

# CABINET

**Minutes of a meeting of the Cabinet of South Norfolk Council, held on Monday 22 November 2021 at 9.00am.**

**Committee Members Present:** Councillors: J Fuller (Chairman), A Dearnley, R Elliott, K Mason Billig, G Minshull, L Neal and A Thomas

**Other Members in Attendance:** Councillors: C Brown and T Laidlaw

**Officers in Attendance:** The Managing Director (T Holden), the Director of Resources (D Lorimer), the Director of People and Communities (J Sutterby), the Assistant Director Chief of Staff (E Hodds), the Assistant Director Individuals and Families (M Pursehouse), the Assistant Director OCT/Digital and Transformation (C Lawrie), the Assistant Director Planning (H Mellors), the Market Towns and Business Development Service Manager (D Disney), the Strategic Growth Projects Manager (N Cunningham), the Strategy and Programmes Manager (S Carey) and the Senior Finance Business Partner (M Bussens)

**Also in Attendance:** Two members of the public (Mr I Carstairs and Mr N Hart)

## 2944 MINUTES

The minutes of the meeting of the Cabinet held on 18 October 2021 were agreed as a correct record.

## 2945 Declarations of Interest

Cllr T Laidlaw declared an “other” interest with regard to minute 2948, the Strategic Performance, Risk and Finance Report For Quarter 1 And Quarter 2 2021/22, by virtue of being the local member for Old Costessy, and the Queens Hill Country Park.

## 2946 HOUSEFOLD SUPPORT FUND

Members considered the report of the Assistant Director of Individuals and Families, which sought agreement to spend Household Support Funding

provided from Central Government, on supporting those households who required additional financial help during the winter.

Cllr A Thomas commended the report to members, explaining that it proposed a sensible and practical approach to spending the funds allocated to South Norfolk, outlined at paragraph 4 of the report, and she referred to fuel poverty as an example of where funds could assist families.

The Director of People and Communities explained that £6.6 m had been awarded to Norfolk County Council to be used to help those enduring hardship over the winter period. Of this, £1.4m had been allocated to district councils, with South Norfolk receiving a £151,200 share. The Director of People and Communities explained that he was aware that Norfolk County Council planned to spend the money in a variety of ways, including through the voluntary sector, and via free school meals.

Discussion followed regarding the apportionment of funds, and the Chairman expressed his disappointment that the funds had not been directly awarded to those authorities with a statutory duty to deliver to those in need. He believed that district councils were in a good position to identify those most in need, and although he was grateful for the funds given, he suggested that the County Council could be lobbied to suggest a reapportionment of funds, especially in light of current inflation rates and the price of fuel. Cllr A Thomas stressed that it was important the funds were spent before March and she suggested that a request could be made to the County Council for additional funding, once the Council's apportionment of funds was exhausted, to see if there were surplus funds in other areas. It was agreed that the Managing Director and the Director of People and Communities would explore this further through the Norfolk Chief Executives Group.

The Chairman also raised the issue of the threshold for officers to spend funds under delegated powers and suggested that this be revisited to avoid the need similar reports to Cabinet in future.

#### **RESOLVED:**

To delegate the spend of the Household Support Fund to the Assistant Director of Individuals and Families in conjunction with the Portfolio Holder for Better Lives.

#### **The Reason for the Decision**

To ensure the most vulnerable households are supported throughout the winter period.

#### **Other Options Considered**

None.

## **2947 USE OF NORFOLK STRATEGIC FUND GRANT**

Members considered the report of the Market Towns and Business Development Service Manager, which sought Cabinet approval regarding the use of the Norfolk Strategic Fund grant for public realm works in Harleston.

The portfolio holder, Cllr L Neal, commended the proposals, explaining that the preferred option of works, although more expensive than originally envisaged, would provide an excellent scheme, which provided a solution for the whole town, and would include traffic calming measures throughout.

The Market Towns and Business Development Service Manager outlined the background to the report and explained that the proposal was to fund the public realm works planned for Harleston through the Strategic Fund Grant of £428,527. Members noted that to support the favoured option of works, an additional £250,000 was being sought from the business rates pool; this would allow completion of the scheme and cover any contingencies.

The Market Towns and Business Development Service Manager advised that over 5,000 people had engaged with the consultation process, with the majority being in favour of the preferred scheme.

In response to a query regarding the loss of car parking spaces, members were advised that there would be an overall gain in the overall provision of spaces, once the scheme was complete.

