



**Norfolk County Council**

# **Business and Property Committee**

**Date: Tuesday, 04 September 2018**

**Time: 10:00**

**Venue: Edwards Room, County Hall,  
Martineau Lane, Norwich, Norfolk, NR1 2DH**

**Persons attending the meeting are requested to turn off mobile phones.**

## **Membership**

Mr B Stone (Chairman)

Mr T Adams	Mr M Kiddle-Morris
Ms C Bowes	Mr I Mackie
Mr R Brame	Mr C Smith (Vice-Chairman)
Mr F Eagle	Mr J Timewell
Mr A Jamieson	Mrs K Vincent
Mr T Jermy	Mrs C Walker

**For further details and general enquiries about this Agenda  
please contact the Committee Officer:**

Hollie Adams on 01603 223029  
or email [committees@norfolk.gov.uk](mailto:committees@norfolk.gov.uk)

**Under the Council's protocol on the use of media equipment at meetings held in public, this meeting may be filmed, recorded or photographed. Anyone who wishes to do so must inform the Chairman and ensure that it is done in a manner clearly visible to anyone present. The wishes of any individual not to be recorded or filmed must be appropriately respected.**

# A g e n d a

## 1. To receive apologies and details of any substitute members attending

## 2. Minutes

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To confirm the minutes of the meeting held on the 3 July 2018

## 3. Declarations of Interest

If you have a **Disclosable Pecuniary Interest** in a matter to be considered at the meeting and that interest is on your Register of Interests you must not speak or vote on the matter.

If you have a **Disclosable Pecuniary Interest** in a matter to be considered at the meeting and that interest is not on your Register of Interests you must declare that interest at the meeting and not speak or vote on the matter

In either case you may remain in the room where the meeting is taking place. If you consider that it would be inappropriate in the circumstances to remain in the room, you may leave the room while the matter is dealt with.

If you do not have a Disclosable Pecuniary Interest you may nevertheless have an **Other Interest** in a matter to be discussed if it affects

- your well being or financial position
- that of your family or close friends
- that of a club or society in which you have a management role
- that of another public body of which you are a member to a greater extent than others in your ward.

If that is the case then you must declare such an interest but can speak and vote on the matter.

## 4. Any items of business the Chairman decides should be considered as a matter of urgency

## 5. Public QuestionTime

Fifteen minutes for questions from members of the public of which due notice has been given.

Please note that all questions must be received by the Committee Team ([committees@norfolk.gov.uk](mailto:committees@norfolk.gov.uk)) by **5pm** on **Thursday 30 August 2018**.

For guidance on submitting a public question, please visit [www.norfolk.gov.uk/what-we-do-and-how-we-work/councillors-meetings-decisions-and-elections/committees-agendas-and-recent-decisions/ask-a-question-to-a-committee](http://www.norfolk.gov.uk/what-we-do-and-how-we-work/councillors-meetings-decisions-and-elections/committees-agendas-and-recent-decisions/ask-a-question-to-a-committee)

**6. Local Member Issues/ Member Questions**

Fifteen minutes for local member to raise issues of concern of which due notice has been given.

Please note that all questions must be received by the Committee Team ([committees@norfolk.gov.uk](mailto:committees@norfolk.gov.uk)) by **5pm on Thursday 30 August 2018**.

**7. Update from Members of the Committee regarding any internal and external bodies that they sit on.**

**8. Forward Plan and delegated decisions**

**Page 19**

A report by the Executive Director of Finance and Commercial Services and the Executive Director of Community and Environmental Services.

**9. Finance Monitoring Report**

**Page 28**

A report by the Executive Director of Community and Environmental Services and the Executive Director of Finance and Commercial Services

**10. Strategic and Financial Planning**

**Page 36**

A report by the Executive Director of Finance and Commercial Services

**11. Apprenticeships Update**

**Page 47**

A report by the Executive Director of Community and Environmental Services

**12. Disposal and Acquisition and exploitation of Properties**

**Page 52**

A report by the Executive Director of Finance and Commercial Services

**13. Exclusion of the Public**

**Page**

The committee is asked to consider excluding the public from the meeting under section 100A of the Local Government Act 1972 for consideration of the items below on the grounds that they involve the likely disclosure of exempt information as defined by Paragraphs 1, 3 and 3.5 of Part 1 of Schedule 12A to the Act, and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. The committee will be presented with the conclusion of the public interest tests carried out by the report author and is recommended to confirm the exclusions.

**14. County Farms Estate Management Update**

**Page**

A report by the Executive Director of Finance and Commercial Services

To confirm the exempt minutes from the meeting held on the 3 July 2018

**Group Meetings**

Conservative      9:00am Conservative Group Room, Ground Floor  
Labour              9:00am Labour Group Room, Ground Floor  
Liberal Democrats 9:00am Liberal Democrats Group Room, Ground Floor

**Chris Walton**  
**Head of Democratic Services**  
County Hall  
Martineau Lane  
Norwich  
NR1 2DH

Date Agenda Published: 24 August 2018



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## **Business and Property Committee**

**Minutes of the Meeting held on Thursday, 3 July 2018 at  
10:00 am in the Edwards room at County Hall**

**Present:**

Mr K Kiddie (Chairman)

Mr T Adams

Mr R Brame

Mr F Eagle

Mr B Iles (Vice-Chairman)

Mr A Jamieson

Mr T Jermy

Mr M Kiddle-Morris

Mr C Smith

Mr J Timewell

Mrs K Vincent

Mrs C Walker

### **1. Apologies and Substitutions**

- 1.1 Apologies were given from Mrs C Bowes. Mr T Adams would arrive late.

### **2. Minutes**

- 2.1 The minutes of the 15 May 2018 were agreed as an accurate record and signed by the Chairman subject to the agreed amendment at 10.2.9 of the January 2018 minutes, to read: *"The Norfolk Infrastructure Delivery Plan states the Norwich North East Link Rd, also known as the East-West link road, is ready to proceed with a start date of 2017. As we have passed that date please can we have an update. This road infrastructure is not only essential to deliver planned housing growth north of Norwich but also link employment centres at Norwich Airport and Broadland Business Park."*

### **3. Members to Declare any Interests**

- 3.1 The following interests were declared:
- The Director of Finance and Commercial Services declared a non-pecuniary interest as Non-Executive director of Equinox Enterprises at Great Yarmouth
  - Mr A Jamieson declared a non-pecuniary interest as non-executive director of Norse
  - Mr J Timewell declared a non-pecuniary interest as a family member rented units at Scottow Enterprise Park

### **4. Urgent Business**

- 4.1.1 The Chairman took the item of centenary fields as urgent business under section 100B of the Local Government Act 1972, subsection 4b, due to the tight time scale involved in the project.
- 4.1.2 Mr Kiddle-Morris spoke in support of the report as local Member. It was planned to create an area on the site to commemorate those who fell in the First World War.
- 4.2 Mr T Adams arrived at 10.07.
- 4.3 The Chairman was fully in support of the proposal.

- 4.4 The Committee **AGREED** to part of field 21 on the Brisley County Farms estate being dedicated as a Centenary Field.

## 5. Public Questions

- 5.1 No public questions were received.

## 6. Member Questions

- 6.1 A member question was received from Cllr Maxfield and circulated; see appendix A.

## 7. Verbal update/feedback from Members of the Committee regarding Member Working Groups or bodies that they sit on.

- 7.1 The following updates were received from Members:
- The Chairman had attended:
    - An Interreg Programme international meeting in Caen in France as part of the Interreg Cross Channel Programme
    - A Symposium in Portsmouth as part of the Interreg Programme
    - The Armed forces convention held by NCC in Norwich Football Club which he helped host as Member Armed Forces Champion
    - A Hethel engineering board at Scottow
  - Mr T Smith reported, as Deputy Leader at Great Yarmouth Borough Council, the first cruise ship had been welcomed into Yarmouth
  - Mr R Brame reported that the Greater Thetford Development Board were developing terms of reference & functions; he would bring updates to Committee when available
  - Mrs C Walker reported that the Great Yarmouth Town Centre Development Board meeting was due to take place the following Tuesday

## 8. Appointments to outside bodies

- 8.1 The Committee considered the appointments to Norwich Airport Board and Norfolk Chamber of Commerce and Industry.
- 8.2 The Committee **AGREED** to appoint:
- Cllr Proctor to the Norwich Airport Board (Non-Executive Director), with Cllr Plant as substitute
  - Cllr Proctor to the Norfolk Chamber of Commerce and Industry

## 9. Opportunities for the Digital Economy

- 9.1 The Committee received the report introducing Tech East Ltd, whose start-up had been funded by Norfolk and Suffolk local authorities alongside the Local Enterprise Partnership. A presentation was heard from the Chief Operating Officer of Tech East Ltd (see appendix B):
- Tech East Ltd had plans to create income through project work and membership
  - Tech city UK was set up to stimulate growth in the London cluster and evolved into a national programme renamed Tech Nation
  - The Tech Nation report gave an annual update on performance of clusters around the UK
  - Start-up businesses found Norfolk had a helpful tech community

- New Anglia LEP commissioned a skills plan which was published in November 2017

- 9.2.1 Challenges to realising the tech corridor were queried; the Chief Operating Officer of Tech East Ltd. replied that challenges identified by businesses varied and included broadband “hot & not” spots. It would be important to identify strengths along the corridor and clusters such as Hethel and Thetford to support it to be a centre of excellence.
- 9.2.2 A concern was raised that creating jobs in advanced technology may cause job losses in other sectors; the Chief Operating Officer of Tech East Ltd. recognised this but noted that there would be a balance overall.
- 9.2.3 With reference to a query about Better Broadband for Norfolk the Chief Operating Officer of Tech East Ltd. noted the importance of connections across Norfolk, noting digital freelance businesses in seaside towns such as Cromer. It was suggested that discussions with BT would be useful. The Chief Operating Officer offered further discussion with NCC to develop practical solutions to promote digital connectivity and broaden the benefits outwards from the Norwich tech sector.
- 9.2.4 A Member queried fundraising methods; the Chief Operating Officer of Tech East Ltd. gave the example of collaborating with other businesses on bids. Partnership with the Cranfield Centre in Cambridge was key due to the low number of investors in the sector.
- 9.2.5 Access to superfast broadband had increased from 42% to 91% in the last 4 years; a £3000 business grant was available from OpenReach for Superfast Broadband access.
- 9.2.6 The Chairman noted that the last Sync the City event was dynamic and fascinating.
- 9.2.7 The Committee **NOTED** the report and associated presentation

## 10. Forward plan and delegated decisions

- 10.1 The Committee reviewed the report setting out the Forward Plan for the Business and Property Committee and delegated decisions taken by Officers.
- 10.2.1 The Chairman had asked the Head of Property to add a review of Scottow Enterprise Ltd to the September 2018 Committee meeting, who confirmed that Members' queries about capital expenditure would be answered in this report.
- 10.2.2 Mr Kiddle-Morris asked for County Farms reports to be public. The Head of Property replied that following on from the audit, Officers were mindful to produce exempt reports to allow open discussion with Members; a County Farms Annual Report with a summary on performance would be brought to Committee as a public item.
- 10.3 The Committee
1. **REVIEWED** the Forward Plan, noting the addition of a report on Scottow Enterprise Park Ltd.
  2. **NOTED** the delegated decisions.

## 11. Finance monitoring

- 11.1.1 The Committee considered the report providing information on the revenue budget

position for services reporting to Business & Property Committee for 2018 -19, use of reserves and details of the capital programme.

- 11.1.2 It was noted that Corporate Property Team outturn forecast on p33 should read 0.854.
- 11.2.1 The Director of Finance and Commercial Services anticipated that all corporate property reserves would be spent by the end of 2018-19, and those for economic development would decrease.
- 11.2.2 It was confirmed that paragraph 2.3 on page 33 should read 2018-19, and net revenue budget should read £7.901m, as in table 1.
- 11.2.3 It was **requested** that changes, such as the decreases to revenue budget, be explained in future reports.
- 11.2.4 Mr Eagle proposed that sums over £100,000 related to Scottow Enterprise Ltd be referred to the Chairman & Vice-Chairman before being filled out. The Director of Finance & Commercial Services **agreed** to explore the issues around this; making such a change would be a restraint on Chief Officers involved in operations of the business.
- 11.2.5 Scottow Enterprise Ltd had now been trading for 2 years; it would be a decision for Policy and Resources Committee whether it became a limited company.
- 11.2.6 It was suggested it would be useful to tabulate income raised from, and forecast of future disposal and exploitation of properties; the Director of Finance & Commercial Services **agreed** to include this in future reports.
- 11.2.7 The impact on the budget for 2019-20 of reducing reserves was raised; the Director of Finance & Commercial Services replied that when setting the budget for 2019-20, a target for reducing property costs could be looked at to avoid front line cuts.
- 11.2.8 A Member queried whether the estate was being rationalised quickly enough, noting the plans to use reserves; the Director of Finance & Commercial Services replied that it could take longer than expected to get out of buildings, impacting on use of reserves.
- 11.3 The Committee **NOTED**:
  - a) The 2018-19 revenue position for this Committee
  - b) The 2018-19 to 2020-21 capital programme for this Committee
  - c) The 2018-19 reserves position for this Committee

## **12. Performance Management**

- 12.1 The Committee received the report based on the revised Performance Management System implemented as of 1 April 2016, with data against the new 2018/19 vital signs list.
- 12.2.1 The Executive Director of Community & Environmental Services confirmed that sustainability of start-ups was recorded via the Local Enterprise Partnership, with the key timescale being 2-3 years.
- 12.2.2 A Member queried whether NCC should re-evaluate their support for business start-ups. The Executive Director of Community & Environmental Services reported that the Council worked with Tech East, the Local Enterprise Partnership and Norfolk Chamber of Commerce to support start-ups by influencing partner organisations' programmes.
- 12.2.3 There was concern that start-up rates were lower than expected; The Executive



Director of Community & Environmental Services replied that working together across organisations was important; it was key to encourage the Local Enterprise Partnership to be part of conversations.

- 12.3 The Committee **REVIEWED** and **COMMENTED** on the performance data, information and analysis presented in the body of the report and determined that the actions identified were appropriate.

