Agenda

CABINET

Members of the Cabinet	Portfolio
Mr J Fuller (Chairman)	External Affairs and Policy
Mrs K Mason Billig (Vice Chairman)	Stronger Communities and Governance
Mrs Y Bendle	Health, Housing and Wellbeing
Mrs A Thomas	Finance and Resources
Mr K Kiddie	Regulatory and Environmental Excellence
Mrs L Neal	Planning and Economic Growth

Date

Monday 11 November 2019

Time

9.00 am

Place

Colman and Cavell Rooms
South Norfolk House
Cygnet Court
Long Stratton
Norwich
NR15 2XE

Contact

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If you have any special requirements in order to attend this meeting, please let us know in advance

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Agenda

1. **To report apologies for absence**

2. **Any items of business which the Chairman decides should be considered as a matter of urgency pursuant to Section 100B(4)(b) of the Local Government Act, 1972. Urgent business may only be taken if, "by reason of special circumstances" (which will be recorded in the minutes), the Chairman of the meeting is of the opinion that the item should be considered as a matter of urgency;**

3. **To Receive Declarations of Interest from Members** (please see guidance – page 3)

4. **To confirm the minutes of the meeting of Cabinet held on 14 October 2019** (attached – page 5)

5. **Performance, Risk, Revenue and Capital Budget Position for Quarter 2 2019/20** (report attached – page 8)

6. **Treasury Management Quarter 2 Report 2019/20** (report attached – page 61)

7. **Environmental Action Plan and Policy Statement** (report attached – page 72)

8. **Joint Domain Name** (report attached – page 81)

9. **Cabinet Core Agenda** (attached – page 86)

10. **Exclusion of the Public and Press**

    To exclude the public and press from the meeting under Section 100A of the Local Government Act 1972 for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act (as amended)

11. **The Future Direction of Build Insight Companies**

    (not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)

Agenda Item: 3

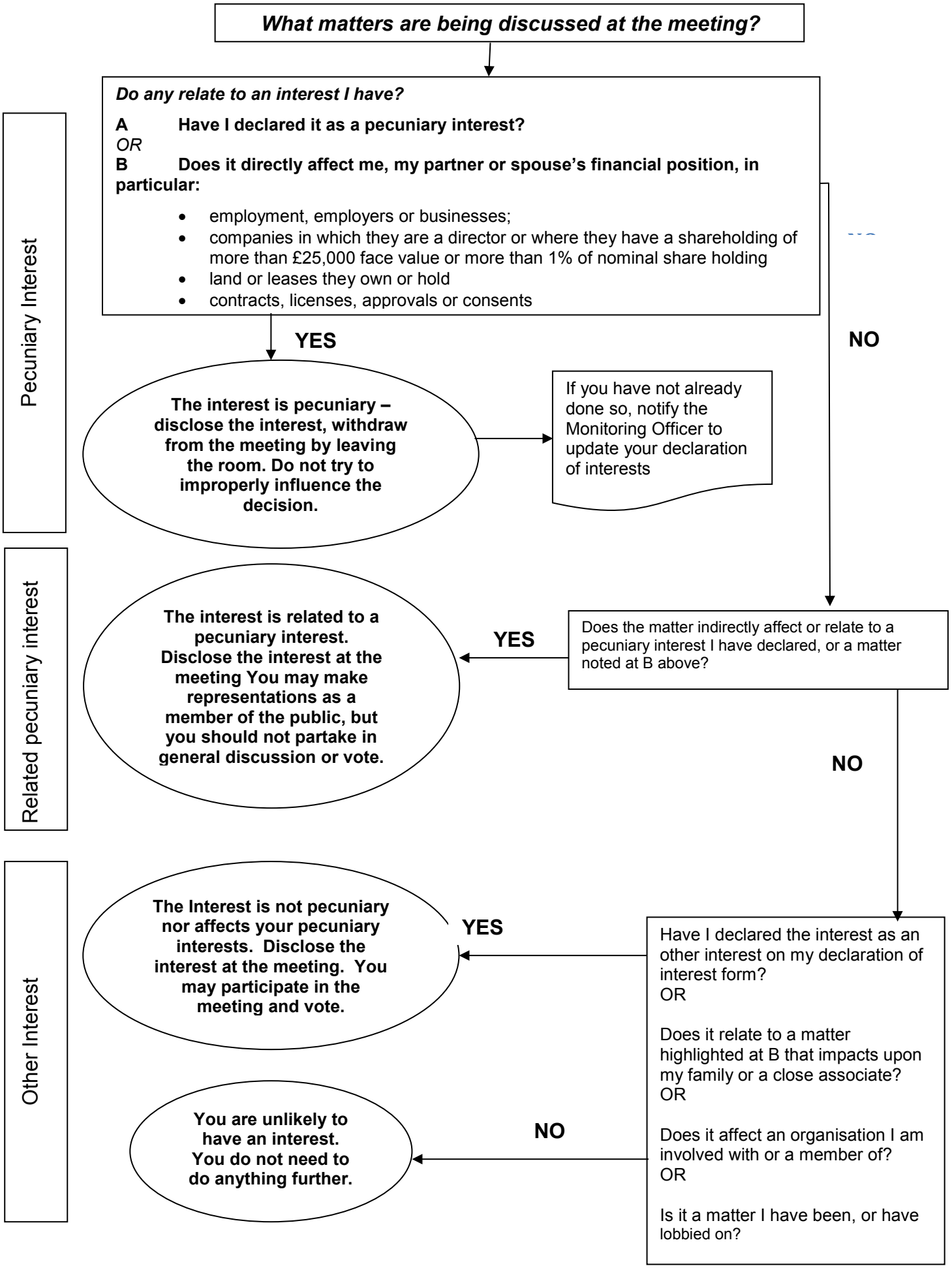
DECLARATIONS OF INTEREST AT MEETINGS

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 you should not partake in general discussion or vote.
Is the interest not related to any of the above? If so, it is likely to be an other 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



CABINET

Minutes of a meeting of the Cabinet of South Norfolk District Council held at South Norfolk House, Long Stratton on Monday 14 October 2019 at 9.00am.

Members Present:

Cabinet:	Councillors:	J Fuller (Chairman), Y Bendle, K Kiddie, K Mason Billig, L Neal and A Thomas
Non-Appointed	Councillors:	D Bills, V Clifford-Jackson, T Laidlaw, G Minshull and V Thomson
Officers in Attendance:	The Director of People and Communities (J Sutterby), the Director of Place (P Courtier), the Director of Resources (D Lorimer) the Assistant Director Governance and Business Support (E Hodds), the Chief of Staff (H Ralph), the Strategic Economic Growth and Funding Manager (N Cunningham) and the Emergency Planning Officer (J Bloomfield)	

2742 MINUTES

The minutes of the meeting of the Cabinet held on 9 September 2019 were confirmed as a correct record and signed by the Chairman.

2743 NORFOLK AND SUFFOLK LOCAL INDUSTRIAL STRATEGY

Members considered the report of the Strategic Economic Growth and Funding Manager, which sought Cabinet endorsement of the draft Norfolk and Suffolk Local Industrial Strategy.

The Strategic Economic Growth and Funding Manager explained that the Norfolk and Suffolk Local Industrial Strategy had been developed by the New Anglia Local Enterprise Partnership (NALEP), in partnership with local authorities and leaders from business and education and had been advised by an expert panel. The Strategy reflected on the strengths and opportunities of Norfolk and Suffolk's economy, and set out how the area would contribute to UK Plc to provide Clan Growth solutions and the infrastructure needed by businesses and communities.

The Strategic Growth and Funding Manager outlined the key opportunities identified in the Strategy and referred to a number of proposed actions directly relating to South Norfolk.

Members expressed their support for the Strategy and felt that the proposed actions provided some great opportunities and projects for the South Norfolk area.

Particular mention was given to Agri-Food, the proposed Food Innovation Centre, and the infrastructure already in place at the John Innes Centre. Reference was also made to the success and future potential of the Norwich Research Park and how Norwich was now able to compliment Cambridge, in terms of the science base and associated industries.

In response to a query regarding the need to promote Norfolk as an attractive place to live, work and invest, the Strategic Economic Growth and Funding Manager explained that "Invest in Greater Norwich" and "Norfolk and Suffolk Unlimited" were working in tandem , to do just that.

Discussion turned to Easton College, and members noted that Easton would be merging with Norwich City College, and Otley with Suffolk New College, from 2020. Cabinet agreed that Easton College needed to increase its disciplines and concentrate more on the food and drink industry and suggested that this be referred to in the Strategy.

The Chairman was surprised that there was no mention of the hydrogen economy, a low carbon energy source, and Cabinet agreed that it should be referred to under the Clean Energy sector offer.

It was then

RESOLVED: To endorse the draft Norfolk and Suffolk Local Industrial Strategy, subject to the following additions:

a) To include support for Easton College to develop its offer within the Agri food sector offer;
b) That reference is made to hydrogen economy, within the Clean Energy sector offer.

The Reason for the Decision

To ensure that the Strategy includes the shared vision, and all challenges and sector opportunities up to 2036.

Other Options Considered

None.

2744 BREXIT PLANNING

Members considered the report of the Emergency Planning Manager and Emergency Planning Officer, which provided an overview on Brexit planning within South Norfolk.

The Chief of Staff presented the report, drawing members' attention to the key issues.

In response to queries, the Emergency Planning Officer confirmed that the Council did not keep a comprehensive list of vulnerable people, and if required, would rely on other agencies who keep their own lists. She made particular reference to the

Priority Services Register used by utility companies to ensure that the correct support was given to their most vulnerable customers.

The Strategic Economic Growth and Funding Manager explained that support and advice would be provided to local businesses in their Brexit preparations. In response to a question, she informed members that the Government had guaranteed funding for new and existing European Social Fund projects until programme closure.

It was

RESOLVED: To note South Norfolk Council's preparations for Brexit on 31 October 2019.

The Reason for the Decision

To ensure that the Council is making adequate preparations for Brexit.

Other Options Considered

None.

2745 CABINET CORE AGENDA .

Members noted the latest version of the Cabinet Core Agenda.

The Director of Resources confirmed that the Review of Discretionary Rate Reliefs would not be considered until the December meeting of the Cabinet. This would provide ample time for changes to be made before the bills were produced next March.

Members noted that a report regarding Citizens' Advice Bureaux would be considered at a meeting of the Scrutiny Committee, and officers would check whether it would also need to come before Cabinet.

(The meeting concluded at 9.50 am)

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Chairman

Agenda Item: 5
Cabinet

11 November 2019

PERFORMANCE, RISK, REVENUE AND CAPITAL BUDGET POSITION FOR QUARTER 2 2019/20

Report Author(s):

Finance: Julie Brown (Group Accountant)

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Performance: Emma Pepper (Business Improvement Lead)

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Risk Management: Emma Goddard (Senior Governance Officer)

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Portfolio: Stronger Communities & Governance; and Finance & Resources

Ward(s) Affected: All

Purpose of the Report: This report details the Council's performance against strategic measures, risk position and financial position for the second quarter of 2019/20.

Recommendations:

It is proposed that Cabinet:

a) Notes the 2019/20 performance for the quarter and the combined efforts across the Directorates to deliver the vision of the Council (detail contained in Appendix 1).

b) Notes the current position with respect to risks and accepts the actions to support risk mitigation (detailed in Section 6 of this report).

c) Notes the capital and revenue position and the reason for the variances on the General Fund (detail contained in Appendix 2).

d) Approves the recommended amendments to the Leisure Measures HE1901 & HE1902 and to consider and decide on the continuation of the annual reporting of Measure HE1602.

1. SUMMARY

1.2 This report details the Council's performance against strategic measures, and risk position and financial position for the second quarter of 2019/20.

2. CURRENT POSITION / FINDINGS

2.1 In terms of performance, the table below provides a summary for Q2.

	Totals
Green Indicator	**25 Measures met or exceeded the target.**
Amber Indicator	**4 Measures are within an acceptable tolerance of target.**
Red Indicator	**3 Measures did not reach the stretched target.**
Baseline	**5 Measures are being 'baselined' in order to determine the target.**

2.2 With regard to risk management, the current organisational capacity position is positive, indicating the Council is proactively managing risks and capable of realising opportunities as they are identified. The table below presents a position that will assist the organisation to achieve its ambitious targets for the future. The Strategic Risk Register is outlined in Section 6 of this report.

Capacity Indicator	Present Position	Present Risk Acceptability
Financial	The Medium-Term Financial Strategy that was agreed in February 2019 shows that the Council's Budget is balanced until 2022/23.	
Service Delivery	The Council continues to perform strongly against its suite of strategic performance indicators. The	

Capacity Indicator	Present Position	Present Risk Acceptability
	quarter 2 position 2019/20 is favourable with only three measures not meeting its target.	+
Legal / Compliance	No significant legal / compliance issues have been raised over the past quarter and the status remains the same.	+
Reputation	The Council continues to have good reputation locally and nationally	+
Human Resources Capacity	This remains strong and the Corporate Management Leadership Team continues to be in a position to drive the Council forward. The Council continues to ensure that it has the right skills and resources in place to fulfil the needs of the organisation.	+

2.3 With regards to the financial position, there is a positive variance against revenue budget at Q2 of £1.5m. Further details are provided in section 4 of the report.

2.4 Following feedback from Cabinet in Quarter 1, Officers have reviewed the measures relating to **Leisure Centres** and are recommending that Cabinet agree the following changes;

HE1901 - Achievement of our leisure services performance target in relation to achieving cost neutrality

- This measure has been amended to track profit and loss rather than income to show a more complete picture of progress toward a cost neutral position. We have also taken to opportunity to reduce the income target to reflect the correct VAT treatment to prevent this distorting the picture through Q2, Q3 and Q4.

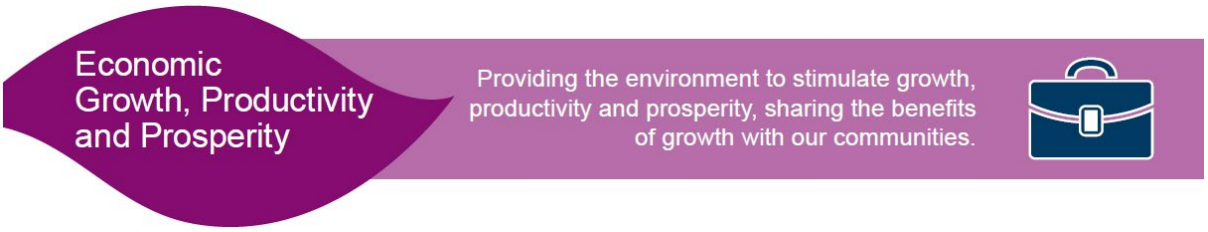
HE1902 - % increase in the annual footfall of customers visiting SNC's leisure facilities and activities to lead healthier and more active lives

- This measure has been updated to report on a quarterly basis. This was previously an annual measure

HE1602 -% increase in the number of adults participating in exercise regularly to lead healthier and active lives

- We would like Cabinet to consider the value of the measure and decide on the continuation of reporting against this annually.

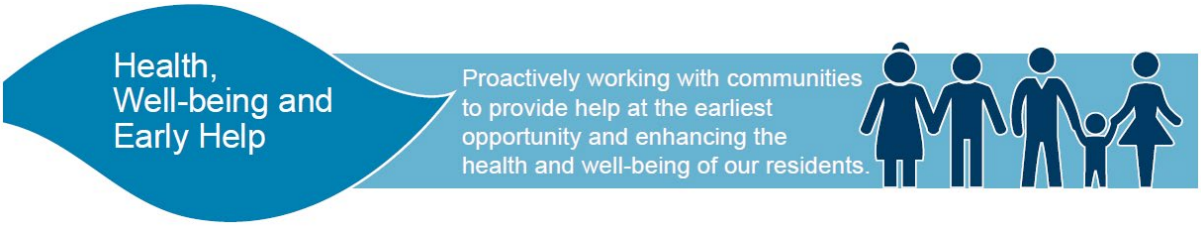
3 COMBINED PERFORMANCE , RISK AND FINANCIAL COMMENTARY BY CORPORATE PRIORITY



3.1 Property Development and Management

Directorate Risk (**D1: Property Investment and Disposal Programmes do not secure additional income and economic growth)** has been updated to reflect the withdrawal of the purchaser of the Pulham St Mary site following what has been a very protracted transaction. This increases the likelihood of this risk as the planned disposal in Q4 may not take place.

There are currently £12.16m of capital loans invested in the Big Sky companies in accordance with the approved capital programme and £650k of revenue working capital as agreed by Cabinet. Currently one loan of £490k, to Big Sky Property Management, is due to be refinanced and loan interest continues to be received at a rate of 4%. Loan interest receivable from the Big Sky companies for Q2 is £323k. Further details are contained within the Treasury Management Q2 report elsewhere on this agenda.



3.2 Leisure and Recreation

Measure **HE1901** -.

The actuals figure reported reduces the income target to reflect the correct VAT treatment. We set a stretch budget to endeavour to push the service to operational cost neutrality by year end. The current Year to date position with all 4 Leisure facilities finally fully open and operating shows that whilst Q1 and Q2 did not meet the budget expectations we have delivered a 9% YTD improvement on last year's performance.

The service is (-£106k) behind target. To put this into context this currently equates to 5% of our overall expenditure YTD

The main contributors towards this position are income related with Ketts Park (-£18k), Diss LC (-£15K), Long Stratton LC (-£1K), Wymondham LC (-£20K) [Spa (-£25k) and Cafe (-£24K)].

Expenditure is under control with only a minor year to date (-£5k) overspend overall. The initial high cost set up phase for Long Stratton LC has passed.

Ketts Park has significant unbudgeted income to be realised with full winter/spring programme bookings and unbudgeted income from car park and college hires to eradicate the YTD deficit to budget by year end.

Diss LC is ahead of budget by +£8.5k, the Leisure Management budget is also ahead of target by +£8.5k and the Recreation Sport budget is +£2.3k ahead of budget set. Wymondham LC is (-£82k) behind target overall and Long Stratton LC is (-£19.5k) behind.

The actions to reverse the deficits are ongoing with the new Wymondham Cafe contract having been awarded to commence in November (giving SNC a guaranteed return) and the car park extension works are ready to commence pending the VAT advice yet to be received. The Spa performance is improving but remains fragile with significant competition growing.

Long Stratton has not experienced a high yielding Winter/Spring period with its new facilities and the indicators are all positive with full hall and 3G hires, membership numbers and performance ahead of target and the Soft Play and Cafe operating successfully.

The service is forecasted to improve its year on year performance by over +£300k vindicating the investment made but potentially falling short of its stretched target by (-c£130k). The front-loaded expenditure costs at the start of the new year at all facilities to improve operations has been spent and the 2nd half of the year is the most productive. All efforts will be made to reduce this deficit by year end

3.3 **Housing**

Measure **HE1603:** Work has been completed with our social landlords over the last 2 months. We now have a 'tenancy at risk' process set up that has been ‘live’ since mid-September. We have also completed an officer partnership event that included over 75 SNC and Saffron officers to share our preventative practices and options available to our residents. We will review the outcome of this to see if this will reduce the number of ‘difficult to home’, especially families and thus reduce length of time in temporary accommodation. It is useful to note through continuing to house these families, we are ensuring that they are supported properly and are able to move on into more sustainable tenancy.

3.4 **Housing Benefit / Council Tax Support**

Measure **HE1606**: The hard work making sure we were up-to-date in readiness for the summer holiday period has paid dividends by making sure we were ready for the increased demand over the summer months. Our performance remains the best in the county and within the top quartile nationally. Quick payment of benefits remains essential in sustaining tenancies and undoubtably positively impacts on this measure.

3.5 **Social Proscribing**

HE 1608B: This service continues to grow with a 78% increase in referrals when compared with the same period last year. Feedback from stakeholders is very positive and customers are clearly benefiting from this immediately accessible source of Early Help. Discussion are underway with PCNs to secure ongoing funding when the current NCC commissioning cycle expires in June 2020.

3.6 **Development Management**

In relation to the Long Stratton Bypass and the associated Strategic Risk (S2), as reported last quarter, this had been identified as a Transport East priority as part of the regional evidence base to be submitted to Department for Transport (DfT). The DfT announced that Long Stratton Bypass had been successful in the first wave of major roads network funding with an initial award to help further develop the business case. The Hempnell roundabout is now open. This reduces the risk of further delays to the delivery of the bypass.

