CABINET

Minutes of a meeting of the Cabinet of South Norfolk District Council held at South Norfolk House, Long Stratton on Monday 28 October 2013 at 10.30 a.m.

Members Present:

Cabinet: Councillors J Fuller (Chairman)
Y Bendle, K Kiddie and G Wheatley

Apologies: Councillors D Bills and M Wilby

Non-Appointed: Councillors Blowfield, Edney, Ellis, Gray, Legg, R Savage, and Weeks

Officers in Attendance: The Chief Executive (S Dinneen) , the Deputy Chief Executive (A Radford), the Director of Environment and Housing (A Jarvis), the Director of Growth and Localism (T Horspole), the Head of Finance (D Lorimer), the Internal Audit Consortium Manager (S King), the Business Transformation Manager (W Salmons), the Compliance and Risk Manager (L Mickleborough), the Communities and Active Life Manager (I Lambert), the Development Manager (H Mellors), and the Property Consultant (S Bizley).

2225 CHAIRMAN’S ANNOUNCEMENTS

The Chairman was pleased to announce that the Council had been successful in its bid for transformation funding from the Department for Communities and Local Government to enhance the delivery of Building Control and associated services through CNC, to become a regional model. He added that the Council had been awarded £0.5 million, the highest total out of the 18 successful bids awarded to local authorities.

2226 MINUTES

The minutes of the meeting held 23 September 2013 were agreed as a correct record and signed by the Chairman.
The subject of the decision

Members considered the report of the Business Transformation Manager and Compliance and Risk Manager, which updated Cabinet on the Council’s strategic performance outcomes, and risk management to 30 September 2013.

The Business Transformation Manager explained that there had been no areas of concern in quarter 2. Out of the 26 strategic measures, 22 had met or exceeded target and 4 had performed within the accepted tolerance of target.

He went on to outline key areas of performance, drawing attention to sickness levels which had dropped significantly by 2.2 days per FTE when compared with the same period last year. He also referred to a new indicator MI 872 (The number of vulnerable people helped through housing interventions to maintain their independence in their own homes), which was proposed to replace measure LI 323 (the number of vulnerable households helped) and would recognise the work that was being done to deliver wider housing and public health outcomes. The Chairman drew attention to the proposed changes to the Disabled Facilities Grants, suggesting that this could impact on future performance.

Referring to affordable housing, Cllr Y Bendle was proud to inform the meeting that 497 new affordable homes had been built in the District since 2007, and that the Council was on target to deliver its 500th new home by 2014, in November.

With reference to measure LI 198 (the percentage take up of available places for young people in structured play, sport, leisure and cultural events organised by the Council), Cllr K Weeks queried how many youngsters continued to participate in activities, a measure which he suggested would indicate the real value of this initiative. The Chief Executive explained that although this was a valid point, some thought would be needed as to what mechanism could accurately record and collate this information.

Cllr M Gray wished to point out that although performance was very good in parts, especially in areas being reported to Cabinet through the Council’s strategic indicators, this was not the case in all areas. He referred to a recent article in Planning Magazine of 4 October, which positioned South Norfolk Council 14th from the bottom out of 340 local authorities, in a league table examining planning decisions made on major applications. It was noted that the Council’s performance currently stood at 34.9% and that anything below 30% would place the Council in special measures.

In response, the Chairman confirmed that performance in this area had not been as high as had been hoped and that measures had been put in place to improve performance. The Director of Growth and Localism explained that major applications had been identified as a key priority for the Development Management service (as highlighted at item 9 on the Cabinet agenda concerning the proposed Scheme of Delegation), especially in light of the delivery of growth needed, as set out in the Joint Core Strategy. The Chief Executive added that the information used in the Planning magazine was historical and that performance in this area was currently running at 60%.
Turning to risks, the Compliance and Risk Manager advised members that later that morning, Cabinet would be presented with a revised risk management strategy, which would shift future risk reporting to focus on risk progression, balance of risk and opportunity and action resolution. Overall, the current risk profile had not changed from the first quarter, with key issues being the five year land supply and Joint Core Strategy inspection.