### 13. Risk Management

- 13.1 The Committee considered the report providing the latest departmental level property risks as at July 2018 following the latest review conducted in June 2018.

- 13.2.1 The Risk Management Officer updated the Committee, from information shown in Appendix B, that the latest available figures from 2016/17 showed the Council was at 44% against a 50% Carbon Reduction Commitment target by 2020. When the figures for 2017/18 became available later in July 2018, the 50% target was expected to have been met and exceeded.

- 13.2.2 A question was raised as to why the new Climate Change Levy active from 2019 had a target date of 2050 attached to it. The Risk Management Officer explained that this date was set by central government, and not set by officers at Norfolk County Council.

- 13.3 The Committee **CONSIDERED** and **NOTED**:

- a) the reconciliation report in Appendix A of the report, which is designed to detail any significant changes to the Committee's corporate and departmental level risks
- b) Risk RM14200 - Failure to meet NCC Carbon Reduction Target presented for information purposes to provide Members with sight of the changes to score and progress (Appendix B of the report)
- c) the summary of current corporate and departmental level risks for this Committee in Appendix C of the report
- d) The list of possible actions, suggested prompts and challenges presented for information in Appendix D of the report
- e) The background information to put the risk scoring into context, shown in Appendix E of the report

### 14. Disposal and acquisition of properties

- 14.1.1 The Committee discussed the report looking at exploiting properties surplus to operational requirements, releasing property assets with latent value and acquiring property to drive economic growth and wellbeing in the County.

- 14.1.2 The Chairman had received concerns about parking at the Vauxhall Centre (recommendation ix) and the Trimmingham camp site (recommendation xiii).

- 14.2.1 A Member **suggested** that it would be useful to see whether the local Member had reviewed and supported each recommendation to help identify issues for discussion.

- 14.2.2 No concerns had been raised related to any other recommendations in the report.

- 14.3 The Committee **AGREED** all recommendations except for recommendations ix and xiii which they took separately after discussion, below.

#### 14.4.1 Recommendation ix; Vauxhall carpark

- a note was received from the local Member, Cllr Corlett, raising concerns about the

land being used for parking

- Officers noted that it was a target for the Committee to create as much revenue for Norfolk County Council as possible, and this site had been determined to have a better opportunity in the open market
- as part of the work carried out to the 77 parking spaces, the Council had put in lighting, sprinklers and CCTV, making it an attractive location for tenants
- services such as Community & Environmental Services, Adult Social Services and existing tenants of the Centre may wish to become tenants
- existing tenants of the Centre were consulted and raised no concerns

14.4.2 The Head of Property confirmed that 6 months free was a standard lease term, reflecting that the carpark had not been trading; the consultation followed the statutory process, and the Local Member and tenants should have been informed as part of this process.

14.4.3 The Head of Property reported that it was deemed most appropriate for a private operator to manage the carpark rather than a subsidiary business of the Council, mitigating the legal issues surrounding issuing of tickets and fines.

14.4.4 Mrs Walker discussed the Local Member's concerns around the consultation process, regarding whether all those involved in the Centre had been contacted. Mrs Walker **proposed**, seconded by Mr Jermy that the decision be deferred until a later date.

14.4.5 The Head of Property reported that the cost of works was £150,000 and would bring roughly £650,000 per year income with a 3-year payback. He reiterated that the consultation followed the statutory process; the Cllr Corlett would receive a full reply to her concerns.

14.4.6 With 2 votes in favour and 10 against, the proposal was **lost**.

14.4.7 With 10 votes for and 2 against, recommendation ix was **AGREED**.

14.5.1 **Recommendation xiii, Trimingham camp site;**

- Trimingham Council had contacted the Committee to raise concerns about the lease of the site for glamping; see also Member question at Appendix A.
- The Head of Property updated Members that the site had originally been declared surplus by Policy & Resources Committee in May 2018 and earmarked for disposal
- 4 tenders were received for the site; Swallowtails Ltd's was the most advantageous

14.5.2 The tender was advertised in the trade press, to camping operators, on the non-NPS website, through a specialised NPS contacts group and in the local paper. The foundation who were in current ownership of the site had bid for the tender.

14.5.3 The risks were queried; the Head of Property confirmed that the asset value applied to the freehold value and did not affect renting of the site. Norfolk County Council's legal and property team had confirmed there were no covenants on the site.

14.5.4 The Head of Property agreed to circulate information to Members on where the tender was advertised.

14.5.5 With 9 votes for and 3 against recommendation xiii was **AGREED**.

14.6 Business and Property Committee:

- (i) Formally **DECLARED** the land north of Norwich Road Acle surplus to County Council requirements and **INSTRUCTED** the Head of Property to dispose of the

land to Repton Property Developments Ltd, and **AUTHORISED** the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of Business & Property Committee to agree the value of the land at which it is to be sold and report the sale at a subsequent Business & Property Committee meeting.

- (ii) Formally **DECLARED** the former Chapel Road School site, Attleborough surplus to County Council requirements and **INSTRUCTED** the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of Business & Property Committee is authorised to accept the most advantageous offer and report the fact at a subsequent Business & Property Committee meeting
- (iii) Formally **DECLARED** the Land South of New Road, Attleborough surplus to County Council requirements and **INSTRUCTED** the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of Business & Property Committee is **authorised** to accept the most advantageous offer and report the fact at a subsequent Business & Property Committee meeting.
- (iv) Formally **DECLARED** the Old Westgate Farm Barn beet pad, Binham surplus to County Council requirements and **INSTRUCTED** the Head of Property to dispose of the property to either:
  - The adjoining owner on the best terms possible
  - Or
  - In the event of non-agreement with the adjoining owner dispose on the open marketIn the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of Business & Property Committee is **authorised** to accept the most advantageous offer and report the fact at a subsequent Business & Property Committee meeting
- (v) Formally **DECLARED** the Market Garden Land, Hopton on Sea surplus to County Council requirements and **INSTRUCTED** the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of Business & Property Committee is **authorised** to accept the most advantageous offer and report the fact at a subsequent Business & Property Committee meeting
- (vi) **AGREED** to the leasing of the land to the Rear of 101 – 106 Norfolk Street, King's Lynn to the Borough Council of King's Lynn and West Norfolk for £3,500 per annum for 10 years
- (vii) **FORMALLY** declared the land at Wootton Drift, King's Lynn surplus to County Council requirements and **INSTRUCTED** the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of Business & Property Committee is **authorised** to accept the most advantageous offer and report the fact at a subsequent Business & Property Committee meeting.
- (viii) Formally **DECLARED** the land at Whittington Hill, Northwold surplus to County Council requirements and **INSTRUCTED** the Head of Property to dispose of the property to either:
  - The adjoining owner on the best terms possible.
  - Or

In the event of non-agreement with the adjoining owner dispose on the open market.

In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of Business & Property Committee is **authorised** to accept the most advantageous offer and report the fact at a subsequent Business & Property Committee meeting.

- (ix) **With 10 votes for and 2 against, AGREED** to the leasing of Vauxhall Centre carpark, Norwich to RCP Parking (Vauxhall) Ltd for £65,000 per annum (first 6 months' rent fee) for 10 years on terms laid out in the tender documents.

- (x) Formally **DECLARED** the land at Parkside Drive, Old Catton surplus to County Council requirements and **INSTRUCTED** the Head of Property to dispose of the property to either:

The adjoining owner on the best terms possible.

Or

In the event of non-agreement with the adjoining owner dispose on the open market.

In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of Business & Property Committee is **authorised** to accept the most advantageous offer and report the fact at a subsequent Business & Property Committee meeting.

- (xi) Formally **DECLARED** the Land at School Road (Burlingham Estate), South Walsham surplus to County Council requirements and **INSTRUCTED** the Head of Property to dispose of the property considering in addition to price the economic growth and community benefits. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of Business & Property Committee is **authorised** to accept the most advantageous offer and report the fact at a Subsequent Business & Property Committee meeting

- (xii) Formally **DECLARED** the land off Wards Chase, Stow Bardolph surplus to County Council requirements and **INSTRUCTED** the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of Business & Property Committee is **authorised** to accept the most advantageous offer and report the fact at a subsequent Business & Property Committee meeting

- (xiii) **With 9 votes for and 3 against, AGREED** to the leasing of Trimingham camp site to Swallowtails Leisure Ltd for £10,000 per annum plus 5% of turnover (less the base rent), first 6 months' rent fee, for 15 years on terms laid out in the tender documents

## **15. Exclusion of the public**

- 15.1 The Committee **AGREED** to exclude the public from discussion of items 17, 18, 19, 20, and 21, below, under section 100A of the Local Government Act 1972 on the grounds that they involved the likely disclosure of exempt information as defined by Paragraphs 1, 3 and 3.5 of Part 1 of Schedule 12A to the Act.

## **16. Norwich Airport Industrial Estate**

- 16.1 The Committee considered the report and **AGREED** the recommendations.

**17. Joint Venture Housing Development with Breckland Bridge Ltd**

17.1 The Committee considered the report.

17.2 With 4 votes in favour and 8 against the Committee **RESOLVED NOT** to **AGREE** the recommendations.

17.3 With 10 votes in favour and 2 against, the Committee **AGREED** to defer the decision, and for Officers to come back with a wider review of options.

**18. Repton Property Developments Ltd – update.**

18.1 The Committee considered the report and **AGREED** the recommendations.

**19. County Farms Estate Management Update**

19.1 The Committee considered the report and **AGREED** the recommendations.

**20. Exempt minutes**

20.1 The Committee **AGREED** the exempt minutes of the 15 May 2018.

**21. Any other business**

21.1 The Chairman updated Members about upcoming events in the Thetford Festival “Celebration of the Sikh”

The Meeting ended at: 13:06

**Chairman,  
Business and Property Committee**



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## **MEMBER/PUBLIC QUESTIONS TO BUSINESS AND PROPERTY COMMITTEE : Thursday 03 July 2018**

### **6. MEMBER QUESTIONS**

#### **6.1 Question from Cllr Edward Maxfield**

Officers will be aware of the considerable local disquiet generated by the proposed lease of this land to a 'Glamping' campsite operator. I would like to ask the following questions:

- what consideration has been given to the Council's potential exposure to future liability arising from the presumed existence of a Restrictive Covenant that applies to this land and which would likely prevent the kind of commercial activity that is proposed from taking place?
- what consideration has the Council given to the likely need for planning permission for infrastructure works at the site and how such works would appear to fall outside what is permitted by NNDCs current planning policy in respect of this area?
- what steps were taken to consult with the local community and with its own Highways officers and to consider the impact of the huge increase in traffic movements that will follow from the opening of a campsite on this field. Gimmingham Road is a very narrow lane which regularly gives rise to concerns from local residents about the volume and speed of traffic using it. While residents are supportive of the site's current use by the Kearns Foundation which results in occasional access by minibuses, a campsite would result in a huge increase in traffic movements and likely increase in the number of large vehicles (camper vans and delivery lorries) using the road to access the site.

#### **Response by Chairman of Business and Property Committee**

- There is no restrictive covenant applying to the use of this land. This was checked prior to marketing and a copy of the deeds can be provided if required.
- The site has planning permission for a camping use and can be used as such. If planning permission is required for any infrastructure works this will be for tenant to seek appropriate permission from North Norfolk District Council and for the independent planning process to assess any proposed works.
- The proposal is for twenty 'glamping pitches' and not for a caravan / camper van site.
- We do not normally consult with Highways unless the land has a strategic benefit to the network (i.e. if it could be used to put in a new road) or if a substantial change of planning is required. The new proposed operators are an established company with experience of operating campsites and have spent some time looking at the site and access.

# TechEast briefing

Business and Property Committee, 3 July 2018

Tim Robinson, Chief Operating Officer

@TechEastUK



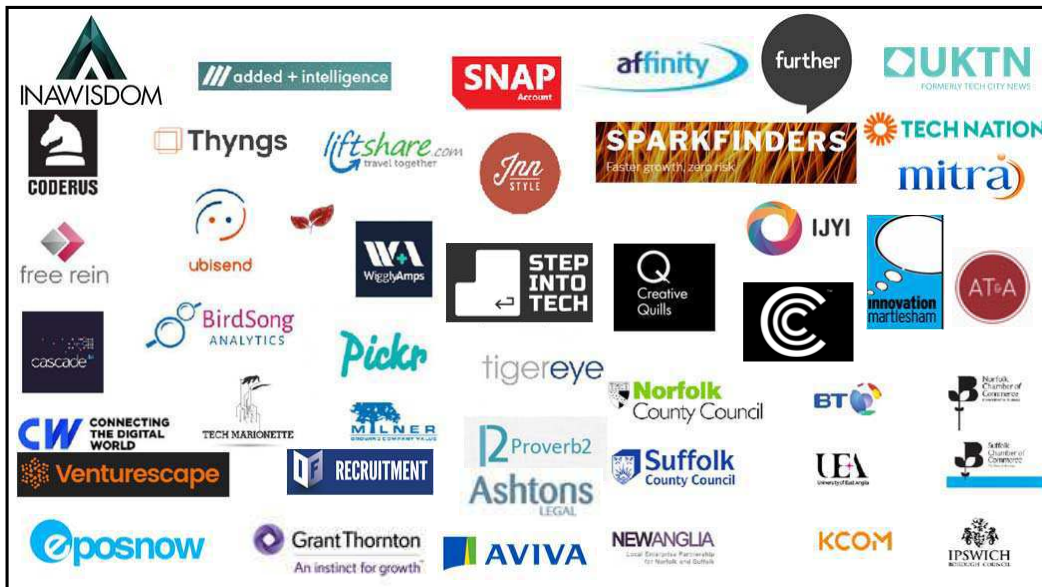
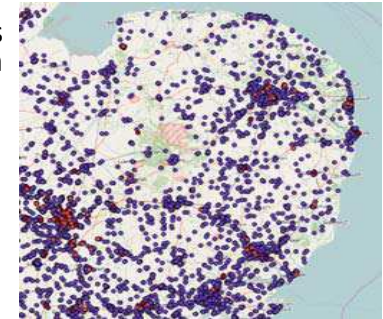
## TechEast mission