In light of 5-year land supply being demonstrated across the wider Greater Norwich Area, the associated Strategic Risk (previously S3) has been removed from the Strategic Register - *Shortage of 5-year land supply has resulted in uncoordinated development across South Norfolk, with pressure to approve housing applications on unallocated sites and housing planning appeals more likely to succeed.*

3.7 **Waste**

There is a negative variance on transport fleet costs of £133k at Q2 due to significant effort and costs incurred in relation to vehicle repairs to ensure compliance with the operator licence criteria. This is coupled with

unanticipated costs around a new software system to support compliance and significant expenditure on tyres and parts. The positive impact anticipated from bringing repairs work in-house is expected to be realised during Q3 and Q4.

Measure **NI 192A:** For comparison the recycling rate for Q1 2018/2019 was 44%, which shows that the recycling rate has increased by 1.48%. From looking into the data further this is due to an increase in the dry recycling, which has increased by 1.48% (this excludes the garden waste tonnage). This is likely to be due to the Norfolk contamination rate decreasing by 5.18% (from 22.23% (April to June 18) to 17.05% (April – June 19)). The decrease in Norfolk contamination rates will result in less recycling being rejected and sent for disposal. This will also help to reduce the residual waste tonnage and increase recycling**.**

3.8 **Member Ward Grants & Community Action Fund**

Measure **PL 1901**: We would have expected to see around 50% of funding spent around Quarter two, to date we have spent £3,809 out of a possible £46,000. Members have been working with groups and a number of projects are in the pipeline with the cut-off date of 31 December to complete applications.

Measure **1602:** We have allocated £48,674 in the first round of funding which has supported 10 projects. This year the fund has been increased from £50,000 to £100,000 and therefore there will be another Community Action Fund Panel in the new year.

How we will deliver: Customer focussed, Can do and collaborative, Business-like, efficient and entrepreneurial - Moving Forward Together

3.9 **Brexit**

A new Strategic Risk has been added to the Register: **S7 - The Council is unable to respond to an unforeseen impact as a consequence of Brexit, particularly in a no-deal scenario**. The mitigation required in relation to this

risk are outlined in Paragraph 6 of this report, which ensures that the Council is in the best place to plan for and respond to the implications of Brexit.

3.10 **Resources**

The positive variance against the revenue budget of £1.5m at Q2 is a positive sign of the present strength of the Council's financial position which needs to be protected in the future. It is recognised that there is a strategic risk that the Council is unable to deliver priority services should revenue funding fall short of required expenditure. The revenue surplus reflects the higher business rates income achieved to date due to good collection and S31 grant income from central government. The Council is participating in the Norfolk 75% business rates retention pilot during 2019/20.

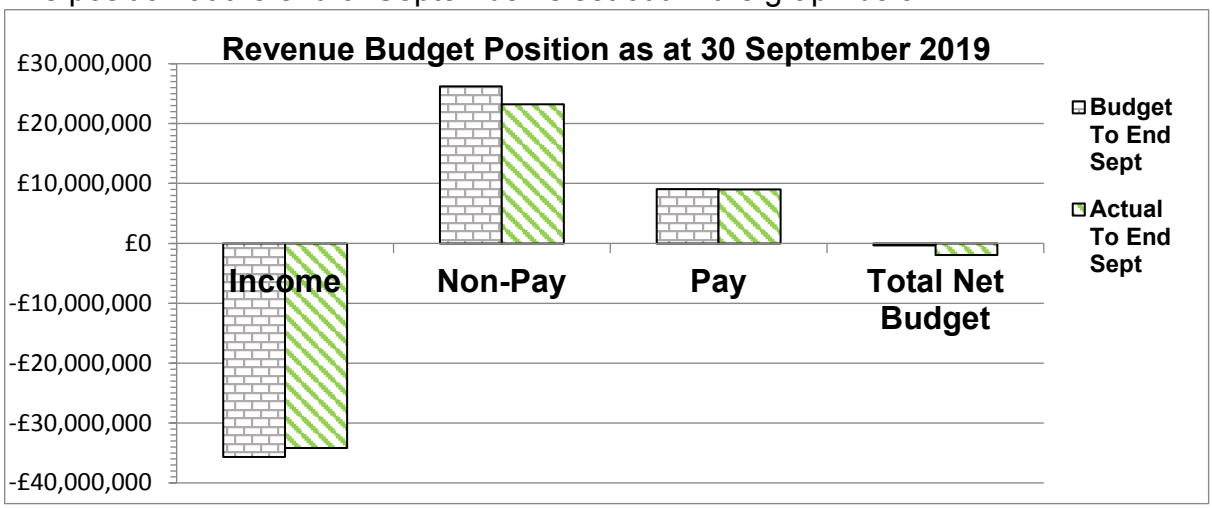
The updated Medium-Term Financial Strategy agreed by Council in February 2019 shows a balanced budget up to and including 2021/22, with a total funding gap of £2.4 million projected in the two subsequent years.

4 REVENUE POSITION QUARTER 2

4.1 The budget for 2019/20 was set by the Council in February 2019.

The total net budget to the end of September was a net income budget of £0.359m. The actual total net income and expenditure position, including Housing Benefit payments, was a net income position of £1.9m. This produced a positive variance against the revenue budget of £1.5m, which is a similar variance to that reported at Q2 of 2018/19. If trends continued in a similar way, the year-end outturn could be in excess of £1.9m (based on 2018/19 results) although current forecasts suggest an outturn position of £1.1m.

The position at the end of September is set out in the graph below.



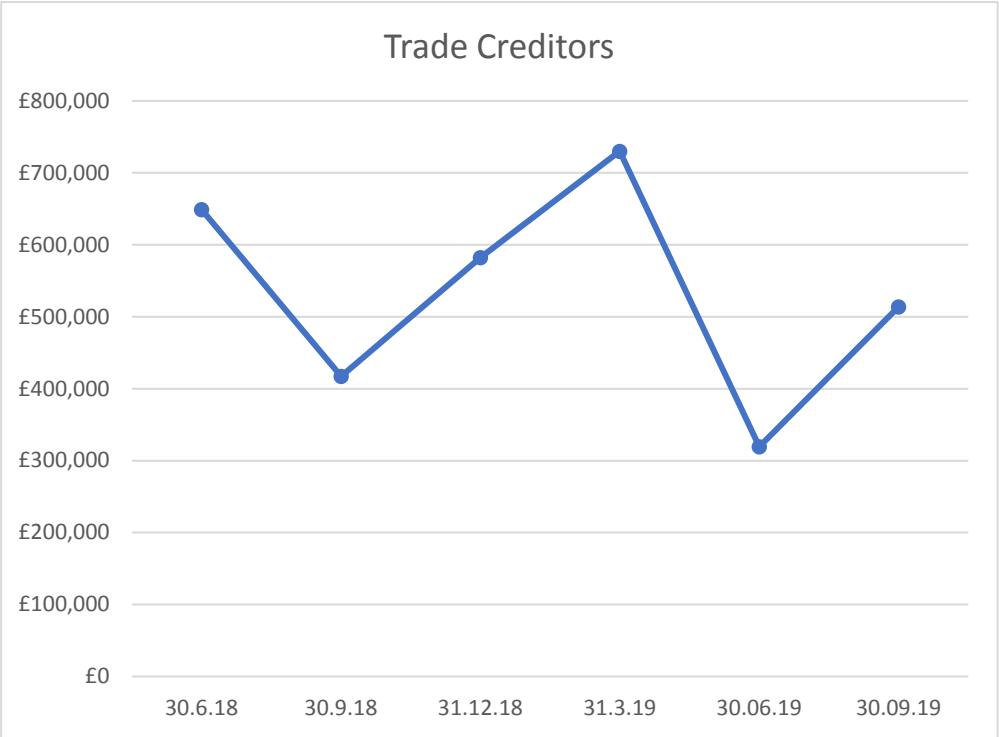
A more detailed analysis of the main areas of variance by service is attached as Appendix 2. These variances are the direct costs of each service and exclude recharging between services for overheads, depreciation charges and

technical financial adjustments required for statutory reporting purposes at the end of the financial year.

4.2 **Pay and staffing budgets:** There continues to be vacancies in some areas of the Council, as outlined in Appendix 2, which are awaiting outcomes of the corporate wide staffing restructures. The overall position on staffing budgets at the end of September is a positive variance of £71k.

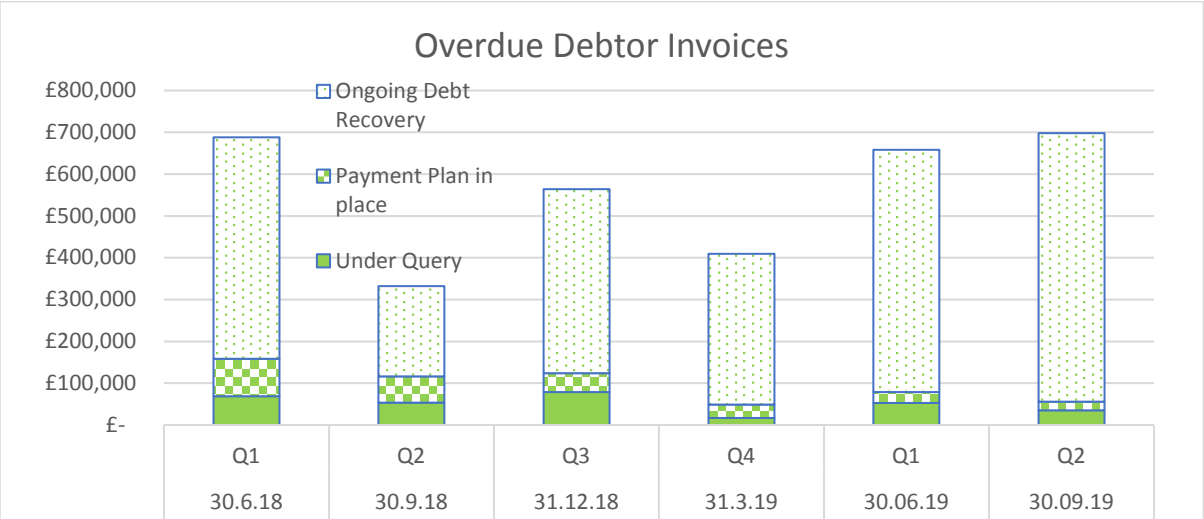
4.3 **Non-Pay budgets:** There has been lower than budgeted non-pay expenditure across the Council during Q2 resulting in a positive variance of £3m, which is almost entirely due to lower than anticipated housing benefit payments. These correspond to lower than anticipated income referred to below. Excluding housing benefit payments would result in a negative variance of £14k on non-pay budgets during Q2. Other areas contributing to this are unplanned expenditure on public conveniences and higher than anticipated transport fleet costs, as detailed in Appendix 2.

Performance on payments is shown in the graph below which shows the total value of invoices approved on the finance system but not yet paid (these are referred to as 'Trade Creditors'). The Council pays most of its suppliers within 30 days 97% of all undisputed supplier invoices have been paid within 30 days for Quarter 2.



4.4 **Income Budgets:** At the end of Q2 income was £1.48m lower than budgeted largely due to lower than anticipated reimbursement income for housing benefits payments by £3m (corresponding to the payments referred to above). This offsets a positive variance on business rates income of £754k reflecting the good performance in the collection of business rates and receipt of S31 grants from central government in relation to the mandatory reliefs awarded. Excluding housing benefit income would result in an overall £1.48m positive variance at Q2.

4.5 Trade Debtors are all outstanding invoices raised by the Council which are still awaiting payment. Performance on overdue invoices is shown in the graph below. These invoices include charges for CNC Building Control, Assisted Deposits and charges for Sewerage Services totalling £918,729. In addition, £5,828,051 has been raised in the current financial year in relation to Community Infrastructure Levy (CIL).



The Q2 position in 2019 is higher than the comparative period in 2018 for the following reasons:

- 2019 has seen an increase in the level of CIL invoices outstanding at Q2 by approximately £221k.
- An invoice of £285k in 2019 to reimburse the Council for development infrastructure is overdue and ongoing discussions are taking place with the debtor.

5 CAPITAL POSITION QUARTER 2

5.1 Capital to the end of September 2019 was £4.826 million compared to a profiled budget of £7.082 million.

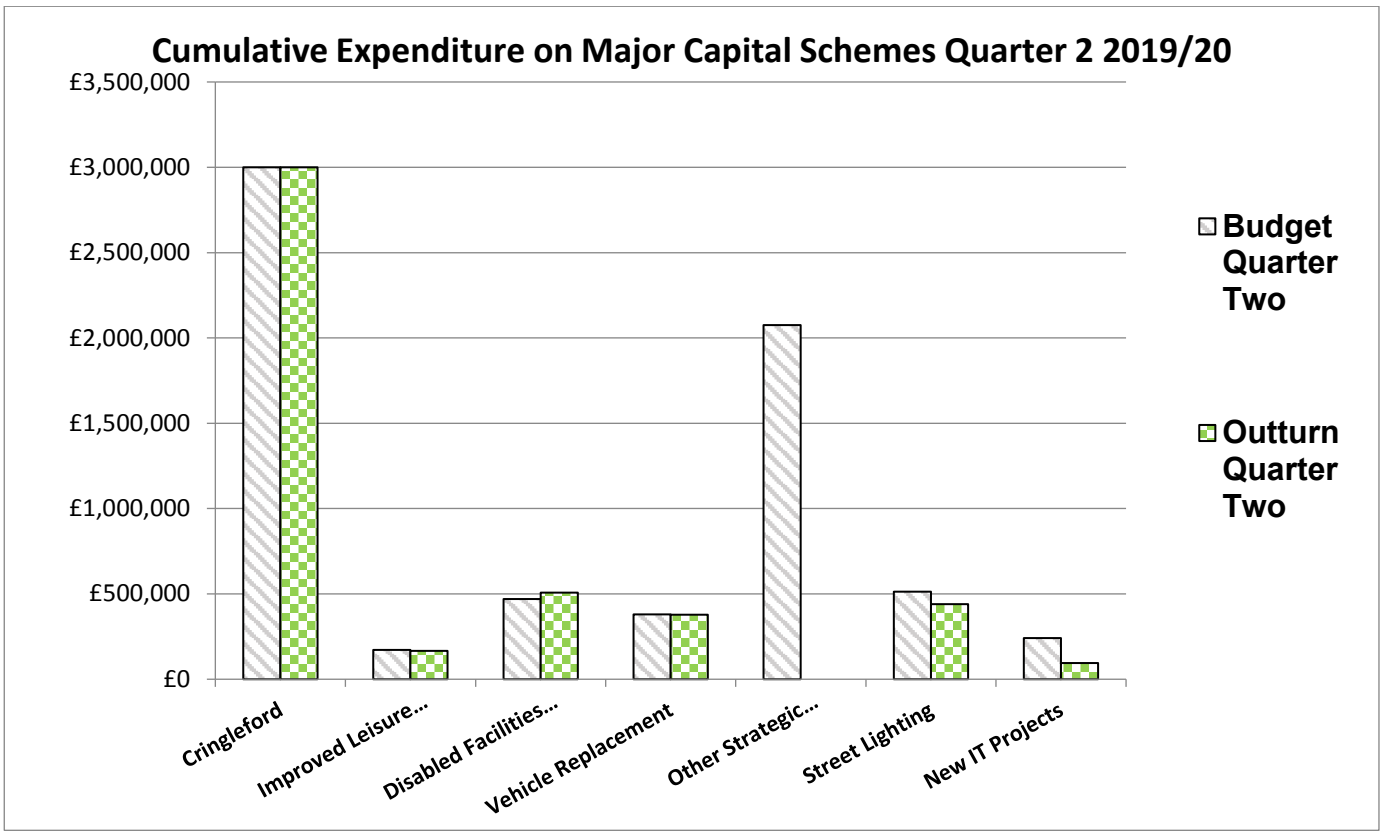
5.2 The major variations are as follows:

- Disabled Facilities Grants – expenditure is £37k over the profiled budget to date, however, the team are aware that the total budget is limited to the external funding provided by Central Government and are confident that this will not be exceeded.
- Other Strategic Property & Economic Investment – this budget will now not be needed and will result in a positive variance at the end of the year of £4.15m.
- Street Lighting- only one payment remains outstanding and this is expected to take place during Q4. There will therefore be a positive variance of around £35k-£45k by the end of the year.
- New IT Projects – Hardware is being purchased as required, particularly with regard to mobile working and the implementation of Windows 10, however, other systems improvements have temporarily been put on hold whilst

collaboration plans are formulated. It is expected that this whole budget will be required in 2019/20.

5.3 Some major schemes have been excluded from the graph as the budgets are profiled for later in the year, these include:

- NRP Enterprise Zone – New Building (£2m) – expenditure is not expected until Q4.
- NRP Infrastructure (£2.1m) – it is likely that this budget will need to be slipped into 2020/21.
- Strategic Economic Development - it is likely that this budget will need to be slipped into 2020/21.
- Funding for Big Sky Development Ltd's Strategy – loans are expected to be granted to the company at intervals over the next six months.



6. STRATEGIC RISK POSITION

Risk Reference: S1	**Failure to encourage business growth at Norwich Research Park Enterprise Zone (EZ) and realise associated opportunities and benefits agreed by Cabinet.**
Directorate & Owner	Place - Director of Place
Commentary	On 23 May 2016, Cabinet agreed to invest £12.54m to support infrastructure development at Norwich Research Park Enterprise Zone.

	This report was revised and resubmitted on 23 April 2019 requesting a reduced amount of funding investment of c. £3.05m to unlock part of the EZ. The accompanying report highlighted the opportunity to: - invest, unlock and enable new development - generate significant economic and financial benefits - accelerate business growth and attraction of inward investment - generate business rates income Also highlighted were several key risk areas, most notably that the development of the site does not occur, which could ultimately result in the Council's investment not being recouped. Work has been completed on a market assessment for a building Zone 4 which shows a good level of demand for such an investment.
Business Plan Activity	Delivery of inward investment, new jobs, cluster development and business rates income from the NRP EZ.
Required/outstanding actions to mitigate risk	• Assessment of most advantageous borrowing. Options for South Norfolk Council will be assessed at the point of borrowing. This is likely to be agreed Q3/Q4 2020. • Lambert Smith Hampton have been appointed to secure developers/ tenants to the NRP EZ. • The Zone 4 building is on track to be fully let before it is completed in Jan 2021.. • The funding agreement between Bullens and SNC provides protection and mitigation against non/ late delivery as well as overspend of the required infrastructure. As well as having measures in place to mitigate against the financial impact of late/ no delivery of the MSCP. • A Programme Delivery Board will continue to meet to ensure that the Zone 4 project comprising both infrastructure and a building remains on track and within budget. • To mitigate against Brexit clauses by contractors, longer lead in times to purchase materials etc are being considered. • Work with partners and Bullens to ensure the S. 278 for Hethersett roundabout is signed.

Risk Reference: S2	**Delivery of the Long Stratton Bypass is delayed**
Directorate & Owner	Place - Director of Place
Commentary	• The Greater Norwich City Deal facilitates a commitment to pool CIL to help fund infrastructure across the Greater Norwich area, with the Long Stratton Bypass identified as a key project to be delivered. A multi-year commitment to borrow £10m from the City Deals loan pot to help part-fund the bypass was agreed by the Greater Norwich Growth Board in 2016. Additional internal and external funding streams are also being investigated. • The Long Stratton AAP was adopted in May 2016, which requires developers/ landowners to contribute a 'substantive' amount of the funding required, adding certainty to the project happening • A successful bid to the National Productivity Investment Fund secured £3.05m towards the improvements at Hempnall Crossroads and the

	scheme is currently under construction & due for completion in late 2019.
Business Plan Activity	E3 Infrastructure Delivery
Required/outstanding actions to mitigate risk	• Two planning applications have been submitted, which include 1,800 homes, employment land, supporting infrastructure and the bypass. Currently working towards determination by Development Management Committee in 2020. • The potential use of a Compulsory Purchase Order to ensure delivery remains an option if progress is too slow. Considerable internal resources would be needed to pursue this option and a significant sum has been earmarked from the Council's reserves should it be necessary to fund such work. • SNC has supported the inclusion of the A140 as part of the Government's Major Roads Network programme, and has assisted Norfolk County Council in pursuing subsequent funding opportunities. • Long Stratton Bypass has been identified as a Transport East priority as part of the regional evidence base and submitted to DfT. • On 30 September DfT announced that Long Stratton Bypass had been successful in the first wave of major roads network funding with an initial award to help further develop the business case.

