CABINET

Minutes of a meeting of the Cabinet of South Norfolk District Council held at South Norfolk House, Long Stratton on Monday 10 February 2014 at 9.00 am.

Members Present:

Cabinet: Councillors J Fuller (Chairman)
D Bills, Y Bendle, G Wheatley and M Wilby

Apologies: Councillor K Kiddie

Non-Appointed: Councillors Blowfield, Dale, Edney, Ellis, Goldson, Legg, Lewis, McClennig, Neal, Palmer, Riches, R Savage, Weeks and J Wilby

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 Accountancy Manager (M Fernandez-Graham), the Business Improvement Manager (W Salmons), the Funding Manager, the Planning Policy Manager (A Nicholls) and the Funding Manager and the Funding Manager (N Cunningham).

Also in Attendance: Six members of the public.

2249 DECLARATIONS OF INTEREST

Cllr L Neal declared an other interest in the matter referred to below:

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<tr>
<th>Member</th>
<th>Minute No.</th>
<th>Nature of Interest</th>
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| Cllr L Neal| 2254       | Cllr Neal’s husband is the Vice-Chairman of Poringland Wanderers Football Club
|            |            | Cllr Neal is secretary to Poringland Wanderers Football Club |

2250 MINUTES

The minutes of the meeting held 2 December 2013 were agreed as a correct record and signed by the Chairman.
2251 CHAIRMAN’S ANNOUNCEMENTS – COMMUNITY AWARDS

Cllr M Wilby referred to the Community Awards, held the previous Friday at the John Innes Centre. He explained that it had been a most memorable evening, recognising the valuable work of volunteers in the community.

2252 PERFORMANCE RISK AND REVENUE BUDGET REPORT APRIL TO DECEMBER 2013

The subject of the decision

Cabinet considered a report detailing the progress on the Council’s performance, risk and revenue budget for the first 9 months of 2013/14.

Cllr G Wheatley commended the report to members, explaining that all three strands of performance, risk and revenue budget were fully integrated, ensuring that the report conveyed a holistic picture of the Council’s performance in all areas.

Members welcomed the Council’s positive performance against all of its strategic indicators. It was noted that this was the fourth consecutive quarter where all indicators had reached or exceeded acceptable levels and there had been no indicators categorised as red.

The Business and Improvement Manager drew members’ attention to Appendix 1 of the report and those indicators categorised as amber. Members noted that there were 9 indicators that had not gone over the stretched target but had remained within acceptable levels. Particular mention was given to measure 204, the Reduction in Subsidy to Leisure Services and officers suggested that the Leisure Enhancement Programme would provide a positive impact on performance in this area. Referring to measure 356, the number of SMEs provided with advice and guidance in South Norfolk, the Business and Improvement Manager explained that officers were looking to review the measure to capture a more true reflection of performance.

Turning to those indicators where performance had exceeded target, members were pleased to note the high performance with regard to housing. The Chairman gave particular mention to measure 350, the number of affordable homes delivered by March 2014, and was delighted that the target of 500 homes had been met and exceeded, 3 months earlier than planned.

Turning to risks, the Deputy Chief Executive reminded members that Cabinet had agreed a revised risk management strategy which included a greater emphasis on opportunity management and the action being taken to manage risk and maximise opportunities. He referred members to paragraph 4.1 of the report which examined the current organisational capacity position. Members noted that the Council was in a position where it could accept a higher level of risk, or take opportunities that may expose the Council to some degree of risk, and this point was considered further in an additional report to Cabinet (see minute number 2262) exploring commercial opportunities available to the Council.

The Chairman referred to the announcement in the Government’s Autumn Statement that the New Homes Bonus would be retained within Local Authorities,
instead of being transferred to Local Enterprise Partnerships. He explained that the level of New Homes Bonus in South Norfolk was the sixth highest in the country, so this decision had made a real material difference to the Council.

