

Overview & Scrutiny Committee Review of Cabinet Agenda

Agenda

Date

Tuesday 19 November 2019

Members of the Overview & Scrutiny Committee

Mr S Riley (Chairman) Mr A D Adams (Vice Chairman)

Mr S C Beadle Mr D King
Mr N J Brennan Mr M L Murrell
Mr P E Bulman Mr G K Nurden
Ms S J Catchpole Mrs S M Prutton
Ms N J Harpley Mrs C E Ryman-Tubb
Ms S I Holland Mr N C Shaw
Mr K S Kelly

Substitutes Conservative

Mr A D Crotch
Mr J F Fisher
Mr R R Foulger
Ms R M Grattan
Mr K G Leggett
Mr I J Mackie
Mr G F Peck
Miss J L Thomas
Mrs K A Vincent
Mr J M Ward

Substitutes Liberal Democrat

Mr D G Harrison
Mrs C Karimi-Ghovanlou
Dr K E Lawrence
Mr D Roper

Substitute Labour

Mrs B Cook

Time

10.00 am

Place

Council Chamber
Thorpe Lodge
1 Yarmouth Road
Thorpe St Andrew
Norwich

Contact

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@BDCDemServices

If any Member wishes to clarify details relating to any matter on the agenda they are requested to contact the relevant Director / Assistant Director

The Openness of Local Government Bodies Regulations 2014

Under the above Regulations, any person may take photographs, film and audio-record the proceedings and report on all public meetings. If you do not wish to be filmed / recorded, please notify an officer prior to the start of the meeting. The Council has a protocol, a copy of which will be displayed outside of each meeting room and is available on request.

DECLARATIONS OF INTEREST AT MEETINGS

When declaring an interest at a meeting Members are asked to indicate whether their interest in the matter is pecuniary, or if the matter relates to, or affects a pecuniary interest they have, or if it is another type of interest. Members are required to identify the nature of the interest and the agenda item to which it relates. In the case of other interests, the member may speak and vote. If it is a pecuniary interest, the member must withdraw from the meeting when it is discussed. If it affects or relates to a pecuniary interest the member has, they have the right to make representations to the meeting as a member of the public but must then withdraw from the meeting. Members are also requested when appropriate to make any declarations under the Code of Practice on Planning and Judicial matters.

Have you declared the interest in the register of interests as a pecuniary interest? If Yes, you will need to withdraw from the room when it is discussed.

Does the interest directly:

1. Affect yours, or your spouse / partner's financial position?
2. Relate to the determining of any approval, consent, licence, permission or registration in relation to you or your spouse / partner?
3. Relate to a contract you, or your spouse / partner have with the Council
4. Affect land you or your spouse / partner own
5. Affect a company that you or your partner own, or have a shareholding in

If the answer is "yes" to any of the above, it is likely to be pecuniary.

Please refer to the guidance given on declaring pecuniary interests in the register of interest forms. If you have a pecuniary interest, you will need to inform the meeting and then withdraw from the room when it is discussed. If it has not been previously declared, you will also need to notify the Monitoring Officer within 28 days.

Does the interest indirectly affect or relate any pecuniary interest you have already declared, or an interest you have identified at 1-5 above?

If yes, you need to inform the meeting. When it is discussed, you will have the right to make representations to the meeting as a member of the public, but must then withdraw from the meeting.