How we will deliver: Customer focussed, Can do and collaborative, Business-like, efficient and entrepreneurial - Moving Forward Together

Risk Reference: S3	**The Council is unable to deliver priority services as revenue funding falls short of required income**
Directorate & Owner	Resources - Group Accountant
Commentary	The Council's Medium-Term Financial Strategy (MTFS) was updated in February 2019 and shows a balanced budget for 2019/20, 2020/21 and 2021/22. The £1 million challenge on budgets for 2019/20 will need to be delivered by staff. Further work is required to identify measures to balance the budget from 2022/23 onwards. The plan contains two major risks, around income. Firstly, it includes revenue income from the New Homes Bonus (NHB). The actual level of NHB received is dependent on continued delivery of planned housing growth in the District. The future of this funding stream beyond 2019/20 is subject to decisions in the government's Spending Review timetabled for 2019. Secondly, the plan assumes additional income from commercialisation, mainly from property development and the leisure service and also from increases to fees and charges.
Business Plan Activity	**BAU: Finance:** Ensure the Council's resources are managed effectively and provide value for money, reducing the risk to the Council's reputation and procurement challenge.
Required/outstanding actions to mitigate risk	• Balanced budget beyond 2022/23 • Delivery of the Enterprise Zone • Delivery of further property developments (2019/20 and beyond)

	• Delivery of the savings from collaboration with Broadland Council (2019/20 onwards)

Risk Reference: S4	**Council assets are not managed effectively and do not support service delivery**
Directorate & Owner	Resources - Director of Resources
Commentary	The Council's key operational assets need to be maintained adequately to support effective service delivery. These assets can assist the Council in improving services offered and increasing income generation. The repairs and maintenance of these assets is managed by the services responsible. Technical advice is provided by the Facilities and Technical Services Manager.
Business Plan Activity	
Required/outstanding actions to mitigate risk	• Rationalise floor space at South Norfolk House for rental income – office space has been created with a view to let (2019/20) • The Lodge has been refurbished, and is actively being marketed (2019/20) • Trumpeter House is being actively marketed (2019/20)

Risk Reference: S5	**Property Development activities are not successful, leading to lack of income generation and inability to repay council loans and associated interest**
Directorate & Owner	Resources - Development Project Manger
Commentary	Through the Council's wholly owned property development company, Big Sky Developments Ltd, the Council is seeking to utilise its own land to develop a range of residential and commercial property. The commercial units will be retained within the Council to enable revenue income to be generated from rents. While the majority of the residential homes will be sold to generate profit, it is envisaged that a number will be retained in the Council's wholly owned property rental company, Big Sky Property Management Ltd. These homes will generate a rental income and the company's profits will be returned to the Council's revenue income.
Business Plan Activity	
Required/outstanding actions to mitigate risk	• Maximise opportunities by seeking to gain planning consent for development • Respond to market conditions, supply and demand • Feasibility appraisal of 5 potential development sites has led to pre-application discussions in relation to 4 sites, with a view to submit full planning applications in relation to two sites • Search for additional sites for development in progress (2018/19) • Assembling Design Team to deliver housing at the newly acquired site in Cringleford, purchased by Big Sky Developments Monitoring of loan repayments as they become due.

Risk Reference: S6	**Opportunity to benefit from efficiencies and enhance services and quality of life for residents through collaborative working with Broadland District Council.**
Directorate & Owner	Managing Director - Assistant Director – Chief of Staff

Commentary	South Norfolk and Broadland Councils agreed to move ahead with collaborative working in July 2018. This approach would enable both Councils to drive economic and housing growth, enhance quality of life and improve service delivery to residents of Broadland and South Norfolk. This would also allow both councils to build capacity and resilience, deliver potential savings and increase their influence nationally with regard to shaping the local government agenda Since July 2018, a single MD and senior management team for the two councils has been implemented and we are currently in the phase of implementing a single team structure.
Business Plan Activity	M2: BAU: Business Improvement Team: Undertaking Service Reviews for Strategic Leadership Team and the wider business to identify capacity, efficiencies, service delivery alterations. Tracking, reporting, challenging and intervening as necessary for Council performance, corporate projects and programmes. In conjunction with Digital Transformation, identify, prioritise and develop digital solutions to maximise self-service and 24x7x365 customer support
Required/outstanding actions to mitigate risk	• Collaboration Programme Team to: • progress the actions outlined in the route map for delivery set out in the Feasibility Study (2019/20) • Monitor the implementation of significant projects/programmes relating to collabotation • monitor collaboration risks and opportunities • Consult Joint Lead Members Group and Joint Scrutiny Committee when appropriate (2019/20) • Track and support the delivery of the Routemap through the core programme team.

Risk Reference: S7	**The Council is unable to respond to an unforeseen impact as a consequence of Brexit, particularly in a no-deal scenario**
Directorate & Owner	Managing Director - Assistant Director – Chief of Staff
Commentary	Many aspects of the Council's business and the wider area could be affected by Brexit, particularly in the event of a no-deal Brexit. The Brexit Lead Officer (Chief of Staff), Emergency Planning Team and Economic Growth Team are ensuring that Brexit related risks are being considered and managed, alongside key officers throughout the Council.
Business Plan Activity	Multiple entries on Business Plan
Required/outstanding actions to mitigate risk	• Keep a watching brief via: o Brexit Lead Officer and support team to closely monitor communications from central Government o Emergency Planning Team to continue work with the Resilience Forum to asses ongoing risks. o Emergency Planning Team to coordinate appropriate safeguards in the event of a no-deal Brexit, eg, data protection, o Ongoing review of business continuity plans

7. PROPOSED ACTION

7.1 Cabinet is asked to note the contents of this report and agree the recommendations.

8. OTHER OPTIONS

8.1 None

9. ISSUES AND RISKS

9.1 **Resource Implications – These are as outlined in the body of the report.**

9.2 **Legal Implications** – none

9.3 **Equality Implications** – none

9.4 **Environmental Impact** - none

9.5 **Crime and Disorder**- none

9.6 **Other Risks** – none

10 CONCLUSION

10.1 Overall, the position regarding performance, management of risks and financials is positive at quarter 2 2019/20.

11 RECOMMENDATIONS

11.1 It is proposed that Cabinet:

a) Notes the 2019/20 performance for the quarter and the year and the combined efforts across the Directorates to deliver the vision of the Council (detail contained in Appendix 1).

b) Notes the current position with respect to risks and accepts the actions to support risk mitigation (as detailed in section 6).

c) Notes the capital and revenue position and the reason for the variances on the General Fund (detail contained in Appendices 2).

d) Approve the recommended amendments to the Leisure Measures HE1901 & HE1902 and to consider and decide on the continuation of the annual reporting of Measure HE1602

CORPORATE PRIORITY AREA

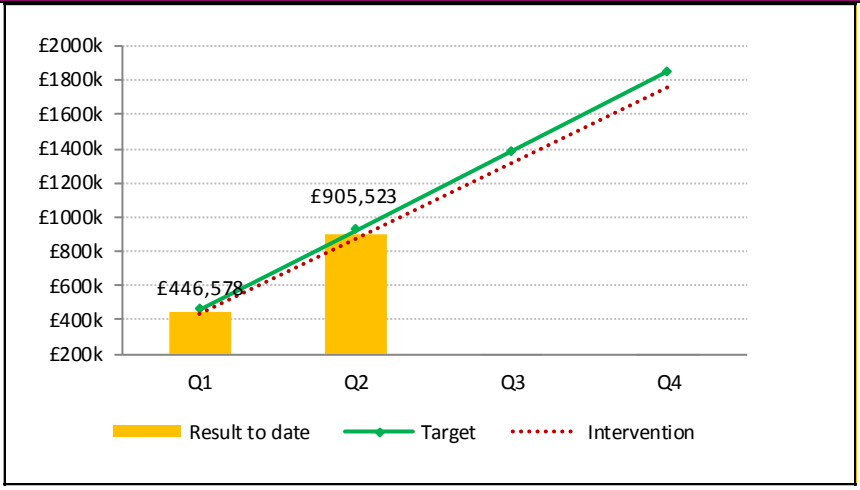
Economic Growth, Productivity and Prosperity – Providing the environment to stimulate growth, productivity and prosperity, sharing the benefits of growth with our communities

Corporate Priority:

Working as part of Greater Norwich to support investment in critical infrastructure, utilising innovative funding mechanisms, increasing the number of local jobs and the area's overall productivity

Measures:

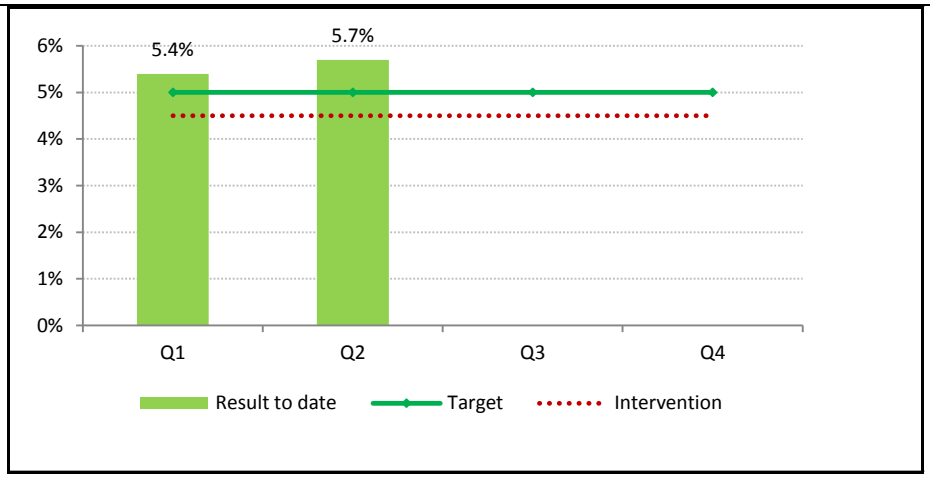
LI 1013: CNC Building Control fee earning income



Directorate: Place
Measure owner: AD Planning

We are 2.26% below our application income forecast, this reflects the continued uncertainty in the construction sector due to unresolved issues such as the Hackitt Implementation phase and Brexit. Performance of the construction sector is unlikely to improve until some certainty has been reached with these issues.

LI 358: % rental income return from property investment



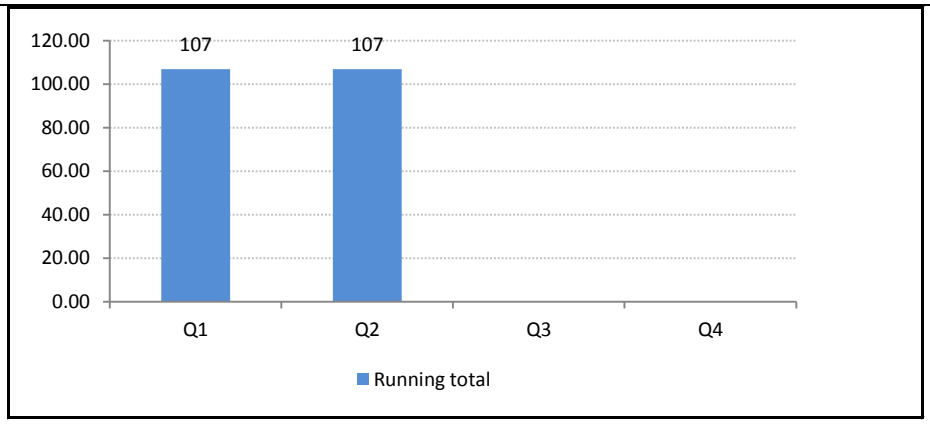
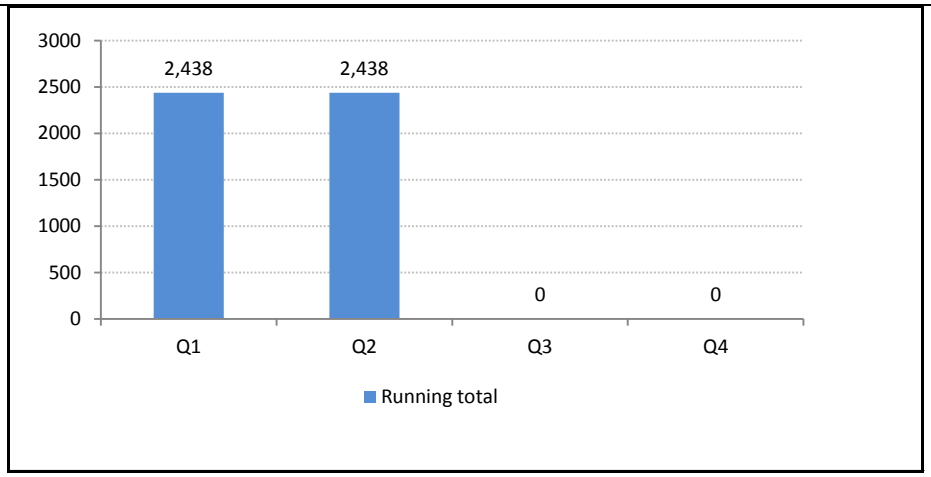
Directorate: Resources
Measure owner: AD Finance

Investment properties has a positive variance of £23.7k due to good occupancy and additional unexpected rent from Unit 13.

Ketteringham Depot rent is at budgeted

Loddon has a negative variance of £2k which is because of vacant units. This is expected to grow in the short term as there are more units due to become vacant and money will need to be spent to bring them to a rentable standard.

Crafton House has a positive variance to date of £15k due to better occupancy then budgeted for.

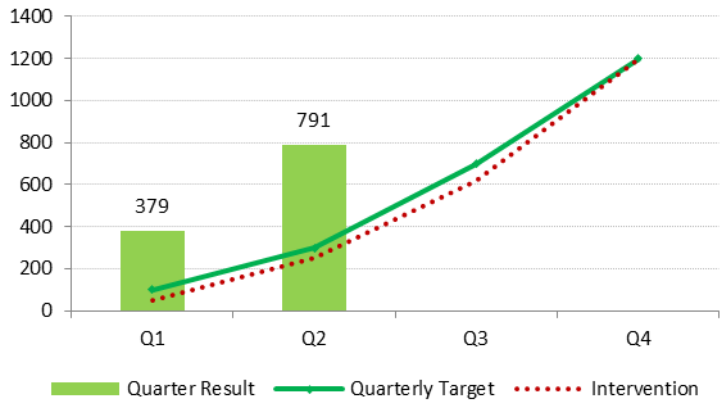
EG 1601a: Number of residential dwellings developed through our Big Sky Developments company	
	Directorate: Resources **Measure owner:** AD Finance
	Rosebery Park - only 3 remaining properties to sell (2 shared equity and 1 open market), 4 are reserved awaiting exchange. Maple Park - only 2 remaining open market dwellings to sell. 3 are reserved awaiting exchange. 2 shared equity unit are reserved. Works commenced on site for phase 1 St Giles Park.
EG 1601b: SqMetre area of commercial space developed through our Big Sky Developments company	
	Directorate: Resources **Measure owner:** AD Finance
	The running total still remains at 2,438 sqm with no further units planned for delivery in this financial year.

Corporate Priority:

Supporting new and existing businesses to grow: facilitating innovation, and providing targeted support to key sectors

Measures:

LI 356: Number of Small-to-Medium (SMEs) provided with advice and guidance in South Norfolk

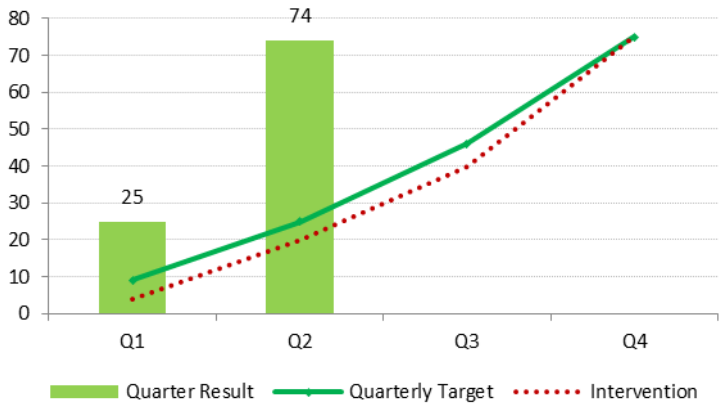


Directorate: Place
Measure owner: AD Economic Growth

The breakdown of the figures for advice and guidance given is as follows:
19 – Local Tourism Action Group briefings
87- South Norfolk Business Breakfasts
9 - Growth Hub referrals
270 -Food & Licensing team visits/licences.
27 - Economic Development general enquiries

Note: the food and licensing team include a figure for visits and advice given whilst licences are issued. Their visits are usually for regulatory, licensing or food premises inspection purposes, but often include general business advice and onward referrals to other agencies.

LI 1613: Number of new business start-ups supported in South Norfolk



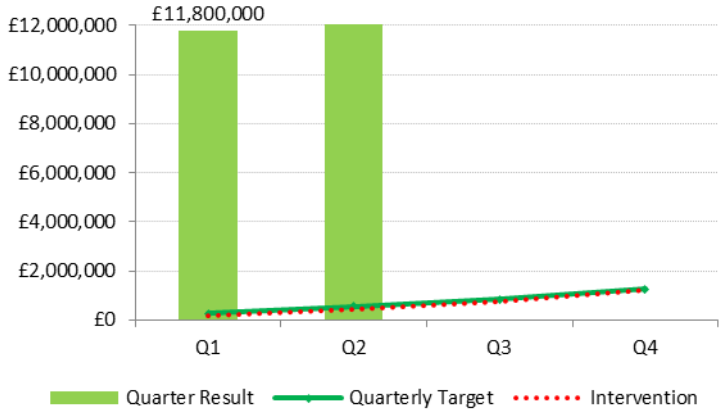
Directorate: Place
Measure owner: AD Economic Growth

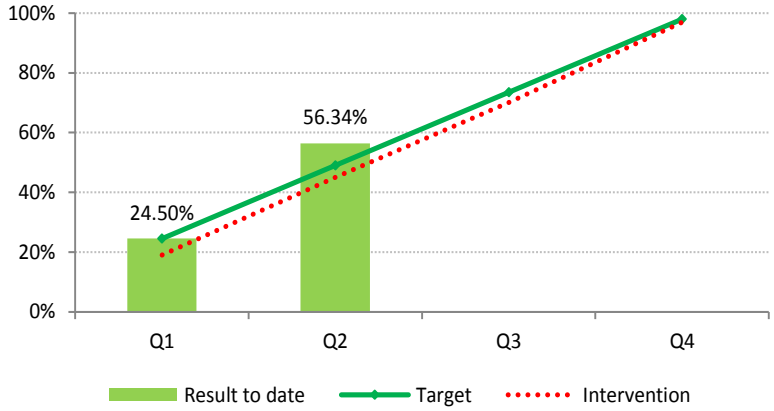
The breakdown for the support to start-ups in South Norfolk is as follows:
41 - Business Growth Club
8 - Norfolk & Waveney Enterprise Services (NWES) referrals

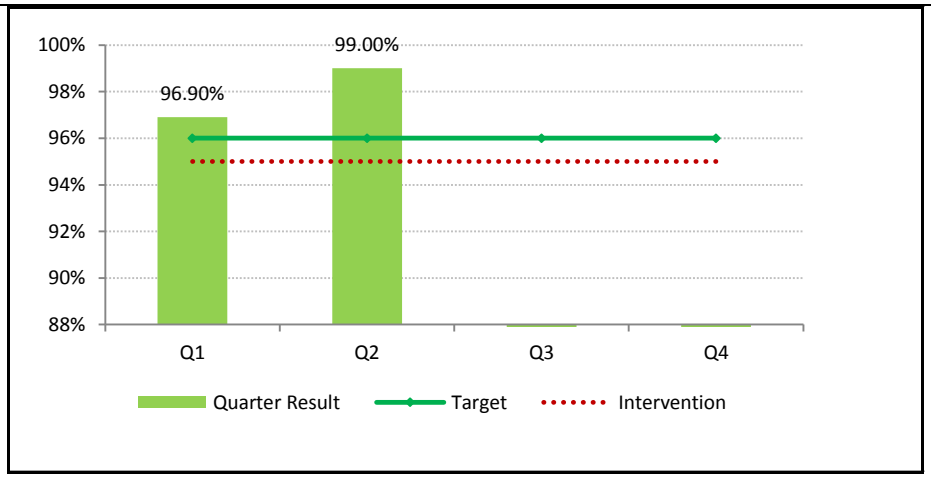
The Council facilitates the Business Growth Club, which invites pre-start-up and start-up businesses to networking sessions at Crafton House, Poringland. Here they are able to receive free mentoring in many aspects of starting a business, including finance, marketing, selling, etc.

