

CABINET

Minutes of a meeting of the Cabinet of South Norfolk District Council held at South Norfolk House, Long Stratton on Monday 4 February 2019 at 9.00am.

Members Present:

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

Apologies: Councillor: K Kiddie

Non-Appointed Councillors: D Bills, M Gray, T Lewis, G Minshull and V Thomson

Officers in Attendance: The Managing Director (T Holden), the Director of Communities and Wellbeing (J Sutterby), the Director of Growth and Business Development (D Lorimer), the Assistant Director (P Catchpole), the Head of Business Transformation (H Ralph), the Head of Early Help (M Pursehouse), the Head of Governance and Monitoring Officer (E Hodds), the Accountancy Manager (M Fernandez-Graham), the Finance Manager (S Bessey), the Policy Manager (P Chapman), the Business Improvement Lead (E Pepper), the Group Accountant (J Brown) and the Senior Governance Officer (E Goddard)

2696 URGENT ITEM - DEPUTY LEADER

Cllr M Edney advised members that due to personal reasons, he had decided to step down as Deputy Leader of the Council, although he would continue to serve as Cabinet member for Growth and Resources. He was pleased to announce that the Leader had appointed Cllr K Mason Billig as the new Deputy Leader, and he congratulated her on this appointment.

Cllr Mason Billig paid tribute to Cllr Edney's deputy leadership and explained that she felt it a privilege to be taking on the role.

2667 DECLARATIONS OF INTEREST

The Committee Clerk declared an interest on behalf of all senior officers present, with regard to minute number 2705, concerning the Senior Management Recruitment and Appointment Arrangements.

2698 MINUTES

The minutes of the meeting of the Cabinet held on 7 January 2019 were confirmed as a correct record and signed by the Chairman.

2699 PERFORMANCE, RISK, REVENUE AND CAPITAL BUDGET POSITION REPORT FOR QUARTER 3 2018/19

Members considered the report of the Accountancy Manager, the Business Improvement Lead and the Senior Governance Officer which detailed the Council's performance against strategic measures, risk position and the revenue and capital position for the third quarter of 2018/19.

Officers presented the report, summarising the Council's performance, and drawing members' attention to the key issues. Members noted that the Council continued to perform strongly and that the corporate risk capacity remained positive.

With regard to budgets, members noted that there was a variance on the revenue budget of £2.575 million as at the end of December, and capital spend was £12.232 million against the budget of £16.046 million. The Assistant Director explained that the main reasons for variance was the increase in planning income from major planning applications and also that the Council had not yet needed to borrow externally and had therefore not been subject to interest charges. In response to a query regarding the Norwich Enterprise Zone, officers explained that the delays and been due to factors outside the Council's control.

Members then discussed in detail the Council's performance, under each of the Council's corporate priorities.

During discussion, members referred to the collaboration with Broadland District Council and the Senior Governance Officer assured Cabinet that this was being closely monitored, to ensure that it remained on track. She explained that the Section 151 officers from both councils had agreed a common approach to the Medium-Term Financial Plan and financial challenges, in addition to mechanisms to track collaboration costs and savings. A Joint Scrutiny Committee had also been established to consider matters relating to the collaboration.

Turning to property development and management, the Chairman referred to the recommendations to use the capital budget to fund the purchase of an additional home on Rosebury Park for rental by Big Sky Management Limited. Members agreed with this approach so as not to leave the property vacant and to generate income.

Members discussed in detail the 1% decrease in leisure centre memberships, and it was noted that membership levels at the Long Stratton Leisure Centre had in fact increased, despite it currently undergoing refurbishment. Officers reminded members that the membership at Wymondham had already increased by approximately 80% in recent years, and after some discussion, some members concluded that the targets set were currently too ambitious, due to a saturated market. It was hoped that the extension of the centre's car park and making use

of the facilities at Ketts Park would ease pressures and help to retain membership. The Chairman stressed that the Centre was achieving its goal, in that it was helping more people get healthier and fitter and he was confident that membership figures would rise overall, once the refurbishment at the Long Stratton Leisure Centre was complete.

