CABINET

Minutes of a meeting of the Cabinet of South Norfolk District Council held at South Norfolk House, Long Stratton on Monday 15 February 2016 at 9.00 a.m.

Members Present:

Cabinet: Councillors
J Fuller (Chairman)
M Wilby, Y Bendle, L Hornby, M Edney and K Mason Billig

Non-Appointed: Councillors
D Bills, P Broome, L Dale, F Ellis, M Gray, C Hudson, N Legg, T Lewis, J Mooney, V Thomson
J Wilby

Officers in Attendance: The Chief Executive (S Dinneen), the Director of Business Improvement (D Lorimer), the Director of Growth and Localism (T Horspole), the Head of Growth and Economic Development (J Munson), the Accountancy Manager (M Fernandez-Graham), the Governance and Business Manager (L Mickleborough), the Planning Policy Manager (A Nicholls), the Corporate Programmes – Projects and Process Manager (A Mewes), the Scrutiny and Information Rights Officer (E Goddard) and the Strategy and Corporate Development Officer (H Ralph).

2431 MINUTES

Under minute number 2430, the Chairman requested that the minutes be amended to reflect that Mr Scott, the owner of the Kings Head, Pulham St Mary, was in attendance whilst that item was discussed. Subject to that change, the minutes of the meeting held on Monday 18 January 2016 were agreed as a correct record and signed by the Chairman.
The Subject of the Decision

Members considered the report of the Head of Growth and Economic Development, which updated Cabinet on the delivery of the first stage Better broadband for Norfolk (BBfN) contract, and outlined the potential next steps towards achieving the National and County level target of 95% coverage of high speed broadband.

The Head of Growth and Economic Development outlined the key issues of his report, referring to the success of the BBfN programme, in improving high speed broadband coverage across Norfolk. Members noted that South Norfolk had the second largest increase in coverage of high speed broadband from 14% to 75%, and that the Superfast Extension Programme (SEP), with the extra funding from the District Councils, would take coverage in South Norfolk up to 91%. The Head of Growth and Economic Development added that the proposed additional investment from South Norfolk Council, would enable approximately 3,000 additional premises to be covered by high speed broadband. He also highlighted plans by officers to address needs within areas not covered by the BBfN.

Cllr C Hudson, Chairman of the Broadband and Growth Infrastructure Task Group, urged members to support the release of £570,000 to fund the SEP, explaining that this investment would represent value for money in terms of coverage and the impact on residents and businesses. He hoped that a mapping system would soon be available, so that residents could identify on a postcode basis and traffic light system, when high speed broadband was likely to become available. The task group had been looking to address problem areas with BT, and some easy wins had been resolved with data base errors being identified and rectified. Members also noted that some member grant budgets had been used to install superfast hubs in areas such as village halls, which provided a saving to those residents not requiring high speed broadband on a permanent basis at home. Cllr Hudson explained that a plan was being developed by the Council to address those weak areas not covered by the BBfN.

Members commended the work of the Task Group and the positive engagement with BT. The Chairman suggested that a copy of Appendix A to the report, which highlighted the progress to date, and detailed the Government’s Satellite voucher scheme, should be sent to all parish and town councils. He stressed the importance of addressing needs in those areas not covered by the BBfN, and asked that a report detailing this work be presented to Cabinet at its meeting on 21 March.
The Decision

RESOLVED

1. To agree to the release of £570,000 funding for the Better Broadband for Norfolk Programme (Superfast Extension Programme).

2. To delegate authority to the Director of Growth and Localism to develop proposals for a new programme to reach those weaker broadband service areas and ‘not spots’ utilising alternative technologies and solutions, with further details to be reported to the Cabinet meeting on 21 March 2016.

3. That the report regarding Better Broadband for Norfolk (detailed at Appendix A of the report), be circulated to all Town and Parish Clerks

The Reasons for the Decision

To provide conditions to stimulate growth, productivity and prosperity, and to improve the quality of life of communities, in line with the Council’s priorities.

Other Options Considered

Not to provide the £570,000 funding required for the Superfast Extension Programme.

2433 GREATER NORWICH LOCAL PLAN UPDATE AND UPDATE TO THE SOUTH NORFOLK LOCAL DEVELOPMENT SCHEME

The Subject of the Decision

Members considered the report of the Planning Policy Manager, which provided an update to Cabinet on the Greater Norwich Local Plan and sought approval for the updated Local Development Scheme (LDS), setting out the timetable and details of Local Plan document production.