Mr I Carstairs explained that both he and Mr N Hart were in attendance at the Cabinet meeting, as individual members of the public, but he knew that he spoke for many when he said that this was a key moment for Harleston and set the scene for a wonderful future for the town. He felt this was an excellent example of councils across the three tiers working together, and he paid tribute to Norfolk County, Harleston Town and South Norfolk Councils. He thanked officers for an excellent report and acknowledged that the proposals far exceeded his expectations and of many others in the town.

Mr N Hart also expressed his gratitude for the funding and commitment that had been demonstrated in ensuring that the scheme came to fruition.

Members expressed their support for the proposals and hoped that that the project would be an exemplar for other towns and larger villages in the area.

Cllr C Brown welcomed the plans, and requested that as far as possible, signage be improved to assist traffic accessing the town from the east, to ensure that that they took the most appropriate routes.

The Chairman agreed that this was a sensible request, and also suggested that an electricity connection within the marketplace would be extremely beneficial, if funds permitted.

## **RESOLVED:**

To:

1. Endorse the proposed programme of activity to be funded from the Norfolk Strategic Fund grant of £428,527.
2. **RECOMMEND TO COUNCIL** that the £428,572 2021/22 capital budget for 'Norfolk Strategic Fund to support Economic Growth' (aka Harleston works) be increased by £250,000 to £678,572.
3. Approve a procurement exemption to use Norfolk County Council (NCC) as the single approved delivery partner.

## **The Reason for the Decision**

To improve the street scene in Harleston, and encourage shoppers and visitors to the market town, which in turn will support local businesses.

## **Other Options Considered**

To progress Option 1, however this would not deliver the desired whole town centre solution.

## **2948 STRATEGIC PERFORMANCE, RISK AND FINANCE REPORT FOR QUARTER 1 AND QUARTER 2 2021/22**

Members considered the report of the Senior Finance Business Partner and the Strategy and Programmes Manager, which provided an overview of the performance of the Council, against the key items set out in the Delivery Plan for 2020/21.

Cllr A Dearnley, the portfolio holder for Finance, briefly introduced the financial position of the Council, explaining that it was important not to be complacent despite the favourable variance against the revenue budget. He also made reference to the capital overview, some elements of which he felt to be significant.

The Director of Resources referred to the estimated outturn of just under £1.5m surplus on the revenue budget, which had arisen from a number of areas. She stressed that these figures did not include the outcome of staff pay negotiations (the current figures had allowed for 1%). She also made reference to the table at paragraph 3.14 of the report, and the need to consider the suggestions put forward to utilise any underspend. She stressed that ongoing savings had already been taken into account as part of the budget process.

The Senior Finance Business Partner outlined in more detail the reasons for the favourable variance, as detailed in paragraphs 3.5 -3.9 of the report and

members noted that a more detailed analysis of the variances was attached at Appendix 1.

The Chairman agreed that there was no room for complacency and reminded members that the current year's budget was underpinned by the rollover of Covid grants and relied upon a healthy Leisure Service recovery. The Managing Director also referred to the significant uncertainty around local government finance.

Cllr A Thomas made the point that Covid funds would not be forthcoming in future, and although the funds would cease, there was no certainty that the demand for support would diminish at the same rate. She suggested that it might be prudent to hold on to some funds for the future.

Members considered the suggestions at paragraph 3.14 of the report, to utilise the forecasted budget underspend, and agreed with all the proposals, however wished to delete the plan for a £500k accommodation reserve, as it was felt to be premature.

In response to a query from Cllr T Laidlaw, the Chairman felt it would be premature to set up an earmarked reserve to fund a decarbonization programme and stressed the need to wait for the outcome of the debate on climate change at the full Council meeting on 6 December. He did however envisage that carbon neutrality would need to be a consideration as part of the budget setting process in February.

Cllr Laidlaw also asked why £40k had been proposed to be set aside for the investment in the Queens Hill Country Park, noting that its transfer to South Norfolk Council was imminent. The Assistant Director Planning explained that the land transfer had taken place and members noted that the proposed budget was to provide any additional aspirations for the site.

Turning to capital, the Senior Finance Business Partner explained that there was a £5.91m spend to date, with a forecast of a £16.9m spend against budget. Of this, £7.1m was against approved schemes, and the remaining £9.8m against schemes that had been classed as provisional. Members noted that of the £7.1m favourable variance on approved schemes, £5m had been against Big Sky projects. Of the £9.8m favourable variance on provisional schemes, £2.5m was against the depot refurbishment and £6.75m against the Browick Road development.