Members' attention was also drawn to a drop in performance relating to temporary accommodation, and the Head of Early Help explained that this related to four households that had been evicted from social landlord properties. He advised that the Council had become involved in the cases at a very late stage, and officers were now working with partners to establish a process going forward, so that the Council was alerted to potential evictions at an earlier stage.

Cllr Neal referred to the positive variance of £615 k on planning fee income, which had been down to an increase in the number of major planning applications received, and she thanked those staff who had dealt with the increased workload. The Chairman explained that it might be possible to increase planning fees further following changes in the regulations and he expected that this would be subject to a future report to cabinet.

Members referred to the increase in customer on-line self-service, via webforms, which stood at 66.95% at the end of the quarter. The Chairman felt this to be a channel shift, which demonstrated the fundamental changes in the way people wanted to interact. This shift, he explained, freed up more resources for the Council to focus on those residents who needed the Council's support the most.

It was then

RESOLVED:

To:

1. Note the 2018/19 performance for the quarter and the combined efforts across the Directorates to deliver the vision of the Council (detail contained in Appendix 1).
2. Note the current position with respect to risks and accepts the actions to support risk mitigation (detail contained in Appendix 2).
3. Note the capital and revenue position and the reason for the variances on the General Fund (detail contained in Appendix 3 & 4).
4. Agree to the use of the capital budget to fund the purchase of an additional home on Rosebery Park for rental by Big Sky Property Management Limited as outlined in paragraph 2.3 of the report.

The Reason for the Decision

To ensure that processes are in place to improve performance, the management of risks is sound, and that budgets are managed effectively.

To ensure that a property is not left vacant, whilst also generating an income for the Council.

Other Options Considered

None.

2700 BUDGET CONSULTATION

Members considered the report of the Group Accountant, which outlined the key messages arising from the 2019/20, budget consultation.

The Group Accountant informed members that the consultation had attracted 134 responses, from members of the public and local businesses.

Summarising the results, the Group Accountant explained that responses were in the main positive, with 61% being supportive of a £5 increase in Council Tax on a band D property, 84% of respondents agreeing that those using discretionary services should be paid by those who use them, and 71% being in favour of the Council reinvesting business rate income to support the business community.

It was

RESOLVED: To note the feedback received from the budget consultation exercise.

The Reason for the Decision

To ensure that the views of the public and local businesses are taken into account, when determining the budget and level of council tax for 2019/20

Other Options Considered

None.

2701 BUSINESS PLAN 2019/20

Members considered the report of the Business Improvement Lead, which presented Cabinet with the Council's Annual Business Plan for 2019/20.

The Business Improvement Lead provided a brief overview of the Plan, drawing members' attention to the recommendations of the Scrutiny Committee, which were detailed at paragraph 1.2 of the report.

Cllr Edney referred to the valuable input from both members and officers, which had been instrumental to the document's success.

It was

RESOLVED: To agree the 2019/20 Business Plan, incorporating the recommended change from the Scrutiny Committee

The Reason for the Decision

To ensure that a sound business planning process is in place, setting out the vision and priorities set by members.

Other Options Considered

None.

2702 CAPITAL STRATEGY 2019/20 TO 2023/24

Members considered the report of the Accountancy Manager which set the Council's capital strategy for the next five years and outlined the steps required to develop a 20-year strategy, as now required by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Ministry of Housing, Communities and Local Government (MHCLG).

The Accountancy Manager out lined the key issues of the report to members and attention was drawn to the Section 151 Officer view, that the Strategy was deliverable and affordable, and also the new guidance which advised on the need to develop a longer-term Capital Strategy.

Cllr M Edney made reference to the Council's policy to make capital investments across the District, benefitting local residents, in addition to the Council.

It was

RESOLVED: TO RECOMMEND THAT COUNCIL:

1. approves the Capital Strategy.
2. approves the Schedule of Non-Treasury Investments referred to in Section 2.3 and contained in Appendix A of the report.
3. notes the further work required to develop a longer-term Capital Strategy

The Reason for the Decision

To ensure that the Strategy represents a prudent and affordable approach to investment in the Council's assets, to support service delivery, the District and its residents.