The Planning Policy Manager presented his report, explaining that the Council was working jointly with the other Greater Norwich authorities to prepare a single Greater Norwich Local Plan (GNLP), for adoption in 2020. The work would take approximately four years to complete and would need to be kept under review, to take account of significant changes nationally.
Referring to Appendix 1 of the report, the Chairman queried the timetable for the call for development sites for inclusion in the GNLP, and the Director of Growth and Localism explained that this would need to be carried out at this time, in order to have any hope in meeting the proposed GNLP adoption date. Some members were concerned that this might cause unease amongst residents, so soon after the adoption of the current Local Plan, and the Chief Executive stressed the importance of a robust communication plan and the need to manage and shape expectations.

Cllr M Gray referred to the need to adopt the South Norfolk Statement of Community Involvement before any call for sites was put forward, and the Chairman suggested that the production milestones within the LDS needed to be more explicit, to avoid confusion.

Drawing attention to paragraph 2.8 of the report regarding revised governance arrangements of the Greater Norwich Growth Board, the Director of Growth and Localism explained that he would not be in a position to report to Council on 23 February, as suggested. He was, at this stage, not able to confirm whether or not he would be in a position to report back to Cabinet at its meeting on 21 March. The Chairman stressed the need to ensure that all members understood each stage of the process and he suggested that there may be a need to re-establish the Council’s Local Planning Steering Group.

The Decision

RESOLVED: To approve the updated South Norfolk Local Development Scheme as outlined at Appendix 1 of the report, subject to minor amendment, with immediate effect.

The Reasons for the Decision

To ensure that the Local Development Scheme is up to date and complies with statutory requirements.

Other Options Considered

None

CONSULTATION ON PROPOSED CHANGES TO THE NATIONAL PLANNING POLICY FRAMEWORK

The Subject of the Decision

Members considered the report of the Planning Policy Manager, which presented members with a draft response to the Government consultation on proposed changes to the National Planning Policy Framework (NPPF).
The Planning Policy Manager explained that some of the changes proposed to the NPPF were significant and could have major implications for South Norfolk and Greater Norwich. He drew particular attention to the proposed changes to the definition of affordable housing (to include starter homes), the proposal that development on unallocated small sites should be supported, and the suggestions that under-used or unviable commercial land should be released for housing.

Discussion followed with regard to the potential increase in the number of houses likely to be exempt from Community Infrastructure Levy (CIL).

In response to a query regarding Question 19 of the consultation, the Planning Policy Manager explained that “Green Belt” referred to the technical planning definition, of which South Norfolk had none. However, members suggested that a reference to South Norfolk’s “strategic gaps” although not technically classed as “green belt”, would be appropriate. The Chairman also made reference to Question 12, and suggested that the concern that allocated sites might be left undeveloped required enhancing.

The Chairman requested that all key points in the Council’s response be highlighted in bold, and suggested that the Director of Growth and Localism made all the required amendments, in consultation with Cllr L Hornby.

The Decision

RESOLVED: To:

1. Agree the draft South Norfolk/Greater Norwich Growth Board response as set out in Appendix 1 of the report, subject to minor amendments, and to authorise the Director of Growth and Localism in consultation with Cllr L Hornby, to make changes as appropriate;

2. Authorise the Director of Growth and Localism to agree (with Greater Norwich colleagues) a combined Greater Norwich Growth Board response to the consultation, which may vary slightly from the South Norfolk response.

The Reasons for the Decision

To ensure that the Council’s views are taken in to account, when changes to the NPPF are made.
Other Options Considered

None

2435 PROCUREMENT CONSORTIUM

The Subject of the Decision

Members considered the report of the Governance and Business Manager, which outlined the benefits and sought Cabinet support, to the hosting of a Procurement Consortium, similar to the Audit Consortium model.

In presenting her report, the Governance and Business Manager explained that both Great Yarmouth Borough Council, and North Norfolk District Council wanted to proceed with a full Procurement Consortium arrangement, in partnership with South Norfolk Council. Other authorities in Norfolk had indicated that they could be interested in procuring additional resources and support for major procurement projects, as and when required.

Members noted that a needs analysis was required to inform the resource requirements going forward to enable a procurement team to be developed.

The Decision

RESOLVED: To

1. Agree to host a Procurement Consortium to provide support and advisory services to South Norfolk Council, Great Yarmouth Borough Council, and North Norfolk District Council;

2. Agree for officers to continue to progress the investigative work to determine resource requirements for the three potential partners;

3. Delegate to the Director of Business Development, approval of the Procurement Consortium Partner Agreement on the understanding that any Agreement will be in line with the principles set out within the report.
The Reasons for the Decision

To secure economies of scale and greater resilience.