NWES is a LEP sponsored organisation, commissioned to deliver its start-up programme to which South Norfolk EDOs currently refer potential clients. Referrals are predominately for small, life style type businesses.

LI 758: External funding identified and brought into the local economy



	Directorate: Place **Measure owner:** AD Economic Growth
	£500,000 from DfT for a detailed business case for the Long Stratton by - pass. Although awarded to NCC this funding was secured as a result of jointly commissioned work on the detailed design work of the road. £39,000 from District Direct for winter resilience money for SN residents. £49,073 from the MHCLG (Housing advisor programme) to both SN and BDC. The funding will be used to secure expertise to look at how we merge our various workstreams including temporary accommodation, housing models and housing policies in a broader Norfolk context. £9,313 small grant to Space Burston. This was awarded by NALEP to support this business growth plans.
BV010: % of non-domestic rates collected	
	Directorate: Resources **Measure owner:** AD Finance
	The collectible debit (for 19/20) is £32.9m and is £576k higher than at the start of the year. This is down to the continued efforts of the team to identify new Rateable Value (RV - the basis for the charge) and to ensure that reliefs are applied correctly. To date we have collected £18.5m.

LI 210: % of food premises which have an FHRS (Food Hygiene Rating Scheme) rating of satisfactory or above	
	Directorate: Place **Measure owner:** AD Regulatory
	This is a good result for Q2. Changes in staffing have presented an operational challenge for the completion of food safety inspections and this will continue into Q3 as we onboard newly recruited officers, however this is not expected to affect food hygiene ratings.

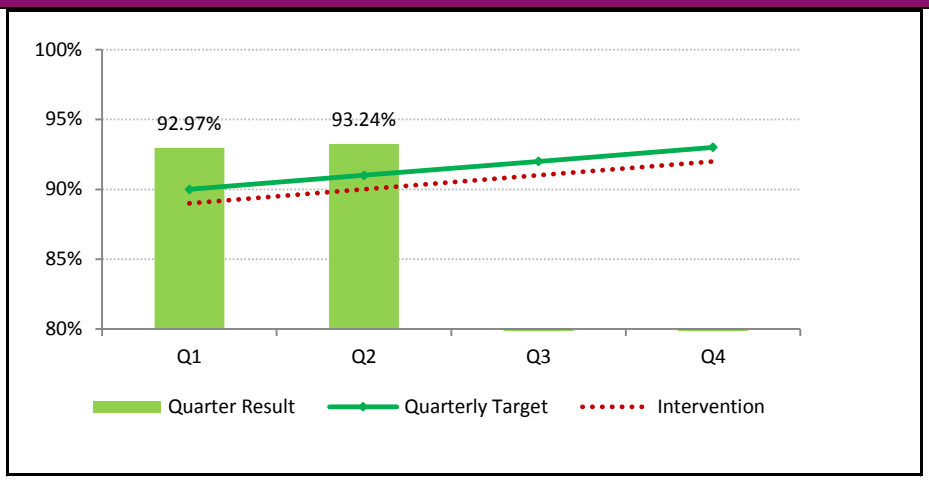
Corporate Priority: ***Working with key partners to develop local skills to match what our businesses need, and supporting apprenticeships***	
Measures: **EG 1605: Number of apprenticeship placements available in our local businesses for our young people**	
	Directorate: Place **Measure owner:** AD Economic Growth
	At present this figure cannot be reported due to the fact that the team responsible for reporting this information at Norfolk County Council has been disbanded. A new Skills team at Norfolk County Council is now being put in place with the aim of being able to provide these figures, at a district level. However, there is nothing to indicate that the number of apprenticeship placements vary significantly to the target.

Corporate Priority

Sustaining the character and supporting the vitality of our local market towns, stimulating business growth, both in town centres and across the rural parts of our district

Measures:

MI 1039: % of units liable for business rates occupied



Directorate: Place
Measure owner: AD Economic Growth

The occupancy level for commercial premises in South Norfolk at the end of Q2 (93.24%) is higher than the occupancy figure for the same quarter in each of the previous six years. This measure across all premises subject to business rates, suggests that the economy of the district is gradually getting more buoyant year by year. Not only has occupancy level of the stock increased by over 1.6% but also the total number of unit's subject to business rates has increased by 29% over the past six years.

CORPORATE PRIORITY AREA

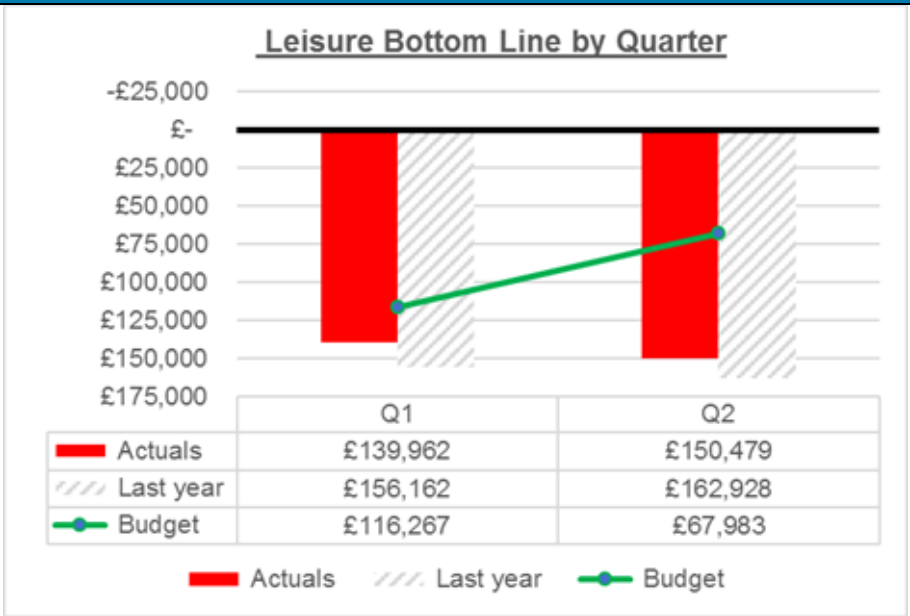
Health, Well-being and Early Help – Proactively working with communities to provide help at the earliest opportunity and enhancing the health and well-being of our residents

Corporate Priority

Encouraging our residents to live healthy and active lives

Measures:

HE 1901: Achievement of our leisure services performance target to achieve cost neutrality



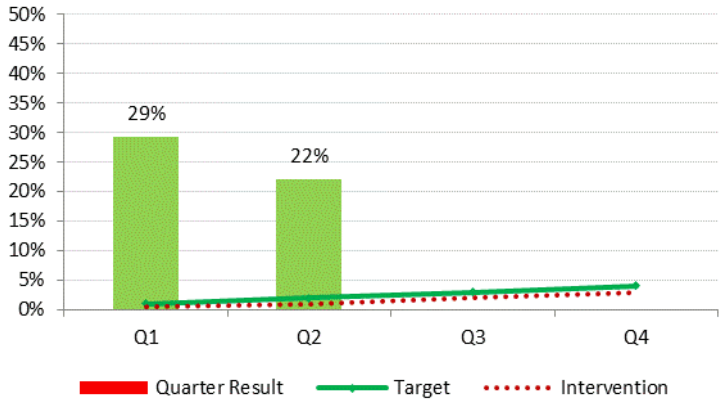
Directorate: People
Measure owner: AD Community Service

Following feedback from Cabinet this KPI measure has been amended to track performance against budget set rather than Income.

This illustrates how the whole Leisure service (including the Head Office based Management Support) is performing against the budget expectations set.

The actuals figure reported reduces the income target to reflect the correct VAT treatment. We set a stretch budget to endeavour to push the service to operational cost neutrality by year end. The current Year to date position with all 4 Leisure facilities finally fully open and operating shows that whilst Q1 and Q2 did not meet the budget expectations we have delivered a 9% YTD improvement on last year's performance.

	The service is (-£106k) behind target. To put this into context this currently equates to 5% of our overall expenditure YTD The main contributors towards this position are income related with Ketts Park (-£18k), Diss LC (-£15K), Long Stratton LC (-£1K), Wymondham LC (-£20K) [Spa (-£25k) and Cafe (-£24K)]. Expenditure is under control with only a minor year to date (-£5k) overspend overall. The initial high cost set up phase for Long Stratton LC has passed. Ketts Park has significant unbudgeted income to be realised with full winter/spring programme bookings and unbudgeted income from car park and college hires to eradicate the YTD deficit to budget by year end. Diss LC is ahead of budget by +£8.5k, the Leisure Management budget is also ahead of target by +£8.5k and the Recreation Sport budget is +£2.3k ahead of budget set. Wymondham LC is (-£82k) behind target overall and Long Stratton LC is (-£19.5k) behind. The actions to reverse the deficits are ongoing with the new Wymondham Cafe contract having been awarded to commence in November (giving SNC a guaranteed return) and the car park extension works are ready to commence pending the VAT advice yet to be received. The Spa performance is improving but remains fragile with significant competition growing. Long Stratton has not experienced a high yielding Winter/Spring period with its new facilities and the indicators are all positive with full hall and 3G hires, membership numbers and performance ahead of target and the Soft Play and Cafe operating successfully. The service is forecasted to improve its year on year performance by over +£300k vindicating the investment made but potentially falling short of its stretched target by (-c£130k). The front-loaded expenditure costs at the start of the new year at all facilities to improve operations has been spent and the 2nd half of the year is the most productive. All efforts will be made to reduce this deficit by year end.
Corporate Priority ***Encouraging our residents to live healthy and active lives***	

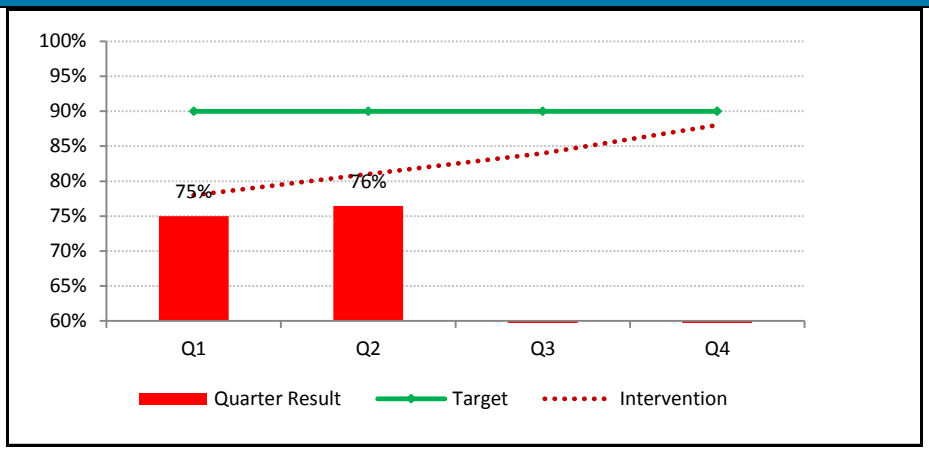
HE 1902: % increase in the annual footfall of customers visiting SNC's leisure facilities and activities to lead healthier and more active lives	
	Directorate: People **Measure owner:** AD Community Service
	We have changed this from an annual measure to a quarterly measure to enable more effective progress tracking. With the full opening of Long Stratton LC and the addition of Ketts Park South Norfolk Leisure is on course to attract over 1 Million attendances this year. A significant overall increase of over +25% is currently being achieved with Wymondham increased by +3.6%, Diss LC by +6% and Long Stratton by +299%. Ketts Park was not open at this time last year. Our strategic aim of getting more people more active more often is being achieved. The inaugural EAMA 10K run is now fully booked with 700 bookings plus a further 50 entrances through sponsoring organisations and the new Pace Of Mind running group at Ketts Park. The event meets several of the outcomes outlined in the SNC Health and wellbeing strategy: The event has also created a new partnership with East Anglian Motor Auction, a local business based in Wymondham who sponsored the event with a £4,000 contribution. EAMA's sponsorship, coupled with £10,802 in entrance fees, mean that the event is forecasted to generate £8,500 profit for SNC. Our Broadly Active exercise referral scheme has processed 55 referrals since March this year and generated £2,574 income. Of the 22 referrals who have finished the scheme to date, 64% have converted into leisure centre members, a further 13% have remained active but have been referred into other services not directly Managed by SNC. The most common reason for referral has been Coronary heart disease risk factors, however referrals for mental health, diabetes and obesity have also been prevalent."

Corporate Priority

Supporting people within our communities who need our help the most

Measures:

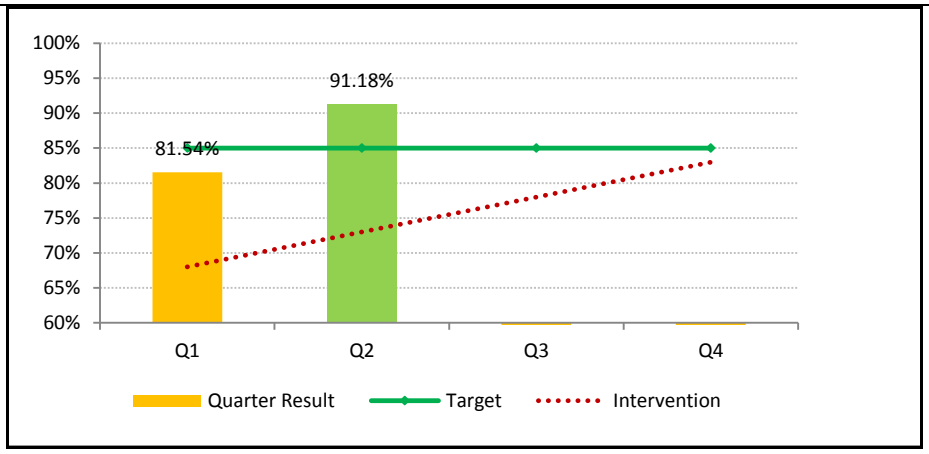
HE 1603: % of households in temporary accommodation for 8 weeks or less from the date of the homelessness decision to housing solution



Directorate: People
Measure owner: AD Individuals and Families

A lot of work has been completed with our social landlords over the last 2 months. We now have a 'tenancy at risk' process set up that has been live since mid-September. We have also completed an officer partnership event that included over 75 SNC and Saffron officers so that we can share our preventative practices and options available to our residents. We will review the outcome of this to see if this will reduce the number of difficult to home, especially families and thus reduce length of time in temporary accommodation. It is useful to note through continuing to house these families, we are ensuring that they are supported properly and are able to move on in to more sustainable tenancy.

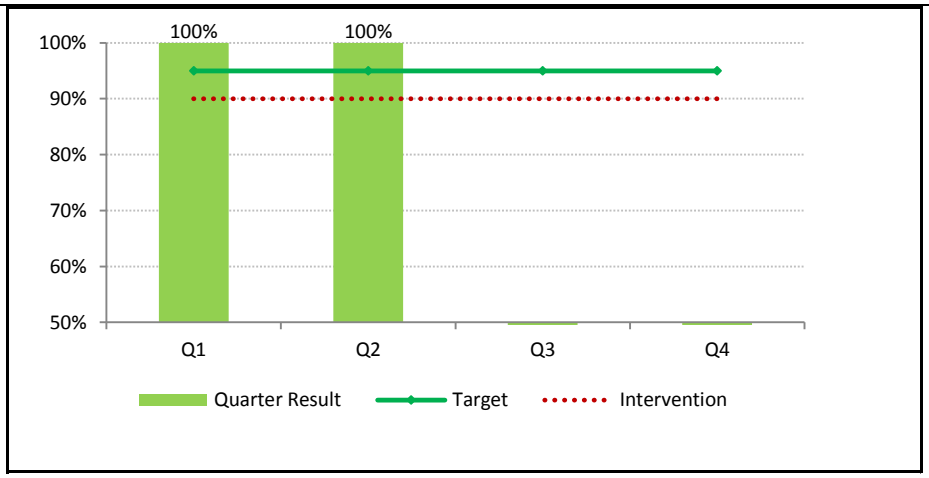
HE 1801: % successful intervention to prevent or relieve homelessness for customers who are homeless or at risk of becoming homeless



Directorate: People
Measure owner: AD Individuals and Families

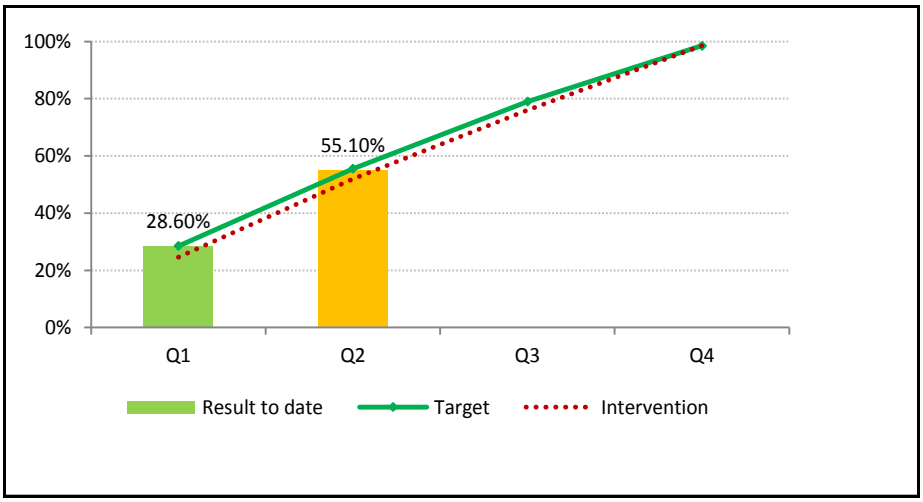
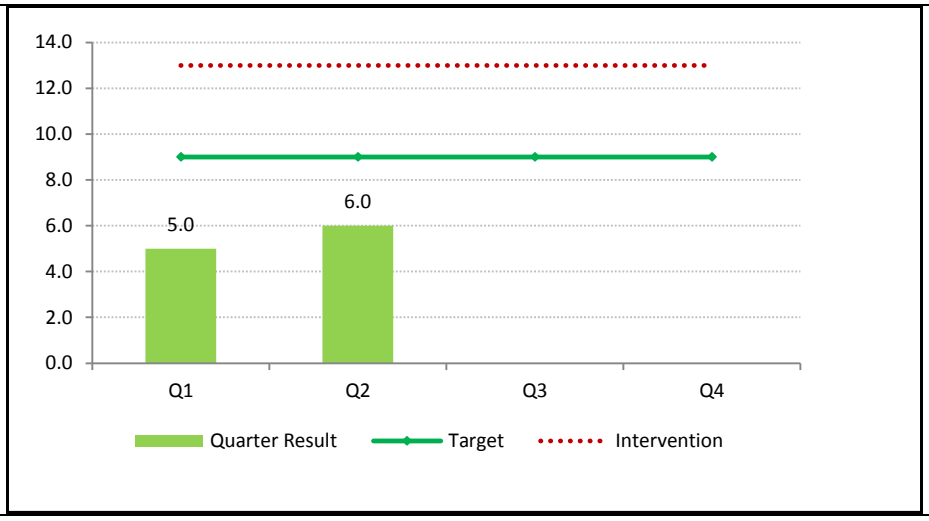
The preventative partnership approach discussed in HE 1603 inevitably provides quicker results in prevention as we are able to keep people in their homes, those who are evicted face a prolonged pathway. This is once again allowing the team to priorities prevention, something that is at the core of our mindset

HE 1605: % of those housed by SNC housing remain in the same, or improved accommodation after a 12 month period



Directorate: People
Measure owner: AD Individuals and Families

We continue to see sustainable performance in making sure people are ready for their properties. Our allocations system, choice-based lettings, makes sure that people choose the property and therefore have strong ownership to it. This makes sure people pay their rent and

	look after the property making sure they are less likely to face tenancy action within the first 12 months
BV009: % of council tax collected	
	Directorate: Resources **Measure owner:** AD Finance
	The collection rate for 19/20 is marginally lower than this time last year (55.10% compared with 55.23%). This can be attributed to a number of factors, but primarily will be down to the continued migration of customers from 10 monthly to 12 monthly instalments. This has the effect of delaying income. The tax base (numbers of properties liable for council tax) continues to grow meaning that we've added £493k since the start of the year. To date we've collected £50.3m (compared with £47.5m 18/19) of the £91.3m that we've billed.
HE 1606: Number of working days taken to process new claims for Housing Benefit/Council Tax Benefit	

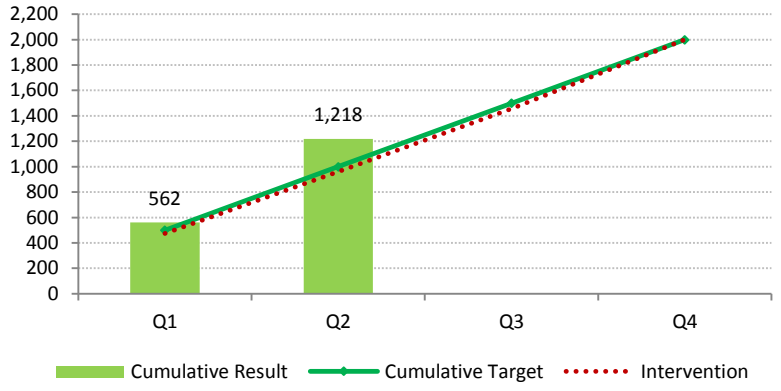
Directorate: People
Measure owner: AD Individuals and Families

The hard work making sure we were up-to-date in readiness for the Summer Holidays has paid dividends by making sure we were ready for the increased demand over the summer months. This performance remains the best in the county and top quartile nationally. Quick payment of benefits remains essential in sustaining tenancies and undoubtably positively impacts on HE1606.