Other Options Considered

None.

2703 REVENUE BUDGET, CAPITAL PROGRAMME AND COUNCIL TAX 2019/20

Members considered the report of the Assistant Director – Resources and the Accountancy Manager, which set out the revenue and capital budgets, and the updated Medium-Term Financial Strategy, in order for members to decide on the level of Council Tax for 2019/20.

The Chairman introduced the report, reminding Cabinet that the Council had previously frozen its council tax for 7 out of the last 11 years. However, circumstances had changed, and with a significant reduction in government funding, freezing council tax was not currently a prudent option. Members noted the proposal to increase the Council's share of the Council Tax by £5.00 for a band D property.

The Head of Accountancy outlined the key issues arising from his report, explaining that the Local Government settlement had remained unchanged from that reported to Cabinet in January. He made particular reference to the £103k increase in the New Homes Bonus. compared to that in 2017/18.

The Chairman considered the Medium-Term Plan to be deliverable but he stressed the importance of not being complacent. He drew attention to the deficits forecast of £2.4 million for 2022/23 and 23/24 and the funding uncertainty from 20/21 onwards. He hoped that the deficits would be addressed through the delivery of the collaboration with Broadland District Council.

Members' attention was drawn to the risks analysis and the view of the Section 151 officer, outlined at paragraph 13 of the report, and the Assistant Director confirmed that his view was that the budget had been construed on a prudent basis.

The Chairman thanked all those officers who had contributed to the preparation and timely delivery of the budget reports, and he referred in particular to the Accountancy Manager and the Assistant Director, who were both soon to leave the Council's employment. Cabinet thanked both for their services to the Council and wished them well for the future.

It was then

RESOLVED: 1. TO RECOMMEND TO COUNCIL:

- (a) the approval of the base budget; as shown in para 6.1, 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.
- (b) the use of the revenue reserves as set out in section 12.
- (c) that the Council's demand on the Collection Fund for 2019/20 for General Expenditure shall be £7,370,700 and for Special Expenditure be £10,440;

- (d) that the Band D level of Council Tax be £150.00 for General Expenditure and £0.21 for Special Expenditure.
- (e) that the assumptions on which the funding of the capital programme is based are prudent.
- (f) the approval of the capital programme for 2019/20 to 2023/24.

2. To agree::

- (a) that future increases to fees and charges will be linked to the September Retail Price Index each year as set out in para 5.1
- (b) the charges for garden waste as set out in para 5.2

3. To note:

- (a) that pricing changes will be made in accordance with the Charging Policy in section 5
- (b) the advice of the Section 151 Officer with regard to section 25 of the Local Government Act 2003;
- (c) the future budget pressures contained in the Medium Term Financial Strategy as set out in Appendix B

The Reason for the Decision

To provide a budget which meets the Council's priorities and to set a council tax affordable to residents.

To ensure that the Capital Programme is affordable and complies with Council policies

Other Options Considered

None.

2704 TREASURY MANAGEMENT STRATEGY STATEMENT 2019/20

Members considered the report of the Accountancy Manager which set out the Treasury Management Strategy for 2019/20, and associated policies.

The Accountancy Manager presented the report, explaining that the security of cash investments remained a primary consideration. He drew attention to the approved countries and counterparties for investments, explaining that there had

been a change in that the Council could make a maximum £5 million investment in any one overseas country, providing they had a minimum sovereign rating of AA.

The Chairman drew attention to Appendix F of the report, which outlined where Council funds were currently invested. Cabinet agreed that the Strategy remained prudent and accurately reflected the Council's appetite for risk.

It was

RESOLVED: TO RECOMMEND TO COUNCIL:

1. The Treasury Management Strategy Statement
2. The Prudential Indicators and Limits for the next 3 years contained within Section 4 and Appendix A of the report, including the Authorised Limit Prudential Indicator.
3. The Minimum Revenue Provision (MRP) Statement (section 3D) that sets out the Council's policy on MRP.
4. The Annual Investment Strategy (section 5) contained in the Treasury Management Strategy, including the delegation of certain tasks to the Section 151 Officer
5. The Treasury Management Policy Statement (Appendix E).

