FINANCE, RESOURCES, AUDIT AND GOVERNANCE COMMITTEE

Minutes of a meeting of the Finance, Resources, Audit and Governance Committee of South Norfolk Council held at South Norfolk House, Long Stratton, on Monday 24 April 2017 at 9.30 am.

Committee Members Present: Councillors: P Hardy (Chairman), L Dale, T Lewis, T Palmer, R Savage and G Wheatley

Cabinet Members Present: Councillor: M Edney

Other Members Present: Councillor: K Kiddie

Officers in Attendance: The Director of Business Development (D Lorimer), the Head of Resources (P Catchpole), and the Senior Governance Officer (E Goddard)

144 MINUTES

The minutes of the meeting held on 10 March 2017 were confirmed as a correct record and signed by the Chairman.

145 CODE OF CORPORATE GOVERNANCE

The Senior Governance Officer introduced her report which sought to gain endorsement from the Finance, Resource, Audit and Governance Committee for the new Code of Corporate Governance, ahead of its approval by Cabinet and Full Council.
Members noted that the Code had been shortened to highlight the key points, with an appendix containing more detailed information. The Committee was advised that the objective of the Code was to reflect good governance in the procedures and behaviours of the Council.

In response to a member’s question regarding the role of members, the Committee was reminded that the Finance, Resource, Audit and Governance Committee was empowered to hold the organisation to account in terms of monies spent by the Council and its governance.

After a brief discussion, it was;

RESOLVED: To endorse the Code of Corporate Governance for approval by Cabinet and subsequently Full Council.

146 COMMERCIALISATION STRATEGY

The Director of Business Development presented her report which detailed the proposed Commercialisation Strategy which had been developed to provide a clear framework from which the Council’s commercial activities could continue to be directed and driven. The Committee was advised that the top-level strategy was designed to be user-friendly with simple terminology to enable readers to fully understand its content, and that it intended to define the Council’s objective to achieve a combination of money saving and income generation.

Responding to a member’s question regarding planning application fees, officers advised that the fee levels were currently set by central Government but that the introduction of pre-application fees had not only produced an additional income but had allowed planning officers to make more efficient use of their time, due to the level and nature of enquiries received by the Council since fees had been introduced.

In response to a concern raised that District Councillors were sometimes not being consulted where discussions were taking place between officers and parish councils, the Director of Business Development advised that the strategy would be altered to reflect the involvement of members at an early stage, in such circumstances.

It was suggested that services in the area, such as grass cutting, be undertaken by single organisations to reduce costs. The Director of Business Development explained that this idea had previously been investigated with Saffron Housing but that there had been issues regarding VAT. She added that it was important to consider economies of scale and advised that if some individual parishes took on work currently undertaken by South Norfolk Council, the Council would still need cover its overheads, making the overall service more expensive for a smaller number of users.
The Director of Business Development clarified the term, “value chain”, advising members that this referred to the other benefits associated with the Council’s products, i.e. the leisure centres being a commercial business but also providing a welfare benefit for customers through the ‘passport to leisure’ system. Officers agreed to alter the wording in the Strategy from “value chain” to “wider benefits of a product”.

It was then;

**RESOLVED:** To endorse the Commercialisation Strategy prior to Cabinet approval.

### 147 COMMERCIAL PROPERTY STRATEGY

Members considered the report of the Director of Business Development which detailed the draft Commercial Property Strategy. The Committee was advised that the Strategy had been produced as a supporting document to the overarching Asset Management Plan, which had been reviewed by the Committee in November 2016. Officers advised that they were now seeking the views of members regarding the Commercial Property Strategy, which would subsequently be presented to Cabinet, alongside the Asset Management Plan.

In response to a member’s concern regarding the level of skills and experience required by staff dealing with the Council’s commercial property portfolio, officers reassured the Committee that, in addition to the expertise already within the team, an experienced Property Project Manager had recently been appointed, and that the Council was currently seeking a skilled Commercial Property Manager.

Members discussed the gross yield currently being achieved from the investment of the Council’s commercial assets, which was noted as 6.38%. Officers advised that this compared very favourably with the cash investments which stood at around 1%. The Committee considered the Council’s borrowing capacity and how this related to the current and future commercial aspirations of the Council. The Director of Business Development advised that the Council needed to balance its finances across its Capital Programme and that the growth of the Council’s portfolio of commercial properties was a decision for members. It was noted that the Council’s current portfolio was made up of a diverse range of purchased and acquired assets which were difficult to manage under one Strategy but allowed for a spread of risk. It was suggested that the Council consider outsourcing the management of its portfolio but officers advised that this would incur costs and reassured the Committee that commercially skilled staff within the Council were properly able to manage its assets.
Members queried why the New Anglia LEP had not been included within the Action Plan for implementing the Strategy, and officers advised that this could be added as a separate item in the Plan. Members noted a few minor typographical errors and it was then;

**RESOLVED:** to endorse the draft Commercial Property Strategy prior to Cabinet approval of the finalised document.

### 148 FINANCE, RESOURCES, AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME

Members considered the Finance, Resources, Audit & Governance Committee’s Work Programme, and noted that the “Self-Assessment of the FRAG Committee” scheduled for 23 June 2017 would now take place at the meeting on 24 November 2017.

The meeting concluded at 10.30 am

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Chairman