Cllr K Weeks expressed his concern with regard to the Council’s future financial position in 2015/16. The Chairman reassured members that this was being taken very seriously and explained that the Conservative Group had recently met to solely focus on that item. He hoped that members could take some comfort from the fact that income levels for the Council were continuing to rise.

The Decision

RESOLVED: To endorse the performance and risk reports for Q2 2013-14, and approve the proposed amendment to performance measure LI 323.

The Reasons for the Decision

To ensure processes are in place to improve performance and that the management of risks are sound

Other Options Considered

None

2228 REVENUE BUDGET REPORT APRIL TO SEPTEMBER 2013

The Subject of the Decision

Members considered the report of the Accountancy Manager, which detailed the financial performance of the Council’s revenue budget for the first half of 2013/14, and provided an explanation of the key movements and variances.

The Head of Finance introduced the report, explaining that the April to September position showed a positive variance against revenue budgets of £998,507. She referred to the breakdown of the overall position, as outlined in the report, drawing attention to the pay, non-pay and income budgets. Members noted that the current forecast was for a positive variance of approximately £1.4 million for 2013/14.

Cllr G Wheatley also drew members’ attention to the Council’s annual accounts for 2012/13 and the unqualified audit opinion awarded in regards to both giving a true and fair view of the financial position and securing economy, efficiency and effectiveness.

During discussion, Cllr K Weeks queried nplaw legal costs which were currently higher than budgeted, explaining that he thought these costs had been fixed over a
period of 3 years. The Compliance and Risk Manager explained that additional costs would be expected should costs exceed an agreed threshold of 110% of the anticipated rate. The Chairman commented that the need for legal advice had increased in some areas, for example to support large scale planning applications.

Cllr R Savage raised concerns with regard to the current position concerning trade debtors. The Head of Finance explained that the Council had always made provision for bad debts; some would be recoverable but some debts, depending on its type, were much more difficult to recover.

Summing up, the Chairman felt it was clear that that staffing costs had been effectively managed whilst performance had not been adversely affected. He urged members to be cautious with regard to the predicted variance at year end, suggesting that underspends would decrease as the year progressed.

The Decision

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<th>RESOLVED:</th>
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<td>To note the position as at the end of September and the reason for the variances on the General Fund.</td>
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The Reasons for the Decision

To ensure that reserves and revenue budgets are in place to meet the Council’s corporate objectives.

Other Options Considered

None

2229 CAPITAL AND TREASURY REPORT QUARTER 2 2013/14

The subject of the decision

Members considered the report of the Accountancy Manager, which monitored the capital expenditure for April to September 2013 against the amended Capital Programme, and also reviewed the treasury management activity during the second quarter of the financial year 2013/14 and reported on prudential indicators, as required by CIPFA’s Treasury Management Code of Practice.

Cllr G Wheatley referred to the breach in the prudential indicators, as outlined at paragraph 8.2 of the report. Referring back to a query made by Cllr T Lewis at the Council meeting held 23 September regarding the need to report such breaches to full Council, Cllr Wheatley explained this procedure was in line with good practice as recommended by CIPFA. The Head of Finance added that the CIPFA Treasury
Code of Practice recommended that any breaches be reported to the same body that had approved the Treasury Management Strategy, which, in line with the Council’s Constitution, was full Council.

Members noted that capital expenditure for the quarter was £1,403,879 against an annual budget of £9,784,089. The Chairman explained that the Council was on the cusp of executing a number of projects. He drew attention to the slippage requests at paragraph 4.1 and suggested that expenditure at year end would be dependent on progress made on several complex schemes.