- + 5,000 jobs
- + £650m GVA
- Top 5 UK tech cluster

**1. Connect** join up the dots in the East of England ecosystem = leverage more collaboration

**2. Accelerate** enable members to succeed and showcase them

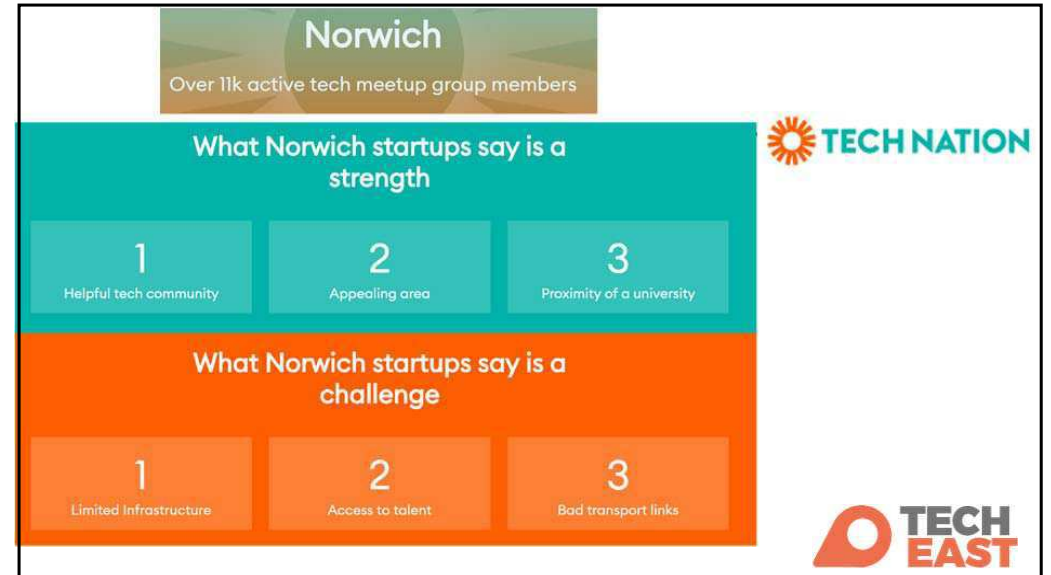
**3. Lead** be a recognised, trusted voice for New Anglia digital tech economy



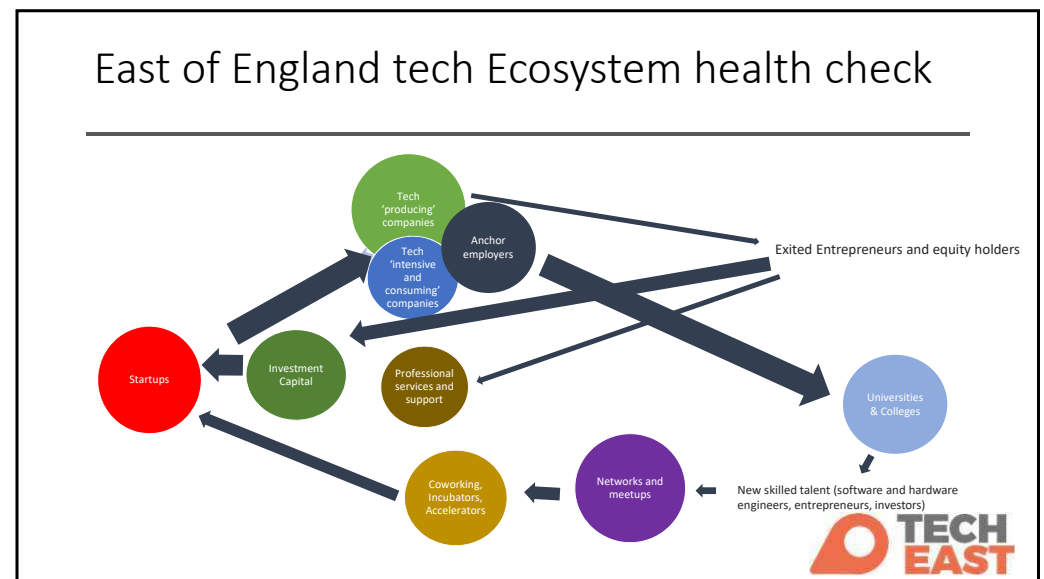
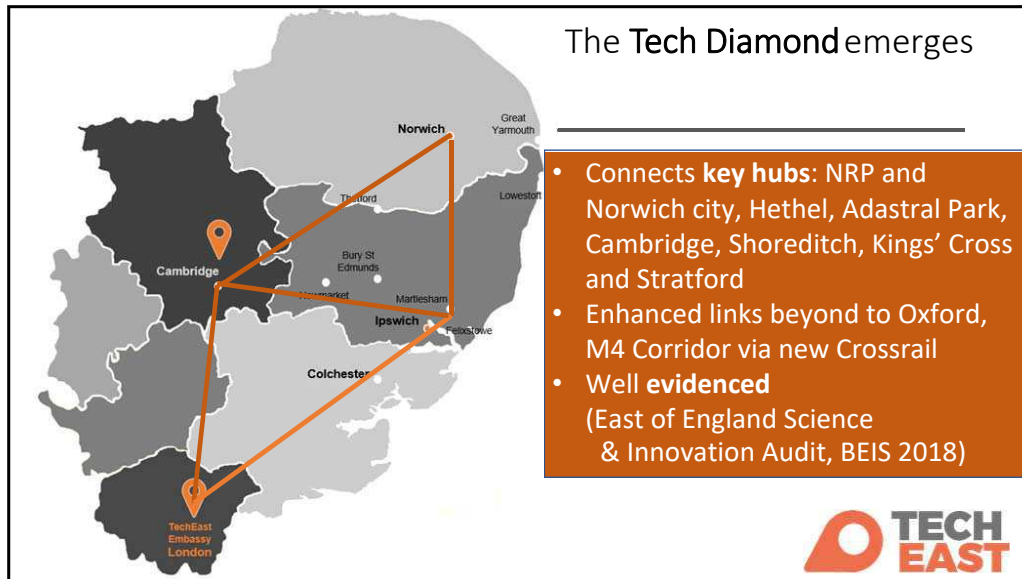
## Norfolk businesses gaining national recognition











## Upgraded London Embassy @ Runway East

**Member benefit**

- Hot desking
- Bookable meeting rooms
- 5 mins from Liverpool Street

**TechEast value**

- Showcase events (120 capacity auditorium)
- Membership pipeline development
- Partnership development

**TECH EAST**

## Skills and talent

**ACTIVITY**

- Digital Tech Skills Plan published Nov 2017
- Task force formed Jan 2018:
  - Business, education, public sector and skills groups
  - Chair: Chris Sargisson, Norfolk Chamber of Commerce
- Bid being submitted to become Local Digital Skills Delivery Partnership (DCMS)
- Distinctive local skills initiatives

**netmatters™**

**STEP INTO TECH**

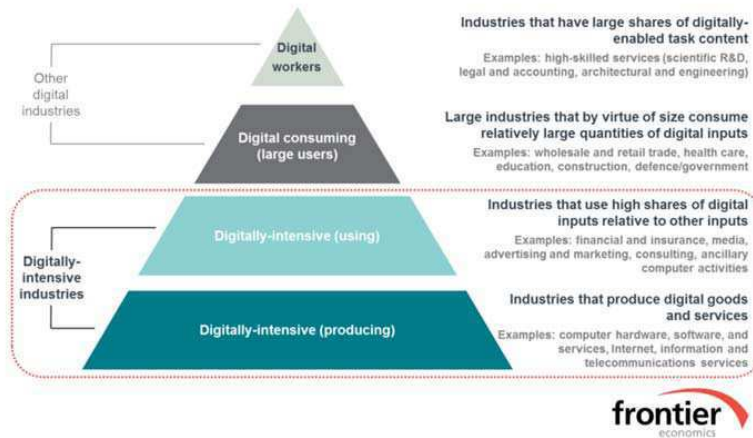
**The Scion Coalition Scheme**

Powered by Skills Gateway

Norfolk to develop their own developers.

**TECH EAST**

## Sector itself and supporting other sectors



## 2018: strategic priorities

### ECOSYSTEM-FOCUSED

- Skills and talent #1 business ask
- Cementing our place in UK ecosystem (Tech Nation, DCMS)
- Closer collaboration with adjacent sectors which digital underpins (e.g. culture, fintech)

### MEMBER-FOCUSED

- Rapidly extending network through free *Community* option
- Enhanced London and Cambridge presence
- 1:1 support for firms
- Targeted, differentiated events

# Business and Property Committee

Item No.....

<b>Report title:</b>	<b>Forward Plan and decisions taken under delegated authority</b>
<b>Date of meeting:</b>	<b>4 September 2018</b>
<b>Responsible Chief Officer:</b>	<b>Executive Director of Finance and Commercial Services Executive Director of Community and Environmental Services</b>
<b>Strategic impact</b> Providing regular information about key service issues and activities supports the Council's transparency agenda and enables Members to keep updated on services within their remit. It is important that there is transparency in decision making processes to enable Members and the public to hold the Council to account.	

## Executive summary

This report sets out the Forward Plan for the Business and Property Committee. The Forward Plan is a key document for this committee to use to shape future meeting agendas and items for consideration, in relation to delivering business and property issues in Norfolk. Each of the Council's committees has its own Forward Plan, and these are published monthly on the County Council's website. The Forward Plan for this Committee is included at **Appendix A**.

This report is also used to update the Committee on relevant decisions taken under delegated powers by the relevant Executive Director (or their team), within the scheme of delegation.

### Recommendations:

**Business and Property (B&P) Committee are asked:**

- 1. To review the Forward Plan at Appendix A and identify any additions, deletions or changes to reflect key issues and priorities the Committee wishes to consider.**
- 2. To note the delegated decisions.**

## 1.0 Introduction

### 1.1 Forward Plan

1.1.1. The Forward Plan is a key document for this committee in terms of considering and programming its future business, in relation to business and property issues in Norfolk.

1.1.2. The current version of the Forward Plan is attached at **Appendix A**.

1.1.3 The Forward Plan is published monthly on the County Council's website to enable service users and stakeholders to understand the planning business

for this Committee. As this is a key document in terms of planning for this Committee, a live working copy is also maintained to capture any changes/additions/amendments identified outside the monthly publishing schedule. Therefore, the Forward Plan attached at **Appendix A** may differ slightly from the version published on the website. If any further changes are made to the programme in advance of this meeting they will be reported verbally to the Committee.

## 1.2 Delegated decisions

- 1.2.1 The report is also used to update on any delegated decisions within the Terms of Reference of this Committee that are reported by the Executive Directors as being of public interest, financially material or contentious.

Subject:	Norwich Northern Distributor Route (NDR) – land acquisitions
Decision:	To acquire land needed to enable delivery of the Northern Distributor Road (NDR) scheme. Formal notice (under Compulsory Purchase Order) was served on all landowners impacted by the NDR in January 2016. Since the update to Committee on NDR land acquisitions, one more acquisition has been finalised. A detailed list of acquisitions can be made available for Members to view, if requested.
Taken by:	In line with the process agreed by Business and Property Committee in January 2018, all acquisitions have been approved by the Head of Property, Executive Director of Finance and Commercial Services, Chair of Business and Property Committee and Chair of EDT Committee.
Taken on:	July 2018
Contact for further information:	David Allfrey, Infrastructure Delivery Manager Email: <a href="mailto:david.allfrey@norfolk.gov.uk">david.allfrey@norfolk.gov.uk</a> Phone: 0344 800 8020
Subject:	Property transactions (including sale, lease and acquisitions).
Decision:	As listed at <b>Appendix B</b> .
Taken by:	Relevant officers, as set out in the scheme of delegation.
Taken on:	As listed at <b>Appendix B</b> .
Contact for further information:	Simon Hughes, Head of Property. Email: <a href="mailto:simon.hughes@norfolk.gov.uk">simon.hughes@norfolk.gov.uk</a> Phone: 01603 222043.

## 2.0 Evidence

2.1 As set out in the report and appendices.

## 3.0 Financial Implications

3.1 There are no direct financial implications flowing directly from members noting this report. However, the delegated decisions themselves often have significant financial implications, for example capital receipts from the sale of land/property.

## 4.0 Issues, risks and innovation

4.1 There are no other relevant implications to be considered by Members.

### Officer Contact

If you have any questions about matters contained or want to see copies of any assessments, e.g. equality impact assessment, please get in touch with:

If you have any questions about matters contained in this paper please get in touch with:

<b>Officer Name:</b>	<b>Tel No:</b>	<b>Email address:</b>
Simon Hughes	01603 222043	simon.hughes@norfolk.gov.uk



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## Appendix A

### Forward Plan for Business and Property Committee

Issue/decision	Implications for other service committees?	Requested committee action (if known)	Lead officer
<b>Meeting: 9 October 2018</b>			
Member briefings and site visits	No	To update members and view property assets.	Executive Director of Finance and Commercial Services (Simon George)
Forward Plan and delegated decisions	No	To review the Committee's forward plan and agree any amendments/additions.	Executive Director of Finance and Commercial Services (Simon George)
Finance Monitoring report	No	To review the service's financial position in relation to the revenue budget, capital programme and level of reserves.	Finance Business Partner (Andrew Skiggs)
Strategic and Financial Planning	No – all service committees will receive a report	To consider full budget savings proposals.	Executive Director of Finance and Commercial Services (Simon George)
Performance management	No	Comment on performance and consider areas for further scrutiny.	Business Intelligence and Performance Analyst (Austin Goreham)
Risk management	No	Review and comment on the risk information and consider any areas of risk that require a more in-depth analysis	Chief Internal Auditor (Adrian Thompson), Risk Management Officer (Thomas Osborne)
Norwich Airport Industrial Estate	No	To consider proposed developers brief.	Head of Property (Simon Hughes)
Breckland and Norfolk Bridge	No	To consider proposals for a joint	Head of Property (Simon Hughes)