With reference to the revenue budget, the Accountancy Manager reported an overall positive variance of £2,091,958. In summarising his report, he drew attention to paragraph 6.4, the income received and drew attention to planning application fees and income from land charges, which in the third quarter had almost matched that received in the whole of 2013/14. Members were pleased to note that the Council had been awarded a Transformation Grant of £500,000 which would be used to develop a regional building control model, and members agreed to the formation of a reserve where unspent income would be transferred the end of the financial year.

Summing up, the Chairman suggested that such good performance was an indication of growth in the South Norfolk economy. Good performance had been achieved, not only through good cost control, but through constant fine tuning of the business and more team based working, leading to a more resilient Council.

The Decision

RESOLVED:  
1. To note the:
   a) Performance against the 26 strategic performance indicators for quarter 3;
   b) Position on strategic risks faced by the Council;
   c) Revenue position as at the end of December and the reason for the variances on the General Fund.

2. TO RECOMMEND TO COUNCIL
   a) The creation of a Transformation Grant reserve as outlined in paragraph 6.4 of the report.
   b) The creation of a Low Cost Housing (New Homes Bonus) reserve as outlined in paragraph 6.4 of the report.

The Reasons for the Decision

To ensure that
- processes are in place to improve performance
- the management risks are sound
- reserves and revenue budgets are in place to meet the Council’s corporate objectives.

Other Options Considered

None
The Subject of the Decision

Cabinet was presented with a combined capital and treasury report, which detailed capital expenditure for April to December 2013, and also reviewed the treasury management activity during the third quarter of the financial year 2013/14.

The Accountancy Manager reported that expenditure on the capital programme for the first 9 months of the financial year was £1.9 million against a budget of £9.9 million, and members noted the various areas where slippage in to the next financial year would be required. Members agreed to the request to bring forward £50,000 from the 2014/15 budget to fund a new telephony system for South Norfolk House.

Cabinet noted the low returns on cash investments due to the lower interest rates available on new investments, and the good rates of return on property investments which had produced an average gross rate of return of 6.6%.

Cllr G Wheatley drew attention to the appointment of Capital Asset Services, as the Council’s new treasury management advisors from 1 April 2014. He also made reference to paragraph 11.2 of the report and the announcement by the Co-operative Bank that it intended to exit the local authority market. The Accountancy Manager confirmed that a joint tender exercise to secure a new banking provider was likely to include other Norfolk local authorities, the Police and possibly the Broads Authority.

The Decision

RESOLVED: To:

1. Note progress on the Capital Programme during the third quarter;

2. Note the likely slippage requests on the Capital Programme into 2014/15;

3. Approve the request to bring forward budget for the telephony system as proposed in paragraph 2.2 of the report;

4. 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) Notes the appointment of Capita Asset Services as the Council’s treasury management advisors from 1 April 2014.

5. To approve the decision to procure a new banking services provider and to undertake a procurement exercise to achieve this.
The Reasons for the Decision

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

Other Options Considered

None.

2254 CAPITAL GRANT APPLICATIONS

The subject of the decision

Cabinet considered the recommendations made at the Growth and Localism meeting held 7 January with regard to four capital grant applications for community based projects. The report updated members with new information with regard to the applications from Poringland and Tharston and Hapton.

Cllr M Wilby explained that since the Localism Committee, the South Norfolk Alliance had indicated its willingness to support the Poringland scheme as it fitted with their objectives around increasing community engagement in sports activity. The Alliance Partners had provisionally agreed the release of £25,000 in order to fund the Feasibility Study. He further explained that any subsequent investment from the Council would be sought through the Leisure Enhancement Programme, which looked to increase access to leisure facilities across the District. He drew members’ attention to the recommendations of the report, and the suggestion that Tharston and Hapton should be awarded the £40,000, now released from the Poringland project.