Corporate Priority
Working as part of communities to proactively provide early help

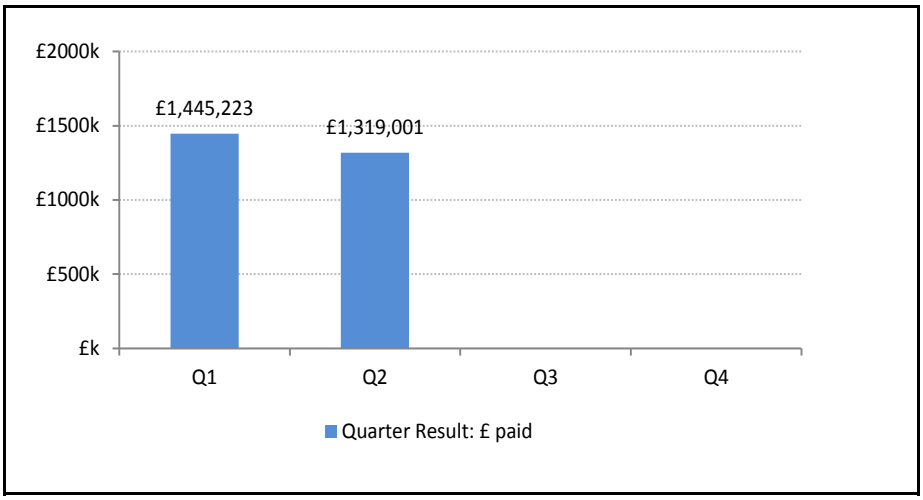
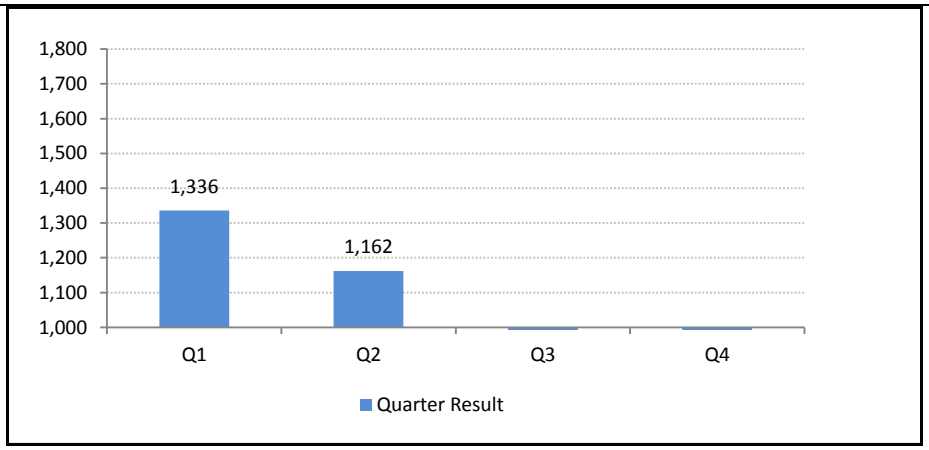
Measures:

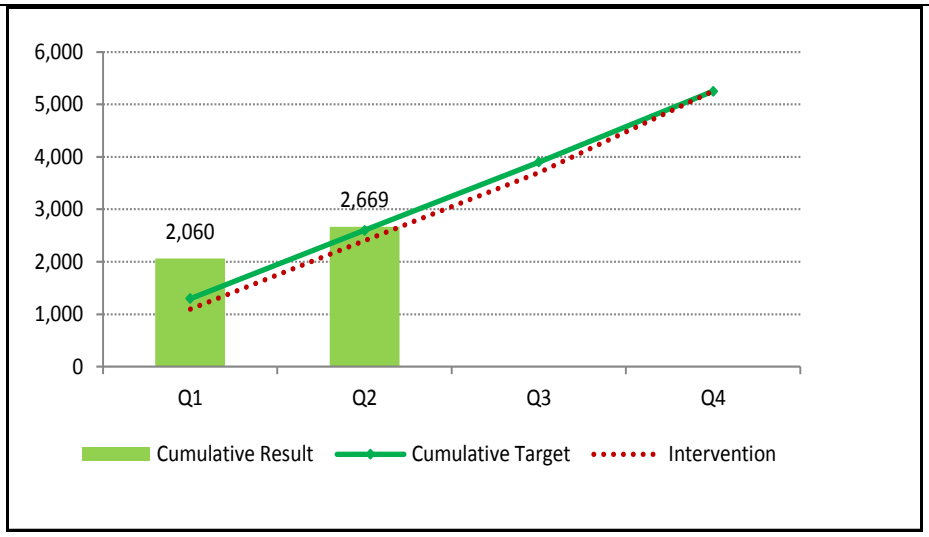
HE 1607: Number of households helped to achieve positive outcomes through our Help Hub service



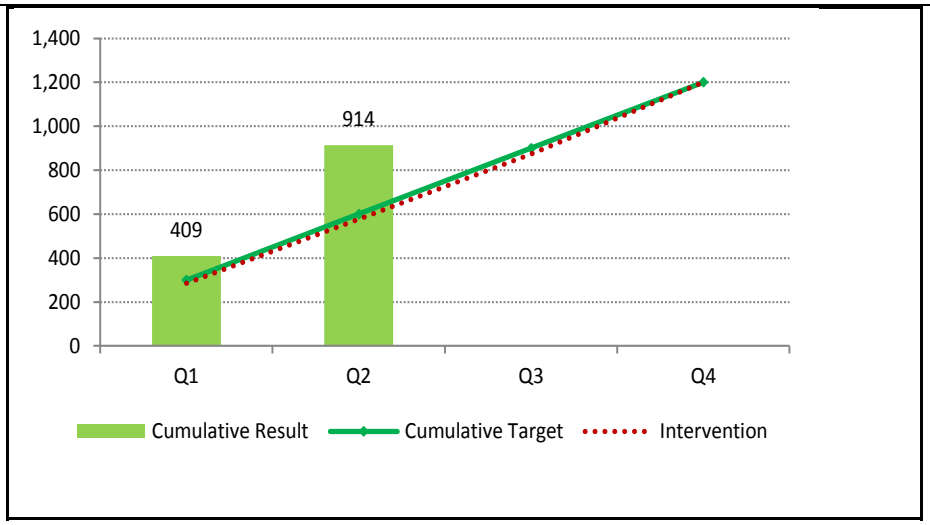
Directorate: People
Measure owner: AD Individuals and Families

The number of requests for support has remained higher than 2018/19 for the same quarter. The usual summer decrease in referrals seen from schools and support services for young people has been countered by an increase in the number of requests for older and working age customers.

HE 1607a: £ paid in benefits to people in work	
	Directorate: People **Measure owner:** AD Individuals and Families
	As within HE1607b as the number of UC claimants increase the amount of Housing Benefit payments will decrease. Our customer count however does not increase in lieu with this as they continue to be eligible for Council Tax Support. This measure will have to be removed moving forwards
HE 1607b: Number people in work receiving benefits	

	Directorate: People **Measure owner:** AD Individuals and Families
	This represents an encouraging fall in those in work claiming benefits however this measure is becoming increasingly difficult to compare with the implementation Universal Credit within the district. Claimants of UC now account for nearly 1000 of our customers. It is however not possible to state that this represents a net increase as many of those on UC would have previously been claiming a form of in work benefits which net amount would have still made them ineligible for Housing Benefits such as Child Tax Credits for childcare. This measure will be reviewed moving forwards
HE 1608a: Number of households who are assisted to access support within their community to meet low level need	
	Directorate: People **Measure owner:** AD Individuals and Families
	With no major business as usual community engagement events (e.g. SNOS, Flu clinics) during this period Officers have engaged with customers to support low level need through a variety of more specific and targeted channels. This included grant funding for new projects and launch events, briefing events for issues such as dementia and training for community groups.

HE 1608b: Number of referrals to our social prescribing services



Directorate: People
Measure owner: AD Individuals and Families

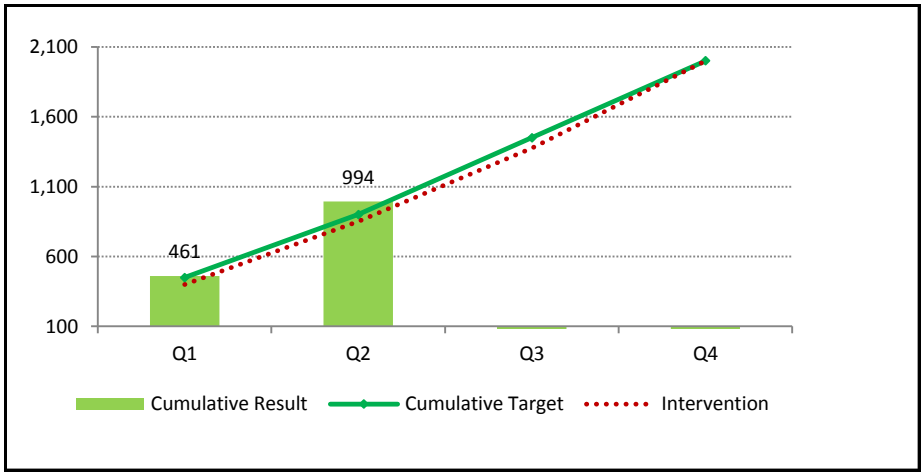
This service continues to grow with a 78% increase in referrals when compared with the same period last year. Feedback from stakeholders is very positive and customers are clearly benefiting from this immediately accessible source of Early Help. Discussion are underway with PCNs to secure ongoing funding when the current NCC commissioning cycle expires in June 2020.

Corporate Priority

Helping our older and vulnerable residents to stay independent and in their own homes for longer

Measures:

LI 323: Increase the number of vulnerable people supported to maintain independence in their own homes, with support from interventions



Directorate: People
Measure owner: AD Individuals and Families

This indicator includes delivery of our handyperson, debt and welfare, energy advice and care and repair services. Demand remains consistent with previous quarters.

CORPORATE PRIORITY AREA

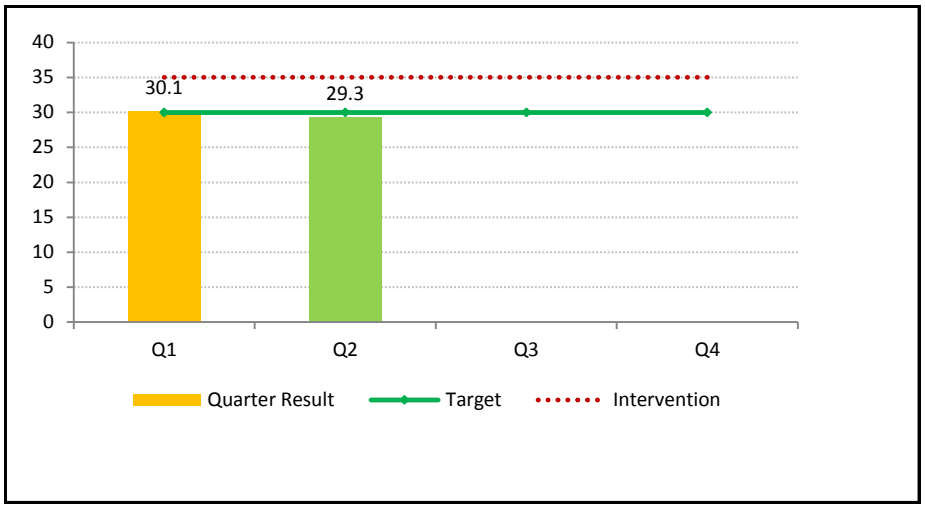
Place, Communities and Environment- Improving the quality of life of our communities and enhancing the built and natural environment in our towns and villages

Corporate Priority

Keeping streets and public spaces safe, clean and tidy

Measures:

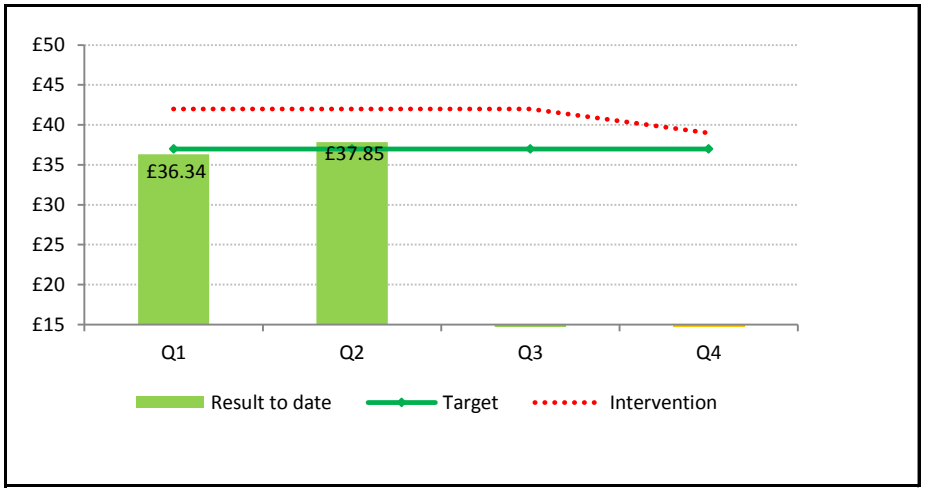
LI 263: Number of missed bins for all waste per 100000 collections



Directorate: People
Measure owner: AD Community Service

The service continues to improve on the Q1 figure by implementing measures to improve vehicle availability and stabilise the workforce. The Depot continues to utilise Agency staff, but better operational planning has minimised the impact on the service

LI 262: Cost of waste collection per household



Directorate: People
Measure owner: AD Community Service

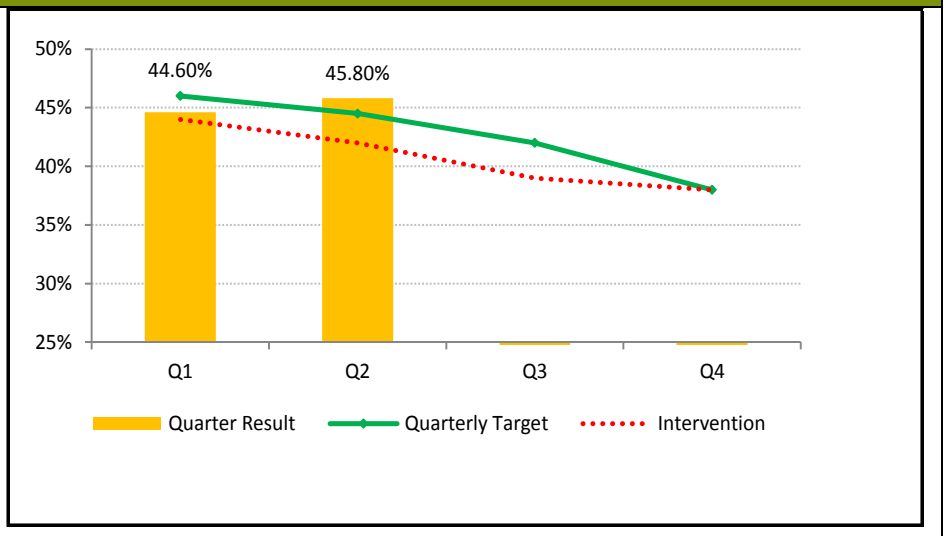
The Q2 cost per waste collection has returned back to slightly above the previous Q4 year end 18/19 level, and Q1 outturns. The increase in cost is associated with vehicle repair costs being underestimated during the last budget setting process. Furthermore, the service has expanded in size to cater for additional homes and absorbed extra staffing (overtime was also not budgeted for) and increased fuel costs without significant cost escalation.

Corporate priority

Encouraging communities and businesses to recycle more – reducing the amount of waste that we send to landfill

Measures:

NI 192a: % municipal waste recycled, reused and composted



Directorate: Place
Measure owner: AD Regulatory

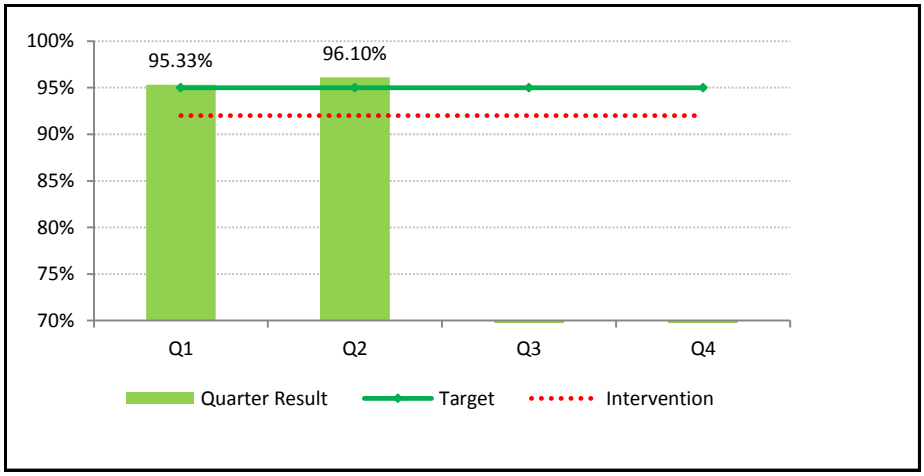
For comparison the recycling rate for Q1 2018/2019 was 44%, which shows that the recycling rate has increased by 1.48%. From looking into the data further this is due to an increase in the dry recycling, which has increased by 1.48% (this excludes the garden waste tonnage). This is likely to be due to the Norfolk contamination rate decreasing by 5.18% (from 22.23% (April to June 18) to 17.05% (April – June 19)). The decrease in Norfolk contamination rates will result in less recycling being rejected and sent for disposal. This will also help to reduce the residual waste tonnage and increase recycling.