The Head of Finance referred members to the position regarding the Council’s banking arrangements detailed at paragraph 10 of the report. Members noted that the alternative bank account was a precautionary measure and would only be used should the Co-operative bank account prove to be inaccessible. Officers were meeting regularly with the Co-operative bank and legal advice had been sought. In response to query, the Head of Finance confirmed that only minimal balances were left deposited in the bank at the end of each day.

Cllr K Weeks queried the need for the Council to procure services from Arlingclose, suggesting that officers had a very good track record of securing a good return on the Council’s assets. The Head of Finance explained that Arlingclose did provide expert advice and regularly updated officers with relevant information. The Council was in the process of going out to tender for its treasury management advisors and Cabinet would be updated regarding the progress of this at a future meeting.

Cllr M Gray expressed concerns regarding two empty business properties at Vinces Road and Park Road in Diss, and he suggested that one of the properties could be utilised for much needed storage as a food bank. The Head of Finance explained that a lease at 13 Vinces Road was in the process of being finalised and discussions were already underway with regard to a lease at 9 Park Road.

Cllr M Edney explained that members of the Finance, Resources, Audit and Governance Committee had recently undergone a tour of a number of the Council’s assets which had proved to be a valuable experience.
The Decision

RESOLVED:

1. To note the progress on the Capital Programme during the second quarter.

2. To delegate the decision to sell houses on the Poringland site to the Head of Asset Management in conjunction with the portfolio holder for Finance and Resources as proposed in paragraph 3.3.

3. To note the likely slippage requests on the Capital Programme into 2014/15.

4. To approve the request to bring forward budget for the new generator as proposed in paragraph 2.2 of the report.

5. TO RECOMMEND THAT COUNCIL:

a) Approves the 2013/14 prudential indicators for the quarter.

b) Notes the treasury activity in the quarter and that it complies with the agreed strategy.

c) Approves the increases in the counterparty limits for UK clearing banks as proposed in 7.3.

d) Notes the breach in the prudential indicators relating to external debt set out in 8.2.

6. That Cabinet notes that the Head of Finance intends to set up an alternate current account with Barclays Bank. This would remain dormant unless there was an emergency.

The Reasons for the Decision

To ensure that the capital programme is aligned to the Council’s priorities and is fully funded. To also ensure that the Council adheres to the Prudential Code and that investments are made in accordance with the Treasury Management Strategy.

Other Options Considered

None
2230 BUSINESS RATE POOLING

The subject of the decision

Members considered the report of the Head of Finance, which reviewed the potential for establishing a business rates pooling arrangement for the Council jointly with Norfolk County Council and other Norfolk District Councils.

The Head of Finance outlined the salient points of the report to members, drawing attention to both the benefits and risks associated with business rate pooling.

Members supported the proposals, noting that it would maximise the amount of economic investment in Norfolk, whilst retaining the district council’s share of revenue generated from locally collected business rates.

The Decision

RESOLVED:

1. To approve the notification to Government to create a new pool.

2. TO RECOMMEND THAT COUNCIL agrees, subject to the negotiation of the detailed financial and governance arrangements, that the Deputy Chief Executive, in consultation with the Head of Finance and the Leader of the Council, be given delegated authority to enter the Council into a business rates pooling arrangement for Norfolk with Norfolk County Council and other Norfolk district councils.

The Reasons for the Decision

To maximise funding in support of local economic growth in Norfolk

Other Options Considered

- Not to join the pooling arrangement with Norfolk County Council and other interested districts in the county.
2231 DEVELOPMENT MANAGEMENT – PROPOSED REVISED SCHEME OF DELEGATION

The subject of the decision

Members considered the report of the Development Manager, which proposed amendments to the Development Management Scheme of Delegation.

The Director of Growth and Localism explained that the Council needed to focus its resources on areas where it was most needed – delivering the Council’s objectives in terms of major growth, as set out in the Joint Core Strategy. Cllr K Kiddie added that ensuring efficiency savings would in turn free up resources to allow for a more speedy and efficient response to major applications.