Other Options Considered

To recruit individual staff on a council by council basis.

2436 GROWTH OF INTERNAL AUDIT CONSORTIUM

The Subject of the Decision

Members considered the report of the Internal Audit Consortium Manager, which sought Cabinet approval to allow South Holland District Council, to delegate their internal audit services to South Norfolk Council.

The Internal Audit Consortium Manager outlined her report, explaining that extending the consortium would assist with building overall resilience and allow for growth in the future, should opportunities arise. In response to a query from Cllr T Lewis, she confirmed that Cllr G Wheatley, as the Chairman of the Finance, Resources, Accounts and Governance Committee, had been consulted with regard to the proposed expansion of the service.

The Decision

RESOLVED: To agree to South Holland District Council delegating the provision of internal audit services to South Norfolk Council under the Local Government Act 1972, section 111 and 113 and s.9EA of the Local Government Act 2000.

The Reasons for the Decision

To allow for greater resilience and build excellent strategic relationships with neighbouring local authorities.

Other Options Considered

None
NEW HOMES BONUS: SHARPENING THE INCENTIVE – TECHNICAL CONSULTATION
SOUTH NORFOLK COUNCIL RESPONSE

The Subject of the Decision

Members considered the report of the Strategy and Corporate Development Officer, which presented Cabinet with a draft response to the Government’s New Homes Bonus consultation.

The Strategy and Corporate Development Officer presented her report, explaining that as one of the biggest deliverers of housing growth nationally, the Council would be one of the biggest losers as a result of any changes to the scheme. The Council’s response to the consultation outlined how it had used the New Homes Bonus to invest in a number of key growth initiatives, and the response also put forward alternative long term solutions.

The Chairman suggested that key points in the consultation response should be highlighted in bold and that it should be emphasised that whilst understanding the need for the Government to balance the social care funding gap, it should not be done at the expense of incentives to growth.

The Decision

RESOLVED: To

1. Note the potential financial implications of the reduction to New Homes Bonus for the authority;
2. Note the potential disincentive for growth for the authority through the changes to the New Homes Bonus scheme;
3. Agree the proposed South Norfolk response for submission, subject to minor changes.

The Reasons for the Decision

To ensure that the Council’s views are taken in to account when changes to the New Homes Bonus Scheme are made, and to maximise any opportunities to work with the Government on alternative long term solutions.
2438 PERFORMANCE, RISKS AND REVENUE BUDGET POSITION REPORT FOR QUARTER 3 2015/16

The Subject of the Decision

Members considered the report of the Corporate Programmes Projects and Process Manager, the Accountancy Manager and the Scrutiny and Information Rights Officer, which detailed the Council’s performance against strategic measures, risk position and the revenue budget position at the end of the third quarter for 2015/16.

The Corporate Programmes Projects and Process Manager explained that performance during the third quarter of the financial year had generally been positive, with the majority of indicators either meeting or exceeding their profiled targets. He drew attention to areas that had shown exceptionally high performance, and reference was made in particular to LI 263, the Number of Missed Bins for all waste per 100,000 collections.

Discussion followed concerning those indicators that were in an acceptable tolerance of target and members noted that BV 012, the Number of Days Lost to Sickness Absence, would reduce from 6.07 days to 2.55 days if long term sickness was excluded from the calculation. Cllr M Edney suggested that long term and short term sickness be reported separately in future.

The Chairman was pleased to note that performance had been positive in all areas, with no indicators receiving a red status due to the stretched targets not being met. He was a little disappointed with LI 613, the Number of New Start-up Businesses in South Norfolk (127 against a year-end target of 225) but the Corporate Programmes Project Manager explained that the end of year target had been set up at a time when the Enterprise Norfolk Programme had existed to help achieve the end of year target. The Chief Executive referred to the gap in the funding for the Enterprise Hub back in the summer, and suggested that figures should start to pick up and be readily available now that relevant financing was in place.

Turning to risks, the Scrutiny and Information Rights Officer outlined the current position and reported that at present, all risk factors were positive, indicating that the Council was proactively managing risks and capable of realising opportunities as they were identified. The Chairman referred to the changes in future funding in Local Government, and requested that the strategic risk register be updated to reflect the risks associated with the future of Local Government Finance.
Referring to the revenue budget position for quarter 3, the Accountancy Manager explained that there was a net favourable variance and additional income generated of £2.1 million, with an anticipated year end position of a positive variance of £2.5 million.

