

## **Environment, Transport and Development Overview and Scrutiny Panel**

### **Minutes of the Meeting held on Tuesday 14 January 2014 at 10am at County Hall.**

**Present:**

Mr B Spratt (Chairman)

Mr M Baker	Mr J Law
Dr A Boswell (Vice-Chairman)	Mr I Monson
Mr B Bremner	Mr J Perkins
Mr R Coke	Mr N Shaw
Mrs M Dewsbury	Mr J Ward
Mr T East	Mr A White
Ms A Kemp	Mr M Wilby

**Also present:**

Mrs C Walker	Cabinet Member for Economic Development
Mr D Harrison	Cabinet Member for Environment, Transport, development and Waste.

#### **1 The feasibility of supporting local businesses through changes to the current business rates regime.**

- 1.1 The Chairman welcomed everyone and set out the itinerary for the meeting. Attendees included portfolio holders and officers from local District Councils, representatives from the Federation of Small Businesses, Valuation Office; New Anglia Local Enterprise Partnership; Norwich Business Improvement District; Norfolk Chamber of Commerce; NPS Norwich Ltd; NPS Property Consultants Ltd; Twinkle Tots Nursery, King's Lynn; Athena Games; Little Bunnies Day Nursery, King's Lynn; Tribal Riders Snow and Water Ltd and officers from the Economic Development Team at Norfolk County Council.
- 1.2 The Panel received a report providing the basis for discussion between members of the Panel and representatives of key stakeholder organisations, with a view to exploring the scope for supporting local businesses through changes to business rates. The Panel were asked to note the contents of the report and, following discussion with the stakeholders, to agree any recommendations they considered appropriate.
- 1.3 The following points were noted during the discussion:

- Most businesses said they expected to pay business rates, although they stressed that these should be set at a reasonable level. One way which small businesses could be helped was to have an option of paying their business rates through a graduated payment structure for the first few years of trading.
- Cases were cited about people who had contacted the Valuation Office for assistance with information as to how their rates bill had been determined, but they had been told that the best way of obtaining that information was to instruct a private rates review.
- A case was cited about large businesses who classified their premises as a workshop and that this was not checked by the Valuation Office with the result that some large businesses were paying much less business rates than smaller businesses. This penalised businesses such as children's day nurseries which faced statutory requirements under Ofsted rules to provide a certain amount of space per child.
- The meeting was informed that the valuation date of 1 April 2008 used for determining business rates was statutory and would not be reviewed until after the next election. There was a process for appealing against the business rates, although the appeal process was very slow. It was considered that this may be one area that Government could be asked to review.
- A general recommendation was made that anyone who was considering setting up a small business should approach a professional rates adviser for assistance to ensure their business rates were set correctly at the outset.
- The Panel **agreed** to send a letter to Brandon Lewis MP, Parliamentary Under-Secretary of State at the Department for Communities and Local Government, asking him to consider how the current system of business rates was operated and requesting his support in addressing some of the issues identified.
- There were two issues that the meeting felt could be raised in the letter. Firstly, an urgent reform was needed of the system of business rates and the way it was administered. In particular the need to address the major disparities that prevailed. Secondly the fact that the current system had not adapted to changes in consumer spending associated with internet shopping and out-of-town retail centres. The effects of this on some businesses was compounded by massive tax avoidance by certain online retailers and high street chains which led to a deep sense of injustice and threatened the level and sustainability of funding for many councils.
- A new procedure had been adopted for dealing with valuation appeals which had caused a backlog of rates reviews at a national level. The number of outstanding appeals relating to Norfolk was not known.