Mr P Goodfellow, the Chairman of Earsham Football Club then addressed the meeting with regard to the Earsham application. He explained that this was a joint project between Earsham Parish Council and the Football Club for the construction of a clubhouse to support the local football team and community organisations. Mr Goodfellow went on to outline the details of the application, explaining that the proposed facilities would not only allow the football club to play on its home turf (and stop paying out for the hiring of facilities at nearby Wortwell), but would allow other organisations to organise events on the playing field, benefitting the whole community. He informed members that Earsham FC had been awarded FA Charter Standard in May 2012 and the project was supported by the Football Foundation which had pledged maximum funding of £50,000. If the project was successful its design would be used as a blue print for other clubs to follow. Members noted that Mr Goodfellow had been working alongside the Council’s Communities officers to encourage youngsters in other villages to use the facilities. If approved, work could commence on the project immediately with the facilities in place by the start of the next football season.

Fiona Lambert, the Chairman of Tharston and Hapton Parish Council was then invited to speak with regard to the Tharston and Hapton application. Ms Lambert explained that since the Growth and Localism Committee had been held, the Parish Council had enhanced its application, now providing a much fuller business case for capital funding. She outlined the proposed application, explaining that the
project went much wider than a replacement village hall, the proposed hall being multi-functional. The Norfolk Cricket Board had subsequently written to indicate its support for the proposed development of an all-weather cricket pitch, the only such facility in South Norfolk. Cabinet noted that this facility would attract use from around the county and that a cluster of schools, including Long Stratton, had already registered an interest in its use.

During discussion, Cllr Neal drew attention to the lack of sports facilities in the east of the district and the much needed support for the Poringland application. The Chairman suggested that there was a lot of potential with the Poringland application, however, it was at a much earlier stage of development. He was delighted that the Alliance had agreed to support the project and once the feasibility study had been completed, officers would review the benefits and look to obtain funding through the Leisure Enhancement Programme, which looked to increase access to leisure facilities across the District. In response to queries, he agreed that a strong business case was required and long term governance arrangements needed to be in place. In reference to the current status of the Alliance, the Chief Executive explained that with the changing nature of partnership working, there would be an enhanced role for the Alliance moving forward. The Chairman suggested that this would be the subject of a future report.

The Decision

RESOLVED: To approve the:

1. Recommendations from the Growth and Localism Committee in respect of the Earsham (£50,000) and Harleston (£60,000) projects;

2. Alliance proposal to fund the Feasibility Study for the Poringland project, with any subsequent investment from SNC coming through the Leisure Enhancement Programme;

3. Award of £40,000 to the revised project at Tharston and Hapton Parish Council

The Reasons for the Decision

To demonstrate support for strategic projects with current low levels of local facilities

Other Options Considered

None
The subject of the decision

Members considered the report of the Head of Finance, which outlined the key messages from this year’s budget consultation exercise, to inform members’ consideration of the budget proposals for the financial year 2014/15.

Cabinet noted that overall, the exercise indicated that over 81% of respondents supported a freeze or a reduction in council tax and there was considerable support for an increase in spending on Economic Development and Waste and Recycling. There was also general support for increasing fees and charges for discretionary services, but not in the Council’s car parks. Members agreed that a freeze on car parking charges would support the Council’s current market towns initiative.

Cabinet was pleased that the main key messages broadly reflected the investment proposed in the Council’s Directorate Plans, and the budget proposals for 2014/15.

The Decision

RESOLVED: To note the feedback arising from the Council’s Budget Consultation exercise.

The Reasons for the Decision
To take into account the issues raised when determining the budget and level of Council Tax for 2014/15.

Other Options Considered
None

2256 DIRECTORATE BUSINESS PLANS

The subject of the decision

Members considered the report of the Business Improvement Manager, which presented Cabinet with the Directorate Business Plans for 2014-15.

The Business Improvement Manager briefly outlined the process undertaken in producing the directorate plans. Members noted that the plans formed a central part of the Council’s business planning as the delivery mechanism for the vision and priorities set by members, and were integral to producing a balanced budget.

The Decision

RESOLVED: To approve the Directorate Business Plans for 2014-15

The Reasons for the Decision
To ensure that a sound business planning process is in place, as a mechanism for the vision and priorities set by members.

Other Options Considered
None

2257 REVENUE BUDGET AND COUNCIL TAX 2014/15

The subject of the decision

Members considered the report of the Head of Finance which examined the Council’s revenue budget for 2014/15, and proposed a freeze on council tax levels.