Reference was made to the positive variance on energy budgets owing to the closure of Wymondham Leisure Centre and the mild weather up to the end of December, and the Chairman was pleased to note that membership levels at the Wymondham Leisure Centre throughout the refurbishment had been higher than expected. With regard to the lower than anticipated domestic waste income from the Materials Recycling Facility, Cllr K Billig referred to the robust contracts in place, and she was hopeful that performance would improve.

The Decision

RESOLVED:

1. To note the 2015/16 performance for the third quarter and the combined efforts across theDirectorates to deliver the vision of the Council;
2. (a) To note the current position with regard to risks and to accept the actions to support risk mitigation
   (b) That the strategic register be updated to reflect the risks associated with the future of Local Government Finance.
3. To note the revenue position and the reasons for the variances on the General Fund.

The Reasons for the Decision

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

Other Options Considered

None
2439 CAPITAL AND TREASURY REPORT QUARTER 3 2015/16

The Subject of the Decision

Members considered the report of the Accountancy Manager, which detailed the position on the Council’s capital programme for Q3 2015/16, the treasury management activity during the same quarter, and performance against the prudential indicators required under the Treasury Management Code of Practice.

The Accountancy Manager outlined the key issues of his report, explaining that capital expenditure was £14.6 million for quarter 3, against a quarter 3 budget of £17.7 million. With regard to Treasury Management, he explained that total investments had increased significantly, to £41.2 million as at 31 December 2015.

During discussion, Cllr M Edney explained that slippage on the capital programme was mainly in Property Development, Broadband and toilets, and involved the more complex schemes. With regard to interest rates, the Accountancy Manager explained that Capita, the Council’s Treasury Management advisors, had advised that although it had been predicted that rates were likely to rise by the end of the year, this was still subject to considerable uncertainty.

The Decision

RESOLVED:

1. To:
   a) Approve the request to increase the funding for the Ice House Project to £22,000, by transferring £12,000 of the budget for Operational Property Planned Maintenance to the Ice House project as outlined in section 2.3.
   b) Approve the request to transfer £40,000 of the budget for Decent Home Loans to health and safety work at the Ketteringham Depot as outlined in section 2.8 of the report.
   c) Approve the request for a 99 year lease on the sub-station at South Norfolk House as outlined in section 2.13 of the report.
   d) Approve the sale of the hostel at Chedgrave to Big Sky Property Management Ltd (BSPML) at a price to be determined by valuation and to provide funding to BSPML to undertake this transaction. This funding would be a mixture of a loan and further equity shares, with the value being determined by the valuation of the property.
   e) Approve the rent review for Diss Business Centre as outlined in section 5.3 of the report.
2. TO RECOMMEND THAT COUNCIL:
   a) Approves the 2015/16 prudential indicators for the quarter
   b) Notes the treasury activity in quarter three and that it complies with the agreed strategy.

The Reasons for the Decision

To ensure that the capital programme is on target and is aligned to the Council’s priorities. To ensure a balanced treasury management portfolio in terms of risk, rates and liquidity.

Other Options Considered

None

2440 BUDGET CONSULTATION 2016/17

The Subject of the Decision

Members considered the report of the Senior Accountant, which outlined the key messages arising from the budget consultation exercise, to inform members’ consideration of the budget proposals for the financial year 2016/17.

The Director of Business Improvement presented the report, briefly summarising the results of the consultation exercise. She explained that the most important area that businesses and residents felt that the focus of spending should be on was waste and recycling, and development management and planning. The majority of respondents had also felt that in order to make savings, the Council should continue its review of services and increase the provision of online services. Members noted that the feedback on council tax levels had been inconclusive, with greater support received from businesses for an increase.

Following a discussion around the comments received as part of the consultation exercise, the Chairman raised the issue of signage along the highway to advertise events and promote businesses. He referred in particular to a structure on the A140 roundabout near Harford Bridge. Members agreed that a report with regard to the policy concerning signs along the highway, should be presented to Cabinet at its meeting on 21 March 2016.
The Decision

RESOLVED: To note the feedback received during the consultation exercise.

The Reasons for the Decision
To take in to account the issues raised when determining the budget and level of council tax for 2016/17.

Other Options Considered
None

2441 2016-17 BUSINESS PLAN APRIL 2016 TO MARCH 2021

The Subject of the Decision

Members considered the report of the Corporate Programmes – Projects and Process Manager, which sought Cabinet approval of the Council's Business Plan 2016/17.