- Studies had been carried out over the last 20 years to ascertain the benefits of Enterprise Zones in the UK. The most recent in 2006 by Cambridge Econometrics. They had consistently shown that although businesses renting premises in an Enterprise Zone would benefit from a rate-free period, the effects were gradually swallowed up by a disproportionate increase in rent by the end of the rate-free period so any advantages had been lost.
- Most of the representatives at the meeting felt that the current business rates system did not offer a clear and consistent method of levying a local business tax and was therefore considered unfair.
- District Councils confirmed that their mandatory and discretionary relief policies worked well, offering discretionary relief to certain rural businesses, including pubs, petrol stations, post offices. However, it was noted that any discretionary relief offered needed to be funded by the Billing Authority.
- Further information about valuation appeals could be found on the Valuation Office website at [www.voa.gov.uk](http://www.voa.gov.uk)

1.4 **RESOLVED** to write to Brandon Lewis MP asking for an urgent reform of the current system of business rates and the way in which it was administered, in particular how major changes in consumer spending associated with online shopping and out of town retail centres had not been adapted to. Information to be included about how the current regime penalises business such as children's day nurseries which faced statutory requirements to provide minimum space per user, and information about 'self reporting' by some businesses was leading to the VOA classifying their premises as 'workshops'.

The meeting adjourned at 11.45am and re-convened at 2pm in the Edwards Room, County Hall.

## 2 Apologies

Apologies were received from Brian Long (Ian Monson substituted), Pat Hacon and Daniel Roper, Cabinet Member for Public Protection.

## 3 Minutes of the meeting held on 26 November 2013

3.1 The minutes of the meeting held on 26 September 2013 were agreed as an accurate record and signed by the Chairman.

## 4 Declarations of Interest

No declarations of interest were received.

## 5 Items of Urgent Business

There were no items of urgent business.

## 6 Public Question Time

The public questions received and their responses are attached to these minutes at Appendix A.

## 7 Local Member Issues/Member Questions

No Local Member issues or Member questions were received.

## 8 Cabinet Member Feedback on Previous Overview & Scrutiny Panel Comments.

8.1 The Panel received a joint note by the Cabinet Members for Planning and Transportation, Economic Development, Environment and Waste and Community Protection, providing feedback on items discussed at Cabinet which had previously been discussed at an ETD Overview and Scrutiny Panel meeting.

8.2 The Interim Director for ETD updated the Panel on the current position with regard to the Northern Distributor Road (NDR) during which the following points were noted:

- The planning application by Norfolk County Council for the Northern Distributor Road had been submitted and was with the Planning Inspector who had 30 days to validate it. Once the application had been validated, a date would be set in late spring/ early summer for the public inquiry. The Planning Inspector would then hold the inquiry, produce a report after which it would be forwarded to the Secretary of State who would make the final judgement.
- The orders for the Postwick junction site had now been confirmed and if there were no legal appeals work would commence at the site in summer 2014.

8.3 **RESOLVED** to note the report.

## 9 Forward Work Programme: Scrutiny

9.1 The annexed report by the Interim Director of Environment, Transport and Development was received by the Panel. The report set out the forward work programme for scrutiny.

9.2 The following points were noted during the presentation by the Scrutiny Support Manager:

### 9.2.1 Fracking

The next meeting of the Fracking Working Group would be held on 15 January with an update brought to the Panel meeting in March.

### 9.2.2 Mobile Phone Coverage and Digital Radio and Broadband Coverage.

The Vice-Chairman of the O&S Panel read out a statement from Dr Marie Strong with a suggestion to have a six-monthly progress report at future meetings once the new system of governance had been agreed. A copy of the statement is included below:

*Dear Chairman and Members*

*I would ask you to strongly recommend that Scrutiny items 1 and 4 continue when the Committee system of Governance commences.*

*The original Working Group carried out extremely useful work regarding the establishment of Better Broadband for Norfolk. As the task of bringing about BB across the County continues I feel the item should remain with the more recently formed Working Group to provide Member input until the task is completed.*

*The Working Group also proved very useful as we moved from analogue to digital television but we need to keep digital radio on the agenda.*