Corporate priority

Enhancing our high-quality environment by supporting development that respects and enhances the distinctive character of South Norfolk

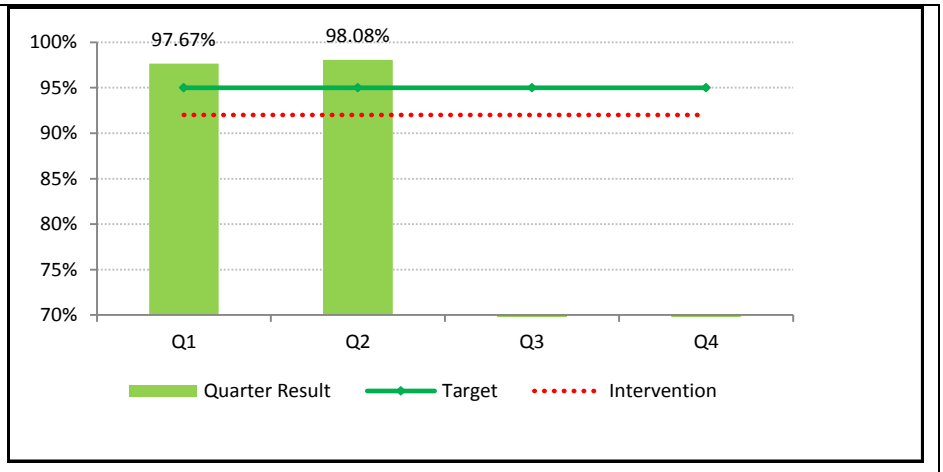
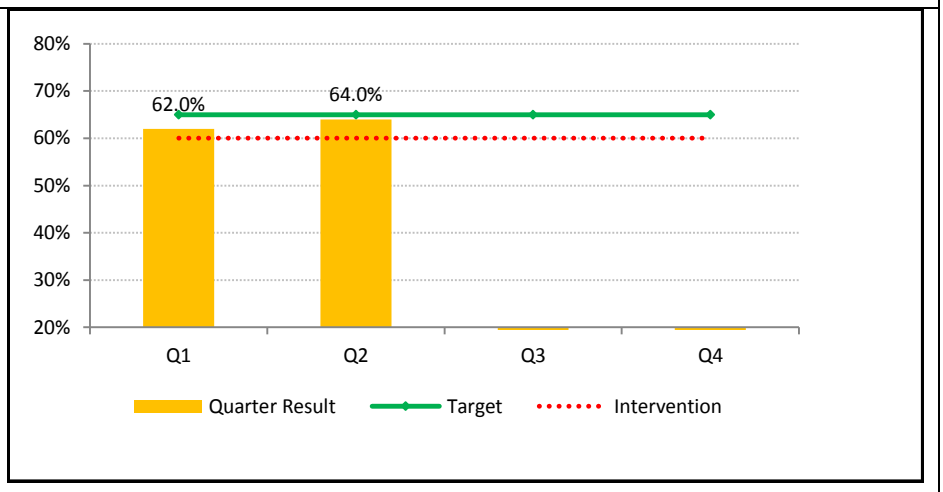
Measures:

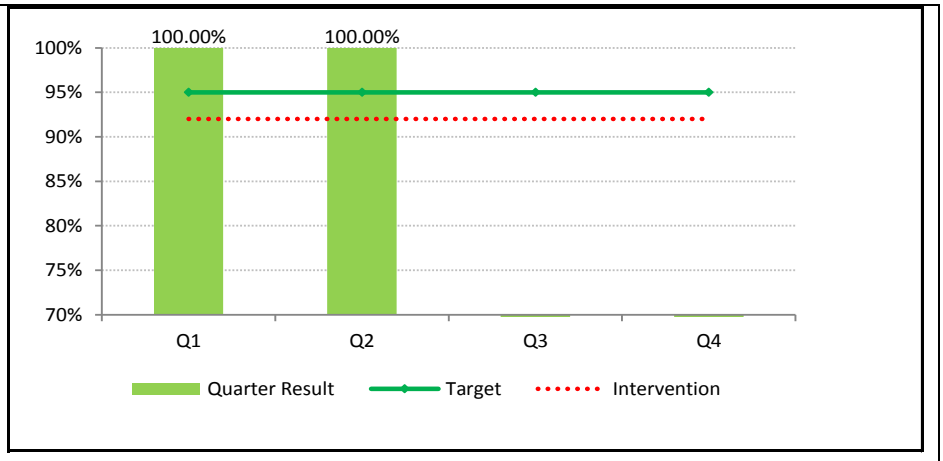
PL 1801: % of other and minor applications determined within 8 weeks or in an extension of time



Directorate: Place
Measure owner: AD Planning

This relates to 222 applications out of 231. 192 were determined within the statutory time period and 30 within an agreed extension of time.

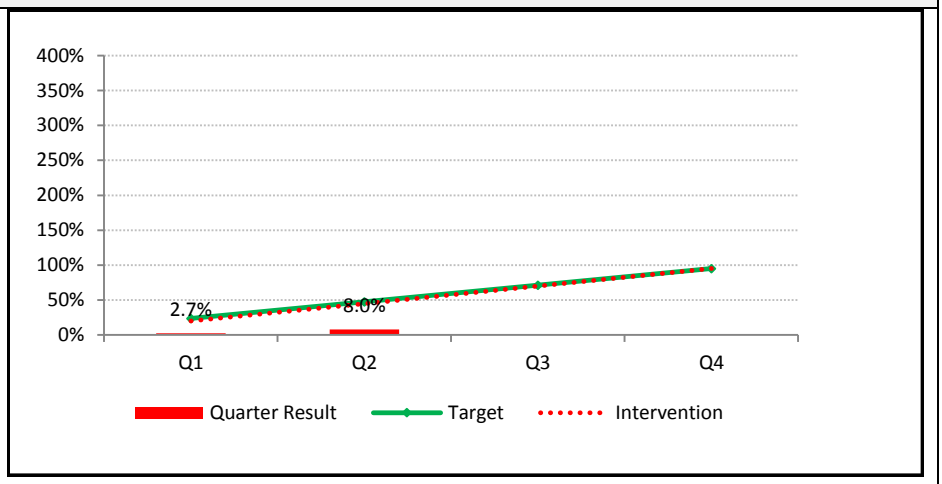
LI 302: % of householder applications determined within 8 weeks or in extension of time	
	Directorate: Place **Measure owner:** AD Planning
	This relates to 153 applications out of 156. 136 were determined within the statutory time period and 17 within an agreed extension of time.
MI 1307: % of householder applications determined within 6 weeks	
	Directorate: Place **Measure owner:** AD Planning
	This relates to 100 applications out of 156. 136 were determined within the statutory time period and 17 within an agreed extension of time.

MI 1308: % of major applications determined within 13 weeks or in extension of time	
	Directorate: Place **Measure owner:** AD Planning
	This relates to 16 applications. 7 were determined within the statutory time period and 9 within an agreed extension of time.

Corporate Priority

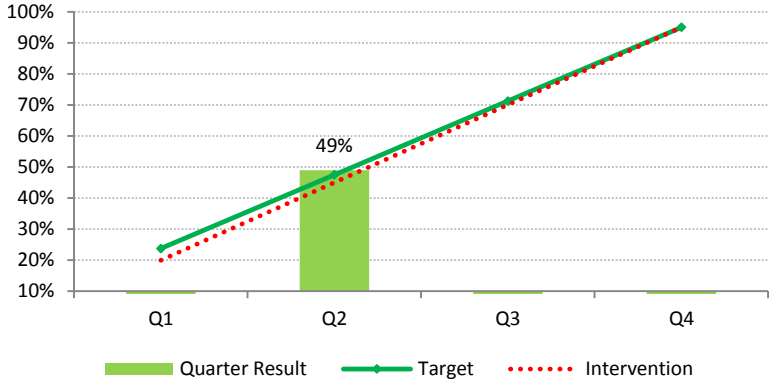
Working effectively with the Voluntary Sector and community groups to make sure our residents have access to a wide range of services and support to meet their needs

Measures:
PL 1901: % of Member Ward budget spent



Directorate: People
Measure owner: AD Individuals and Families

We would have expected to see around 50% of funding spent around Quarter two, to date we have spent £3,809 out of a possible £46,000. Members have been working with groups and a number of projects are in the pipeline with the cut-off date of 31 December to complete applications.

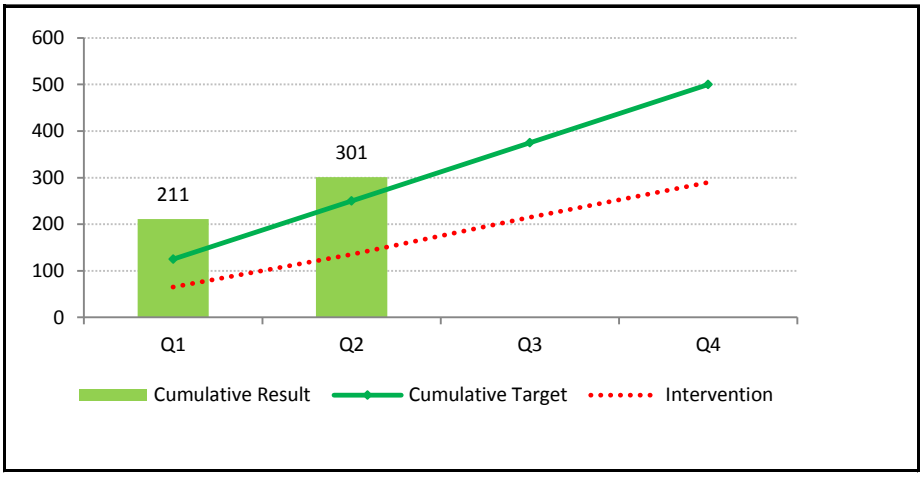
PL 1602: % of Community Action Fund (CAF) spent	
	Directorate: People **Measure owner:** AD Individuals and Families
	We have allocated £48,674 in the first round of funding which has supported 10 projects. This year the fund has been increased from £50,000 to £100,000 and therefore there will be another Community Action Fund Panel in the new year.

Corporate Priority

Ensuring the range and number of local homes match the needs of local families and residents

Measures:

LI 350: Number of affordable homes delivered (including Help to Buy)



Directorate: Place
Measure owner: AD Planning

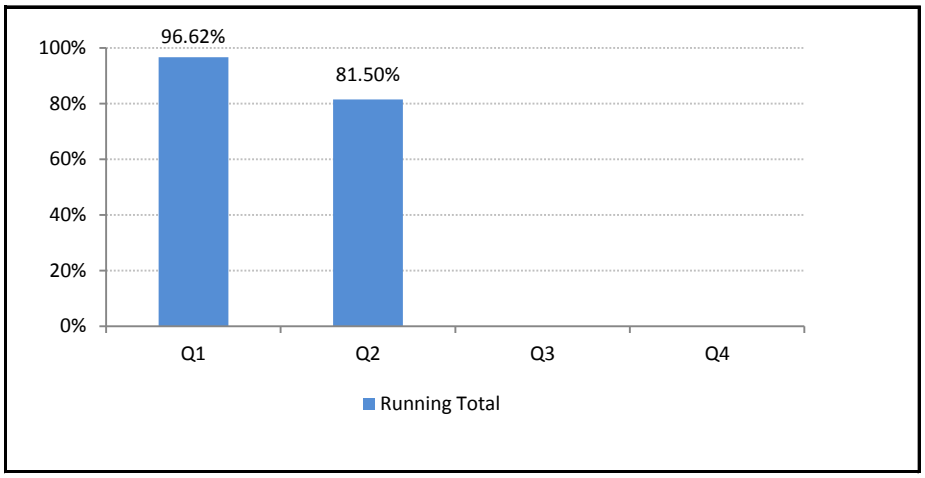
By the end of Q2,122 affordable homes were completed by housebuilders under s106 planning obligations, and 9 were built by housing associations. In addition, MHCLG reported 170 completed sales through Help to Buy (equity loan).

Corporate Priority

Supporting a transparent and democratic Council, that enables communities to have their say on local decisions and services

Measures:

PL 1604: % of people applying to register to vote online as opposed to on paper



Directorate: Resources
Measure owner: AD Governance and Business support

In Q2 81.50% applied online to register to vote, as opposed to 18.49% on paper. The annual canvass started in July and will continue until the revised electoral register is published on 1 December 2019. During the canvass there is generally an increase in the number of paper applications.

CORPORATE PRIORITY AREA

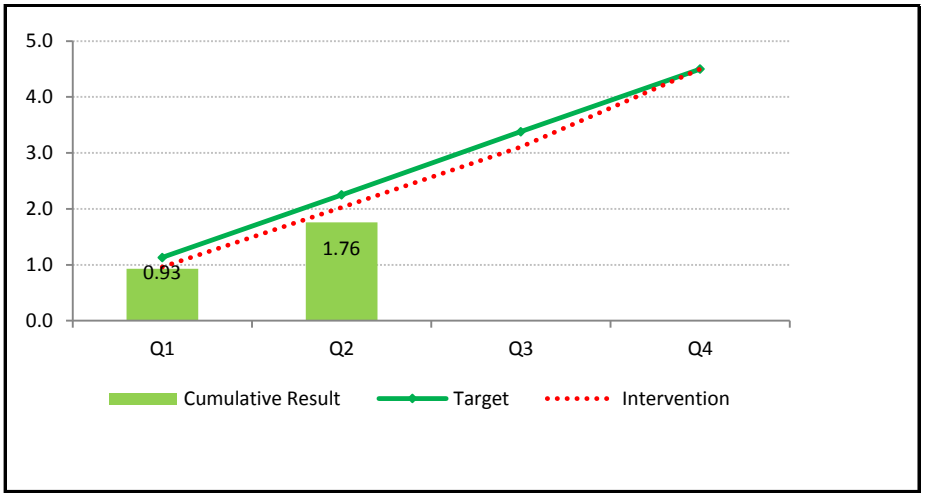
Customer Focussed, Can Do and collaborative, Business-like, efficient and entrepreneurial

Corporate Priority

Delivering increased value for money by increasing productivity

Measures:

BV 012a: Working days lost due to short term sickness absence



Directorate: Resources
Measure owner: AD Governance and Business support

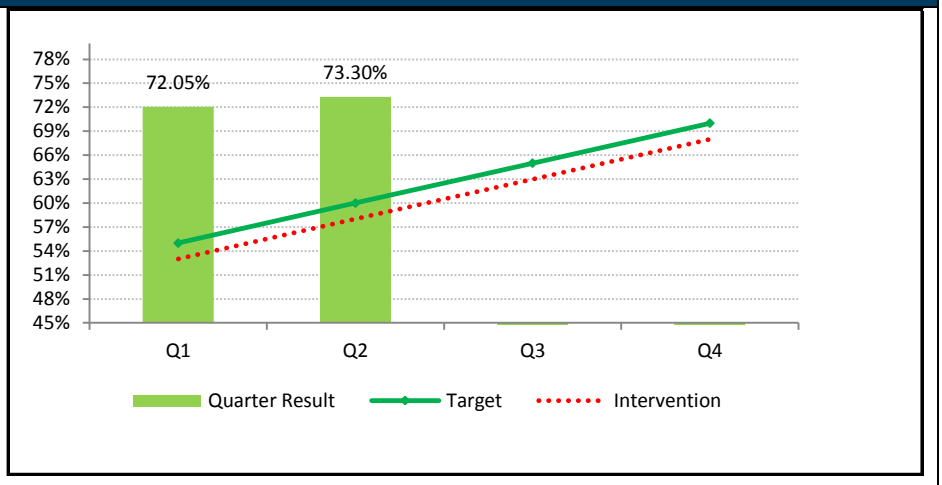
Short-term absence shows as 1.76 days lost and remains below target (a very small increase from 1.75 in Q2 2018/19). The trend of a significant reduction in overall days lost per FTE, including long-term sickness, continues to be seen - now 2.98 cumulative (compared to 3.90 in Q2, 2018/19). This has been achieved through close monthly monitoring, feedback, and return to work forms chased/quality checked. Formal procedures also being monitored/ managed closely by the HR Business Partner/s with line managers being coached on the process & their responsibilities wherever appropriate

Corporate Priority

Delivering the services that customers need, when they need them

Measures:

HO 1801: % of services that have an online webform which were completed via self-service



Directorate: Resources
Measure owner: AD Chief of Staff

The figures have increased again from Q1 as the council continues to improve its online offerings and will continue to do so across 2019 to enable channel shift and improvements in customer service

Appendix 2: Analysis of Major Variances on Service Areas – April to September 2019

Service Area	Direct Budget (net income)/net expenditure £	Direct Net Expenditure/ (Income) £	Variance (negative)/positive £	Commentary
Wymondham Leisure Centre (WLC)	(139,634)	(17,989)	(121,645)	WLC is a net income budget. Currently there is an adverse variance against budget due to under achieving on income budgets. The tender for the car park works is now underway to help the Council increase the parking capacity to help encourage further visitors to the centre. However, the income budget was set prior to the identification of the requirement for the VAT correction on DD membership income which means that membership income will need to increase by at least 20% to compensate in order to reach the budgeted target. Income levels will be reviewed as part of the 2020/21 budget setting process.
Long Stratton Leisure Centre	101,643	130,772	(29,129)	LSLC is a net expenditure budget. Currently there is an adverse variance against the income budget despite the centre's usage continuing to grow each month. Income has grown 65% from the previous financial year during the refurbishment stage and 58% since 2017/18. However, the income budget was set prior to the identification of the requirement for the VAT correction on DD membership income which means that membership income will need to increase by at least 20% to compensate in order to reach the

				budgeted target. Income levels will be reviewed as part of the 2020/21 budget setting process. There are a number of underspends on expenditure budgets which offset the income budget shortfall in pay and utilities in particular.
Early Help Hub	137,628	88,856	48,772	The service is currently underspent due to the vacant post of Help Hub Support Officer and an underspend on consultancy which is awaiting spend on mental health work.
Care & Repair	41,217	6,946	34,271	A favourable variance due to small savings on salaries and supplies but mainly due to an increase in income. Income is currently exceeding the target by £20k which is an increase of 68% compared to this time last year. This is linked to an increased number of Disabled Facilities Grants awarded (see Capital Position Section 5).
Public Conveniences	-	36,966	(36,966)	Spend has been incurred against those public conveniences in Diss that have not been devolved as originally planned.
Street Cleaning	178,327	152,066	26,261	Favourable variance achieved primarily as a result of transferring a proportion of the teams' salary costs (£14k) to Public Conveniences to cover the costs of them opening and cleaning the remaining facilities in year. Other savings have been seen in fuel (£5k), equipment rental (£2k) and supplies and materials (£4k).
Transport Fleet	243,725	356,977	(113,252)	Significant effort and costs have been incurred in relation to vehicle repairs to ensure compliance with the operator licence criteria (£57k). This, coupled with expenditure on a new software system (£6k) to support compliance and business efficiencies, which wasn't budgeted, a significant increase in the expenditure on tyres (£15k), and expenditure on parts (£32k) (some of which will be

				recovered after a year end stock take), has seen an adverse variance recorded year to date. New processes to reduce the number of outsourced repairs by bringing this work in-house has had a small impact so far and is anticipated to increase in the second half of the year.
Community Assets	140,781	73,983	66,798	A favourable variance has been achieved because of deferred expenditure on equipment, technical maintenance, and tree works. The expected peak in spend during Q2 did not materialise and is now expected to be spent in the final quarter of the year. Outturn is expected to be on budget.
Economic Development	192,555	134,091	58,465	Favourable variance on the net expenditure budget is because of a decision not to recruit to 2 posts while the teams are reviewed as part of the staffing restructure (£52k). In addition, income from pooled business rates (£37k) has been received to reimburse South Norfolk for work carried out and paid for in 2018/19 on the Greater Norwich Power Study. This additional income is forecast to be utilised in the coming months to support an on-street parking project. These have been partially offset by higher than budgeted expenditure on legal fees (£12k) in relation to South Norfolk's costs of the Enterprise Zone partner agreements and (£13k) on additional consultancy spend, some of which is expected to be reimbursed by partner authorities.
Growth Delivery Team	37,500	-	37,500	Favourable variance due to planned expenditure on Growth Delivery Team not materialising as the internal officer restructure has taken precedence

				over recruiting into this team. The proposed structure includes this team so costs are anticipated to be incurred in Q4.
Building Control	(150,987)	(195,470)	44,483	Favourable variance against this net income budget has been achieved through a combination of vacancies that have arisen in the financial year (£28k) and savings on training expenses (£14k) that have helped drive total expenditure savings of £69k to date. Expenditure on equipment and training is expected to increase in October once the rollout of an upgrade to tablets is completed and employees recommence their university courses. This effort on cost control has helped mitigate a (£24k) (2.26%) shortfall in fee income.
Development Management	(13,962)	(210,232)	196,270	Favourable variance on this net income budget is driven by income surpassing budgeted levels by £150k thanks to significant receipts in August. Application fees account for £91k of this, with the 5% South Norfolk can recover for administrating the Community Infrastructure Levy providing an additional £54k over budgeted largely due to a 7-figure sum received in September. Savings on expenditure include £14k on consultancy and £30k from an outstanding vacancy in addition to the successful appointment of the Development Manager to the AD - Planning role which has its own cost centre.
NRP Enterprise Zone	-	75,741	(75,741)	No budget set for 2019/20. This has resulted in an adverse variance being recorded. Further development costs have now started being received ahead of builders being on site.

