Officer presented the report which:

- revised the 2022/2023 projections for spending on the capital programme
- set out an estimate of capital resources that would be available for 2022-2027

- detailed new capital bids that were recommended to be included in the capital programme for the period 2022-2027
- outlined provisional figures for capital expenditure for the period 2022-2027
- Exempt section details corporate capital projects

Under standing order 34 Councillor de Whalley commented that he looked forward to the Financial Risk training for Councillors as it would help them to understand and scrutinise the figures more rigorously.

Members did not wish to debate any matter in open session.

RECOMMENDED: 1) That the amendments to capital schemes and resources for the 2022-2027 capital programme as detailed in the report be approved.

2) That new capital bids as set out in section 5, table 6 of the report to be funded from available capital resources and included in the capital programme 2022-2027 as detailed in the report be approved.

3) That a report on the new capital bids in section 5 table 6 of the report, is brought back to Cabinet for further review before new capital projects can be progressed.

Reason for Decision

To report amendments, rephrasing and resources to the 2022-2027 Capital Programme

The meeting closed at 5.16 pm