*And of vital importance is the task of ensuring adequate mobile 'phone coverage throughout our rural divisions. Whilst many of us have previously provided considerable evidence of the problem I would add that at the height of the 5 December flood mobile 'phone signals were lost in places and at times which hampered vital work. The current situation should not continue.*

*I ask that you recommend these items of scrutiny continue under the new system of Governance in order for Members to support the important work of our Officers.*

**County Councillor Dr Marie Strong**

*Member of the current Working Group – and sole remaining Member of the original Working Group.*

The Panel **agreed** to recommend that scrutiny of Mobile Phone and Digital Radio coverage in rural Norfolk and Broadband Coverage for rural and urban areas of Norfolk, continue under the new Norfolk County Council System of Governance.

9.2.3 Regeneration of former RAF Coltishall Site.

A request had been received from Cllr Nigel Dixon to add this topic to the forward work programme for the Panel to consider in March 2014.

Following discussion on the options available to the Panel, it was noted that a report on the Norfolk Infrastructure Fund – Annual Report (NIF) would be brought to the March meeting of Cabinet, where some of the issues raised by Mr Dixon may be addressed.

9.3 **RESOLVED** to note the report.

**10 Recommendations from the Snettisham Access Working Group**

10.1 The annexed report of the Snettisham Access Member Working Group was received by the Panel. The report outlined the work the working group had carried out in responding to the original Councillor Call for Action (CCfA) and recommended a way forward for the Environment, Transport and Development Overview and Scrutiny Panel.

- 10.2 The Chairman welcomed John Dobson to the meeting, who said that this was the first Councillor Call for Action (CCfA) brought to this level at Norfolk County Council and he was very grateful to members of staff and Members of the Panel for their input. He believed that the working group had achieved the right outcome, and that this outcome would be welcomed locally. He said it would also give an equitable solution to the issue. He said that the Police had also expressed their satisfaction with the proposed outcome from the working group.
- 10.3 The Panel thanked the working group and the officers for the work that had been done and

**RESOLVED to:**

- i) Note the progress made by the Working Group.
- ii) Consider the Working Group's suggestion that officers be asked to contact the owner of the signs and request that they be removed pending the outcome of the Definitive Map Modification Order (DMMO), at which time Officers will seek to erect new definitive signs, and
- iii) Recommend the agreed course of action to Cabinet.

**11 Highways Capital Programme 2014/15/16 and Transport Asset Management Plan.**

- 11.1 The Panel received the annexed report by the Interim Director of Environment, Transport and Development, summarising the Local Transport Plan (LTP) Settlement for 2014/15. The report detailed the main sources of funding and budget allocations and described how these were allocated between the main types of scheme.
- 11.2 During the presentation of the report it was noted that although £2m had been re-allocated to structural maintenance from the integrated transport funding, the total allocation (£25.379m) was well below what was actually needed to maintain the existing condition of roads in Norfolk (£36m).
- 11.3 Panel expressed the view that Parish Council contributions to schemes under the Parish Partnership Fund should remain at 25%.
- 11.4 Following a question about how the "pink pedalway" would be identified, it was noted that the term "pink pedalway" referred purely to the mapping route. To assist users, markers would be applied at intervals along the route.
- 11.5 **RESOLVED to**
- i) note the contents of the report, in particular the reallocation of integrated transport funding to structural maintenance to partially address the deterioration in highway condition, and recommend it to Cabinet for approval;
  - ii) note the proposed changes to the Transport Asset Management Plan for 2013/14 to 2017/18 and recommend it to Cabinet for approval;
  - iii) recommend to Cabinet the use of Chief Officer delegated powers, in consultation with the Cabinet Member for Environment, Transport, Development and Waste, to manage the two year programme, including the

possible increase in the Integrated Transport programme to £2.5m to deal with any major scheme cost pressures if they arose.