Issue/decision	Implications for other service committees?	Requested committee action (if known)	Lead officer
		venture	
Disposal, acquisition and exploitation of Properties	No	To consider proposals to dispose of and/or acquire properties	Head of Property (Simon Hughes)
County Farms update	No	To comment on performance and note any changing circumstances, consider and take action as required.	Head of Property (Simon Hughes)
<b>Meeting: 6 November 2018</b>			
Member briefings and site visits	No	To update members and view property assets.	Executive Director of Finance and Commercial Services (Simon George)
Forward Plan and delegated decisions	No	To review the Committee's forward plan and agree any amendments/additions.	Executive Director of Finance and Commercial Services (Simon George)
Committee Plan	No	To agree plan	Executive Director of Finance and Commercial Services (Simon George)/Executive Director of Community and Environmental Services (Tom McCabe)
Finance Monitoring report	No	To review the service's financial position in relation to the revenue budget, capital programme and level of reserves.	Finance Business Partner (Andrew Skiggs)
Strategic and Financial Planning	No – all service committees will receive a report	To consider full budget savings proposals.	Executive Director of Finance and Commercial Services (Simon George)
Repton Property Developments Ltd update – appointment of	No	To note progress	Head of Property (Simon Hughes)

Issue/decision	Implications for other service committees?	Requested committee action (if known)	Lead officer
development services provider			
Disposal, acquisition and exploitation of Properties	No	To consider proposals to dispose of and/or acquire properties	Head of Property (Simon Hughes)
County Farms update	No	To comment on performance and note any changing circumstances, consider and take action as required.	Head of Property (Simon Hughes)
<b>Meeting: 15 January 2019</b>			
Member briefings and site visits	No	To update members and view property assets.	Executive Director of Finance and Commercial Services (Simon George)
Forward Plan and delegated decisions	No	To review the Committee's forward plan and agree any amendments/additions.	Executive Director of Finance and Commercial Services (Simon George)
Finance Monitoring report	No	To review the service's financial position in relation to the revenue budget, capital programme and level of reserves.	Finance Business Partner (Andrew Skiggs)
Performance management	No	Comment on performance and consider areas for further scrutiny.	Business Intelligence and Performance Analyst (Austin Goreham)
Strategic and Financial Planning 2019-20 to 202-23 and revenue budget 2019-20	No – all service committees will receive a report	To consider full budget savings proposals.	Executive Director of Finance and Commercial Services (Simon George)
Risk management	No	Review and comment on the risk information and consider any areas of risk that require a more in-depth analysis	Chief Internal Auditor (Adrian Thompson), Risk Management Officer (Thomas Osborne)



Issue/decision	Implications for other service committees?	Requested committee action (if known)	Lead officer
Disposal, acquisition and exploitation of Properties	No	To consider proposals to dispose of and/or acquire properties	Head of Property (Simon Hughes)
County Farms update	No	To comment on performance and note any changing circumstances, consider and take action as required.	Head of Property (Simon Hughes)
<b>Meeting: 5 March 2019</b>			
Member briefings and site visits	No	To update members and view property assets.	Executive Director of Finance and Commercial Services (Simon George)
Forward Plan and delegated decisions	No	To review the Committee's forward plan and agree any amendments/additions.	Executive Director of Finance and Commercial Services (Simon George)
Finance Monitoring report	No	To review the service's financial position in relation to the revenue budget, capital programme and level of reserves.	Finance Business Partner (Andrew Skiggs)
Performance management	No	Comment on performance and consider areas for further scrutiny.	Business Intelligence and Performance Analyst (Austin Goreham)
Risk management	No	Review and comment on the risk information and consider any areas of risk that require a more in-depth analysis	Chief Internal Auditor (Adrian Thompson), Risk Management Officer (Thomas Osborne)
Disposal, acquisition and exploitation of Properties	No	To consider proposals to dispose of and/or acquire properties	Head of Property (Simon Hughes)
County Farms update	No	To comment on performance	Head of Property (Simon Hughes)

Issue/decision	Implications for other service committees?	Requested committee action (if known)	Lead officer
		and note any changing circumstances, consider and take action as required.	

## **Appendix B**

<b>Property</b>	<b>Transaction</b>	<b>£ benefit</b>	<b>Date of Decision</b>
Kings Lynn South Lynn Fire Station land	Licence for gas main works compound	-	01/02/2018
Diss CEVC Junior School	Lease to Academy Trust	-	08/03/2018
Dickleburgh Primary School	Lease to Academy Trust	-	16/04/2018

Note: A list of property acquisitions relating to the NDR scheme is held separately and can be made available for members, on request.

# Business & Property Committee

Item No.

<b>Report title:</b>	<b>Finance Monitoring</b>
<b>Date of meeting:</b>	<b>04<sup>th</sup> September 2018</b>
<b>Responsible Chief Officer:</b>	<b>Tom McCabe – Executive Director, Community and Environmental Services, Simon George – Executive Director, Finance and Commercial Services</b>
<b>Strategic impact</b>  This report provides the Committee with information on the revenue budget position for services reporting to Business & Property Committee for 2018 -19. It also provides information on the use of reserves and details of the capital programme.	

## Executive summary

The services reporting to this Committee are delivered by Community & Environmental Services, and Finance & Commercial Services.

The 2018-19 net revenue budget for this Committee is £7.901m. Details of the 2018 – 19 revenue position are shown in Table 1 of this report.

The total capital programme budget relating to this Committee for the years 2018 – 19 to 2020 – 21 is £34.297m. Details are shown in Table 2 of this report.

The balance of reserves and provisions relating to this Committee as of 1 April 2018 is £2.991m. Details are shown in Table 3 of this report.

### Recommendations:

**Members are recommended to note:**

- a) The 2018 – 19 revenue position for this Committee**
- b) The 2018 – 19 to 2020 - 21 capital programme for this Committee**
- c) The 2018 - 19 reserves position for this Committee**

## 1. Proposal

1.1. Members have a key role in overseeing the financial position for the services under the direction of this committee, including reviewing the revenue and capital position and reserves held by the service.

Although budgets are set and monitored on an annual basis it is important that the ongoing position is understood and the previous year's position, current and future plans and performance are considered.

1.2. This report reflects the financial position relating to this Committee as at the end of July 2018.

## 2. Evidence

### Revenue budget 2018 - 19

2.1. The services reporting to this Committee are delivered by Community & Environmental Services, and Finance & Commercial Services.

2.2. This report reflects the forecast outturn position for the Services that are relevant to this Committee, which are:

- Economic Development Programmes
- Strategy & Commissioning
- Employment and Skills
- Scottow Enterprise Park
  
- Hethel Engineering Centre – operated as Hethel Innovation Ltd
  
- Client Property Management

2.3. The current 2018-19 net revenue budget for this committee is £7.901m, consistent with the July Committee report. This figure excludes cost neutral capital charges within Strategy & Commissioning which clarifies the change from the May Committee report. The current forecast variance is a £0.184m overspend after use of reserves, variances are explained in paragraphs 2.5 and 2.6 below. The use of reserves to support this position is shown in Table 3.

**Table 1: Business & Property Committee: Net revenue budget and forecast outturn position 2018 – 19**

	<b>Outturn 2017 - 18</b>	<b>Budget 2018 - 19</b>	<b>Year to date 2018 - 19</b>	<b>Outturn Forecast 2018 - 19</b>	<b>Variance 2018 -19</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Client Property Management</b>					
Corporate Offices	5.216	4.399	1.308	4.772	0.373
Estates Management	0.874	0.531	0.224	0.668	0.137
Building Maintenance	1.857	2.007	0.280	1.940	(0.067)
County Farms	(0.666)	(0.555)	0.378	(0.762)	(0.207)
Corporate Property Team	0.838	0.710	0.170	0.710	0.000
	<b>8.119</b>	<b>7.092</b>	<b>2.360</b>	<b>7.328</b>	<b>0.236</b>
<b>Economic Development</b>					
Ec Dev Programmes	(0.086)	(0.084)	1.175	(0.084)	0.000
Strategy & Commissioning	0.852	0.894	0.199	0.888	(0.006)
Employment & Skills	0.363	0.373	0.037	0.373	0.000
Scottow Enterprise Park	(0.274)	(0.374)	(0.193)	(0.420)	(0.046)
	<b>0.855</b>	<b>0.809</b>	<b>1.218</b>	<b>0.757</b>	<b>(0.052)</b>
	<b>8.974</b>	<b>7.901</b>	<b>3.578</b>	<b>8.085</b>	<b>0.184</b>

## 2.4. Other legal entities –

2.4.1. Client Property Management – Repton Property Developments Ltd is subject to separate reports to this Committee. The next Board Meeting will include a detailed finance report.

2.4.2. Economic Development - the unaudited pre tax profit for Hethel Innovation Ltd (HIL) for 2017 – 18 is £0.335m.

## 2.5. Client Property Management (CPM)

The CPM budget is reduced by £1.027m in 2018 – 19, continuing to reflect planned savings to be met principally by reduced costs of corporate offices, including fewer properties via property disposals. CPM plan to smooth the impact of this significant reduction by the planned use of reserves as shown in Table 3 later in this report.

We are currently reporting an overspend of £0.236m after use of

reserves due to the shortfall of identifiable savings in 2018 – 19. Progress has been made against the delivery of the savings targets for 2018 – 19 with planned exits from a number of key buildings including Vantage House. However, a more detailed assessment is being undertaken of the obligations and opportunities within the current budget and the outcome will be reported at a later Committee meeting.

County Farms includes the business transferred from Norfolk Energy Futures Ltd.

## **Economic Development**

2.6. The main element of spend within Economic Development is staff related expenditure, with all spend related to planned programme activity. A number of staff are engaged in the delivery of externally funded projects where the spend profile does not always match a financial year, where this is the case project funding will be carried forward in reserves as an unspent grant. An underspend of £0.052m for this budget, including Scottow Enterprise Park, is forecast.

2.7. **Scottow Enterprise Park (SEP)** – the 2018 – 19 forecast is a surplus of £0.420m excluding financing costs, £0.046m better than the previous forecast. The forecast comprises revenues of £1.320m (2017 – 18 £1.253m), £0.863m is derived from buildings rental and service charges, £0.457m from the solar farm on site. Costs are £0.900m (2017 – 18 £0.979m), of which £0.185m relates to staff salaries and £0.715m relates to other labour and general premises costs. In addition Enterprise Zone funding of £0.125m per annum has been secured to support the financing of site development costs. SEP is not accounted for as a separate legal entity, and is managed via HIL.

**Hethel Engineering Centre (HEC)** - is accounted for via the separate legal entity of Hethel Innovation Ltd (HIL). Subject to audit the pre tax profit for 2017 – 18 is £0.335m, comprising revenues of £1.467m, £1.083m from tenancy and £0.384m from consultancy and funded programmes. Costs were £1.132m comprising salary and overhead costs of £0.905m, and financing costs of £0.227m. The 2018 – 19 business plan outlines revenues and pre tax profit consistent with 2017 – 18.

HEC is currently 97% let and there is demand from tenants within HEC and elsewhere, for the provision of 'grow on' space next to HEC Phases 1,2 and 3. HEC has created over the past 12 years 80,000 sq ft of offices and workshops space, and there is demand to create an additional 80,000 sq ft of space. Hethel Innovation Ltd (HIL), the entity that runs HEC and SEP, continues to consider the potential development of the Hethel Technology Park on the site.

### 3. Capital Programme

3.1. The capital programme for the services reported to this Committee is currently profiled to be delivered as detailed below.

**Table 2: Business & Property Committee: Capital Programme**

	Actual spend 2017 - 18 £m	Budget 2018 - 19 £m	Spend to date 2018 - 19 £m	Budget 2019 - 20 £m	Budget 2020-21 £m
<b>Scottow Enterprise Park (SEP)</b>	<b>6.062</b>	<b>3.638</b>	<b>0.201</b>	<b>0.000</b>	<b>0.000</b>
Infrastructure	4.308	0.181	0.095		
Buildings refurbishment	1.754	3.457	0.106		
<b>Client Property Management</b>	<b>1.348</b>	<b>18.216</b>	<b>1.979</b>	<b>8.091</b>	<b>0.743</b>
Space 2019	0.333	8.592	0.007		
Asbestos	0.538	0.978	0.124		
Other works	0.477	8.646	1.848	8.091	0.743
<b>County Farms</b>	<b>4.317</b>	<b>3.037</b>	<b>2.312</b>	<b>0.572</b>	<b>0.000</b>
Purchase of Farms	3.161	1.693	1.696		
Other capital	1.156	1.344	0.616	0.572	
	<b>11.727</b>	<b>24.891</b>	<b>4.492</b>	<b>8.663</b>	<b>0.743</b>

3.2. **SEP** - the total available corporate and Enterprise Zone supported capital funding for the redevelopment (excluding site purchase costs) of SEP is £9.700m, of which £6.263m is the amount spent on redevelopment and refurbishment to date. Table 2 has been updated to reflect the position excluding site purchase costs and the latest information available from the site staff. The budget is currently allocated as follows –

- £4.489m for essential infrastructure work to the site, including water supply facilities, asbestos removal, security fencing, fire alarms, heating systems and utility metering to facilitate recharges back to tenants. £4.403m has been spent to date.
- £5.211m is earmarked for specific buildings to be brought into a



lettable condition, the principle expenditure relates to Hangars 1,2 and 3. It should be noted that expenditure is only made against a business case from specific enquiries leading to lettings income. £1.860m has been spent to date.

**3.3. Client Property Management** – the capital funding is in support of further refurbishment to allow rationalisation and facilitate cost reductions within the corporate property portfolio, in addition to routine general maintenance and minor works funded via capital. The principal identifiable expenditure relates to the Space 2019 programme. The change to the budget from the previous report are additions to the 'Other Works' budget.

**3.4. County Farms** – the capital funding represents the agreed refurbishment programme, including land drainage schemes, which maintains the value of the Farms estate. The change to the budget from the previous report represents the purchase of Avenue Farm, Halvergate.

#### **4. Reserves 2018 - 19**

4.1. The Council holds both provisions and reserves.

4.2. Provisions are made for liabilities or losses that are likely or certain to be incurred, but where it is uncertain as to the amounts or the dates which they will arise. The Council complies with the definition of provisions contained within CIPFA's Accounting Code of Practice.

4.3. Reserves (or Earmarked Reserves) are held in one of three main categories:

4.4. Reserves for special purposes or to fund expenditure that has been delayed, and in many cases relate to external Grants and Contributions - reserves can be held for a specific purpose, for example where money is set aside to replace equipment or undertake repairs on a rolling cycle, which can help smooth the impact of funding.