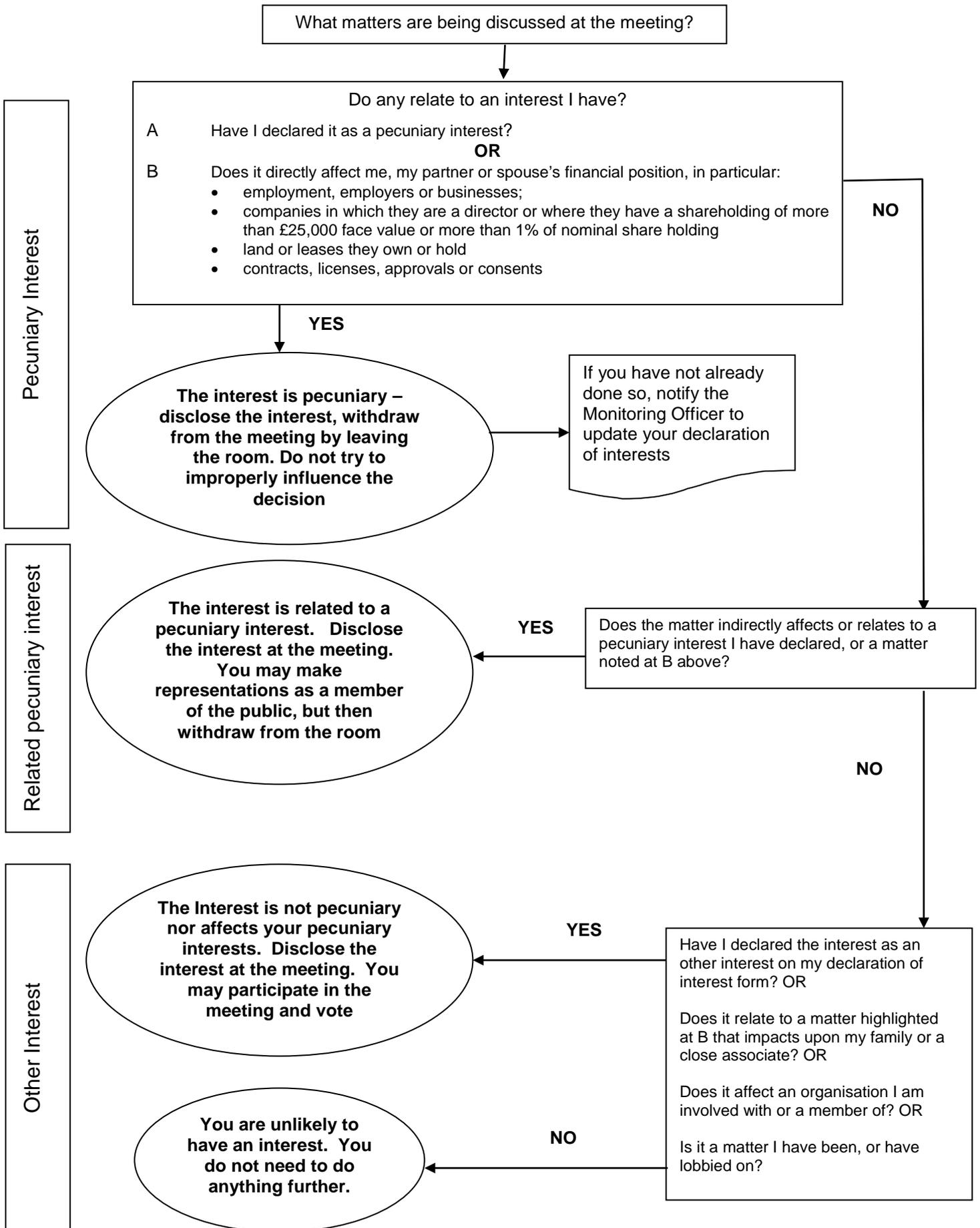
Is the interest not related to any of the above? If so, it is likely to be another interest. You will need to declare the interest, but may participate in discussion and voting on the item.

Have you made any statements or undertaken any actions that would indicate that you have a closed mind on a matter under discussion? If so, you may be predetermined on the issue; you will need to inform the meeting, and when it is discussed, you will have the right to make representations to the meeting as a member of the public, but must then withdraw from the meeting.