## **12 Putting People First – Findings from the public consultation and the outcome of the Equality Impact Assessments for the proposals affecting Environment, Transport, Development and Waste.**

- 12.1 The Panel received and noted the annexed report setting out the proposals for Environment, Transport, Development and Waste. The Panel also received a presentation by the Cabinet Member for Environment, Transport, Development and Waste a copy of which is attached to these minutes at Appendix B.

## **13 Putting People First – Findings from the public consultation and the outcome of the Equality Impact Assessments for the proposals affecting Public Protection – Trading Standards.**

- 13.1 The Panel received and noted the annexed report setting out the proposals for Trading Standards and noted the presentation by the Director of Environment, Transport and Development given on behalf of the Cabinet Member for Public Protection.

## **14 Putting people First – Service and Budget Planning 2014/17**

- 14.1 The Panel received the annexed report by the Interim Director of Environment, Transport and Development setting out the latest information on the Government's Local Government Finance Settlement and specific information on the financial and planning context for Environment, Transport and Development for the next three years. It also set out any changes to the budget planning proposals for Environment, Transport and Development and the proposed cash limit revenue budget for the service based on all current proposals and identified pressures and the proposed capital programme.

- 14.2 The points below were noted following questions from the Panel:

- The standard for treating potholes within 72 hours of receiving notification had not changed under the proposed cuts. The proposal within the consultation was to reduce the highways maintenance budget for one year by £1.0m which would not have an impact on the way potholes were currently treated.
- Proposal 62 – Charge £2 per visit for customers to visit recycling centres. Members were reassured that significant costs of clearing fly-tipped rubbish were unlikely to be passed on to the Environment Agency or district council. Previously, when recycling centres had reduced their opening hours, there had been some instances of fly-tipping for a short period of time, but the overall trend in Norfolk was showing a downward turn.

It was important to note that fly-tipping was a criminal offence. If fly-tipping occurred on private land it was the responsibility of the land-owner to pay for the disposal the rubbish. If fly-tipping occurred on publicly accessible land it was the responsibility of the Local Authority to clear the rubbish.

- Proposal 61 – Stop routine disposal of paint at recycling centres. It was hoped that using the annual amnesty for the public to dispose of unwanted paint would encourage people to keep their unwanted paint until the amnesty period and then recycle it through a repaint scheme. Members felt that this recycling initiative should receive additional publicity so the public were aware that such a scheme existed.
- Proposal 53 – Reduce subsidy for the Coasthopper bus service. The Coasthopper service was acknowledged as a highly valued service and a lifeline for the communities living in north Norfolk, although it was recognised that there was also 142 other highly valued services across Norfolk who also provided a valuable lifeline for users. The Assistant Director Travel and Transport explained that the Coasthopper service should offer a good frequency in winter service with the proposed reduction in the level of subsidy it received. Negotiations were ongoing and the summer service was secured.

In response to a question from the Cabinet Member for Economic Development, it was confirmed that the cuts proposed in the report did not include the additional £11m of savings which had now been identified and further consultation would be required to make additional cuts.

- Proposal 47 – Scale back Trading Standards advice to focus on the things we have to do by law. A broad range of activities was being carried out to try to prevent people from becoming victims of scams, and other targeted crimes and the value of helping and supporting people was well recognised. Trading Standards would not be able to do as much work in this area in the future but would continue to try to find solutions and provide support and educational help using all available assets.
- In the past a Regional Advice Centre had provided general first tier advice with Trading Standards delivering a more specialist consumer support service alongside its statutory duties in enforcing laws. The Government had now introduced a first tier advice service, with funding provided to Citizens Advice, which fielded calls for residents in England and Wales. This filter fielded first tier calls to a citizens advice service and other calls referred to Trading Standards, including issues which may be of a criminal nature. Trading Standards would continue to respond to the most detrimental cases, but the levels of proactive and reactive/investigative work would inevitably reduce.
- Proposal 5 – Reduce the cost of waste. The increase in cost for the Landfill Tax are set at £8 per tonne, with extra costs due to the increase in tonnage to landfill. Norfolk County Council had experienced an increase in the amount of waste sent to landfill recently and although a two year fall in landfill waste had been predicted, the true picture was that the reduction in waste had fallen in the first year, then plateaued out. It was very difficult to predict the amount of waste which may be generated in the future. The figures within the report included the food waste schemes operated by King's Lynn and West Norfolk Borough Council, Norwich City Council and Broadland District Council.