4.5. Local Management of Schools (LMS) reserves that are held on behalf of schools – the LMS reserve is only for schools and reflects balances held by individual schools. The balances are not available to support other County Council expenditure.

4.6. General Balances – reserves that are not earmarked for a specific purpose. The General Balances reserve is held to enable the County Council to manage unplanned or unforeseen events. The Executive Director of Finance is required to form a judgement on the level of the

reserve and to advise Policy and Resources Committee accordingly.

- 4.7. The reserves falling under this Committee would fall into the first category. Additionally, balances may relate specific grant income where we have received the income but are yet to incur the expenditure, or the grant was planned to be used over a period of time, not related to a specific financial year.
- 4.8. We will continue to review the reserve balances to ensure that their original objectives are still valid and would identify any reserves that could be considered available for re-allocation.
- 4.9. The committees' unspent reserves and provisions as at 1<sup>st</sup> April 2018 totalled £2.991m, and is forecast to be £1.336m at 31<sup>st</sup> March 2019.
- 4.10. The table below shows the balances of reserves and provisions and the actual usage for 2018 - 19.

<b>Table 3: Business &amp; Property Committee: Reserves &amp; Provisions</b>			
<b>Reserves &amp; Provisions 2018-19</b>	<b>Balance at 1 April 2018</b>	<b>Forecast Balance at 31 March 2019</b>	<b>Change during 2018 - 19</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Corporate Property Management	1.102	0.000	1.102
Economic Development (including Scottow Enterprise Park)	1.889	1.655	0.234
<b>Committee Total</b>	<b>2.991</b>	<b>1.655</b>	<b>1.336</b>

The use of £1.102m of CPM reserves continues to smooth the effect of a reduced corporate offices budget.

The Economic Development reserves relate to specific project and grant funding, drawn down and carried forward as applicable to each project. Only currently known specific drawdowns have been shown above, the final use of reserves in 2018 – 19 is anticipated to be much higher than currently shown.

Scottow Enterprise Park has reserves of £0.257k included in the total above.

## **5. Financial Implications**

- 5.1. There are no decisions arising from this report. The financial position for Communities Committee services is set out within the paper and appendices.

## 6. Issues, risks and innovation

6.1. This report provides financial performance information on a wide range of services responsible to the committee.

### Officer Contact

If you have any questions about matters contained in this paper, please get in touch with:

Officer name :	Andrew Skiggs	Tel No. :	01603 223144
	Graham Jermy	Tel no.	01603 638981

Email address : [andrew.skiggs@norfolk.gov.uk](mailto:andrew.skiggs@norfolk.gov.uk)  
[graham.jermy@norfolk.gov.uk](mailto:graham.jermy@norfolk.gov.uk)



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# Business & Property Committee

Item No.....

<b>Report title:</b>	<b>Strategic and Financial Planning 2019-20 to 2021-22</b>
<b>Date of meeting:</b>	<b>4 September 2018</b>
<b>Responsible Chief Officer:</b>	<b>Tom McCabe – Executive Director, Community and Environmental Services, Simon George – Executive Director, Finance and Commercial Services</b>

## **Strategic impact**

This report provides Business & Property Committee with an update on the Council's overall budget planning position, including the forecast budget gap for 2019-20 to 2021-22, and sets out details of the strategic and financial planning framework for Service Committees, which has been agreed by Policy and Resources. It summarises the organisational response to financial pressures, and in particular explains how the Council's Strategy, Norfolk Futures, serves as the key mechanism to drive the Council's ambitions for Norfolk.

The report sets out how actions are being taken by Business & Property Committee to support the whole Council to set a balanced budget for 2019-20 and provides Members with an overview of the approach to developing savings for 2019-20 ahead of the detailed proposals being presented in October.

## **Executive summary**

This report provides Business & Property Committee with the latest information about service budget planning for 2019-20 to 2021-22. The report details the link between the Council Strategy, Norfolk Futures, and the development of transformation and savings plans relevant to this Committee.

Policy and Resources Committee has agreed guidance to Service Committees on the actions required to support preparation of a balanced budget for 2019-20, and agreed the indicative level of savings to be found by each Committee. Details are set out in the report, and Members' views are sought on the Committee's approach to identifying savings for 2019-20.

### **Business & Property Committee is recommended to:**

- 1) Note the Council's budget assumptions and the budget planning principles for 2019-20 which have been approved by Policy and Resources Committee (paragraph 3.3 and 3.4);**
- 2) Note the forecast budget gap of £94.696m (table 3), which reflects the changes from the 2018-22 Medium Term Financial Strategy, and the resulting indicative savings targets for the Committee over the period 2019-20 to 2021-22 (table 4);**
- 3) Consider and identify any further key areas of risk in relation to 2019-22 budget planning for the Committee's budgets, including any additional pressures and the robustness of existing planned savings as set out in section 5, noting that any changes may impact on the overall budget gap and will require additional offsetting savings to be found;**

- 4) **Agree the proposed approach and key themes to focus on in developing savings proposals for 2019-20 to 2021-22, including how the principles of the Council's Strategy, Norfolk Futures, will inform and shape budget planning activity set out in section 5, having regard to the existing savings for 2019-20 and beyond which were agreed as part of the 2018-19 budget round (table 1);**
- 5) **Commission officers to develop detailed savings proposals to be presented to the Committee for consideration at the October meeting in order to help close the forecast 2019-20 to 2021-22 budget gap; and**
- 6) **Note the budget planning timetable (section 6).**

## **1. Introduction**

- 1.1. The County Council agreed the 2018-19 Budget and Medium Term Financial Strategy (MTFS) to 2022 at its meeting 12 February 2018, at the same time as it agreed a new Strategy for the County Council, Norfolk Futures. At that point, the MTFS identified a budget gap of £94.696m for the period 2019-20 to 2021-22, and the Council's budget strategy included the aspiration to bring forward savings required for 2021-22 into the first two years 2019-20 and 2020-21. The Council has a robust and well-established framework for strategic and financial planning which updates the MTFS position through the year to provide Members with the latest available financial forecasts to inform wider budget setting work across the organisation.
- 1.2. On 16 July 2018, Policy and Resources Committee received a report setting out how the 2019-20 budget planning process would be aligned with the Council's Strategy, Norfolk Futures. Policy and Resources Committee agreed:
  - That the principles of the Council's Strategy, Norfolk Futures, will inform and shape 2019-22 budget planning activity;
  - Updated budget assumptions and key areas of risk in relation to 2019-22 budget planning;
  - The forecast budget gap of £94.696m reflecting changes from the 2018-22 Medium Term Financial Strategy;
  - The budget planning principles and guidance for 2019-20, commissioning Service Committees to begin developing their savings proposals with initial reporting in September;
  - The indicative savings targets 2019-20 to 2020-21, noting the existing savings for 2019-20 and beyond which were agreed as part of the 2018-19 budget round; and
  - The budget planning timetable.
- 1.3. This report provides the Committee with details of the implications of these decisions made by Policy and Resources Committee and marks the beginning of the Committee's detailed budget planning activity for 2019-20 to 2021-22.

### **2018-19 budget position**

- 1.4. The latest details of the 2018-19 budget position are set out in the budget monitoring report elsewhere on the agenda. The budget planning assumptions for 2019-20 set out later in this report include an assumption that the 2018-19 Budget

is fully delivered (i.e. that all savings are achieved as planned and there are no significant overspends).

## 2. County Council Strategy and Norfolk Futures

- 2.1. The report to Policy and Resources Committee sets out how the Council's Vision and Strategy will inform the development of the 2019-20 Budget.
- 2.2. Caring for our County, the vision for Norfolk, approved by Members in February 2018, outlines the Council's commitment to playing a leading role in:
  - Building communities we can be proud of;
  - Installing infrastructure first;
  - Building new homes to help young people get on the housing ladder;
  - Developing the skills of our people through training and apprenticeships;
  - Nurturing our growing digital economy; and
  - Making the most of our heritage, culture and environment.
- 2.3. The Council's Strategy for 2018-2021 – Norfolk Futures – will provide the mechanism to enable these ambitions for the County across all of its activities.
- 2.4. Norfolk Futures will deliver these transformational commitments in a context where demand for our services is driven both by demographic and social trends, and where increasingly complex and more expensive forms of provision are becoming prevalent.
- 2.5. Norfolk Futures is guided by four core principles that will frame the transformation we will lead across all our work:
  - Offering our help early to **prevent and reduce** demand for specialist services;
  - **Joining up** work so that similar activities and services are easily accessible, **done once and done well**;
  - Being **business-like** and making best use of **digital technology** to ensure value for money; and
  - Using evidence and data to **target our work** where it can make the most difference.
- 2.6. Under the banner of Norfolk Futures we will deliver sustainable and affordable services for the people who need them most. The whole Council needs to change to keep up with increasing demands and ever better ways of working.
- 2.7. These principles frame the transformation that we must lead across all our services and activities. This is all underpinned by evidence and political support, to change how the Council works and how we work with the people of Norfolk.
- 2.8. The Corporate Property Team is responsible for the delivery of the Housing Workstream in Norfolk Futures – specifically:
  - the development of the Council's Housing Company (Repton Homes) to bring forward development, whilst retaining the development profit on sites owned by the County Council. As noted elsewhere in the report, the Business and Property Committee have been instrumental in the establishment of this company

The Corporate Property Team is working across a number of the key areas of Norfolk Futures, to support colleagues in the delivery:

- Supporting colleagues in Adult Social Care around the provision of Housing with Care (HwC) to live more independent lives.
- Working with Children's Services to develop specialist housing provision, for key client groups across the County.
- A reduction in the amount of back office space occupied by the Council, with a view to looking to provide services where they are most needed

2.9. By 2021 the strategy and underpinning Service Plans will have moved the Council towards a more sustainable future with affordable, effective services. This means that we will have radically changed the ways we do some things. We will know our citizens and manage their needs effectively using the best evidence to enable the most appropriate outcomes. We will be working jointly across the Council on our biggest challenges by default, and changing the way we work to reflect new technology and ways of working. This will enable us to work smarter, better and plan long term to be the Council the County needs.

2.10. These principles frame the transformation across all our services and activities and we currently have 7 priorities to help us to deliver the strategy:

- Safe Children and Resilient Families;
- Promoting independence for Vulnerable Adults;
- Smarter Information and Advice;
- Towards a Housing Strategy;
- Digital Norfolk;
- Local Service Strategy; and
- Commercialisation.

2.11. Further information about the Norfolk Futures priorities relevant to this Committee, and how they will inform and support 2019-20 budget planning, are set out in section 5 of this report. Summary details of all the priorities are set out in the report to Policy and Resources Committee.

### **3. 2019-20 Budget Planning**

3.1. The Medium Term Financial Strategy (MTFS) was agreed in February 2018 including £78.529m of savings and with a remaining gap of £94.696m. The MTFS provides the starting point for the Council's 2019-20 Budget planning activity. Full details of cost pressures assumed in the Council's MTFS are set out in the 2018-19 [Budget Book](#).<sup>1</sup>

3.2. Existing savings in the Council's MTFS are shown by Committee in the table below. These are the savings agreed as part of the 2018-19 (and earlier) budget process,

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<sup>1</sup> <https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/budget-book-2018-22.pdf?la=en>

and will need to be delivered in addition to any new savings proposed to close the remaining budget gap.

**Table 1: Planned net recurring savings 2018-19 to 2021-22**

<b>Committee</b>	<b>2018-19 Saving £m</b>	<b>2019-20 Saving £m</b>	<b>2020-21 Saving £m</b>	<b>2021-22 Saving £m</b>	<b>Total Saving £m</b>
Adult Social Care	-27.290	-9.351	-13.700	-3.900	-54.241
Children's Services	-2.641	-4.342	-2.000	-2.000	-10.983
Environment, Development and Transport	-1.440	-0.310	-0.350	-1.850	-3.950
Communities	-1.803	-0.435	-2.786	-1.500	-6.524
Business and Property	-1.051	-2.075	-2.050	-1.150	-6.326
Digital Innovation and Efficiency	-0.726	-1.000	-0.700	0.000	-2.426
Policy and Resources <sup>2</sup>	4.952	1.356	-0.387	0.000	5.921
<b>Grand Total</b>	<b>-29.999</b>	<b>-16.157</b>	<b>-21.973</b>	<b>-10.400</b>	<b>-78.529</b>

### **Budget planning principles 2019-20**

3.3. Policy and Resources Committee have agreed the following key principles for budget planning in 2019-20:

- Budget planning will cover the three year period 2019-20 to 2021-22;
- Budget proposals will target “shifting left” as a priority in terms of service provision (i.e. preventing and reducing demand for more intensive and higher cost services);
- Savings targets will be profiled as they arise over the three years of the Medium Term Financial Strategy (not brought forward);
- The 2019-20 Budget will seek opportunities to increase the level of the General Fund balance to ensure the medium term financial position is robust and the Council is better protected against future changes in funding; and
- The four Norfolk Futures principles as set out in paragraph 2.5 will underpin the development of budget proposals.

### **Budget assumptions 2019-20**

3.4. The Council's current forecast budget gap is based on a number of key assumptions, including:

- That Revenue Support Grant will entirely disappear in 2020-21. This equates to a pressure of around £39m, but significant uncertainty is attached to this and the level of savings required in year two could be materially lower should this loss of funding not take place.
- Further substantial cost pressures including:
  - inflation, including the 2% pay increase for staff;
  - demographic changes and increased demand for our services; and
  - legislative changes where national policies have added to our costs.
- Planned savings of £49m to be delivered over the period 2019-20 to 2021-22.

<sup>2</sup> The net savings position for Policy and Resources Committee reflects the reversal of a number of significant one-off savings from 2017-18, such as the use of the Insurance Fund and the use of Capital Receipts totalling £11.299m. The gross savings to be delivered by Policy and Resources Committee budgets in 2018-19 are £6.347m.