Transformation	213,344	133,446	79,898	There are pay savings from the Head of Transformation, national management trainee and OD lead roles. There is also an underspend on the organisation development budget for which spend on the programme is planned for later in the year.
Governance	276,790	225,313	51,477	Positive variance due to a higher than expected profit share received from our 2018-19 activities with NPLAW.
Internal Audit	30,409	24,963	35,446	There are pay savings from the Head of Governance role, which is currently vacant and dependent on the outcome of a staffing review. Together with timing variances from setting up the audit plans after the budget setting process took place, this results in this positive variance against the net expenditure budget.
Marketing	153,347	101,444	51,903	Positive variance due to pay savings from Customer Insight Analyst, Marketing apprentice & Marketing Manager roles. As well as the pay savings there are savings for subscriptions and advertising.
Investment Properties	(140,975)	(169,243)	28,268	Residual rent from the sale of Unit 13 at Wymondham alongside higher occupancy than predicted has resulted in this positive variance on net income budget.
Business Rates (NNDR) Income	(2,952,469)	(3,706,833)	754,364	This positive variance reflects good performance on the collection of business rates and receipt of grants from Central Government in relation to mandatory reliefs given. During 2019/20, the Council is participating in a Norfolk wide 75% Business Rates Retention pilot.

Interest received	(54,400)	(158,669)	104,269	Income is ahead of budget. Interest rates have risen in comparison to the same period in 2018/19 and the Council has taken advantage of this by placing more fixed term deposits securing interest at between 0.81% and 1.13% compared to between 0.78% and 0.88% in 2018/19. Variable accounts and money market funds have also seen an increase in rates which has helped in achieving a positive Q2 variance of £104k. The timing of capital spend and requirement to borrow may reduce the level of interest received by Q4 of 2019/20 and the impact of the Brexit outcome may also have an impact on interest rates before March 2020.
Corporate Management	823,565	591,166	232,399	Favourable variance is due to an underspend on consultancy, although this is anticipated to be required by the end of the financial year.

Agenda Item: 6
Cabinet
11 November 2019

Treasury Management Quarter 2 Report 2019/20

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Portfolio: Finance & Resources

Ward(s) Affected: All

Purpose of the Report:

This report reviews the treasury management activity during the first six months of the financial year 2019/20 and reports on the prudential indicators as required by CIPFA's Treasury Management Code of Practice.

Recommendations:

Cabinet is recommended to request that Council:

1. Note the treasury activity for the first half of the year and that it complies with the agreed strategy.

2. Note the 2019/20 prudential indicators for the first six months of the year.

1 SUMMARY

1.1 The report reviews the treasury management activity during the first six months of the financial year 2019/20 and reports on the prudential indicators as required by CIPFA's Treasury Management Code of Practice.

1.2 Investments totalled £51.799 million as at 30 September 2019, including loans and equity in the Council's wholly owned companies of £18.653m.

1.3 Interest received on external cash investments during the financial year is forecast to be around £277,000 which is £173,000 above the budget of £104,000, however this could be subject to interest rate changes as a result of Brexit. More cash is being held in short term investments in order to ensure that funds are available for the capital programme, to avoid the need to borrow externally.

2 ECONOMIC ENVIRONMENT & INTEREST RATES

2.1 After only tepid annual economic growth of 1.4% in 2018, growth in quarter 1 was unexpectedly strong at 0.5%. However, this was boosted by stock building ahead of the original March Brexit deadline so quarter 2 was expected to be slightly negative and duly came in at -0.2% quarter on quarter and +1.3% year on year.

2.2 After the Monetary Policy Committee (MPC) raised Bank Rate from 0.5% to 0.75% in August 2018, it is little surprise that they have abstained from any further increases since then. We are unlikely to see any further action from the MPC until the uncertainties over Brexit clear. If there were a no deal exit, it is likely that Bank Rate would be cut in order to support growth. Nevertheless, the MPC does have concerns over the trend in wage inflation which peaked at a new post financial crisis high of 3.9% in June before edging back to 3.8% in July, (excluding bonuses). Growth in employment fell to only 31,000 in the three months to July, well below the 2018 average, while the unemployment rate remained at 3.8 percent, its lowest rate since 1975.

2.3 As for CPI inflation itself, this fell to 1.7% in August and is likely to remain close to 2% over the next two years. If there was a no deal Brexit though, it could rise towards 4%, primarily as a result of imported inflation on the back of a weakening pound.

2.4 The rise in wage inflation and fall in CPI inflation is good news for consumers as their spending power is improving in this scenario as the difference between the two figures is now around 2.1%, i.e. a real terms increase. Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months.

2.5 Brexit. The Conservative minority government is now led by a new Prime Minister in Boris Johnson, who has spoken strongly of being adamant that the UK will leave the EU on 31 October, even if there is no deal. However, his proroguing of Parliament was overturned by the Supreme Court and Parliament carried a bill to delay Brexit until 31 January 2020 if there is no deal by 31 October. MPs also voted down holding a general election before 31 October, though one is likely before the end of 2019; this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up. All eyes are now on whether a deal can be agreed by 31 October based on new proposals being put to the EU.

2.6 The latest interest rate forecasts from the Council's Treasury Management Advisors, are shown in the table below, with a rise in the central bank rate now not expected until December 2020. A recent rise in PWLB rates has meant that the Council may look at options from other lenders before commencing borrowing when required.

Link Asset Services Interest Rate View	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20
6 Month LIBID	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40
12 Month LIBID	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60
5yr PWLB Rate	2.30	2.50	2.60	2.70	2.70	2.80	2.90	3.00	3.00	3.10
10yr PWLB Rate	2.60	2.80	2.90	3.00	3.00	3.10	3.20	3.30	3.30	3.40
25yr PWLB Rate	3.30	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00
50yr PWLB Rate	3.20	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90

3. THE COUNCIL'S OVERALL BORROWING REQUIREMENT

3.1 The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. Based on the final accounts, as at 31 March 2019, the Council had a CFR of £0 showing no need to borrow for a capital purpose as the capital programme was fully funded.

3.2 The Council's CFR for the year is shown below and represents a key prudential indicator.

CFR (£m)	**31 March 2019 Actual**	**31 March 2020 Estimate**
Closing Balance	£0	£30,541,000

3.3 Given the significant cuts to local government funding putting pressure on Council finances, the strategy followed was to minimise debt interest payments by using the Council's own resources. The differential between the cost of new longer-term debt and the return generated on the Council's temporary investment returns was significant (over 2%). The use of internal resources in lieu of borrowing was judged to be the most cost-effective means of funding capital expenditure. The timing of capital expenditure during the first half of 2019/20 has meant that planned borrowing has not yet been required. This has, for the time being, lowered overall treasury risk by maintaining a position of no external debt. Looking forward, the extent of the Council's capital investment programme means that the Council will need to borrow externally in the future.

3.4 The Council is currently estimated to have a Capital Financing Requirement of £30,541,000 for 2019/20, which will increase in future years given the size of the capital programme agreed by Cabinet in February 2019. The Council's Treasury Management Strategy agreed by Full Council on 18 February 2019 states that the CFR would be financed from internal borrowing in the first instance and then external borrowing. Whether external borrowing is ultimately required in 2019/20 will depend on the extent of net cash flows into the authority and the speed at which the Council's capital programme is delivered.

4. COMPLIANCE WITH PRUDENTIAL INDICATORS

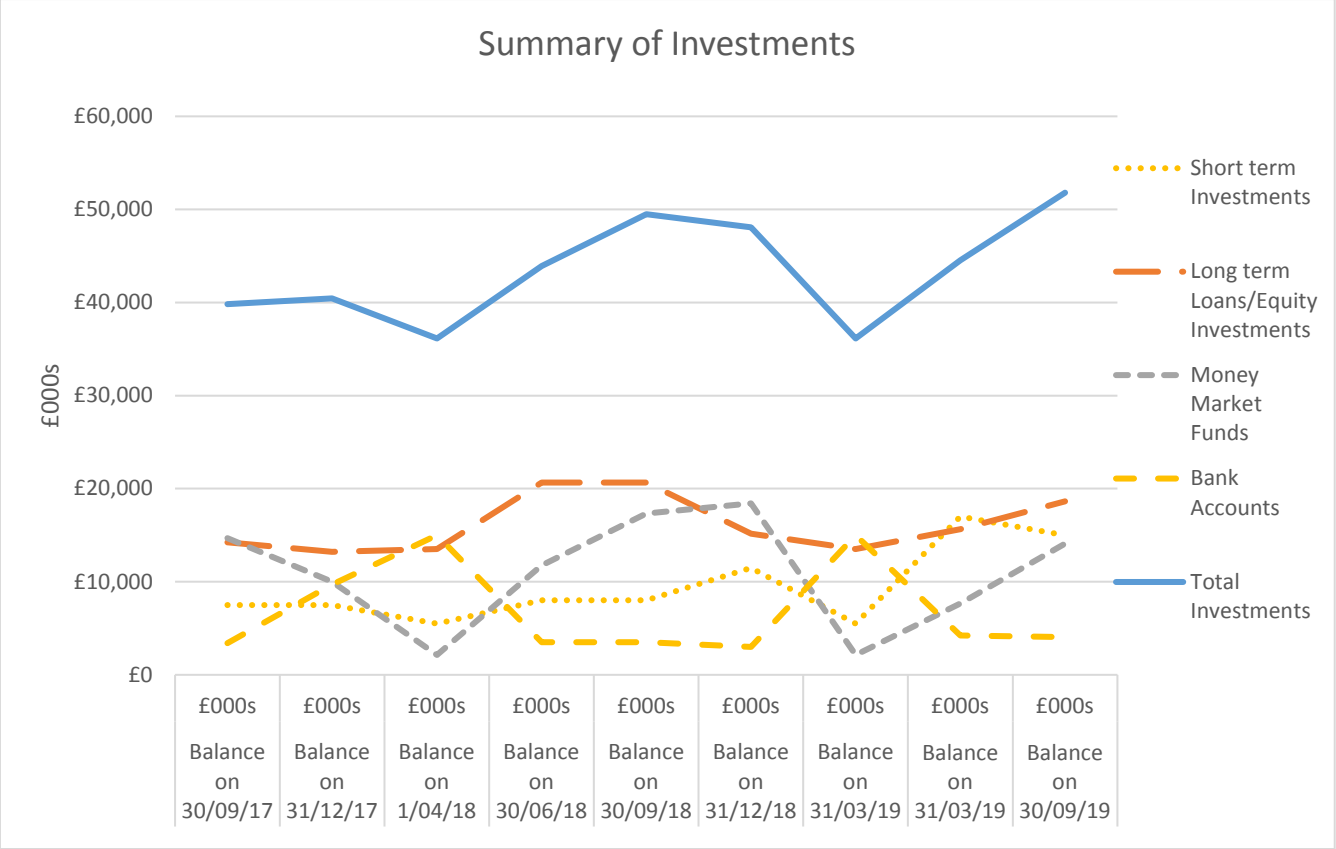
4.1 The Council approved a set of Prudential Indicators for 2019/20, in February 2019, as part of the Council's Treasury Management Strategy.

4.2 Under the Council's Constitution, the Full Council approves the Treasury Management Strategy and therefore any deviation or breach must be reported to Full Council. In practice, all breaches are also reported to Cabinet prior to Full Council. The prudential indicators can be found in Appendix A. There were no breaches of the indicators between April and September.

5. INVESTMENT ACTIVITY

5.1 The MHCLG's Investment Guidance requires local authorities to prioritise security and liquidity over yield. The graph below shows the position on investments as at 30 September 2019 compared to the position over the past 2 years. Short term investment balances have increased as slippage in the Council's Capital Programme has enabled investments in fixed term products to be made in order to maximise return.

5.2 With regard to long term investments, the Council has continued to use its cash to invest in property and commercial activities via its wholly owned companies. A loan of £3m was made to Big Sky Developments Ltd during the first quarter of 2019/20.



5.3 For new investments this year, the Council has invested for up to one year in order to maintain a more liquid position, taking the advice of its treasury management advisors at the time. Details of these investments (excluding those placed in money market and bank call accounts) are provided below.

Investment made in Month	Counterparty	Amount £m	Length of Investment	Rate
April	Lloyds Bank	3.0	6 months	1.00%
September	Denbigshire County Council	5.0	4 months	0.815%

The Council has also made use of Enhanced Money Market Funds that have been able to provide slightly higher returns than call accounts.

5.4 Security of capital remains the Council's main investment objective. At the end of September 2019, no counterparty in which the Council has invested funds for longer than 1 day had a long term credit rating lower than A.

5.5 Liquidity is important due to the Council's sizable capital programme and decision to use its cash rather than borrow. Funds have therefore been reinvested for

shorter periods to increase liquidity. The maximum length of an investment is 2 years, though to ensure that funds are available for the Capital Programme when required, the Council has only invested in counterparties for up to one year. It is important that the Council keeps a balanced portfolio in terms of risk, rates and liquidity.

5.6 The Council's budgeted investment income for the year had been set at £104,000. The cash balances invested, representing the Council's reserves and working balances were £33.146 million as at 30 September 2019 and interest earned is forecast to be £277,000 which is £173,000 above budget (this could be subject to interest rate changes as a result of Brexit). This is due to delays in the Capital Programme, which means that cash balances have been higher than anticipated, attracting greater interest. The forecast interest is £62,000 more than the £215,000 received in 2018/19.

5.7 The Council holds £25,000 in shares in the Municipal Bonds Agency. This is an equity investment and was accounted for as capital expenditure.

5.8 The Council has invested in its companies. As at 30 September 2019, this consisted of £6,468,000 of equity shares in Big Sky Ventures Limited, the holding company for the Council's property companies.

5.9 As per the agreed capital programme, there were outstanding loans as at 30 September 2019 of £3,160,000 to Big Sky Property Management Ltd, to enable it to purchase rental property from Big Sky Developments Limited (BSD) and other sellers within the district. It now holds 27 properties in its portfolio of which 21 were purchased from BSD. Interest rates on these loans are applied at a commercial rate of 4%, reflecting the relative risk in the company and the market environment.

5.10 The Council also had outstanding loans of £9,000,000 as at 30 September to Big Sky Developments Ltd (BSD), at a commercial interest rate of 6%, which have been granted to finance the St Giles Park development at Cringleford. These are backed by Homes England funding from the £7.8m construction fund which is passed to the Council in arrears after development expenditure has been incurred on the site.

5.11 Outstanding funding provided to the companies is detailed below:

<u>Big Sky Property Management loans granted:</u>

Date	Loan value	Interest rate	Annual interest charge	Maturity date
	£	%	£	

30/10/2015	490,000	4%	19,600	31/10/2018*
22/12/2016	55,000	4%	2,200	22/12/2019
21/07/2017	504,000	4%	20,160	22/05/2020
26/09/2017	228,000	4%	9,120	21/07/2020
07/11/2017	120,000	4%	4,800	26/09/2020
12/12/2017	462,000	4%	18,480	07/11/2020
08/02/2018	135,000	4%	5,400	12/12/2020
23/05/2018	246,000	4%	9,840	08/02/2021
23/05/2018	297,000	4%	11,880	23/05/2021
05/07/2018	397,800	4%	15,912	05/07/2021
01/03/2019	225,000	4%	9,000	01/03/2022
	3,159,800		126,392	

*Requires a loan variation to extend

Big Sky Development Ltd loans granted:

Date	Loan value	Interest rate	Annual interest charge	Maturity date
	£	%	£	
23/05/2018	6,000,000	6%	360,000	23/05/2023
21/05/2019	650,000	6%	39,000	31/03/2020
22/05/2019	3,000,000	6%	180,000	23/05/2024
	9,650,000		579,000	

Share capital held by the Council:

Date	Share capital value	Entity
	£	
01/11/2016	100,000	Big Sky Ventures Ltd
25/06/2015	125,000	Big Sky Ventures Ltd
29/10/2015	920,000	Big Sky Ventures Ltd
22/12/2015	3,580,000	Big Sky Ventures Ltd
22/05/2017	336,000	Big Sky Ventures Ltd
21/07/2017	152,000	Big Sky Ventures Ltd
26/09/2017	80,000	Big Sky Ventures Ltd
07/11/2017	308,000	Big Sky Ventures Ltd
12/12/2017	90,000	Big Sky Ventures Ltd
01/01/2018	1	Build Insight Ventures Ltd
08/02/2018	164,000	Big Sky Ventures Ltd
23/05/2018	198,000	Big Sky Ventures Ltd
05/07/2018	265,200	Big Sky Ventures Ltd
01/03/2019	150,000	Big Sky Ventures Ltd

6 INVESTMENT PROPERTIES

6.1 The Council has a commercial rental portfolio worth around £7.0 million. The majority of these properties are rented out, so the return obtained on these properties is as important as if the Council had invested the same amount in the Treasury Strategy. However, under CIPFA's code they are recognised as Capital Assets in the Balance Sheet.

6.2 The average rate of return for the total investment portfolio at Q2 is 5.7% gross, calculated on the property value as at 1 April 2019. This is a significantly better rate of return than if the same value had been invested with financial institutions.

7 CONCLUSION

7.1 Investment balances have increased from £44.529 million at 31 March 2019 to £51.799 million at 30 September 2019, but this includes £18.65 million in loans and equity in the Council's companies.

7.2 Interest earned on cash investments is forecast to be £277,000 for the year, which is £173,000 above the budget of £104,000 and is £62,000 more than the £215,000 received in 2018/19.

8 RECOMMENDATIONS

9.1 Cabinet is recommended to request that Council:

a) Note the treasury activity for the first half of the year and that it complies with the agreed strategy.

b) Note the 2019/20 prudential indicators for the first six months of the year.

Appendix A: Prudential Indicators

Capital Financing Requirement and Borrowing

Estimates of the Council's Capital Financing Requirement for 2018/19 to 2020/21 are shown in the table below:

	31/03/2019 Outturn £000s	**31/03/2020 Estimate £000s**	**31/03/2021 Estimate £000s**
Capital Financing Requirement before MRP	0	30,541	44,374
Less Minimum Revenue Provision	0	0	(218)
Capital Financing Requirement	0	30,541	44,156

The table below shows the maximum borrowing planned, which is both internal borrowing from cash balances and external borrowing from funders such as PWLB.

	31/03/2019 Outturn £000s	**31/03/2020 Estimate £000s**	**31/03/2021 Estimate £000s**
Existing Profile of Borrowing	0	0	30,541
Less: Other Long Term Liabilities	0	0	0
Borrowing in Year	0	30,541	13,833
Cumulative Maximum Borrowing Requirement	**0**	**30,541**	**44,374**

Balances and Reserves

Estimates of the Council's level of Balances and Reserves (both Revenue and Capital) for 2018/19 and future years are as follows:

	31/03/2019 Actual £000s	31/03/2020 Estimate £000s	31/03/2021 Estimate £000s
Balances and Usable Reserves	22,001	21,771	18,190

These have risen from the estimates in the Treasury Management Strategy due to lower than anticipated capital expenditure during this financial year.

Prudential Indicator Compliance

(a) Authorised Limit and Operational Boundary for External Debt

- The Local Government Act 2003 requires the Council to set an Affordable Borrowing Limit, irrespective of their indebted status. This is a statutory limit which should not be breached.
- There was no external borrowing in 2019/20 to date and therefore the limits set for 2019/20 were not breached.

(b) Interest Rate Exposure

- The Council has managed the extent to which it is exposed to changes in interest rates. It has done this during the year to date by making a combination of fixed and variable rate investments.

(c) Maturity Structure of Borrowing

- This indicator sets upper and lower limits for the proportion of borrowing at both fixed and variable rates that is repayable within defined timescales (maturity is defined as the earliest date at which the loan could be required to be repaid).