The Reason for the Decision

To ensure that the Council's Investment Strategy remains prudent and complies with statutory requirements.

Other Options Considered

None.

2705 SENIOR MANAGEMENT RECRUITMENT AND APPOINTMENT ARRANGEMENTS

Members considered the report of the Managing Director, which sought the preferred appointment panel options for the recruitment and appointment of the senior management roles for Broadland District Council and South Norfolk Council, to facilitate a single paid service.

The Managing Director presented his report, explaining that both the Joint Lead Member Group and the Joint Scrutiny Committee had recommended Option 1, as the preferred approach for the appointment of Deputy Chief Officer roles. He explained that this would involve a member panel composed of four members from each Council, with the Managing Director having the casting vote in the event of a deadlock.

Referring to the recruitment arrangements, he explained that applicants would first complete a strength-based assessment, facilitated by an external recruitment provider and that the feed back from this would assist members in shortlisting candidates for interview. After interview, if more than one candidate was suitable for a position, the Panel would decide which officer to appoint and then assess whether the unsuccessful candidate was suitable for another one of their preferred options.

The Managing Director added that previous discussions had raised the issue of redundancy, and he stressed that as the number of officers involved did not outnumber the number of new posts available, it was not appropriate to offer voluntary redundancies. However, he acknowledged that redundancy might arise in future should candidates fail to pass the strength-based assessment or fail to be appointed to suitable roles, although he felt this to be unlikely. He looked forward to pressing ahead with the recruitment process so that the two councils could shift their focus to external matters.

Cabinet expressed its disappointment that the process had been delayed, but also acknowledged the need to ensure fair and transparent arrangements that everyone felt comfortable with.

It was

RESOLVED:

1. To note the recruitment process and associated timeline for appointment of Chief Officer and Deputy Chief Officer roles to the Senior Management structure.
2. **TO RECOMMEND TO COUNCIL:**
 - (a) the proposed panel format as set out in section 4.11 of the report, for the Member Appointments Panel of Chief Officer roles.
 - (b) Approval of Option 1, as set out in section 4.12 of the report, with regard to the appointment of Deputy Chief Officer roles
 - (c) that the Managing Director be given delegated authority to appoint on an interim basis in the event that any external appointments are required after all internal senior staff and wider internal staff groups are complete.

The Reason for the Decision

To ensure a fair and transparent process for all.

Other Options Considered

As outlined in the report.

2706 COUNCIL TAX (EMPTY DWELLINGS) – CHANGES TO PREMIUM RATES

Members considered the report of the Finance Manager which sought approval to implement the provisions contained within legislation to increase the council tax premiums levied against long term empty dwellings.

The Finance Manager outlined the background to the report, explaining that from April 2013, the Council had been able to charge a premium of up to 50% on a class of property that had been unoccupied and unfurnished for two years or more. Members noted that legislation had now been amended to allow this premium to be increased to 100%, 200% and 300% over a phased three-year period, and that Norfolk County Council had encouraged all of its billing authorities to fully implement the provisions of the Act from 1 April 2019.

In response to questions, the Finance Manager stressed that the intention was not to penalise owners where properties were genuinely on the housing market for sale or rent, but more to incentivise owners of long-term empty dwellings to bring them back in to use.

Members agreed with the proposals in principle, however, felt that further work was needed to identify a consistent approach and early engagement on those properties that were likely to be subject to the 200% or 300% charges. The Chairman suggested that the matter be referred to the Scrutiny Committee, to consider the appropriate proactive steps to work with the owners of empty homes so that the additional surcharges could be avoided, and empty homes brought back into use in a timely manner.

RESOLVED: **TO RECOMMEND THAT COUNCIL** agrees to adopt the approach to allow the provisions contained within the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018, to increase the premiums levied against long term empty dwellings, subject to further work being carried out by Scrutiny Committee, to make recommendations on a consistent and proactive approach with property owners to bring empty properties back into use.

