Committee Members Present: Councillors M Dewsbury (Chairman), T Blowfield, L Hornby, T Lewis, B McClennig, A Pond, S Thomson, K Weeks, J Wilby and (for part of the meeting) K Tilcock

Apologies: Councillor V Bell

Cabinet Members in Attendance: Councillors G Wheatley and Y Bendle

Officers in Attendance: The Chief Executive (S Dinneen), the Head of Finance (D Lorimer), the Business Improvement Manager (W Salmons) and the Scrutiny Officer (E Nangle)

1101 DECLARATIONS OF INTEREST

The following member declared an interest in the matter listed below. Unless indicated otherwise, they remained in the meeting.

<table>
<thead>
<tr>
<th>Councillor</th>
<th>Minute</th>
<th>Declaration</th>
</tr>
</thead>
<tbody>
<tr>
<td>B McClennig</td>
<td>1103</td>
<td>Patron of Wymondham Music Festival Son is employee at Ketteringham Depot</td>
</tr>
</tbody>
</table>

1102 BUDGET 2014/15

a) REVENUE BUDGET AND COUNCIL TAX 2014/15

Members considered the report of the Head of Finance, which detailed the Revenue Budget from which Council Tax levels would be determined by Full Council. Cllr Wheatley advised members that all three financial reports, which were to be discussed, were based on strength and resilience, and assured the Committee that the Council's reserves covered 70% of its budget. He further added that freezing Council Tax levels for a further year was in line with the Council's trend of generating revenue through commercialisation. The Head of Finance summarised the salient points contained in the report and members discussed the issues raised.
Concerns were raised that only 32 public replies had been received to the online consultation for the budget setting process. Cllr Wheatley agreed that this had been disappointing but advised the Committee that the opportunity for comment had been offered and that the views of those who had replied largely coincided with those of members. He added that in previous years, groups had been consulted on the process but that only a similar number of comments had been received. The Chief Executive explained that the consultation had taken place online as this was the most cost effective method, stressing the importance of a proportionate approach; if more significant changes had been proposed, a more comprehensive consultation would have been employed. In addition a separate consultation had been held with businesses at a business breakfast meeting and this had provided a good level of discussion around the Council Tax levels. The responses to the business budget questionnaire were also in line with those received from the public.

In response to a query regarding the New Homes Bonus becoming increasingly significant as a source of funding, Cllr Wheatley again reassured the committee of the level of the Council’s reserves, the Chief Executive adding that no representations had been made to date from any of the national political parties around the scheme and that this would be a political decision.

The Head of Finance gave a brief summary of the fees and charges, advising that a freeze was planned for car parking, in line with the Market Town Initiative.

Members discussed the report anticipated to be brought to Full Council in February 2014 regarding the adoption of Community Infrastructure Levy (CIL). In response to a query raised by a member, the Chief Executive explained the issues regarding the timing around the implementation of CIL. She advised the Committee that, after consultation with NpLaw, the date to be determined for the introduction of the Levy would need to accommodate the existing Section 106 agreements and to allow developers adequate notice. It was noted that members of the Environment, Regulation and Growth Policy Committee were being kept fully informed regarding CIL.

The Committee discussed Parish and Town Precepts set for 2014/15, commenting that although South Norfolk Council had not increased Council Tax for five years, many residents were possibly unaware of this and only noted an overall increase.

In response to a member’s query regarding the high level of reserves held against the National Non-Domestic Rates (NNDR) Discretionary Rate Relief Guidance, the Head of Finance advised that as the Council enjoyed the benefits of growth year on year, the potential fall would be much greater over the years, and therefore a large reserve was required which would enable to Council to act quickly if required.

After general discussion it was:

RESOLVED:

1. to endorse the recommendations of Cabinet for the Revenue Budget and Council Tax 2014/15;

2. to commend and thank officers and Cabinet regarding the 0% increase in Council Tax.
b) CAPITAL PROGRAMME APRIL 2014 TO MARCH 2017

The Head of Finance introduced the report which focused on supporting: changes to introduce more efficient forms of service delivery; opportunities to generate additional income; and economic development within South Norfolk. She summarised the salient points contained in the report and invited questions and comments from the Committee.

In response to a member’s enquiry regarding whether Right to Buy receipts could be put into building more affordable housing, the Head of Finance advised that a decision was made some years ago to fund the low cost housing scheme from the affordable housing element of the New Homes Bonus as Right to Buys would diminish. This funding from the New Homes Bonus would build over the next six years by around £50,000 a year so that by year six it would be around £300,000. Initially the Council had pump primed the funding of low cost housing by £300,000 from the first year funding of New Homes Bonus.