During discussion, the Chairman was concerned that the clause referring to the potential to generate employment had been deleted from the proposed scheme. The Development Manager explained that applications that had the potential to generate employment and were recommended for refusal were few and far between, and she was happy to retain this clause in the proposals.

Cllr M Gray referred to concerns which he explained had been expressed at the informal meeting of the Environment Regulation and Planning Policy Committee, relating to the proposed decrease in a parish council’s ability to refer applications to committee. Cllr R Savage was apprehensive as to the extent of power being delegated to officers, and urged that under the Local Member Protocol, officers regularly updated members with progress on applications.

In response, the Development Manager referred members to the final paragraph of the proposals which allowed for exceptional circumstances which would permit consideration of a significant application at committee, should the comments from the Parish Council be contrary to the recommendation. Cabinet was satisfied that this clause sufficiently addressed the concerns relating to parish councils, however the Chairman suggested that the word “significant” should be replaced with a more appropriate form of words.

The Development Manager went on to remind members that the purpose of the revised scheme was to ensure that minor applications were not referred to committee. She agreed that local member input was extremely valuable but felt that should the onus be on officers to update members regarding minor applications, it would reduce efficiencies. She referred to the weekly list of applications which were distributed to all members and drew attention to the applicant’s right to appeal, should an application be refused under delegated powers.

Members suggested that should the proposed changes be approved, some thought should be given to how these changes be communicated to both district and parish councillors. The Chief Executive suggested that a briefing session for district members would be appropriate.
The Decision

**RESOLVED:**

1. **TO RECOMMEND THAT COUNCIL** approves the proposed Revised Scheme of Delegation (with an implementation date of 1 January 2014), subject to:
   a) the clause referring to the potential to generate employment being retained;
   b) The word “significant” in the penultimate sentence of 3.1 is replaced with a more appropriate form of words.
2. That further thought be given to how the changes will be communicated to town and parish councils;
3. That a briefing session is arranged for all members.

The Reasons for the Decision

To ensure efficiency savings which in turn would allow resources to focus on major applications.

Other Options Considered

- To keep the Scheme of Delegation as it is
- To add in additional referrals
- To retain existing reasons in the Scheme.

2232 RISK MANAGEMENT STRATEGY

The subject of the decision

Members considered the report of the Compliance and Risk Manager which sought Cabinet approval for a revised Risk Management Strategy.

The Compliance and Risk Manager introduced her report, explaining that the revised strategy had two key objectives; to establish the cultural approach towards risk management, and then to set the framework for managing risk. She explained that the framework had changed its focus in that it built in more flexibility and allowed for a more judgemental approach.
The Decision

RESOLVED: To approve the Risk Management Strategy.

The Reasons for the Decision

To allow for a greater emphasis on the Council’s cultural approach to taking risk and to ensure the effective management of risk.

Other Options Considered

None

2233 WHISTLEBLOWING POLICY AND COUNTER FRAUD, CORRUPTION AND BRIBERY STRATEGY

The subject of the decision

Members considered the report of the Deputy Audit Manager which sought approval for revised versions of the Whistleblowing Policy and Counter Fraud, Corruption and Bribery Strategy.

The Internal Audit Consortium Manager drew members’ attention to the revisions that had been made to the Whistleblowing Policy and Counter Fraud, Corruption and Bribery Strategy, explaining that the documents had been benchmarked against other local authorities.

Members noted that the documents had been considered by the Finance, Resources, Audit and Governance Committee and the Joint Consultative Committee, following which minor amendments were made before presentation at Cabinet.

The Decision

RESOLVED: To approve the revised Whistleblowing Policy and Counter Fraud, Corruption and Bribery Strategy.
The Reasons for the Decision

To ensure that the strategy and policy fully reflect best practice.

Other Options Considered

None

2234 YOUR NEIGHBOURHOOD YOUR CHOICE YEAR TWO PROPOSALS

The subject of the decision

Members considered the report of the Communities and Active Life Manager, which sought Cabinet approval for the Your Neighbourhood, Your Choice (YNYC) Year Two proposals and suggested that the plan be operated as a rolling programme, allowing decisions on proposals to be made in a timely and efficient manner.