The Chairman explained that he felt it a privilege to be leading such a forward thinking, efficient and effective Council, which despite such an unstable economic climate over the last five years, continued to lead the way, deliver service improvements and balance budgets.

Members were pleased to note the healthy position with regard to reserves which Cllr Wheatley felt to be an indication of the Council’s strength and resilience.

The Head of Finance outlined the key areas of her report to members, referring to the introduction of major changes to the way local government was financed during 2013/14. She explained that the Council had been able to deliver a balanced budget over the last year due to its twin tracked approach of increasing income and reducing expenditure. This approach would continue in to 2014/15, along side “lean lite” programmes and further reviews of its assets and investments. The Council would also be looking to share its services, such as building control, to achieve further efficiencies.

The Decision

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<th>RESOLVED:</th>
<th>1. TO RECOMMEND TO COUNCIL:</th>
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<td></td>
<td>a) Approval of the revised fees and charges for Building Control as set out in Appendix F of the report;</td>
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<td>b) Approval of the revised discretionary rate relief guidance as set out in Appendix G of the report;</td>
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<td>c) Approval of the base budget; as shown in para 8.1, subject to confirmation of the finalised Local Government finance settlement figures which may, if significant, necessitate an adjustment through the General Revenue Reserve to maintain a balanced budget;</td>
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<td>d) the use of the revenue reserves as set out in para 9.3 and 9.4;</td>
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<td>e) that the Council’s demand on the Collection Fund for</td>
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2013/14 for General Expenditure be £5,682,750 and for Special Expenditure be £70,882;

f) that the level of Council Tax be £130.68 for General Expenditure and £1.63 for Special Expenditure.

2. To note:

a) the advice of the Section 151 Officer with regard to section 25 of the Local Government Act 2003;

b) the position regarding parish precepts;

c) the future budget pressures contained in the Medium Term Plan.

The Reasons for the Decision

To provide a budget which meets the Council’s priorities and to set a level of Council Tax affordable to residents.

Other Options Considered

None

2258 CAPITAL PROGRAMME APRIL 2014 TO MARCH 2017

The subject of the decision

Members considered the report of the Head of Finance which presented Cabinet with a proposed a capital programme for the period April 2014 to March 2017.

Cllr Wheatley presented the report, explaining the proposed programme to be ambitious, with expenditure of £19.7 million over the three year period.

The Head of Finance outlined her report, explaining that the capital programme continued to be split in to two areas; those projects that would deliver on-going savings, additional income or service enhancements, and the more traditional capital programme projects.

Members noted the need to borrow in future years, although this was dependent on realisation of capital receipts and the level of revenue reserves at that time.
### The Decision

**RESOLVED:**

1. **TO RECOMMEND TO COUNCIL:**
   a) That the assumptions on which the funding of the capital programme is based are prudent;
   
   b) Approval of the capital programme for 2014/15 to 2016/17.

2. To delegate to the S151 Officer the amendment of the capital budget and financing for Equity Home Loans as and when these loans occur during the financial year.

### The Reasons for the Decision

To ensure a Capital Programme for 2014/15 to 2016/17 that is affordable and complies with Council policies.

### Other Options Considered

None

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### 2259 TREASURY MANAGEMENT STRATEGY STATEMENT AND INVESTMENT STRATEGY APRIL 2014 TO MARCH 2017

#### The subject of the decision

Members considered the report of the Accountancy Manager, which outlined the proposed Treasury Management Strategy, the Prudential Indicators, Minimum Revenue Provision and the Treasury Management Policy Statement for 2014/15 to 2016/17.

The Head of Finance drew members’ attention to the proposal to diversify the Council’s investments, in sterling, into a small number of non-UK banks in countries with AAA credit ratings, as recommended by Arlingclose, the Council’s Treasury Advisors. Members noted that the existing arrangement with Arlingclose was ending shortly, and that the Council had undertaken a tender exercise and entered into a contract with Capita Asset Services, to commence on 1 April 2014.