- That the 2018-19 budget can be successfully delivered (no overall overspend occurring and no savings emerging as undeliverable). The Council's forecast 2018-19 outturn position is discussed in the monitoring report elsewhere on the agenda.
- Ongoing annual pressures will exist in waste budgets from 2019-20.
- Pressures in Minimum Revenue Provision (MRP) budgets will be felt from 2020-21.
- Budget planning is based on the following council tax increase assumptions (and also assumes there is no scope to increase the ASC precept in 2019-20 based on the current terms set out by Government):

**Table 2: Council Tax assumptions (as per 2018-22 MTFS)**

	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
Assumed increase in general council tax	2.99%	1.99%	0.00%
Assumed increase in Adult Social Care precept	0.00%	0.00%	0.00%
<b>Total assumed council tax increase</b>	<b>2.99%</b>	<b>1.99%</b>	<b>0.00%</b>

- 3.5. The planned 2.99% increase in council tax is based on the current understanding of updated assumptions and flexibility offered by the Government in the 2018-19 local government finance settlement. Any reduction in this increase will require additional savings to be found. The assumed council tax increases are subject to Full Council's decisions on the levels of council tax, which will be made before the start of each financial year.
- 3.6. Assumptions around increases in the council tax base are prudent (0.5% annual growth), and as set out in the above table, no increase in council tax has been planned for 2021-22.

#### **Latest forecast budget gap 2019-20 to 2021-22**

- 3.7. The latest budget planning position, taking into account the changes agreed by Policy and Resources Committee, is shown in the table below. The latest budget assumptions would mean an unchanged overall gap of £94.696m, with **£22.089m required to close the gap in 2019-20**.

**Table 3: Latest forecast budget gap 2019-20 to 2021-22**

	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Original gap at MTFS 2018-19 to 2021-22	34.165	60.530	0.000	<b>94.696</b>
Reprofile savings requirement to 2021-22	-12.077	-12.077	24.153	<b>0.000</b>
<b>Forecast gap as at 16 July 2018 P&amp;R report</b>	<b>22.089</b>	<b>48.454</b>	<b>24.153</b>	<b>94.696</b>

#### **Key budget risks 2019-20**

- 3.8. Uncertainties remain about a number of items **which have not currently been reflected in the budget planning assumptions**, but which could potentially result

in an increase in the overall gap. As a result, additional pressures, which have not currently been provided for, may arise in 2019-20 relating to:

- Ongoing pressures arising within the Children's Services budget in 2018-19 may need to be recognised in 2019-20 relating mainly to the number and cost of Looked After Children, High Needs Block pressures, and also in respect of any delay or non-delivery of planned savings;
- Market and system pressures affecting Adult Social Services (cost of care);
- Increasing the level of the General Fund reserve;
- Adjustments to salary scales (circa £0.350m) required in 2019-20 in response to the two-year pay award; and
- Changes in the forecast 2018-19 level of savings delivery to allow for any mitigation of undeliverable savings.
- Impact of the potential transfer of Norfolk Fire and Rescue Service to the Police and Crime Commissioner.

3.9. The risks and assumptions relating to the 2019-20 Budget will continue to be monitored and updated as budget planning activity proceeds.

### **Medium term forecast – 2020-21 and beyond**

3.10. The Council's has a reasonable degree of certainty about resources available for the period to 2019-20 as a result of the four year allocations of funding announced by the Government in 2016-17. There is however a much greater level of uncertainty in respect of planning for 2020-21 and beyond. This is in large part due to the absence of firm information about the Government's plans for Revenue Support Grant following the implementation of the proposed 75% retention of business rates. It is Government policy<sup>3</sup> for Revenue Support Grant to be devolved as part of the implementation of a reformed business rates retention system and there is limited information about the implications of this for overall funding levels in subsequent years.

3.11. Taking account of this uncertainty, the County Council's planning is based on an assumption that Revenue Support Grant disappears entirely in 2020-21 as detailed in paragraph 3.4 above and equating to a pressure of £39m. In addition, the loss of New Homes Bonus and Rural Services Delivery Grant is also assumed (£2.742m and £3.195m respectively).

3.12. Alongside the more regular annual budget pressures (such as inflation and demographic growth) the assumptions about reductions in funding result in a **significant forecast gap of £48.454m arising in 2020-21**. In the event that these pressures do not materialise, or if they are subject to a different timescale, the level of savings required in 2020-21 could be materially different.

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<sup>3</sup> The Secretary of State (then Greg Clark) stated in the announcement of the Local Government Finance Settlement 2016/17 that: "Ultimately, Revenue Support Grant will disappear altogether, as we move to 100% business rates retention." (<https://www.gov.uk/government/speeches/final-local-government-finance-settlement-2016-to-2017>). Most recently, the *Invitation to pilot 75% Business Rates Retention in 2019/20* confirmed that: "As part of the move towards a reformed business rates retention system in 2020/21, the government intends to devolve Revenue Support Grant (RSG) [...] To ensure that piloting in 2019/20 closely reflects the government's proposals to date for a reformed business rates retention system, authorities selected as pilots in 2019/20 will be expected to forego Revenue Support Grant (RSG) and Rural Services Delivery Grant (RSDG)." (<https://www.gov.uk/government/publications/75-business-rates-retention-pilots-2019-to-2020-prospectus>).

- 3.13. It is not yet clear when there will be certainty about funding levels for 2020-21. Some additional information is likely to emerge early in the 2019-20 financial year as part of the Comprehensive Spending Review and further development of the Fair Funding Review, but it is highly likely that local authorities will not receive any clarity about individual funding levels until the publication of the provisional Local Government Finance Settlement, which is likely to be in December 2019.
- 3.14. The Executive Director of Finance and Commercial Services is required by section 114 of the Local Government Finance Act 1988 to report to Members if it appears that the expenditure the authority proposes to incur in a financial year is likely to exceed the resources available to it to meet that expenditure. The Executive Director therefore takes a view of the robustness of the Council's budget across the whole period covered by the Medium Term Financial Strategy.
- 3.15. In view of this duty, and the considerable uncertainty about funding levels after the end of the current settlement, **the Council will need to make substantial, sustainable savings in 2019-20 in order to establish a solid platform for the development of a robust budget in 2020-21.**

## 4. Savings allocation

- 4.1. The following table sets out indicative savings required to close the identified gap by Committee which have been agreed by Policy and Resources Committee. The share of savings has been calculated based on current planned 2019-20 net budgets excluding schools, Public Health (in 2019-20 only), capital recharging, and government grants on the basis that these areas are not controllable and therefore should be outside the scope of savings. These savings are required in addition to existing current savings plans.

**Table 4: Indicative savings by Committee**

	2019-20 £m	2020-21 £m	2021-22 £m	Total £m	Proposed share of new savings %
Adult Social Care	-9.626	-19.527	-9.745	<b>-38.898</b>	41%
Children's Services	-5.726	-12.064	-6.037	<b>-23.827</b>	25%
Environment, Development and Transport	-2.820	-5.988	-2.962	<b>-11.770</b>	12%
Communities	-1.647	-6.262	-3.115	<b>-11.025</b>	12%
Digital Innovation and Efficiency	-0.369	-0.736	-0.373	<b>-1.477</b>	2%
Business and Property	-0.154	-0.180	-0.045	<b>-0.379</b>	0%
Policy and Resources <sup>4</sup>	-1.747	-3.697	-1.875	<b>-7.319</b>	8%
<b>Total</b>	<b>-22.089</b>	<b>-48.454</b>	<b>-24.153</b>	<b>-94.696</b>	

- 4.2. Policy and Resources Committee have agreed a timetable for Service Committees to report detailed 2019-20 Budget proposals back to Policy and Resources in October.

<sup>4</sup> Including Finance General

## 5. Committee response

- 5.1. This report proposes an approach for the Committee to adopt in developing saving proposals for 2019-20, and explains how this will be aligned to the Norfolk Futures principles. It also details the key pressures and risks that the Committee will need to consider in developing budget proposals for 2019-20.

As noted within the report, a substantial amount of property savings have been identified and built into the budget to date. Delivery of additional savings is unlikely without substantial reduction in the footprint of NCC, however, NCC regularly reviews its portfolio to identify opportunities, including with other public sector partners.

- 5.2. There are also two service areas in the Community and Environmental Services Department which report to this Committee. In terms of future budget proposals, the approach is as follows:-

- Economic Development – there are a range of activities carried out, including working with district council colleagues and the Local Enterprise Partnership. Successful activities can deliver a number of positive economic benefits, including jobs and skills. In addition, it helps to secure income for the Council through business rates, which is increasingly important given the Government's intention to move from Revenue Support Grant funding to Business Rate Retention.
- Enterprise Parks – the two Enterprise Parks – Scottow Enterprise Park and Hethel Engineering Centre – provide facilities and support for businesses to operate and grow. They are focussed on incubating start-ups and supporting STEM business development. As previously reported to Committee, both Parks operate at a profit. In addition, successfully supporting businesses has a number of positive economic benefits (as above).

## 6. Budget Timetable

- 6.1. The Council's overarching budget setting-timetable for 2019-20 was agreed by County Council in February as part of the 2018-19 Budget. The timetable is updated as further information becomes available (for example about the timing of Government announcements). The latest version of the timetable is set out in the table below.

**Table 5: Budget setting timetable 2019-20 to 2021-22**

Activity/Milestone	Time frame
County Council agree recommendations for 2018-22 including that further plans to meet the shortfall for 2019-20 to 2021-22 are brought back to Members during 2018-19	12 February 2018
Spring Statement 2018 announced	13 March 2018
Consider implications of service and financial guidance and context, and review / develop service planning options for 2019-22	February – June 2018
Member review of the latest financial position on the financial planning for 2019-22	July 2018

Development of savings proposals 2019-22	June – September 2018
Member review of service and budget planning position including savings proposals	Committees in October 2018
Consultation on new planning proposals and council tax 2019-22	Late October to December 2018 / January 2019
Chancellor's Autumn Budget 2018	TBC November / December 2018
Provisional Local Government Finance Settlement	December 2018
Service reporting to Members of service and financial planning and consultation feedback	January 2019
Committees agree revenue budget and capital programme recommendations to Policy and Resources Committee	Mid-January 2019
Confirmation of District Council tax base and Business Rate forecasts	31 January 2019
Final Local Government Finance Settlement	TBC February 2019
Policy and Resources Committee agree revenue budget and capital programme recommendations to County Council	28 January 2019
County Council agree Medium Term Financial Strategy 2019-20 to 2021-22, revenue budget, capital programme and level of council tax for 2019-20	11 February 2019

## 7. Financial implications

- 7.1. Potentially significant financial implications are discussed throughout this report. Any implications of the Autumn Budget and the three changes expected to be implemented in 2020-21 will be reflected as far as possible in the Council's 2019-20 budget planning, and these impacts will need to be refined as further information is made available by Government.
- 7.2. Specific financial risks in this area are also identified in the Corporate Risk Register, including the risk of failing to manage significant reductions in local and national income streams (RM002) and the risk of failure to effectively plan how the Council will deliver services (RM006).
- 7.3. Risks relating to budget setting are also detailed in the Council's budget papers. There is a risk in relation to the Comprehensive Spending Review and the Fair Funding Review that a failure by the Government to provide adequate resources to fund local authorities could lead to a requirement for further service reductions, particularly where the Fair Funding Review results in a redistribution between authority types or geographical areas.

## 8. Issues, risks and innovation

- 8.1. Significant risks, assumptions, or implications have been set out throughout the report.
- 8.2. Equality issues were considered in the Equality Impact Assessment of 2018-19 budget proposals. Decisions about significant savings proposals with an impact on levels of service delivery will require public consultation. As in previous years, new

2019-22 saving proposals, and the Council's Budget as a whole, will be subject to equality and rural impact assessments later in the budget-setting process.

## Background Papers

Norfolk County Council Vision and Strategy

<https://www.norfolk.gov.uk/what-we-do-and-how-we-work/policy-performance-and-partnerships/policies-and-strategies/corporate/council-vision-and-strategy>

Norfolk County Council Revenue and Capital Budget 2018-22 (Item 4, County Council 12 February 2018)

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/592/Committee/2/SelectedTab/Documents/Default.aspx>

Norfolk County Council Budget Book 2018-22

<https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/budget-book-2018-22.pdf?la=en>

Strategic and Financial Planning 2019-20 to 2021-22 (Item 10, Policy and Resources Committee, 16 July 2018)

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1419/Committee/21/SelectedTab/Documents/Default.aspx>

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# Business and Property Committee

<b>Report title:</b>	<b>Apprenticeships update</b>
<b>Date of meeting:</b>	<b>4 September 2018</b>
<b>Responsible Chief Officer:</b>	<b>Tom McCabe, Executive Director- Community &amp; Environmental Services</b>
<b>Strategic impact</b> Apprenticeships continue to be a priority in Norfolk offering a valuable vocational pathway for young people who are keen to move into the world of work as well as opportunities for workforce development and business growth. The national reforms introduced in 2017 have had a significant impact on the number of starts in Norfolk with a reduction of 24% (-1,440) during the period August 2017 – April 2018, the national figure has fallen by 33%. This paper provides detail on the activities to increase starts across all ages and levels in line with NCC's Strategy and Vision.	

## Executive summary

Changes in legislation nationally, including a switch from frameworks to standards and the implementation of the apprenticeships levy indicate the ongoing high profile of apprenticeships as a tool for changing the way we work and learn. Currently the scale of these changes has resulted in a reduction in the take up of apprenticeships both nationally and locally. The development of T- levels for young people will also impact on the landscape of provision.

In Norfolk we have developed a number of approaches in collaboration across all stakeholder groups to ensure that the changes to national policy are implemented successfully addressing the recent decline in the number of starts.

**Recommendation: Members are requested to endorse the actions outlined below.**

## 1. Proposal

In responding to the reduction in apprenticeship starts the following activities are either taking place or are being planned.

1.1 Implementation of **Apprenticeships Standards** – progress nationally in approving standards has been slow with employers working in groups of at least 10 to lead the process. Approval from the Institute for Apprenticeships takes some time although measures have been put in place to reduce this.

- **Action:** We are working with colleges and training providers to become more responsive to employer requirements and help them to work together better to maximise the potential for cohort delivery.
- Apprenticeship standards currently are mostly written are at level 3 and above. This disadvantages young people who need to begin their Apprenticeship journey at level 2. There are still significant numbers of frameworks that can be delivered at level 2, but the funding structure for frameworks makes many uneconomic for providers, additionally the levy cannot be shared to fund frameworks.
- **Action:** We have written to Robert Halfon in his role as Chair of the

Education Select Committee highlighting the challenges that this and other aspects of the reforms are presenting.