The Chairman began the debate by advising that the proposals should be considered being mindful of the general financial position in which the Council had to operate and in light of the recent Government consultation to top slice 35% of the New Homes Bonus Fund, that had previously been intended to form part of the Neighbourhood funds. It was now proposed that it be used by Local Enterprise Partnerships (LEPS) to encourage economic growth which was now a national and local priority.

The Director of Growth and Localism referred members to the programme of proposals at Appendix 1 of the report, advising that it reflected the priorities identified in the consultation process and the importance of the Council’s Market Town initiative. The Communities and Active Life Manager explained that at this stage, agreement was sought for those projects colour coded green, adding that some of the other projects might change or never come to fruition.

Some members expressed concerns with regard to particular projects and some expressed disappointment that no reference had been made to the need to provide better signage in the market towns.

Cllr M Gray queried why the programme had not been considered by the Growth and Localism Committee, and he referred to the £2.4 million budget allocated to support the 3 year YNYC initiative. He was deeply concerned that 18 months in to the initiative, only £219,000 had been spent on local community projects.
He drew attention to the salary costs of the Communities Team which totalled over £0.5 million over a 6 month period, suggesting that the overall spend in this area was simply too much. He proposed that a re-think of the initiative was required, and he hoped that this could be done on a cross party basis. Cllr K Weeks also expressed his wish to be involved in any discussions.

The Chairman considered with Christmas looming, it was not sensible to delay projects 1.1 and 1.2 and suggested that these be agreed, however he felt that there was not sufficient information available to sign off other projects. He also stressed the need to ensure that projects supported local economic growth. He suggested that he call and chair a meeting with the Neighbourhood Board Chairmen to consider in more detail the other proposals.

The Chief Executive asked members to consider Cllr Gray’s comments regarding salary costs with caution, explaining that staff in that team were employed to work on an extensive range of activities, not just those supporting the YNYC project. She added that she felt it sensible to give thought to how the overall approach to the project could shift to fit the broader agenda moving forward and the need to demonstrate economic benefits to the community.

The Decision

| RESOLVED: | 1. To approve proposals 1.1 and 1.2, outlined at Appendix 1 of the report;  
            2. That a further report be presented to Cabinet on 2 December, following an informal meeting to be called and chaired by the Leader of the Council, to consider in more detail the remaining proposals. |

The Reasons for the Decision

To ensure that proposals are in line with the Council’s priorities and have been sufficiently worked through before funding is committed.

Other Options Considered

- To approve all the proposals
2235 GREATER NORWICH CITY DEAL UPDATE

Members noted that an update with regard to the Greater Norwich City Deal would be provided at a future meeting of the Cabinet.

2236 CABINET CORE AGENDA

Members noted the latest version of the Cabinet Core Agenda.

2237 EXCLUSION OF THE PUBLIC AND PRESS

It was proposed, seconded and

RESOLVED: that under Section 100A (4) of the Local Government Act 1972, the public and press 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 Schedule 12A of the Act (as amended).

2238 COMMERCIAL INVESTMENT PROPERTY – SURRENDER OF EXISTING AND GRANT OF NEW LEASE

Members considered the exempt report of the Property Consultant which sought Cabinet approval to surrender an existing ground lease and grant a new lease on the site for a term of 125 years on improved terms.

The Property Consultant briefly outlined the background to the proposals and responded to members’ questions on points of detail. He explained that the company concerned was seeking to invest in the current site and he did not envisage that it would consider moving to alternative premises at this stage.

RESOLVED To approve the lease as outlined at paragraph 3 of the report.

The Reasons for the Decision

To ensure a maximum rental return on the Council’s assets, in line with its corporate objectives.

Other Options Considered

- Sell the freehold
- Do nothing

(The meeting concluded at 12.21 pm)

Chairman