The Chairman reminded members that the depot refurbishment very much depended on expectations regarding food waste, which could see material changes to the number of bin lorries, staff, and space required.

Concerning the Big Sky projects, the Managing Director explained that the Cringleford project would be delivered slightly later than planned due to Covid and restrictions on labour and supplies. Cllr K Mason Billig added that there had been significant supply issues, but these issues were currently being resolved and future delivery would be within expected timescales.

Summing up, the Chairman stressed the need for a fundamental recasting of the capital programme in February, when next year's budget would be a consideration.

The Strategy and Programmes Manager then referred members to the performance of the Council, explaining that currently there were 13 performance measures on green and on target, 8 were currently amber and although not meeting target, were within the tolerances set, and 3 measures were red, and not meeting required targets. Members also noted that 3 other measures continued to be baselined, and 4 were annual measures and would be reported to Cabinet in quarter 4.

The Strategy and Programmes Manager then provided a brief overview of the key performance highlights and drew attention to a number of key areas of performance and areas for improvement, including homelessness, planning decisions and housing benefit applications. Members noted that details of all performance measures were outlined at Appendix 3.

During discussion, members referred to a number of areas where performance had exceeded expectations.

Referring to the Processing of Benefit claims and Planning Decisions made, both of which were red, the Chairman suggested that some of the categorization of measures required further thought. Both these indicators, although below the targets set by the Council, were exceeding national targets. Members noted that the Council was setting itself extremely high targets in some areas, and although it was good to have such high standards, it was felt that measures should only be categorized as red when real action was required.

Whilst discussing the performance of the Housing and Benefits team, members noted that it had been helping to provide additional support to residents, through its discretionary support services, and significant numbers of people continued to access support via the Help Hub and Social Prescribing work. Over 2,300 residents had benefitted from these services by the end of quarter 2, which far exceed the target set, and Cabinet agreed that this was a fantastic achievement.

In response to queries regarding the lack of measures concerning the Economy, and for example the number of businesses supported by the Council, officers explained that these were annual figures that would be reported in quarter 4. The Managing Director assured members that the team was working hard to deliver a new revised Strategy and would also be providing hard performance measures which would record both delivery and success.

Referring to the annual footfall of customers visiting the Council's leisure facilities, members felt that despite not achieving target (and being classed as red), it had actually exceeded expectations in light of the very challenging targets set, and difficulties with recruitment and retention. Members commended the team on a series of excellent campaigns on social media.

With reference to the percentage of household waste recycled, it was noted that this was reducing slightly. This could be attributed to the high numbers of household “clear outs” during lockdowns, however members felt it was important to encourage the public to recycle more, especially in light of the Environment Bill. The Chairman suggested that a more proactive social media campaign was required and that the matter be referred to the Economy and Environment Policy Committee for consideration.

Attention was drawn to the Delivery Plan and the Chairman requested that this be amended to indicate more clearly, which Councils (Broadland or South Norfolk, or both), had undertaken projects. He also referred to figures in the document which were represented by proportions, and he suggested that there was a need to detail these figures in real terms.

Cllr T Laidlaw referred to the strategic risk register and voiced concerns regarding the proposals to reduce the risk score from 9 to 6 with regard to the commercial uncertainties associated with decisions taken as part of the Council’s Commercial Strategy. He referred to the debt owed by Big Sky and could not see how the impact of this on the Council was reducing in any way.

The Chairman explained that the debt was reducing, as the stock was converted to cash, and he reminded members that the Council’s security was held against the stock and work in progress. The Managing Director added that the risks had reduced now that the acquisition of the site at Cringleford was complete and more stock had been built. The challenge for members going forward was the amount of capital it wished to see deployed through Big Sky in future, bearing in mind the relationship between the delivery of properties and the revenue return to the Council. The Chairman stressed that any future projects and requests for investment from Big Sky would be subject to a full business case.

Cllr Laidlaw thanked the Chairman for his response but suggested that the reduction in the capital deployed through Big Sky should be more clearly demonstrated in the Council’s papers.

## **RESOLVED:**

To:

1.
  - (a) Note the revenue and capital position (variance details in Appendix 1)
  - (b) Agree the proposals for the usage of this year’s potential underspends, excluding the £500k proposed accommodation reserve.
2. Note the current position with respect to risks and agree the actions to support risk mitigation (detailed in Appendix 2).
3. Note the 2021/22 performance for Quarters 1 and 2 combined (detail in Appendix 3).