- **Action:** We are also working with providers to help them to manage delivery more effectively so that the level 2 offer does not suffer as a result of these reforms.

1.2 Implementation of the **apprenticeships levy** – organisations across Norfolk including Norfolk County Council and the District Councils are now paying the apprenticeships levy. Nationally 40% of starts are currently from levy paying businesses.

- **Action:** We are working with levy paying employers to highlight the benefits of using the levy to both develop their existing workforce and to bring in new members of staff. We have some good examples in Norfolk of employers who are proactively using the levy including the NNUH and Norfolk County Council. It is now possible for levy paying employers to share up to 10% of their levy with smaller non levy paying companies. Norfolk County Council was the first organisation in the country to share levy, and can therefore use this positive publicity to encourage more levy payers to follow its lead.

1.3 **As an employer** we have put in place a light touch procurement Framework for Apprenticeship Training Providers, written to allow its use by all local public-sector bodies. The Framework is well-established and working effectively, particularly with the Health Sector, enabling increased effectiveness in ability to procure, spend levy and start apprentices.

- NCC is setting a good example of efficient cross-sector working and collaboration, as well as enhancing opportunities for economies of scale through leading on building apprenticeship cohorts in Norfolk, in such areas as Data Analyst and HR. This makes delivery of apprenticeship starts viable for both provider and employer.
- As the recruitment of high quality Social Workers is a key priority for NCC, we are leading the national trailblazer group to develop a Social Work apprenticeship standard. We are also supporting our Schools and collaborating with the UEA Business School in the development of a tailored MBA Leadership apprenticeship. At least 20 of our School Leaders and aspiring leaders are set to start this apprenticeship in February 2019.
- Norfolk County Council has already started or committed to 104 apprenticeship training opportunities for our staff. Ranging from level 3 all the way up to Level 6 (degree). This figure includes 18 posts that have, or are in the process of, being recruited to as apprenticeship opportunities.
- It is now possible for levy paying employers to share up to 10% of their levy with smaller non levy paying companies. Norfolk County Council was the first organisation in the country to share levy, and can therefore use this positive publicity to encourage more levy payers to follow its lead.

1.4 **ATA Pilot** – Members will be aware that funding has been secured by TrAC working in partnership with Norfolk County Council to test a pilot ATA supporting our most vulnerable young people and care leavers. This project commenced in



January 2018 and to date has received 114 referrals, more than anticipated.

- By the end of August 2018, the project outputs estimated a total of 16 Apprenticeship starts and 26 Traineeship or Work Experience starts with 13 completions. Currently there are 4 Apprentices on programme, with one more set to start in September and 14 work experience placements in total, 11 being finished and one did not complete.
- **Action:** Although the referrals to the pilot have been higher than anticipated, there have been a number of learning issues that the project team are addressing to support these young people to gain better work experience and transition into apprenticeship opportunities.
- **Action:** Lobbying government for flexibility around support for those living in hostels to ensure that are not disadvantaged by taking on employment as benefits only cover the housing element of their accommodation.
- As the pilot progresses, we will review the learning and investigate how to deliver a sustainable ATA business model in the county.

1.5 **Support for young people** – A plethora of support packages for young people at school are now available regionally and nationally. County Council resources for this work have been reduced accordingly.

- **Action:** Our two apprenticeship advisers are promoting progression to higher and degree level apprenticeships through funding from The Network for East Anglian Collaborative Outreach (NEACO).
- **Action:** We are seeking to establish a partnership of employers and providers willing to provide mentoring help and support to young people in years 11 to 13 who aspire to become an apprentice once they leave education. This support could include advice about applications and interview support.

1.6 **Support for SMEs.** A national survey of 2,000 employers by the Learning and Work Institute highlighted that in businesses with less than 50 employees only 16% employ an apprentice currently or have recently employed an apprentice. As our business base is made up of predominately small employers we need to work with our partners to encourage and support businesses to consider apprenticeships as part of their workforce development.

The research goes on to state that the barriers to businesses in not engaging in apprenticeships include:

- Lack of understanding
- Lack of time
- Lack of framework flexibility
- Non suitable candidates found
- **Action:** We will work with partners to develop a more flexible offer that responds to business need.
- The NALP through the use of the European Social Funding has developed a series of sector skills plans to identify and start addressing

the skills needs in our key sectors.

- The plans aim to identify the main skills needs of the sectors as well as a set of agreed actions to help ensure those needs are met, the further development of apprenticeships is highlighted as part of the solution in many of the plans.
- **Action:** We are working with each of the groups leading their implementation to offer support to both employers and training providers.

1.7 The **Health and Social Care Sector** has seen the largest reduction in numbers of starts with a decline of 50% (-1,070). This is partly due to the requirement for 20% off the job training and the lack of suitable standards.

- **Action:** We need to work with providers to develop and share best practice around the 20% off the job training and to ensure that we have a comprehensive offer of frameworks until the relevant standards have been developed
- **Action:** In 2017 an ESF tender was issued by the Department of Work and Pensions seeking proposals for a project supporting In Work Progression in the health and social care sector. A consortium of Norfolk County Council, Suffolk County Council and local training providers submitted an outline application in late 2017 and a full application was developed and submitted in April 2018. The tender aims to address some of the challenges the sector faces in terms of recruiting, retaining and upskilling staff.

If the funding application is successful the project aims to deliver a model which will:

- Improve access to qualifications amongst the health and social care workforce.
- Map career pathways and qualification routes to enable workers to move into leadership and specialist roles. This is important for career progression and the subsequent impact on in-work poverty as well as for developing and retaining a well trained workforce to meet the skills needs of the sector.
- The apprenticeship offer will form an important part of this and it is hoped will help to redress the current decline in numbers

## 2. Evidence

2.1. Recently released Education and Skills Funding Agency data for the period August 2017 – April 2018 shows:

- The total number of starts in Norfolk had declined by 24% (-1,440). This compares with a 33% decline across England.
- Starts have fallen by 30% (1700) at intermediate and advanced levels (2 and 3) but an increase of 48% (230) has been seen in the numbers beginning higher and degree (level 4+) apprenticeships in the period.
- Starts have fallen most sharply amongst the 25+ age group with a 25% (-950) reduction with smallest reduction seen in the number of 16 to 18 year olds at 10% (-150).

- The largest reduction in starts has been seen in the health and social care sector with a decline of 50% (-1070). This was traditionally Norfolk's biggest sector for apprenticeship starts. In comparison the Agriculture (+50), Construction (+60) and ICT (+90) sectors have seen modest increases in overall starts.

### **3. Financial Implications**

- 3.1. There are no funding implications arising from these proposals. Match funding required for the ESF bids was secured prior to the bid submission and there are no further funding requirements in respect of this.

### **4. Issues, risks and innovation**

- 4.1. There are performance targets for the ATA that are the responsibility of TrAC to deliver and the apprenticeship team are working hard with the organisation to support them.

### **5. Background**

- 5.1. There are no background papers for this report.

### **Officer Contact**

If you have any questions about matters contained in this paper or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

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# Business and Property Committee

Item No.....

<b>Report title:</b>	<b>Disposal, Acquisition and Exploitation of Properties</b>
<b>Date of meeting:</b>	<b>4 September 2018</b>
<b>Responsible Chief Officer:</b>	<b>Executive Director of Finance and Commercial Services</b>
<p><b>Strategic impact</b></p> <p>Proposals in this report are aimed at supporting Norfolk County Council (NCC) priorities by exploiting properties surplus to operational requirements, pro-actively releasing property assets with latent value where the operational needs can be met from elsewhere and strategically acquiring property to drive economic growth and wellbeing in the County.</p> <p>One of the key strategic actions within the Asset Management Plan is a sharp focus on maximising income through adoption of a more commercial approach to property.</p>	

## Executive summary

As part of corporate management of property and a systematic approach to reviewing the use and future needs of property assets for service delivery there is a continued emphasis on minimising the extent of the property estate retained for operational purpose. However, on occasion there will be the requirement to acquire or reuse an individual property to support a service to delivers its aims.

By adopting a “single estate” approach internally, and sharing property assets with public sector partners through the One Public Estate programme, the Council is aiming to reduce net annual property expenditure by £4.25million over the next four years (2018/19 to 2021/22).

Consideration is also given to suitability of surplus property assets for use or redevelopment to meet specific service needs that could improve quality of services for users, address other policy areas and/or improve financial efficiency for the County Council, for example, facilitating the supply of assisted living accommodation and other housing solutions for people requiring care, or undertaking re-development to support jobs and growth.

This means that as well as continuing with the rationalisation of the operational property estate to reduce the number of buildings used by the County Council, a more commercial approach is being adopted over the sale or redeployment of surplus property assets.

### Recommendations:

**Business and Property (B&P) Committee are asked to:**

- (i) **Formally declare the land East of Hargham Road, Attleborough surplus to County Council requirements and instruct the Head of Property to**

dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting

- (ii) Formally declare the land at A143 (area A and Area B), Brockdish surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt(s) exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.
- (iii) Formally declare the land at Kestrel Avenue, Costessey surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.
- (iv) Formally declare the land at Shrub Cottage, Long Stratton surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.
- (v) Formally declare the land opposite Mill Farm, Litcham Road, Mileham surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.
- (vi) Formally declare the land at Gravel Pits, Needham surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.
- (vii) Formally declare the Strips of land at Old Lane, Reepham surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive

**Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.**

- (viii) Formally declare Elm Road, Thetford surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.**

## **1.0 Introduction**

- 1.1 The Council actively manages its property portfolio in accordance with the adopted Asset Management Plan. Property is held principally to support direct service delivery, support policy objectives, held for administrative purposes or to generate income. Property is acquired or disposed of as a reaction to changing service requirements, changing council policies or to improve the efficiency of the overall portfolio.
- 1.2 The County Council challenges the use of its property on an ongoing basis. In the event of a property asset becoming surplus to an individual service need there are internal officer processes to ascertain whether other service areas have an unmet need that could be addressed by re-using the property asset for that service. This may lead to a change of use of individual properties, for example, an office building may be reused for operational service delivery. Any proposals for retention are only agreed if supported by a robust business case showing the benefits to the County Council and are funded from approved budgets. This assessment will also consider whether a property could be offered at best consideration to public sector or third sector partners.
- 1.3 The above assessments are carried out by the Corporate Property Officer (the Head of Property) in consultation with the Corporate Property Strategy Group (CPSG). Once it is confirmed there is no further County Council requirement the Business and Property Committee is asked to formally declare property assets surplus or re-designate for alternative purposes.
- 1.4 The Corporate Property Officer reviews options for maximising income from surplus properties usually by open market sale to obtain the best consideration possible. These will range from selling immediately on the open market (to the bidder making the best offer overall), enhancing the value prior to sale, strategic retention for a longer-term benefit through to direct development of the land and buildings and selling/letting the completed assets, in the expectation of enhanced income for the Council.
- 1.5 For properties to be sold immediately there is sometimes a need to consider selling directly to a specific purchaser instead of going to the open market. This may be justified where the third party is in a special purchaser situation and is willing to offer more than the assessed market value. Conversely this

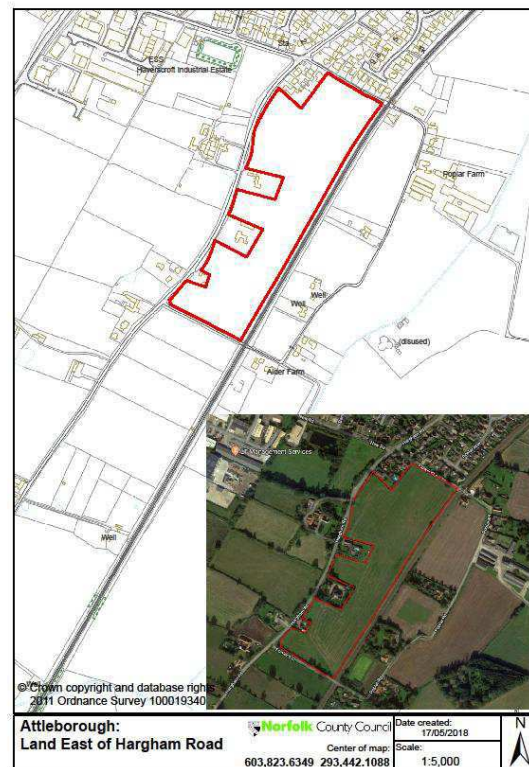
might be to a purchaser who is in a unique position of control for the unlocking of the full latent value of the Council owned site (ransom situation). A direct sale without going to market can also be justified if there are specific service benefits or a special partnership relationship which is of strategic value with service/community benefits.

- 1.6 In making recommendations for direct sale without going to market, or direct property development, the Corporate Property Officer will consider risks, opportunities, service objectives, financial requirements and community benefits.
- 1.7 The recommendations for all disposals, acquisitions and exploitation of NCC property in this report follow detailed assessment by officers of the range of options available. The recommendation for each property is based on existing policies and strategies and judged to provide the best return to the council in financial terms and, where appropriate, taking account of community and economic benefits.