FOR GUIDANCE REFER TO THE FLOWCHART OVERLEAF

PLEASE REFER ANY QUERIES TO THE MONITORING OFFICER IN THE FIRST INSTANCE

DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF



Minutes of a meeting of the **Overview & Scrutiny Committee – Review of Cabinet Agenda** held at Thorpe Lodge, 1 Yarmouth Road, Thorpe St Andrew, Norwich on **22 October 2019** at **10.00 am** when there were present:

Mr S Riley – Chairman

Mr A D Adams
Mr S C Beadle
Mr N J Brennan
Mr P E Bulman
Ms S J Catchpole

Ms N J Harpley
Ms S I Holland
Mr K S Kelly
Mr D King
Mr M L Murrell

Mr G K Nurden
Mrs S M Prutton
Mrs C E Ryman-Tubb
Mr N C Shaw

Mr Emsell and Mrs Hemsall attended the meeting for its duration. Dr Lawrence and Mrs Leggett attended the meeting for item 70 – Environmental Action Plan and Policy Statement.

Also in attendance were the Director of Place, Director of Resources, Elections Manager (Deputy Monitoring Officer), Environmental Management Officer (AO), Revenues and Benefits Manager, Environmental Protection Manager, Operations Manager, Senior Committee Officer and the Committee Officer (JO).

68 DECLARATIONS OF INTEREST UNDER PROCEDURAL RULE NO 8

Member	Minute No & Heading	Nature of Interest
Ms Catchpole	72 – Council Tax Good Practice Protocol	Local Choice non pecuniary – volunteer at Citizens Advice

69 MINUTES

The Minutes of the meeting held on 8 October 2019 were confirmed as a correct record and signed by the Chairman, save for the following amendments:

Mr Murrell was added to the list of apologies.

Minute No. 64 – EcoCube Time and Task Panel Recommendation Report

The following paragraphs were added to the Minute:

The Chairman of the Time and Task Panel advised the meeting that there were two key aspects to the ~~Portfolio Holder's decision~~ mistakes made:

1. The accounting treatment:

Rather than treat the purchase of a finance lease in accordance with IAS 17, it was treated as the purchase of a building.

The Council paid an amount of £340,000 to the landowner to build the EcoCube. The Council would then lease the building from the landowner for a period of 25 years, but would not pay rent for the first ten years. The remaining 15 years would be at a rent to be determined. So, for the five years that the Council held the lease, the de facto rent was £34,000 per annum.

By treating the lease as a building purchased – but not owned, the Council recorded an asset in its accounts, which it later revalued as Land and Buildings of £685,000. The building was being depreciated in our accounts over a period of 49 years, which was regarded as its useful life. At the time of surrender, the book value of the land and building was £637,000 which is the amount written off in the 2017/18 accounts as a loss on disposal of an asset (which we did not own).

The paradox in the way it was treated is that ‘what would the situation be in year 11 when we would be paying a market related rent to a landlord while reflecting an annual depreciation charge in the accounts against an asset we did not own’.

Had the lease been treated differently in the accounts, the actual loss to the Council would have been £170,000 which is the unexpended rent-free portion of the lease.

2. Options in the lease agreement:

The lease agreement with the owner of the land and building made provision for some options should the Council decide to surrender the lease before the end of the 10-year rent free period. Referred to as the ‘Put Option’, the Council had the option to negotiate a selling price with the landlord for the unexpended rent-free portion of the lease. If the landlord was not prepared to negotiate, then the Council could make suitable modifications to the building and sub-let it.

What happened was that the decision makers, aware that there was an option to surrender the lease during the 10-year rent free period, made the decision to surrender without reference to the ‘Put Option’. The landlord was advised of the decision to surrender and instructed their solicitors to prepare the necessary document which the Council passed across to its legal advisors to review. The legal advisors did not make the decision makers aware of the ‘Put Option’, which could have resulted in a far more favourable outcome for the Council.

The following amendments were made to the Minute:

“Members were advised that the Portfolio Holder who had taken the decision had declined *an invitation to attend a Panel meeting*.

The Assistant Director Governance and Business Support (Monitoring Officer) advised the meeting that she shared Members’ concerns and recognised that mechanisms should have been in place to prevent this occurring. However, the *Portfolio Holder* decision had now timed out and had not been called in and therefore would stand.