The Corporate Programmes – Projects and Process Manager outlined the key areas of his report to members. He explained that the Plan had been presented to the Scrutiny Committee on 2 February, and it had, subject to the correction of a few minor typographical errors, been recommended to Cabinet for approval.

The Chairman felt the document to be an impressive piece of work, which clearly outlined what the Council was trying to achieve, drilling down in to a series of activities. Members were pleased to see a number of new measures, with the focus being on long term outcomes.

The Decision

RESOLVED: To approve the 2016-17 Business Plan
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

2442 REVENUE BUDGET AND COUNCIL TAX 2016/17

The Subject of the Decision

Members considered the report of the Director of Business Development and the Accountancy Manager, which proposed the Council’s revenue budget for 2016/17, and detailed proposals for revenue reserves and council tax levels. The report also presented members with an updated Medium Term Plan for 2016/17 to 2020/21.

Cllr J Fuller began by explaining that the fundamental shift in the direction of local government finances announced in the spending review, had left district councils the hardest hit of all types of authority. He made reference to the retention of local business rates, pending changes to the New Homes Bonus, and the reduction of Revenue Support Grant that would become a payment to the Government in 2019/20. Due to these changes, a rise in council tax levels was proposed, in order to ensure that the Council was in a position to remain ambitious and services were maintained.

The Director of Business Development outlined the key areas of her report to members. She advised that since writing the report, the Council had been awarded an additional Rural Services Delivery Grant of £236,000 for 2016/17, and £122,000 for 2017/18.

As Section 151 Officer, the Director of Business Improvement explained that in her opinion, the budget had been constructed on a prudent basis. She drew attention in particular to risks associated with pending changes to the New Homes Bonus, the retention of business rates and potential appeals from doctors’ surgeries and hospitals, and the need to find additional income and savings totalling £2.8 million on an annual basis by 2020/21. Members noted the proposed increase on council tax levels of £4.32 for a Band D property.
The Decision

RESOLVED: 1. TO RECOMMEND TO COUNCIL

a) approval of the base budget; as shown in para 7.1 of the report, subject to final 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;

b) the use of the revenue reserves as set out in para 8.2 and 8.3 of the report;

c) that the Council’s demand on the Collection Fund for 2016/17 for General Expenditure shall be £6,122,655 and for Special Expenditure be £73,925;

d) that the Band D level of Council Tax be £135.00 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
2443  CAPITAL PROGRAMME APRIL 2016 TO MARCH 2021

The Subject of the Decision

Members considered the report of the Accountancy Manager which presented Cabinet with a proposed capital programme for the period 2016/17 to 2020/21, for approval.

The Director of Business Improvement presented the report explaining that the capital programme covered a period of five years, with expenditure of £31 million. She drew attention to a number of schemes detailed within the Programme, and she explained that from 2016/17, borrowing could be required, although it was anticipated that this would be managed within the Council’s existing balances to avoid external borrowing costs.

Members noted that since the report had been produced, the Council had received more grant funding for Disabled Facilities than was expected for 2016/17, totalling £715,645. Both Appendix A (the Capital Programme), and Appendix B (Capital Funding), required amending to reflect this change.

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 2015/16 to 2019/20, noting that both the funding and capital programme for Disabled Facilities Grants has increased and is now £715,645.

2. To delegate to the S151 Officer the amendment of the capital budget and financing for Green Deal improvement grants, should this be required, as and when expenditure occurs during the financial year.

The Reasons for the Decision

To ensure a Capital Programme for 2016/17 that is affordable and complies with Council policies.
Other Options Considered

None

2444 TREASURY MANAGEMENT STRATEGY STATEMENT AND INVESTMENT STRATEGY 1 APRIL 2016 TO 31 MARCH 2019

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 2016/17 to 2018/19.

The Accountancy Manager presented his report to members, drawing attention to the key issues. He stressed that security of investments remained the primary consideration.

The Decision

RESOLVED: TO RECOMMEND TO COUNCIL:

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 (section 8 of the report) setting out the Council’s policy on MRP.
d) The Annual Investment Strategy 2016/17 (section 5 of the report) contained in the Treasury Management Strategy, including the delegation of certain tasks to the Director of Business Development.

The Reasons for the Decision

To ensure the security of the Council’s cash above the liquidity of the investment and that the Council’s Investment Strategy remains prudent and complies with statutory requirements.
Other Options Considered

None

2445 CABINET CORE AGENDA

Members noted the latest version of the Cabinet Core Agenda.

(The meeting concluded at 11.10 a.m.)

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Chairman