Members discussed the Capital Programme around the developments at Poringland and Cygnet House. The Head of Finance advised the Committee that capital would be generated from the developments in the form of property sales and that the Council’s revenue budget would benefit from the commercial rents it would receive on any property it retained. Currently the Council envisaged retaining the commercial units and up to 10 houses from the Poringland Scheme. She confirmed the Council’s proposed objective to put cash reserves into property as these would earn a higher level of return than currently available on cash investments.

One member raised a concern that investing capital in property was risky and that the potential returns might not justify such a risk, adding that the tying up of capital would result in the loss of liquidity in the Council’s funds and that the income from rents could be reduced if properties were unoccupied. A brief discussion followed during which members commented that the capital growth of the properties needed to be factored into any potential risk, and it was also noted that the figures shown in the Head of Finance’s report had already factored in voids of rental properties.

It was then:


c) TREASURY MANAGEMENT STRATEGY STATEMENT AND INVESTMENT STRATEGY APRIL 2014 TO MARCH 2017

The report was introduced by Cllr Wheatley and the Head of Finance who summarised the salient points of the Treasury Management Statement and Investment Strategy.

Cllr Wheatley reiterated that the Council’s Investment Strategy was based on the trends of reallocating funds from cash into property, and of generating revenue through commercialisation

Following a member’s query, the Head of Finance explained the reasons for changing the Council’s Treasury Management Advisers from Arlingclose Ltd to Capita Asset Services with effect from 1 April 2014.
Members briefly discussed the Council’s costs of managing its investments and officers provided information on some officer roles, but it was noted that a full assessment of officer time and costs would not be an effective use of officer time and that any findings would not justify the cost of the exercise.

Members had no further comments or questions and it was:


1103 REVIEW OF SCRUTINY DIRECTORATE PLANNING WORKSHOP

The Business Improvement Manager gave a brief overview of his report which outlined the discussions from the Scrutiny workshop held on 12 December 2013, and demonstrated how member feedback had been used as part of the directorate planning process and had added value to the organisation. He invited comments and questions from the Committee.

In response to a member’s query regarding the number of activities that had been prioritised, the Chief Executive confirmed that at the start of the process, there had been many more suggested projects which, after assessment, had been reduced. She confirmed that the process was flexible and subject to change but that, with the resources available, the Council could deliver on those projects prioritised.

Following a brief discussion, during which the Chairman suggested that table plans be considered at future workshops, members were pleased with the outcome of the workshop and it was:

RESOLVED:

to endorse a further café style workshop as part of the 2015/16 directorate planning process.

1104 FILMING COUNCIL MEETINGS

Members considered the report of the Compliance and Risk Manager which updated members on the legislation regarding the filming of Council meetings as part of the Local Audit and Accountability Act. The Scrutiny Officer presented the report, advising the Committee that much of the detail regarding the regulations remained unclear. Members were advised that, as Councils were required to implement the new rules by 30 March 2014, it would be necessary to employ temporary measures to ensure that South Norfolk Council would be legally compliant, with a formal recommendation to Council on 19 May 2014, once officers and members had sufficient time to properly consider how the regulations should be applied.
In response to concerns raised regarding homelessness appeals and safeguarding matters, the Scrutiny Officer reassured members that these would remain exempt from the press and public and therefore would not be filmed.

The Chief Executive commented that a view would need to be taken on whether South Norfolk Council should record every public meeting, bearing in mind that once a meeting was filmed, recordings would have to be released upon request.

In response to a question regarding whether parish councils would be included in the legislation, the Scrutiny Officer agreed to investigate and feed this back to the Committee.

Some concerns were raised regarding the public perception of some Councillors who might be less or more active in meetings which could be misleading.

Members were in agreement that full training would be required to ensure that members and Chairmen were fully briefed and able to ensure that any points raised and discussed in Committees were relevant and fully covered off to prevent statements being misinterpreted or taken out of context.

RESOLVED:

  to endorse the proposed temporary solution at paragraph 3.2 of the report.

1105 SCRUTINY WORK PROGRAMME, RECOMMENDATIONS TRACKER AND THE CABINET CORE AGENDA

It was suggested that an update on the Market Towns Initiative and its forward planning for 2015 be brought to the 14 October 2014 meeting of the Scrutiny Committee.

The Work Programme and Recommendations Tracker were noted.

(The meeting concluded at 11.05 am)

Chairman