Concerns were expressed by Members about key documentation being lost and who had lost them. However, the Assistant Director Governance and Business Support (Monitoring Officer) confirmed that the loss of the documents *or who had lost them* could not be substantiated.

It was confirmed that the loss to the Council from the lease disposal was £170,000 (the unexpended portion of the lease). The figure of £637,000 was arrived at due to treating the land and building, which the Council did not own, as an asset *in the Council’s financial accounts*.”

A Member commented that the resource should be available for more than one Time and Task Panel to be able to carry out different investigations at the same time. He also requested a written response to his query about non-elected Members sitting on Time and Task Limited Panels.

The Deputy Monitoring Officer confirmed that Time and Task Panels could call on the advice of expert witnesses, but should be clear about the level of their expertise.

A Member asked that her comment regarding the acceptability of the Portfolio Holder declining an invitation to the Panel be recorded.

The Chairman advised the meeting that he had written to the Assistant Director of Governance and Business Support (Monitoring Officer) about the Portfolio Holder who had declined an invitation to attend a Panel meeting, as he and other Members of the Committee felt that this could be a breach of the principles of accountability and openness in the Members’ Code of Conduct.

It was noted that the invitation had been a verbal one and that the Member would be formally invited to a meeting of the Time and Task Panel in due course.

CABINET REPORTS

70 ENVIRONMENTAL ACTION PLAN AND POLICY STATEMENT

The report proposed the adoption of a joint Environmental Action Plan and Policy Statement with South Norfolk Council, which would set out both Councils' commitment to safeguarding the environment and maximise opportunities for ambitious and impactful initiatives and efficiencies.

It was proposed that the joint Policy Statement and Action Plan would replace both Councils' existing Environmental Policies and Strategies.

The Portfolio Holder for Environmental Excellence advised the meeting that she fully supported the Strategy which, if adopted, would commence with a baselining exercise to gather data that could be used to draw up targets for the Action Plan that would be monitored on a six-monthly basis by a joint informal Panel.

A Member advised the meeting that the Statement failed to meet the ambitions of the Motion put to the 25 April 2019 meeting of Council. The commitments made in the Motion had been reduce from four to three and the language used in the Statement was also less forceful. She suggested that the Action Plan did not address the 11 year window to prevent the global temperature rising by 1.5 Celsius or use the targets in the Government's 25 year plan and as such was not fit for purpose. She stated that Broadland should have its own Statement and Action Plan if South Norfolk felt that it could not meet these commitments.

In response, the Environment Management Officer advised the meeting that the content of the Policy Statement had been driven by Broadland, rather than South Norfolk and that the four commitments in the Council Motion could replace those in the Statement, if Members felt it necessary.

A Member questioned if the Council had the expertise to draft the Action Plan and suggested that external advice might be necessary to draft a comprehensive document.

Members confirmed that they would wish to see the original commitments in the Council Motion replace the three commitments in the Statement. They would also like to see timescales for the Actions in the Action Plan and to see them more closely aligned with the Government's 25 year Environment Plan.

It was also noted that at South Norfolk the Policy Statement and Action Plan had been considered by the Growth, Infrastructure and Environment Policy Committee, but only by a Panel at Broadland. It was, therefore, recommended that in order to demonstrate that the Council was taking the environment sufficiently seriously that the Environmental Excellence Panel should be made a Committee.

RECOMMENDED TO CABINET

Options (1 and 2, as amended and 3)

- (1) To adopt the Environmental Policy Statement with the four commitments from the Council motion of 25 April 2019 replacing the three in the Statement.
- (2) To adopt the Environmental Action Plan with the addition of timescales and closer alignment to the Government's 25 year Environment Plan.
- (3) That the Environmental Action Plan is reviewed at six monthly joint informal meetings.
- (4) That the Environmental Excellence Panel be made a Committee.

71 NORFOLK AND SUFFOLK LOCAL INDUSTRIAL STRATEGY

The report proposed that Cabinet endorse the draft Norfolk and Suffolk Local Industrial Strategy (NSLIS). The NSLIS had been developed by New Anglia Local Enterprise Partnership, to reflect the opportunities and needs of Norfolk and Suffolk's growing economy and set out how the area would respond to the challenges that it faced.