The Reason for the Decision

To incentivise owners of long-term empty homes to bring them back in to use.

Other Options Considered

Not to adopt the scheme, or to vary the percentage increases at each stage.

2707 COUNCIL TAX LOCAL DISCOUNT FOR CARE LEAVERS

Members considered the report of the Finance Manager which sought to align South Norfolk Council with Norfolk County Council, through the provision of

financial support to care leavers, by awarding a local discount to their ongoing council tax liability.

The Finance Manager outlined the proposals and reminded members that young care leavers were amongst the most vulnerable in the community. He explained that this was a Norfolk County Council initiative and he referred members to the policy at Appendix 1 to the report.

Members noted that the proposals would have a minimal impact on the Council, with currently only four care leavers in the District being responsible for paying council tax, three of which were already in receipt of Council Tax Support, and the other not qualifying for the proposed discount as they were living with a partner. Members also noted that Norfolk County Council and the Norfolk Police and Crime Commissioner had agreed to fund their share of any reductions, for those care leavers leaving the care of Norfolk County Council.

Whilst Cabinet supported the scheme and felt the aims of the policy to be well intended, members expressed concerns regarding its administration, and the apparent disincentives for care leavers to move in with partners and build long term relationships. Members also stressed the need to ensure that it did not disadvantage care leavers from outside of the county, or those leaving Norfolk. It was suggested therefore that the Policy be reviewed by the Scrutiny Committee.

Cllr V Thomson, also a member of Norfolk County Council's Children's Services, agreed to feedback the concerns of Cabinet to Norfolk County Council.

It was

RESOLVED: **TO RECOMMEND THAT COUNCIL** agrees to the policy in principle, to allow full local Council Tax discount to care leavers, however that a review be carried out by the Scrutiny Committee, in consultation with Norfolk County Council, to consider further the details of the scheme and in particular to amend the policy features that introduce perverse disincentives for care leavers to build stable long-term family lives and relationships.

The Reason for the Decision

To provide support for vulnerable people.
To ensure a fair policy.

Other Options Considered

Not to adopt the policy.

2708 DISCRETIONARY RATE RELIEF GUIDELINES

Members considered the report of the Policy Manager, which presented Cabinet with an updated Discretionary Rate Relief Guidelines document, amended to include the provision of Retail Discount, and to provide a more structured and consistent approach to relief for Community Interest Companies, in line with Broadland District Council.

The Policy Manager explained that since the Guidelines document had been last approved, the Government had announced a Business Rates Retail Discount, and councils had been asked to utilise their discretionary rate relief powers to deliver on this Government commitment. Members noted that the Guidelines had also been amended to provide alignment with Broadland District Council regarding the approach to relief for Community Interest Companies.

Members welcomed the changes and agreed the content of the Guidelines but suggested that amendments were required to the formatting and structure of the document, setting out clearly the rate reliefs available. The Chairman also requested that an introductory paragraph be included at the beginning of the document, and that further guidance on the hierarchy of rate reliefs be provided on the Council's website.

It was

- RESOLVED:**
1. To agree:
 - (a) the updated Guidelines document to enable officers to award the new Retail Discount and bring the benefits of that to local businesses in 2019/20 and 2020/21, subject to minor amendments;
 - (b) the revised approach to considering applications for discretionary rate relief from Community Interest Companies as set out in the Guidelines document.
 - (c) to delegate decisions where specified in the Guidelines document to the Director with responsibility for Finance, in consultation with the relevant portfolio holder.
 - (d) That more guidance be provided on the website regarding the hierarchy of rate reliefs available to residents.

The Reason for the Decision

To ensure that the guidance to residents is clear and transparent.

Other Options Considered

To retain the existing approach to the award of discretionary rate relief to Community Interest Companies
Not to award the new Retail Discount

2709 CABINET CORE AGENDA

Members noted the latest version of the Cabinet Core Agenda.

(The meeting concluded at 11.11 am)

Chairman