#### The Decision

**RESOLVED:**

1. **TO RECOMMEND TO COUNCIL:**
   a) The Treasury Management Strategy Statement for April 2014 to March 2017;
   
   b) The Prudential Indicators and Limits for the next 3 years contained within Appendix A of the report, including the Authorised Limit Prudential Indicator;
c) The Minimum Revenue Provision (MRP) Statement (outlined at paragraph 9 of the report), setting out the Council’s policy on MRP;

d) The Annual Investment Strategy 2013/14 (outlined at paragraph 6 of the report) contained in the Treasury Management Strategy, including the delegation of certain tasks to the Head of Finance;


The Reasons for the Decision

To ensure that the security of the Council’s cash above both the rate of return and the liquidity of investment.

Other Options Considered

As outlined in the report

2260 SUSTAINABILITY APPRAISAL SCOPING REPORT FOR GYPSIES AND TRAVELLERS LOCAL PLAN DOCUMENT

The subject of the decision

Members considered a report which recommended that approval of an eight week period of consultation for the Scoping Report for the Sustainability Appraisal (SA) and the Equalities Impact Assessment (EqIA) for the Gypsies and Travellers Local Plan Document (GTLP)

The Director of Growth and Localism explained that the Sustainability Appraisal /Equalities Impact Assessment Scoping Report was the first stage in the production of a Gypsies and Travellers Local Plan Document, which would eventually form part of the South Norfolk Local Plan.

In response to queries, members were informed that South Norfolk believed that due to changing guidance, emerging best practice and new information such as the number of Gypsies and Travellers pitches recently granted planning permission, the Gypsy and Traveller Accommodation Assessment (GTAA), jointly commissioned by South Norfolk, Broadland and Norwich councils, would benefit from reassessment. The Council would therefore be shortly commissioning a review of the GTAA. The current document covered a five year timeframe, whilst the GTLP was looking to identify and allocate sufficient land from 2011 up to 2026, this being the timeframe for other local plan documents. Officers were discussing these matters with adjoining local authorities, although current indications suggested that they had no desire to consider these issues as a matter of priority. Officers were confident that by discussing these matters with adjoining authorities, it had discharged the legal requirement of the Duty to Cooperate.
The Decision

RESOLVED: To agree that the Sustainability Appraisal/Equalities Impact Assessment Scoping Report be subject to a focussed consultation of specific consultees (as identified in Appendix 3 of the report) over a period of eight weeks, commencing in February 2014.

The Reasons for the Decision

To ensure a coordinated approach to the delivery of Gypsy and Traveller Local Plan Document, in line with the statutory requirements.

Other Options Considered

Not to produce a Gypsies and Travellers Local Plan Document.

2261 GREATER NORWICH CITY DEAL

The subject of the decision

Members considered the report of the Director of Growth and Localism, which summarised the content of the Greater Norwich City Deal, which had been finalised and signed on 12 December 2013. It also outlined the next stages in implementing the City Deal, in particular, the work undertaken in developing governance arrangements for delivering the proposed outcomes of the deal.

The Chairman introduced the report, drawing attention to the ambitions and the predicted outcomes of the City Deal, defined at paragraphs 1.3 and 1.4 of the report. He further outlined the proposals to create a Greater Norwich Growth Board, which would comprise of the Leaders of the relevant councils and a member of the New Anglia Local Enterprise Partnership (LEP). This Board could coordinate the delivery of growth in the Joint Core Strategy, and the delivery of City Deals work streams. The Chairman stressed that these proposals were at an early stage and required further consideration.

During discussion, Cllr B McClenning expressed his support for the City Deal, suggesting it to be a very positive step forward for the Council, in ensuring quality jobs and skills in the district. Cllr K Weeks was concerned that the predicted outcomes of the project were somewhat ambitious, referring in particular to the creation of 300 new businesses and 3,000 high value jobs across the LEP area by 2015. He also expressed concerns regarding the £60 million borrowing capability.