- Cost Neutral Adjustments  
The extra funding for Public Rights of Way (listed under cost neutral adjustments) was not money that could be used for maintenance costs and mainly comprised of the external funding granted for the city cycling scheme.
- Additional Costs for Concessionary Fares Travel Scheme.  
£8.7m had been allocated to Norfolk County Council through the revenue grant support scheme to cover the concessionary fares travel scheme, although the cost of the scheme to Norfolk County Council to cover its mandatory duty was estimated at £11m.
- Proposal 59 – Cut the Cost of Providing School Transport  
The reduction in the cost of providing school transport would mainly be made up from revoking bus passes from those pupils who were not entitled to receive a pass as they lived within the statutory travelling distances, or from those who were no longer entitled to receive a pass.
- There were 40 potential areas where school routes could be improved and introduced and once the feasibility studies had been completed the Assistant Director of Travel and Transport would ensure Members were made aware of proposed changes.

14.3 The comments made by the Panel at its previous meeting and included in the report within section 6, were discussed with a view to proposing the removal of these items from the proposed list of cuts. Some members expressed their disagreement with removing the items from the list in the light of the savings required within Adult Social Services personal budgets, Safeguarding and 16-19 transport, as well as the reductions required in other departments. It was reiterated that there was no choice to the County Council in making these savings with the cuts forced on it by the Government and that if the Panel proposed removing items from the list, then additional savings would need to be found by other departments if alternative options for savings could not be proposed for consideration.

14.4 It was proposed and seconded to **recommend to Cabinet** the following proposals from the savings list and these items were individually voted on as follows:

- Remove the reduction in the refilling of grit bins, as the Panel felt this could be a danger, especially if prolonged wintery conditions were experienced this winter. With 10 votes for, 2 against and 2 abstentions it was agreed this item would be removed.
- Remove the proposed £2 recycling charge as the Panel felt this could result in more instances of fly-tipping which could cost the Council additional money to clean up. With 10 votes in favour, it was agreed that this item would be removed.
- Parish Council contributions to schemes under the Parish Partnership Fund remain at 25%. With 7 votes for, 4 votes against and 4 abstentions this was agreed.
- Delete the £1m saving from the maintenance budget as this was only for one year and maintenance on some roads was urgently required. With 8 votes for, 3

votes against and 3 abstentions, it was agreed this item would be removed.

14.5 **RESOLVED** to:

- Note the provisional finance settlement for 2014-15 and the latest planning position for Norfolk County Council.
- Note the updated information on spending pressures and savings for Environment, Transport and Development and the cash limited budget for 2014-15 in context with the feedback from the consultation report.
- Note the proposed list of new and amended capital schemes and the proposed capital programme for Environment, Transport and Development, **recommending to Cabinet the following**, although no alternative proposals were offered to replace those which were removed:
  - Remove the reduction in the refilling of grit bins, as the Panel felt this could be a danger, especially if prolonged wintery conditions were experienced this winter.
  - Remove the proposed £2 recycling charge as the Panel felt this could result in more instances of fly-tipping which could cost the Council additional money to clean up.
  - Parish Council contributions to schemes under the Parish Partnership Fund remain at 25%.
  - Delete the £1m saving from the maintenance budget as this was only for one year and maintenance on some roads was urgently required.