Maturity Structure of Borrowing	Lower Limit (Cumulative) %	Upper Limit (Cumulative) %	Actual Borrowing as at 30/09/19	% Borrowing as at 30/09/19	Compliance with Set Limits?
Under 12 months	0	20	0	0	Yes
12 months to 2 years	0	80	0	0	Yes
2 years to 5 years	0	90	0	0	Yes
5 years to 10 years	0	95	0	0	Yes
10 years and above	0	100	0	0	Yes

(d) Total principal sums invested for periods longer than 364 days

- This indicator allows the Council to manage the risk inherent in investments longer than 364 days.
- The limit for 2019/20 is set at £15 million.

Agenda Item: 7
Cabinet
11th November 2019

ENVIRONMENTAL ACTION PLAN & POLICY STATEMENT

Report Author(s): Alison Old and Debra Baillie-Murden
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Portfolio: Regulatory and Environmental Excellence

Ward(s) Affected: All

Purpose of the Report: To bring together the environmental aspirations for both Broadland and South Norfolk Councils into a single ambitious Action Plan and have a joint overarching Policy Statement setting out the Councils' commitment to the Environment.

Recommendations:

To recommend that Cabinet recommends to Council:

1. To adopt the proposed Environmental Policy Statement (Appendix 1)

2. To adopt the proposed Environmental Action Plan (Appendix 2)

3. That the Environmental Action Plan is reviewed at six monthly joint informal policy/panel meetings

1 BACKGROUND

1.1 Both Broadland and South Norfolk Councils as environmentally responsible organisations have an Environmental Policy / Strategy – it is proposed that these are replaced with a joint Policy Statement supported by a rolling Action Plan, reviewed on a six-monthly basis.

1.2 We recognise, in the eyes of the public, environmental issues are of high importance especially locally and therefore we need to be ambitious and realistic, but we also need to show leadership within our communities given the myriad of services we provide.

1.3 A joint informal workshop with Members was held in March 2019 where key priority areas were discussed and agreed.

1.4 The aim is for reporting to be light touch bringing together information which is already collated for various returns such as waste data flow and the air quality Annual Status Report.

1.5 We are seeking Members' input into the Action Plan and draft Policy Statement.

2 CURRENT POSITION/FINDINGS

2.1 Good progress has been made against existing Environment Action Plans, but further work is required, and it has been agreed previously that a joint approach is the best route forward.

2.2 A joint approach maximises opportunities for more ambitious and impactful shared initiatives and potential efficiencies.

3 PROPOSED ACTION

3.1 See attached Policy Statement (Appendix 1) and Action Plan (Appendix 2) and make recommendations for changes as desired.

3.2 To complete a baselining exercise highlighting activities both in house, and in the District allowing for progress to be monitored.

3.3 If this Plan is adopted, it is anticipated that the actions will be incorporated into the Business Plans for the respective service areas from April 2020, with progress fed back on a six-monthly basis to a joint informal panel.

4 OTHER OPTIONS

4.1 Should the Council choose not to adopt the Environmental Action Plan and Policy Statement, Members are advised that the current Corporate Environment Policy

and associated Action Plan is out of date which may expose the Council to criticism.

5 ISSUES AND RISKS

5.1 **Resource Implications** –The implementation of the current Action Plan and Policy Statement can be carried out within existing resources.

5.2 **Legal Implications** – N/A based on current recommendations.

5.3 **Equality Implications** – N/A based on current recommendations.

5.4 **Environmental Impact** – The purpose of the Action Plan and Policy Statement is to ensure that both authorities cab have a greater positive effect on the environment.

5.5 **Crime and Disorder** – N/A based on current recommendations

5.6 **Risks** – The greatest risk is not having an Environmental Action Plan due to the negative public perception as evidenced for example by recent protests at County Hall.

6 RECOMMENDATIONS

6.1 That Cabinet recommends to Council to agree to:

1. Adopt the proposed Environmental Policy Statement (Appendix 1); and
2. Adopt the proposed Environmental Action Plan (Appendix 2); and
3. That the Environmental Action Plan is reviewed at six monthly joint informal policy/panel meetings.

Background Papers

Environment Policy

Environmental Policy Statement

The UK Government has made a commitment to be the first generation to leave the environment in a better state than when it inherited it.

Through the Environment (Principles & Governance) Bill, the Government has pledged to embed an 'environmental net gain' principle, and introduce higher environmental standards for new build homes and commercial premises, to green our towns & cities creating green infrastructure and planting one million urban trees, to make sure resources are used more efficiently, minimise waste, tackle air pollution, and to provide international leadership, leading by example to tackle climate change.

Broadland and South Norfolk Councils are working together to support the delivery of the Government's 'A Green Future: Our 25 Year Plan to improve the Environment' with local targets and priorities for safeguarding our districts for future generations.
https://www.gov.uk/government/publications/25-year-environment-plan

Broadland and South Norfolk Councils will cut down unnecessary resource use and waste, reduce their impact on the Environment and shape a more efficient, sustainable and competitive local economy. The Councils will lead by example and demonstrate to the next generation our actions and responsibilities in tackling climate change.

By acting now, both Councils aim to achieve long term sustainable economic growth from low carbon and green industries across the Districts.

Through our community leadership role, we will demonstrate our commitment to this vision through our activities, the services we provide, and partnership working to showcase good practice and encourage residents, businesses and organisations to also act to reduce environmental impacts.

The Councils will focus on the following key areas:

- Delivering high quality sustainable communities which are prepared for the impact of climate change.
- Protecting and improving where possible the air, water and land quality across the districts.
- Reducing carbon emissions and the consumption of energy and water.
- Waste minimisation
- Sustainable transport
- Sustainable procurement

Over the next five years, we are committed to:

1. Work with Government to provide additional powers and resources to help deliver on national targets limiting global warming to 1.5 degrees.
2. To adopt a policy whereby all future key decisions are considered, and a statement made for their environmental impact and for their alignment to the Intergovernmental Panel on Climate Change’s Guidance.
3. Regularly review our Environmental Action Plan with an aim of continuous improvement.

Signed:

Trevor Holden Cllr John Fuller Cllr Shaun Vincent

Managing Director	Leader SNC	Leader BDC

Action Plan

Working Document of the Environment Excellence Panel and Growth, Infrastructure and Environment policy committee.

Theme	Desired Outcome	Activities	Indicators of Success
Sustainable Communities	**Growth used as a means of enhancing the quality of life of existing residents.**	**Enhance existing and establish new local green spaces.** **Use the best environmental management practices for land use to protect and enhance biodiversity.**	**Number and scope of green infrastructure projects implemented including increasing the provision of allotments.** **Delivery of sustainable communities and high-quality developments.** **Number/percentage of properties taking up green energy solutions e.g. renewable technologies.** **Number/hectarage of sites managed as Wildflower meadows.** **Working Environmental Matters into next round of local planning.** **Production of guidance documentation.** **Use of rainwater saving solutions increased.** **% of developments incorporating Sustainable Urban Drainage Systems.** **Tree planting encouraged and undertaken.**
	Delivery of high quality, sustainable communities to assist in meeting national carbon targets.	**Consider environmental impact as part of planning applications and include principles of green infrastructure where possible.** **Improve energy efficiency and increase the uptake of green energy solutions.**	
	Increased biodiversity across the district.	**Where appropriate and where we have community buy in, turn some short mown grass sites to wildflower meadows.** **Engage local communities and businesses to support volunteers and expand links with local schools.**	
	Climate change adaption plan implemented.	**Local Plan adopted, including policies on heat management, Sustainable Urban Drainage Systems (SuDS) and water efficiency in new buildings and developments.** **Support local plan policies which seek to improve the energy efficiency of new build homes and commercial premises.** **Consider the use of supplementary planning guidance locally to consider environmental issues.** **Contribute to improvements in surface water management by working with partners to minimise flood risk and safeguard water resources.** **Rainwater conservation and reuse promoted through planning process.** **SuDS to be installed on any new council led developments.** **Look at options to increase tree canopy cover across the district.**	
Environmental Management	**Health and wellbeing of communities protected whilst improving the environmental quality of the district ensuring that statutory requirements are met.**	**Raise awareness of drought and water security with Private Water Supply users.** **Provide advice, guidance and raise environmental awareness via social media and our websites.**	**Education campaign to encourage pre-planning.** **Increased number of people reached through environmental campaigns.** **Regular link in with other agencies.**

		Increase joint working with other agencies to tackle Environmental Crime including fly tipping, littering, dog fouling etc. Commitment to making sure out streets stay clean. Supporting community litter picks etc.	Continued improvement in local air quality across the district, evidence through annual report. Number of enforcement activities e.g. fixed penalty notices. Number of litter picks etc. supported
	Enhanced local environment through reduction in local pollution in terms of air, water and soil quality.	Monitoring local air quality in line with national focus and statutory responsibilities.	
Energy Efficiency	Impact of energy price rises minimised.	Promotion of Big Switch & Save. Home Improvement Agency interventions. Investigate implementation of accredited Environmental Management System. Supporting residents unable to access the mains gas network to affordably heat their homes.	Number of homes switching using Big Switch & Save and average realised saving. Number of homes receiving benefits checks. Number of homes improved. Number of homes in fuel poverty. Number of HMOs to legislative standards. Improvements in Energy Performance Certificates and Display Energy Certificate ratings of Council owned buildings. Reduction in in-house energy consumption.
	A reduction in the number of households in or at risk of fuel poverty.	Utilising grant funding made available through the Better Care Fund from the MHCLG to provide first time or replacement heating systems. Continue to seek investment on behalf of Norfolk (Warm Homes Fund).	
	A reduction in carbon emissions.	Private Rented Sector Enforcement. Utilising grant funding made available through the Better Care Fund from the MHCLG to reduce carbon emissions Capitalise on external funding opportunities. Investigate opportunities to reduce in house emissions. On-site renewables etc.	
Waste Minimisation	Value for money sustainable kerbside collection scheme.	Consider new waste collection models and arrangements to deliver efficiencies whilst maintaining customer service. Minimise in house waste.	Waste audit carried out and improvements identified. Tonnage of waste collected per capita and percentage recycled. Single use plastic free in all buildings. All in-house events are single use plastic free.
	Reduction in the amount of waste generated per household.	Community initiatives and partnership working which influence residents' positive waste habits including waste reduction and reuse. Working with suppliers and producers in the district to minimise packaging. Seek solutions to recycling contamination issues. Investigate possibility of extra reuse events. Promote recycling for commercial waste customers.	

	Reducing single use plastic.	Work towards zero provision of single use plastics in all council buildings. Raise awareness and support the extension of Refill scheme. Run our own and encourage plastic free events e.g. South Norfolk on Show. Encourage community lead low plastic zones in market towns.	
	Minimising food in residual waste.	Encourage residents to minimise food in residual waste through education campaigns. Support local composting schemes and community fridges Explore options for extending food waste collection service. Sign up to the Courtauld Commitment 2025.	
Sustainable Transport	Improve health & wellbeing and enhance the local environment.	Work with Norfolk County Council to support more sustainable and healthier transport systems, enabling and encouraging active travel. Investigate/implement a staff travel plan – encouraging remote working, car sharing etc. Look at external service providers – lift share, Eco-stars etc. Consider the use of electric pool cars and lease vehicles. Investigate the use of technologies to enable agile working and minimise the environmental impact of meetings and events. Investigating the potential around increasing the number of electric vehicle charging points across the districts.	In house travel plan produced; to minimise staff travel. Impact of our own fleet of vehicles assessed and action plan produced. Number of public electric vehicle charging points available.
Sustainable Procurement	Support local businesses.	Encourage the use of local contractors through procurement methods.	Updated joint procurement strategy.
	Value for money procurement on a “whole life basis”.	Seek to minimise the Council's impact on the environment when procuring, by ensuring the optimum levels of sustainability are achieved. Look to minimise the environmental impact of Council canteens. Considering locally sourced, animal welfare, low carbon, seasonal, fair trade, reduction in waste etc. Rewrite joint procurement strategy which will incorporate environmental consideration.	

		Produce a sustainable/ethical procurement policy to ensure purchases are free from child labour, low animal welfare standards or harmful, environmentally damaging chemicals. **Conduct a review of existing product areas procured and the associated environmental impacts.**	

Agenda Item: 8
South Norfolk Council Cabinet
11th November 2019

JOINT DOMAIN NAME

Report Author(s): Jenny Mitchell and Catherine Morris Gretton
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Portfolio: Stronger Communities and Governance

Ward(s) Affected: All wards

Purpose of the Report:

For Members to agree to the name proposal of the single domain for Broadland and South Norfolk Councils, prior to formal submission to Central Government.

Recommendations:

To agree that the Councils submit South Norfolk and Broadland as the preferred choice to Central Government for the single domain name for Broadland and South Norfolk.

1 SUMMARY

1.1 This report provides an overview on the work towards selecting and agreeing a single domain name for Broadland and South Norfolk Councils.

2 BACKGROUND

2.1 It was agreed in July 2019 by the Joint Lead Members Group (JMLG) to progress with the timeline for developing a new single domain name for the two councils, as originally set out and agreed in the Feasibility Study.

2.2 A single domain name provides the opportunity for a single digital identity for the two councils, enabling more efficient working for staff and a single website and email addresses, leading to longer term cost savings.

2.3 The Government Digital Service, a government body, is responsible for determining whether we can use a particular ".gov" domain name. GDS expects a domain name request to be used for both a website and email.

2.4 Government have recently updated its criteria to provide clarity around the process for local authorities obtaining domain names for website and email addresses. The criteria now removes the requirement for an authority to be legally constituted as a shared service, and can now be applied for by joint authorities and partnership bodies. The criteria states that names should be:

- Available – therefore not already registered
- Descriptive – it must clearly describe the organisation or government initiative being provided. It must also not use '&' or '_'
- Unique – it must not be the same or substantially similar to an existing gov.uk domain names. If applying for a generic word or combination of generic words, then this will be referred to the Naming and Approvals Committee (NAC) for agreement.
- Not be confusing for customers - If an acronym, initialism, or abbreviation is used, this must be descriptive, unique and clear to avoid user confusion

2.5 In order to determine the single domain name, a timeline started with engaging with staff and members on their ideas and suggestions for the joint domain name. There was then wider engagement through an all member and staff survey.

2.6 Suggestions from this were put forward to all-member workshops, held at the beginning of August. A range of feedback was received on the domain name suggestions, as well as feedback on new suggestions made at the workshops.

2.7 A shortlist of names was produced, derived from this feedback and how well they met the criteria. They were taken to an all-member and staff survey, which was completed by 289 people.

1) Central Norfolk
2) Heart of Norfolk
3) South Norfolk and Broadland
4) Greater Norwich

3 CURRENT POSITION/FINDINGS

3.1 The survey was completed by the following number of members and staff across the two Councils:

	Response Percentage	**Response total**
Broadland District Council Members	10.73%	31
South Norfolk Council Members	11.07%	32
Staff	78.2%	226
Total	**100%**	**289**

3.2 South Norfolk and Broadland was the most popular first choice, with 42% of the overall votes. Central Norfolk received 28% of the votes and Heart of Norfolk and Greater Norwich both received 15%.

3.3 In the system used, Central Norfolk was the name that was ranked highest overall in terms of all ranking votes cast. The score was a weighted calculation, with items ranked first being given a higher value than the following ranks.

3.4 Central Norfolk received the highest number of second choice votes overall, with 44% of the votes. Heart of Norfolk received 23%, South Norfolk and Broadland 17% and Greater Norwich 16%.

Total No of votes – first choice

Name	**Number of first choice votes**	**Percentage of first choice votes**
South Norfolk and Broadland	122	42%
Central Norfolk	80	28%
Heart of Norfolk	44	15%
Greater Norwich	43	15%

Total No. of votes – second choice

Name	Number of second choice votes	Percentage of second choice votes
South Norfolk and Broadland	50	17%
Central Norfolk	127	44%
Heart of Norfolk	67	23%
Greater Norwich	45	16%

3.5 Central Government has advised it will not comment on any names in advance of a formal application, so the emphasis will on the authorities to look at the criteria and assess whether the name(s) we choose to put forward would be suitable for consideration.

3.6 Based on this feedback from Central Government and a further assessment of the updated criteria, the steer is that Heart of Norfolk would not meet the criteria, based on the need for the domain to be descriptive geographically and prevent confusion with other organisations for customers.

3.7 As the domain name is focussing purely on a name for a website address and email address, no formal engagement has been sought with partners regarding this name choice.

3.8 The Joint Lead Members Group have been supporting the process of engagement on the domain name and have reviewed the outcomes of the survey, the updated criteria from Government and have proposed to recommend 'South Norfolk and Broadland' as the domain name to be formally submitted to Government for approval.

4 PROPOSED ACTION

4.1 Members are asked to agree to the proposed name of South Norfolk and Broadland for the domain, based on the feedback and updated criteria from Government. Following agreement to the name, the Councils will submit the formal application to Government for the name to be agreed and registered.

4.2 Once the domain name has been accepted, work on the development of a single website and email system will progress and Members will be updated accordingly.

5 ISSUES AND RISKS

5.1 **Resource Implications** – the development of the new website and email system will require initial IT resource and investment.

5.2 **Legal Implications** – none

5.3 **Equality Implications** – none

5.4 **Environmental Impact** – none

5.5 **Crime and Disorder** – none

5.6 **Risks** – Potential risks with this piece of work include:

a) There is the potential that the name chosen by Members for the domain name application will be rejected by Government.

6 CONCLUSION

6.1 The two Councils collaborative working provides a number of opportunities including the implementation of the single domain for Broadland and South Norfolk. By agreeing on the name of the domain of South Norfolk and Broadland this will enable the two Councils to move forward with the development of a single website and email system.

7 RECOMMENDATIONS

To agree that the Councils submit South Norfolk and Broadland as the preferred choice to Central government for the single domain name for Broadland and South Norfolk.

CABINET CORE AGENDA 2019

Date	Key or Operational	Title of Report	Responsible Officer	Portfolio Holder	Exempt ?
11 Nov	O	Q2 Performance, Risks, Revenue and Capital Budget Position 2019/20	E Pepper/ J Brown/ E Goddard	A Thomas/ K Mason Billig	N
	O	Q2 Treasury Management	Julie Brown	A Thomas	N
	K	Environmental Action Plan	Alison Old/ D Baillie-Murdon	K Kiddie	N
	O	Single Domain Name	Catherine Morris Gretton/ Jenny Mitchell	K Mason Billig	N
	K	The Future Direction of Build Insight Companies	Debbie Lorimer	A Thomas	Y
9 Dec	O	Consultation followed by adoption of CA Appraisals and Boundary Amendments	Chris Bennett	L Neal	N
	K	Long Stratton Toilets	Gary Howard / Phil Courtier	K Kiddie	N
	O	Joint Commercialisation Strategy	Debbie Lorimer	J Fuller	N
	K	Waste Services Review	Sarah Bruton	K Kiddie	N
	O	Framingham Earl High School Partnership	Mark Heazle	Y Bendle	N
	O	Review of Discretionary Rate Reliefs	Paul Chapman	A Thomas	N
	O	Norfolk Strategic Planning Framework and Member Forum 2020/21	John Walchester	J Fuller	N
	O	Health and Wellbeing Priorities	Sam Cayford	Y Bendle	N
Council 16 December 2019					
6 Jan 2020	K	Greater Norwich 5-Year Investment Plan and Annual Business Plan	Phil Courtier	J Fuller	N
	K	Greater Norwich LP Regulation 18 Consultation	Phil Courtier	J Fuller	N
	O	Inclusive Growth Project Plan	Tim Thomas	Y Bendle/ L Neal	N
	K	Leisure Principles	Steve Goddard Sam Cayford	Y Bendle	N
3 Feb 2020	O	Q3 Performance, Risk and Finance (Strategic)	Emma Pepper	K Billig	N
Council 17 February 2020					
9 Mar	O	Early Help Model Across Authorities	Mike Pursehouse	Y Bendle	N

Key decisions are those which result in income, expenditure or savings with a gross full year effect of £100,000 or 10% of the Council's net portfolio budget whichever is the greater which has not been included in the relevant portfolio budget, or are significant (e.g. in environmental, physical, social or economic) in terms of its effect on the communities living or working in an area comprising two or more electoral divisions in the area of the local authority.