In response, the Chairman reminded members that South Norfolk was, in a BBC survey, recently ranked in in the top ten nationally of best places to start up a new business and he referred to the need for new infrastructure requirements in the district such as the Long Stratton bypass and the changes to the Thickthorn roundabout, reminding members that the borrowing capability was across the whole GNDP area. The Director of Growth and Localism explained that borrowing was not mandatory and that other sources of funding would continue to be sought. The Chief Executive added that she envisaged any borrowing to take place on short
term basis, and until other funding streams were in place. She did not envisage councils borrowing long term, for the full 15 year period.

The Decision

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<td>1. Note the update on the Greater Norwich City Deal;</td>
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<td>2. Delegate authority to the Chief Executive in consultation with the Leader of the Council, to draw up governance arrangements for the Greater Norwich Growth Board; the final arrangements to be reported back to Full Council.</td>
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The Reasons for the Decision

To ensure the successful delivery of growth identified in the Joint Core Strategy

Other Options Considered

None

2262 UPDATE ON COMMERCIAL ACTIVITIES

The subject of the decision

Members considered a report which sought approval to release funding through the Invest to Grow Business Reserve, in order that commercial opportunities could be seized in future, enabling the Council to make a stepped change in the level of income it generated.

Cllr D Bills commended the report to members, and paid tribute to the work of the Business Development Team. He referred to the proposals to develop a regional model for Building Control, the soon to be launched HR and Payroll IT system, and reminded members that the Council had been one of the first in the UK to obtain Public Sector Network (PSN) compliance. All these were examples of how the Council was excellently placed to build on the expertise and skills developed to seize commercial opportunities and generate additional income.

The Deputy Chief Executive outlined his report and drew members’ attention to the other options available to the Council and the risks involved in adopting this new approach.

Members agreed that the Council was well placed to drive services to deliver increased income through a more commercial approach, and did not support the more traditional local authority approach of simply reducing costs, inevitably impacting on service delivery. Cabinet recognised that additional resources were required at times to be able to capitalise on opportunities, whilst retaining resilience within existing services.

During discussion, Cllr B McClenning expressed his support for what he considered to be an intelligent and pragmatic approach. Cllr K Weeks also applauded officers
for their hard work and flexibility during recent years, but he suggested that the Council was failing to utilise valuable skills held by members.

The Chief Executive referred to the Council’s collaborative approach to working involving both officers and members. She stressed that members would be kept fully informed of specific proposals as and when they arose, but reminded Cabinet that officers would need to respond quickly to take advantage of opportunities and this approach would ensure that the best people with the right skills would be at the forefront of delivering the commercial agenda.

The Decision

| RESOLVED: | To approve the direction described in the report, and authorise officers to release funding through the Invest to Grow the Business Reserve, in consultation with the Portfolio Holders for Innovation and Efficiency, and Resources. |

The Reasons for the Decision

To deliver the pace and ambition of increasing income, through a more commercialised approach.

Other Options Considered

- Reduce costs further
- Outsource services

2263 REVIEW OF FUNDING ARRANGEMENTS

The subject of the decision

Members considered a report proposing a new protocol with regard to how the Council enters into and administers funding arrangements with voluntary and third sector organisations.

Cllr M Wilby commended the report to members, and drew attention to the Scrutiny Committee recommendations, outlined at paragraph 1.6 of the report.

The Funding Manager explained that the protocol would ensure that a consistent approach was applied to all future arrangements, with an emphasis on outcomes and organisations becoming more self-sufficient.

The Decision

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<td>1. Endorse the recommendations of the Scrutiny Committee, outlined at paragraph 1.6 of the report;</td>
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<td>2. Approve the Protocol and approaches identified at paragraph 7 of the report.</td>
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The Reasons for the Decision
To provide a greater level of transparency, ensuring a more consistent approach.

Other Options Considered
None

2264 LONG STRATTON AREA ACTION PLAN
Members noted the latest position with regard to the Long Stratton Area Action Plan.

2265 CABINET CORE AGENDA
Members noted the latest version of the Cabinet Core Agenda.

(The meeting concluded at 11.29 am)

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Chairman