(The meeting closed at 3.35pm)

**Chairman**



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**Environment Transport & Development O&S Panel  
14 January 2014  
QUESTIONS**

**Public Question Time**

**6.1 Question 1 from Mr Ian Bevan**

Norfolk has just had 75mph gusts, I have had 5 fence panels shattered. Replaced them today at a cost of £100.00 , Contacted NCC re disposal of broken fence panels. I live in Diss, nearest WDS is 17 miles away in Thetford, Told I can only take 1 fence panel per week, ie 5 journeys over 5 weeks, 5 x 34 mile trips, 170 miles total....not going to happen.!! Then I read in the paper about the problem of Fly Tipping around Diss. How stupid are Norfolk County Council? I will not fly tip because I'm not that kind of person but how many would?

**Response by the Cabinet Member for Environment, Transport, Development & Waste.**

It is not clear from your question if you did visit the Thetford recycling centre with your fence panels or contacted the County Council for information beforehand. The advice that you should have received was that one fence panel could have been left "free of charge" and that the remaining four panels could also have been left, but on payment of a small charge under of Pay as You Throw service for DIY waste. This system has operated for a number of years now and I am sorry if you were not given the correct information. You would have therefore been able to dispose of all five panels during one visit, preventing the need for any repeat journeys.

Under current government legislation items such as fence panels, as well as other DIY type items, are not something that the County Council has to accept at its recycling centres nor do the district councils have to provide a collection service for. However we do recognise that householders may wish to dispose of their DIY waste and therefore, as a concession, a small amount can be disposed of "free of charge" each week, with additional amounts accepted at our larger recycling centres and subject to a small charge. Were we to accept unlimited amounts "free of charge" the impact for Norfolk's Council Tax payers would be significant and not something that could be met.

I appreciate your concerns regarding the potential for fly-tipping, but figures indicate that only a small percentage (around 5%) of waste fly-tipped in Norfolk is construction and demolition waste and the majority of this is more likely to result from commercial activities rather than DIY waste from householders.

## 6.2 Question 1 from Mr John Pennell

Could the new discretionary powers to alleviate business rates be used to give the same rate reliefs for Village Halls, Community Centres and Sports Halls run by Town and Parish Councils, which are of course, precepting authorities, as are extended to exactly similar facilities run by charities or community organisations in many other parishes.

### Response by the Cabinet Member for Economic Development

The discretionary power to alleviate business rates lies with the district councils in Norfolk, and not the County Council. My understanding is charities already qualify to receive rate relief.

We do recognise that there are opportunities to improve support for local businesses, including those that you mention, through changes to the business rates regime. That is why this Panel set up a Working Group to look in detail at this issue, which met this morning with a number of stakeholders, including representatives from district councils

## 6.3 Question 2 from Mr John Pennell

NorfolkALC which represents Town and Parish Councils in Norfolk of which I am the representative on the National Association, is aware that our member town and parish councils have a role to play in the business development in their area but are excluded from discussions on the localisation of business rates. Their members are also excluded from a share of these rates when often they have a considerable input to local business development – particularly high street businesses. What steps can be taken to involve these most local of councils in the process and to give the more pro-active councils a say in how the increased revenues are spent?

### Response by the Cabinet Member for Economic Development

The Business Rates Retention Scheme was implemented in April 2013 as a new funding system for local government, replacing the previous Formula Grant. However, localisation of business rates does not equate to an increase in resources or local control of all business rates collected. Business rates are still subject to a national funding system and a system of tariff and tops ups is in place to reallocate resources in line with the Government's assessment of baseline funding. Business Rates Retention Scheme funding is received through a mix of revenue support grant, retained rates and for some councils a top-up grant and is used to fund council's core services. For Norfolk County Council retained rates are provisionally expected to account for £25.5m of our funding in 2014-15 - approximately 4% of the council's core funding from Government's funding settlement and council tax. Councils are able to retain a proportion of the growth in business rates, which needs to be above inflation to keep pace with cost of living increases.

The use of business rates retention scheme funding, along with other funding sources available to the Council, is consulted on as part of the annual budget setting process.