4. Note the update of the Delivery Plan for 2021/22 (detailed in Appendix 4)
5. Request that the Economy and Environment Policy Committee consider further the Council's communications with regard to recycling

#### **The Reason for the Decision**

To ensure that processes are in place to improve performance and that budgets are management effectively.

#### **Other Options Considered**

None.

### **2949 TREASURY MANAGEMENT QUARTER 2 REPORT 2021/22**

Members considered the report of the Corporate and Treasury Accountant, which reviewed the treasury management activity during the first six months of the financial year 2021/22 and reported on the prudential indicators.

The Chairman introduced the report and referred to the interest received on external cash investments, commenting on how this had reduced dramatically from 2009/10 levels. However, he was pleased with the level of income from investments and the forecasted rate of return of 7.2% gross from investment properties.

With reference to Big Sky, the Chairman stressed the need for future reports to demonstrate the returns and gross money flows coming to and from Big Sky, as he did not believe that the current report provided a true picture of the total income received by the Council. Officers agreed that they would consider further how these figures could be demonstrated in future reports.

It was

#### **RESOLVED:**

To:

1. Endorse the treasury activity for the first half of the year and that it complies with the agreed strategy.
2. Note the 2021/22 prudential indicators for the first six months of the year.

#### **The Reason for the Decision**

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

#### **Other Options Considered**



None

## **2950 MEDIUM-TERM FINANCIAL PLAN AND RESERVES UPDATE**

Members considered the report of the Assistant Director of Finance, which provided an update on the Council's Medium-Term Financial Plan and reserves position.

The portfolio holder, Cllr A Dearnley introduced the report, explaining that it indicated a reasonably favourable position for the Council. He referred to the proposals regarding reserves, and also the City Deal for Long Stratton, which he believed would be the subject of a future report to Cabinet.

The Chairman was disappointed that the report did not include a copy of the plan, and he felt it was difficult to endorse, without one. He suggested that it might be an appropriate time to further consider the opportunities for borrowing, and he referred to a number of projects that he felt warranted consideration. He further suggested that all members should have an opportunity to discuss a reset of the capital programme and ambitions of the Council before the budget setting in February.

The Director of Resources explained that a summarised version of the Plan had been provided, to highlight the funding gap going forward and the risks around future funding arrangements and the New Homes Bonus and business rates income. Referring to the proposed reduction in the business rates reserve, she explained that the risk relating to the Norfolk and Norwich University Hospital being granted charitable status had ceased, and therefore a reduction in the reserve was recommended.

Members agreed the proposed changes to the earmarked reserves, however, requested that the recommendations relating to the Medium-Term Plan and the Capital Programme, be discussed in more detail at a future meeting of the Cabinet.

### **RESOLVED:**

1. To **RECOMMEND TO COUNCIL** the following changes to the Council's Earmarked Reserves:
  - a) Creation of a new Feasibility Study Reserve of £0.6m for initial feasibility studies / investigations to support development projects.
  - b) Reduction in Business Rates Reserve from £5.169m to £2m.
2. That the recommendations regarding the Medium-Term Financial Plan and the Capital Programme, be considered further at a future meeting of the Cabinet.

### **The Reason for the Decision**

To ensure that the level of reserves in place remains appropriate, and that the ambitions of the Council provide maximum benefits to residents.

### **Other Options Considered**

None

#### **2951 FUTURE OFFICE ACCOMMODATION PROJECT – APPRAISALS AND BUSINESS CASE**

Members noted that this item had been withdrawn from the agenda and that the Council would not be in a position to make any substantive decisions regarding future office accommodation, until mid-January at the earliest.

#### **2952 CABINET CORE AGENDA**

Members noted the latest version of the Cabinet Core Agenda.

#### **2953 EXCLUSION OF THE PUBLIC AND PRESS**

It was **RESOLVED** 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)

#### **2954 BROWICK INTERCHANGE LOCAL DEVELOPMENT ORDER**

Members considered the exempt report of the Strategic Growth Projects Manager, regarding the Browick Interchange Local Development Order.

The Strategic Growth Projects Manager outlined the background and proposals of the report and drew members' attention to the associated risks.

The Portfolio Holder, Cllr L Neal commended the report to members, and after officers had responded to a number of queries, it was

#### **RESOLVED:**

To approve the recommendations, as outlined in paragraph 9 of the report.

#### **The Reason for the Decision**

To safeguard the employment land allocation

#### **Other Options Considered**

As outlined in the report

(The meeting concluded at 11.05 am)

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Chairman