## 2.0 Proposals

### Attleborough – Land East of Hargham Road (3002/037)

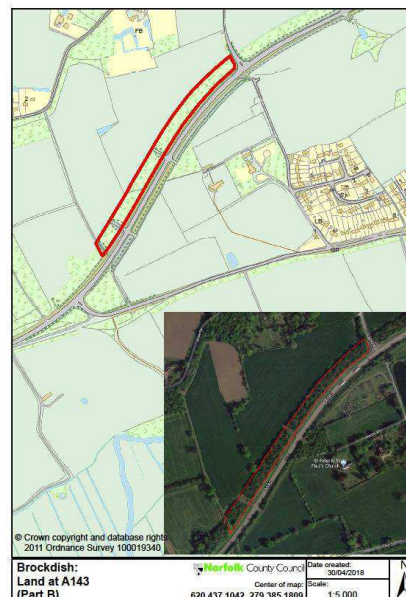
- 2.1 This land is owned by NCC and forms part of the County Farms estate. The land area is approximately 6.7 hectares (16.6 acres).
- 2.2 The land has been promoted for residential development in the local plan and it is anticipated NCC will submit an outline planning application in the autumn of 2018.
- 2.3 The land is tenanted until October 2018.
- 2.4 The County Farms team have reviewed this land and have confirmed that it is no longer required for operational purposes.
- 2.5 Following a review by the Head of Property in consultation with CPSG it has been confirmed that the site is not required for NCC service use.
- 2.6 B&P Committee is asked to formally declare the land East of Hargham Road, Attleborough surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the



Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting

### **Brockdish – land at A143 (Area A (70160/23A) and Area B (7016/23B))**

- 2.7 These two areas of land were acquired by NCC for a highway scheme but not directly utilised. Area A is approximately 1.6 hectares (4.0 acres) in area and area B is 1.79 hectares (4.4 acres).
- 2.8 These properties were declared surplus by Community and Environmental Services on 23/5/2018. Following a review by the Head of Property in consultation with CPSG it has been confirmed that both properties are not required for NCC service use.
- 2.9 It is proposed to dispose of these two areas of land by way of public auction.
- 2.10 B&P Committee is asked to formally declare the land at A143 (area A and Area B), Brockdish surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt(s) exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.



### **Costessey – Land at Kestrel Avenue (7028/042)**

- 2.11 This property was originally acquired by NCC for education purposes, the surrounding land has been developed out for housing. The land area is approximately 0.076 hectares (0.19 acres).



2.12 This property was declared surplus by Children's Services on 20/11/2017. Following a review by the Head of Property in consultation with CPSG it has been confirmed that the property is not required for NCC service use.

2.13 The Head of property has been in contact with the Town Council to ascertain if they are interested in purchasing the land at full market value. However, if there is no agreement then it is proposed to dispose of this land by way of public auction.

2.14 B&P Committee is asked to formally declare the land at Kestrel Avenue, Costessey surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.



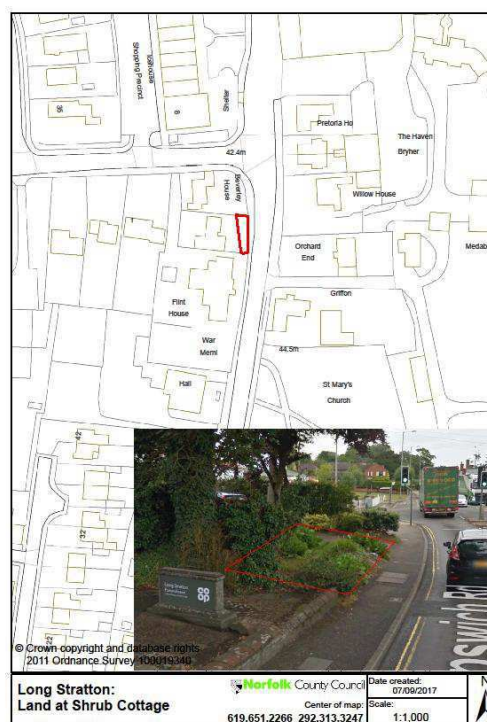
### Long Stratton - Land at Shrub Cottage

2.15 This property was acquired by NCC for a highway scheme but not directly utilised. It is approximately 54m<sup>2</sup> in area.

2.16 This property was declared surplus by Community and Environmental Services on 4/12/2017. Following a review by the Head of Property in consultation with CPSG it has been confirmed that the property is not required for NCC service use.

2.17 It is proposed to dispose of this land by way of public auction.

2.18 B&P Committee is asked to formally declare the land at Shrub Cottage, Long Stratton surplus to County Council requirements and instruct the Head of Property to dispose of the



property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.

### **Mileham – land opposite Mill Farm, Litcham Road**

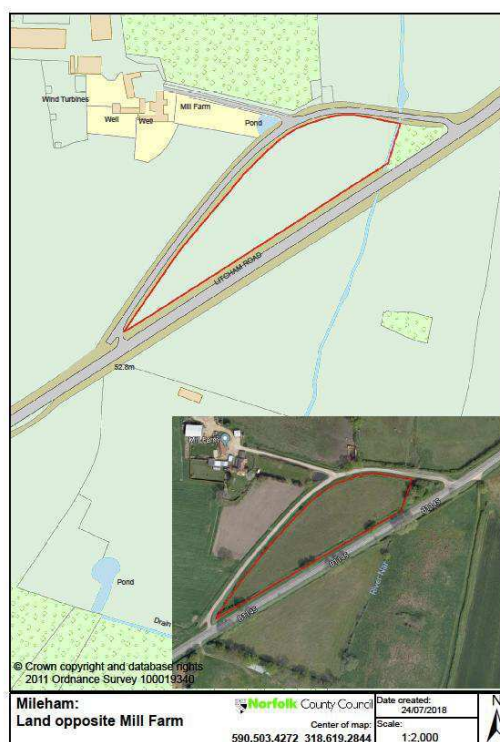
2.19 The property edged red on the plan forms part of the County Farms estate, the site area is 1.0 hectares (2.48 acres).

2.20 The County Farms team have reviewed the property and have confirmed that it is no longer required for operational purposes.

2.21 Following a review by the Head of Property in consultation with CPSG it has been confirmed that the property is not required for NCC service use.

2.22 It is proposed to dispose of this land by way of public auction.

2.23 B&P Committee is asked to formally declare the land opposite Mill Farm, Litcham Road, Mileham surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.



### **Needham - Land at Gravel Pits (7073/013)**

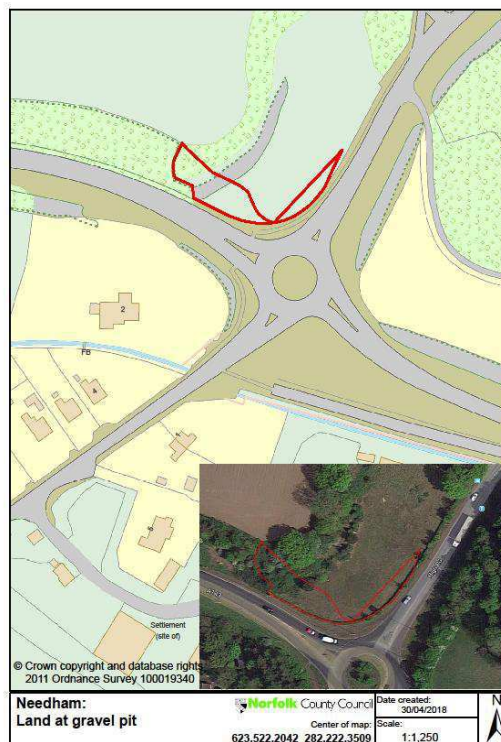
2.24 This property was acquired by NCC for a highway scheme but not directly utilised. It is approximately 873m<sup>2</sup> in area.

2.25 This property was declared surplus by Community and Environmental Services on 23/5/2018. Following a review by the Head of Property in consultation with CPSG it has been confirmed that both properties are not required for NCC service use.

2.26 It is proposed to dispose of this land by way of public auction.

2.27 B&P Committee is asked to formally declare the land at Gravel Pits, Needham surplus to County Council requirements and instruct the Head of Property to

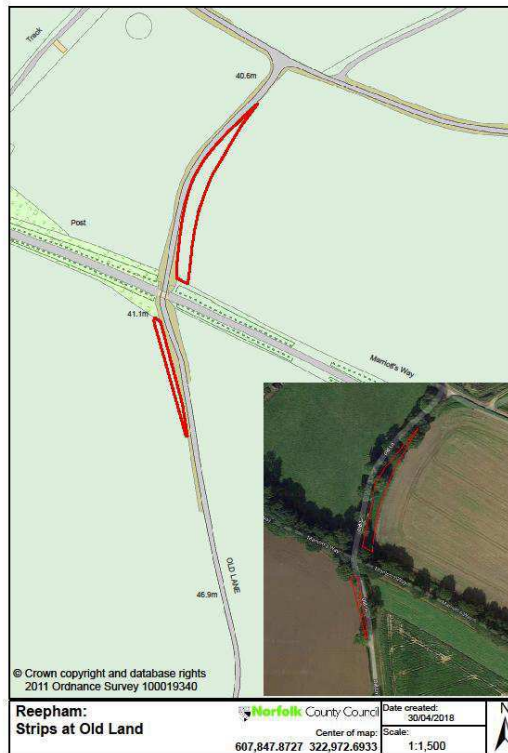
dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.



### Reepham - Strips of land at Old Lane (5047/025)

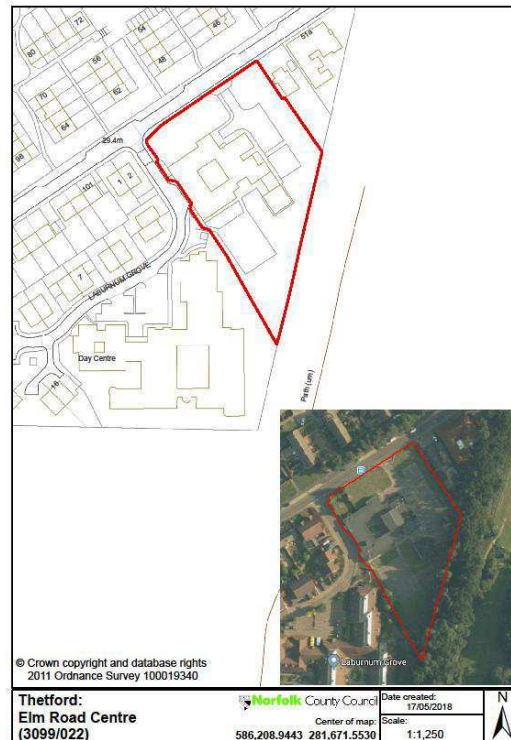
- 2.28 These strips of land were acquired by NCC for a highway scheme but not directly utilised. They amount to approximately 0.09 hectares (0.23 acres) in area.
- 2.29 These strips of land were declared surplus by Community and Environmental Services on 29/5/2018. Following a review by the Head of Property in consultation with CPSG it has been confirmed that they are not required for NCC service use.
- 2.30 It is proposed to dispose of these two strips of land by way of public auction.
- 2.31 B&P Committee is asked to formally declare the Strips of land at Old Lane, Reepham surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.





### Thetford - Elm Road (3099/022)

- 2.32 This property was acquired by NCC in the 1960's. The property has been utilised by both Children's and Adult Services. Overall the site area is approximately 0.57 hectares (1.4 acres) in area.
- 2.33 Children's Services declared it surplus for their use on 9/8/2011. Subsequently the property was used by Adult Services. They declared it surplus for their use 29/4/2013. The property has remained empty ever since.
- 2.34 Adult Social Care have explored various options for the reuse of the site, however no firm proposals have come forward.
- 2.35 Following a review by the Head of Property in consultation with CPSG it has been confirmed that the property is not required for NCC service use.



- 2.36 This property incurs a significant cost per year in security costs alone. Despite this the property has suffered a lot of vandalism and is in a very poor state of repair.
- 2.37 The Head of Property has considered several options that has included disposal with or without planning permission, self-development (via Repton), or leasing out and concludes that this site should be disposed of by way of public auction thereby mitigating future liabilities of retaining the site.
- 2.38 B&P Committee is asked to formally declare Elm Road, Thetford surplus to County Council requirements and instruct the Head of Property to dispose of the property. In the event of a disposal receipt exceeding delegated limits the Head of Property in consultation with the Executive Director of Finance & Commercial Services and Chair of B&P Committee is authorised to accept the most advantageous offer and report the fact at a subsequent B&P Committee meeting.

### **3.0 Repton Property Developments Ltd**

- 3.1 Committee will recall that previously it has been reported that the Land north of Norwich Road, Acle will be offered to Repton. Work is ongoing to assess the value; however, any sale of land will not proceed until Repton has procured its development services provider. The provider will act for Repton in the purchase of any sites from NCC.
- 3.2 Repton is working with Cushman and Wakefield to procure the development services provider and it is anticipated tenders will be sought during September 2018 with the appointment of the preferred partner during Autumn 2018.

### **4.0 Financial Implications**

- 4.1 Decisions in this report will ultimately result in sale proceeds which will support funding of the Capital Programme or the repayment of debt. Other financial implications include:
- Reduction in property expenditure and financial efficiency through reduction in the number of sites and buildings retained.
  - Generating revenue income/capital receipts from the exploitation of surplus property assets.
  - Disposal and development costs to fund planning and assessment work. The cost of these will be funded from future receipts.

### **5.0 Issues, risks and innovation**

- 5.1 For disposals and acquisitions in the usual way the legal implications are around the parties agreeing to the terms of the agreement for each acquisition and disposal and entering a contract.

### **6.0 Background**

6.1 There are several strands forming the strategic background to these proposals, namely:

- The overall Council's priorities under the Norfolk Futures Strategy of:
  - Safer Children and Resilient Families.
  - Promoting Independence for Vulnerable Adults.
  - Smarter Information and Advice.
  - Towards a Housing Strategy.
  - Digital Norfolk.
  - Local Service Strategy.
  - Commercialisation.
- Norfolk County Council Asset Management Plan 2016-19.
- The adoption of an updated property savings plan, that calls for savings of £4.25m over the next four years.
- The Norfolk One Public Estate Programme that is supporting the joint strategic exploitation of the combined public-sector property estate.
- The medium term financial strategy includes commercialisation of NCC property assets as a priority to help diversify the Council's funding.

6.2 Strategic asset management is focussed on:

- Releasing properties that are costly, not delivering services efficiently or in the wrong location.
- Exploiting the latent value of the property estate with an emphasis on using the retained estate more intensively or identifying opportunities to generate revenue income or increasing the capital value.
- Reducing future maintenance liabilities and reducing the overall carbon footprint.
- Directing spend on "core" property assets that are to be retained over the long term.

6.3 There are several key targets in the prioritised work plan in the Asset Management Plan that support these proposals:

- Ongoing implementation of the property savings plan.
- Continued focus on property rationalisation.
- Property commercialisation.
- Reduce cost of retained property.
- Ongoing implementation of a 3-year disposals programme, allied with seeking opportunities for development.
- Surplus Highways land – implement disposals of packages of land parcels no longer required for road schemes.
- Deliver strategy to promote surplus/fringe sites for housing.

## **Officer Contact**

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