The Strategy demonstrated how Norfolk and Suffolk would collaborate to provide new Clean Growth solutions and the specific infrastructure that communities and businesses needed.

A key priority area in Broadland was the Food Innovation Centre based at the Food Enterprise Zone.

Government would be working in partnership with Norfolk and Suffolk to deliver these initiatives.

RECOMMENDED TO CABINET

Option (1)

That Cabinet endorse the draft Norfolk and Suffolk Local Industrial Strategy.

72 COUNCIL TAX GOOD PRACTICE PROTOCOL

The report recommended the adoption of the Citizens Advice Council Tax Good Practice Protocol, which covered the collection and recovery of Council Tax arrears.

The aim of the Protocol was to help Councils establish good practice with Citizens Advice in dealing with Council Tax debt. So far, 61 authorities across the country had adopted the Protocol.

Adoption of the Protocol was considered by the Overview and Scrutiny Committee on 13 August 2019 and Members had voted unanimously to recommend that the Protocol be adopted.

South Norfolk Council was also in a position to adopt the Protocol and would be asking their Members to consider the matter in due course.

A Member requested that changes be tracked when papers were updated and presented to the Committee in future.

RECOMMENDED TO CABINET

Options (1 and 2)

- (1) To propose to Council that the Council Tax Good Practice Protocol is adopted, and
- (2) That authority is delegated to the Assistant Director for Finance, in consultation with the Portfolio Holder for Finance, to amend the Protocol as necessary in the future.

73 DRAFT COMMERCIALISATION STRATEGY

The report was considered and endorsed by the Audit Committee on 10 October 2019. Cabinet were requested to recommend the Strategy for adoption by Council.

One of the drivers for collaboration expressed in the Feasibility Study adopted by Broadland and South Norfolk in July 2018 was the wish to address the funding gaps in both Councils' Medium Term Financial Plans and achieve greater financial stability.

The Feasibility Study had outlined a number of proposals for commercial opportunities, which collaboration would assist in facilitating. The Commercialisation Strategy outlined how these opportunities would be taken

forward. The aim of the Strategy was to maximise returns, both financial and social, for both Councils, whilst maintaining a public service ethos of equality and fairness.

It was emphasised that a robust business case would be made for projects and initiatives and they would require Cabinet approval; so the Overview and Scrutiny Committee would have the opportunity to comment on them.

Members were also informed that although it was intended to invest reserves in developing commercial opportunities, the Council would continue to maintain a minimum level of reserves that it would never go below. This was currently £2m.

The Chairman requested that a briefing paper on commercialisation at other Councils be presented to the Committee, so it could assess how successful such initiatives had been. It was confirmed that the item would be placed on the Committee's Work Programme.

Members were advised that there was a need to develop officers so that they had the skills to take forward commercial opportunities, but expert external advice would also be brought in if thought necessary.

Members were also informed that the list of possible ventures in the Strategy was not exhaustive and others could be added as the opportunity arose.

RECOMMENDED TO CABINET

Option (1)

To endorse the Joint Commercialisation Strategy for approval.

74 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

to exclude the Press and public from the meeting for the remaining business because otherwise, information which was exempt information by virtue of Paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006 would be disclosed to them.

75 EXTENSION OF WASTE COLLECTION AND STREET CLEANSING CONTRACTS

The report set out the reasons for extending the waste collection and street cleansing service for five months to 31 March 2022.

It explained that in order for a review of both Councils' waste collection services to be completed and then allow time for implementation, it had been identified that an extension of the current waste contract and street cleansing contract both with an end date of 2 November 2021 would be necessary.

RECOMMENDED TO CABINET

Option (1)

To delegate to the Director of People and Communities the authority to agree on behalf of Broadland District Council the extension of the waste collection and street cleansing contracts with Veolia Environmental Services until 31 March 2022.

The meeting closed at 12.05 pm

DRAFT